



# SIREPA

SOUTHEAST IOWA REGIONAL  
ECONOMIC & PORT AUTHORITY

**Wednesday, November 5, 2025**

**Meeting of the Board of Directors  
1:00pm – 2:00pm**

**In-person at: SIREPA Building  
2495 280<sup>th</sup> St, Montrose, IA**

**And Via Zoom**

**Call-In: (312) 626-6799 Meeting ID: 793-665-7959**  
<https://us02web.zoom.us/j/7936657959?omn=81771951964>

## **Agenda**

- I. Call to Order, Chair (Hickey):
  - Roll Call:
    - a. Director Mike Hickey, Chair
    - b. Director, Bob Dodds, Vice-Chair
    - c. Director, Bruce Hardy, Secretary/Treasurer
    - d. Director Michael Dunn
    - e. Director Jack Smith
    - f. Director Tony Johnson
    - g. Ex-Officio, Ed Failor, State Treasurer's Office
  
- II. Agenda of November 5, 2025 Meeting (Board Action)
  
- III. Consent Agenda (Minutes of August 19, 2025 Meeting and financials) (Board Action)
  
- IV. Agreements with LCEDG
  - a. Put Option
  - b. Lease Agreement
  - c. Funding Agreement (Board Action)
  
- V. Broadband update (Board Information)
  
- VI. Adjourn (Board Action)



# SIREPA

## SOUTHEAST IOWA REGIONAL ECONOMIC & PORT AUTHORITY

Minutes of the SIREPA Board of Directors  
Tuesday, August 19, 2025, 11:00 a.m.  
In-Person at SIREPA Building, 2495 280<sup>th</sup> St, Montrose, IA or via Zoom

I. **Call to Order** at 11:00 a.m. by Mike Hickey, Chair

Roll Call:

Board Members Present: Director Mike Hickey (Chair), Director Bob Dodds (Vice-Chair), Director Bruce Hardy (Secretary/Treasurer), Director Michael Dunn, and Director Jack Smith; Director Tony Johnson, and Ed Failor (Ex-Officio State Treasurer's Office) via Zoom

Board Members Absent:

SEIRPC Staff Present: Mike Norris; Zach James and Sherri Jones via Zoom

Guest(s) Present: Emily Benjamin (Lee County Economic Development Group), Garry Seyb (Lee County Supervisor), Dr. Tim Wondra (Lee County Supervisor), and Chuck Vandenberg (Pen City Current); Angie Holland (Fort Madison Daily Democrat) via Zoom

II. **Agenda Approval (Board Action):**

Hardy made a motion to approve the August 19, 2025, meeting agenda, second by Dunn. Motion carried.

III. **Consent Agenda Approval (Board Action):**

Dunn made a motion to approve the July 25, 2025 minutes, second by Hardy. Motion carried.

IV. **2495 280<sup>th</sup> St Scenario Analysis (Board Information):**

Norris said SIREPA partnered with LCEDG in 2021 to purchase the property at 2495 280<sup>th</sup> St, Montrose, IA, for use as the Lee County Joint Education Center. SIREPA would own the building and LCEDG would fund operational expenses. All building expenses and revenues flow through the Joint Account that both parties have access to. The building has been financed through Connection Bank since purchase. The building is generating income through three sub-leases with LCEDG, but it's not

enough to pay for all expenses. An announcement was made that the Joint Education Center will open at the Keokuk SCC campus due to lower operational costs. SIREPA and LCEDG staff proposed using 5,000 sq ft of the building for a Lee County Childcare Center. Both boards approved and Community Project Funding was applied for. SIREPA board members requested a scenario analysis of building uses for the 37,000 sq ft building which currently houses five building occupants. Scenario A is dependent on receiving Community Project Funding and includes three phases: maximizing short term leases, pausing short term leases for construction, and opening the childcare facility in Fall 2028. Scenario B does not include Community Project Funding and simply maximizes lease space to support ongoing operations and considers selling some property to pay down mortgage principal. Detailed budgets for both scenarios have been constructed by LCEDG since it holds the subleases and is responsible for funding the Joint Account.

**V. Matters from the Floor:**

Norris said ImOn representatives will be in the area and will meet with Mike Hickey, Garry Seyb, and Emily Benjamin to talk about the partnership formed by Lee County, SIREPA, and Danville Mutual Telecom, and future plans regarding broadband.

**VI. Adjourn (Board Action):**

Hardy made a motion to adjourn at 11:33 a.m., second by Dunn. Motion carried.

\_\_\_\_\_  
Bruce Hardy, Secretary/Treasurer

Date: \_\_\_\_\_



**SIREPA**  
SOUTHEAST IOWA REGIONAL  
ECONOMIC & PORT AUTHORITY

***Financial Report***  
***September 2025***

Lori Gilpin  
Finance Director, SEIRPC  
*Completed October 31, 2025*

**Southeast Iowa Regional Port Authority  
Balance Sheet  
9/30/2025**

**ASSETS**

**Current Assets**

**Checking/Savings**

**Connections Bank - checking 470,652.89**

**Accounts Receivable**

**Accounts Receivable 26,662.00**

**Fixed Assets**

**Building**

**1,000,000.00**

**TOTAL ASSETS**

**1,497,314.89**

**LIABILITIES & EQUITY**

**Liabilities**

**Long Term Liabilities**

**N/P - Connection Bank 1,001,534.00**

**Equity**

**Opening Balance Equity 9,213.08**

**Unrestricted Net Assets 471,576.33**

**Net Income 14,991.48**

**495,780.89**

**TOTAL LIABILITIES & EQUITY**

**1,497,314.89**

**Southeast Iowa Regional Port Authority  
Statement of Revenues & Expenditures  
For the Three Months Ending September 30, 2025**

	<u>July - Sept 2025</u>
<b>Income</b>	
<b>Broadband Income</b>	-
<b>Dues</b>	10,500.00
<b>Transfers In</b>	19,662.00
<b>Other Income</b>	-
	<u>30,162.00</u>
<b>Interest Income</b>	4,491.48
	<u>34,653.48</u>
<b>Expense</b>	
<b>Admin Expense</b>	-
<b>Insurance Expense</b>	19,662.00
<b>Meetings</b>	-
<b>Other Expenses</b>	-
<b>Professional Fees</b>	-
<b>Supplies</b>	-
	<u>19,662.00</u>
<b>Net Income</b>	<u>14,991.48</u>



# SIREPA

SOUTHEAST IOWA REGIONAL  
ECONOMIC & PORT AUTHORITY

## Memo

To: SIREPA Board of Directors  
From: Mike Norris, Administrator  
Date: November 5, 2025  
Re: Agreement updates with LCEDG

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### BACKGROUND

SIREPA purchased the Career Advantage Center building in 2021 with complete funding support of LCEDG, and bound by three agreements, listed below:

- Funding agreement:
  - Established the “Joint Account” which LCEDG funded with an initial disbursement of \$100,000. All building expenses and revenues flow from the Joint Account.
- Put Option:
  - Defines how the building can be sold, described below:
    - SIREPA exercises Put Option, LCEDG is bound to acquire per agreement terms.
    - SIREPA seeks private sale, LCEDG has right to acquire for lesser amount of the Put Price or a Third-Party sale.
    - If sold to a Third Party, agreement stipulates distribution of net proceeds.
- Lease Agreement:
  - Between LCEDG and SIREPA.
  - Is a “master lease” to LCEDG that grants right to sublease other parts of the building with written consent of SIREPA.

### UPDATING AGREEMENTS

SIREPA and LCEDG have successfully managed a private-public partnership to own, lease, manage the building since 2021. Kudos to the staff and boards of each entity for such success. After four years the agreement suite required updating to reflect current conditions and perspectives developed over time.

### SUMMARY

Updating the agreements accomplishes the following objectives:

1. Defines equity in the building for both parties and the distribution of net proceeds upon a building sale.
2. Updates language to reflect current practice and relationship of both parties.
3. Updates terms of the agreements.

### UPDATING AGREEMENTS

A small group of board members (Dodds, Hardy, Smith) and organization staff (Benjamin, Norris) met twice with correspondence in-between to review and update the agreement suite. Thank you to each of the group members that contributed to the updating effort.

Summary changes to the agreements:

- Put Option: Updated language updates the Put Price by defining equity and value appreciation of the building; updates the Third-Party Price by defining equity and appreciation.

- Put Price

The purchase price (the “Put Price”) for the Property shall be equal to the following:

- i. The outstanding indebtedness of the Purchase Money Loan, plus:
- ii. The amount of any accrued but unpaid Qualifying Costs to SIREPA, plus:
- iii. The amount of funds SIREPA has deposited with Connection Bank expressly for reducing the Purchase Money Loan principal, plus:
- iv. Half of the determined appreciation of the building which is the difference of the initial Purchase Money Loan principal and the current appraised value of the Property.

- Third Party Price

Upon sale to a third party, net proceeds shall be distributed to LCEDG and SIREPA in the following order, until net proceeds equal zero:

- i. Hard equity in the building, evidenced by direct monetary deposits made to Connection Bank with express purpose to reduce the mortgage principal, in proportional amounts equal to each party’s contributions, plus;
- ii. Receipt of contributed equity in the form of permanent building improvements, as annually updated to each party, in proportional amounts equal to each party’s contributions, plus;

- iii. Receipt of appreciation value in equal shares to each party, determined by the difference of the original Purchase Money Mortgage amount and the selling price.
  
- Lease Agreement: Updated for another year, expires November 4, 2026; added following language

Any permanent building improvements made by either party, defined as individual expenditures exceeding \$2,500.00 and critical to the building's operation, safety, or structural integrity, shall, be recorded in a joint capital improvements ledger open to examination by both parties. Annually, both parties shall review the ledger; any of the same expenditures over \$20,000 shall have consent from the other party prior to implementation.

- Funding Agreement:
  - Term: Annually renews until cancelled by either party via 90-notice
  
  - Removed Menke & Co. as agent of funds as SIREPA and LCEDG staff have assumed that role
  
  - Removed language on initial 36-month period.
  
  - Surplus amounts in the Joint Funding Account go to LCEDG upon sale of the building or execution of the Put Option.

## PUT OPTION AGREEMENT

THIS PUT OPTION AGREEMENT (the "Agreement") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2025, by and between SOUTHEAST IOWA REGIONAL ECONOMIC AND PORT AUTHORITY ("SIREPA") and LEE COUNTY ECONOMIC DEVELOPMENT GROUP, INC. ("LCEDG") and shall constitute a restatement of the Put Option Agreement between the parties hereto dated June 30, 2021.

### RECITALS

- A. SIREPA owns, or will own, real property locally known as \_\_\_\_\_ and legally described on **EXHIBIT A** (the "Property"); and
- B. LCEDG desires to use the Property as a multi-purpose facility to benefit the future economic development of Lee County (the "Intended Use"); and
- C. SIREPA acquired the Property to assist LCEDG implement the Intended Use; and
- D. SIREPA obtained a loan from Connection Bank in an amount equal to \$1,001,534 and secured by the Property to acquire the same (the "Purchase Money Loan"); and
- E. LCEDG has deposited funds into a jointly accessible account (the "Shared Funds") pursuant to the terms of that certain Funding Agreement (the "Funding Agreement") to be applied to all actual and reasonable costs and expenses incurred by SIREPA in connection with its acquisition, ownership, and maintenance of the Property as more fully set forth in the Funding Agreement (the "Authorized Project Costs").

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

#### **1. Put Option.**

- (a) LCEDG hereby grants to SIREPA an option (the "Put Option") to sell the Property to LCEDG upon the terms and conditions hereinafter set forth. The purchase price (the "Put Price") for the Property shall be equal to the following:
  - i. The outstanding indebtedness of the Purchase Money Loan, plus:
  - ii. The amount of any accrued but unpaid Qualifying Costs to SIREPA, plus:
  - iii. The amount of funds SIREPA has deposited with Connection Bank expressly for reducing the Purchase Money Loan principal, plus:
  - iv. Half of the determined appreciation of the building which is the difference of the initial Purchase Money Loan principal and the current appraised value of the Property.
- (b) In the event SIREPA determines, through a reasonable exercise of its discretion, that it is not likely the Property will be used for the Intended Use the Put Option may be exercised by SIREPA.
- (c) If SIREPA elects to exercise its rights under the Put Option, it shall give LCEDG written notice of such election (the "Election Notice"). Delivery of the Election Notice shall constitute the exercise of the Put Option and shall bind LCEDG to purchase the Property for an amount equal to the Put Price.
- (d) Within sixty (60) days of the date the Election Notice is given to LCEDG, it shall pay to SIREPA the Put Price. Upon payment of the Put Price, SIREPA shall execute and deliver a Warranty Deed conveying the Property to LCEDG, or its designee, free and clear of all liens and encumbrances. LCEDG shall be responsible for paying all costs incurred in connection with closing the transaction contemplated by this Agreement including, without limitation, the costs of any abstracting, deed and transfer document

preparation, transfer taxes, title opinions, recording costs, and reasonable attorney's fees incurred by either of the parties.

2. **LCEDG Right To Acquire.** SIREPA shall not sell, transfer, or encumber its interest in the Property (other than with the mortgage securing the Purchase Money Loan) without first giving LCEDG written notice of such intent, together with a description of the proposed transaction, including a copy of any bona fide offer to purchase the Property from a third party (a "Seller Notice"). LCEDG shall have sixty (60) business days from the receipt of the Seller Notice to respond to SIREPA (the day following such 60th day, the "Refusal Date").

Upon receipt of the Seller Notice, but prior to the Refusal Date, LCEDG may deliver to SIREPA a written notice electing to purchase the Property pursuant to the terms hereof, provided, however, the purchase price shall be equal to the lesser of the purchase price specified in any third party offer accompanying the Seller Notice or the Put Price and closing shall occur within sixty (60) days after the refusal Date.

If LCEDG fails to timely deliver the written notice to SIREPA electing to purchase the Property prior to the Refusal Date, then SIREPA shall be free to consummate the transaction as described in the Seller Notice.

Subject to SIREPA strictly complying with the requirements of this Paragraph, upon completion of the transaction described in the Seller Notice, this Agreement shall be of no further force and effect.

- (a) Upon sale to a third party, net proceeds shall be distributed to LCEDG and SIREPA in the following order, until net proceeds equal zero:
- i. Hard equity in the building, evidenced by direct monetary deposits made to Connection Bank with express purpose to reduce the mortgage principal, in proportional amounts equal to each party's contributions, plus;
  - ii. Receipt of contributed equity in the form of permanent building improvements, as annually updated to each party, in proportional amounts equal to each party's contributions, plus;
  - iii. Receipt of appreciation value in equal shares to each party, determined by the difference of the original Purchase Money Mortgage amount and the selling price.

If, however, the transaction described in the Seller Notice is not completed for any reason whatsoever strictly in accordance with the terms thereof, then the provisions of this Agreement shall continue to apply.

3. **Notices and Demands.** All notices, demands, or other communications hereunder shall be in writing and shall be (a) sent by U.S. registered or certified mail, return receipt requested, with postage prepaid (except in the event of a postal disruption, by strike or otherwise, in the United States), or (b) sent by personal delivery by a nationally recognized courier service for next day delivery, to the party at the party's last known address, or (c) in any manner provided for under Iowa law for the service of an original notice. All notices, demands, and requests shall be effective when actually received; provided, however, that rejection or other refusal to accept or the inability to deliver because of a changed address of which no notice was given shall be deemed to be receipt of the notice, demand, or request sent. In the case of the death of a party, all such notices shall be given to the personal representative of the decedent's estate.

4. **General.** This Agreement (a) shall be construed in accordance with the internal laws of the State of Iowa, (b) shall be binding upon and inure to the benefit of the permitted successors and assigns of the parties hereto, and (c) may not be modified, amended, or terminated, except by a written agreement between the parties.

5. **Sole Benefit.** The obligations of each party hereunder are imposed solely and exclusively for the benefit of the other party, and no other person or entity shall have any standing to enforce such obligations or be deemed to be beneficiaries of such obligations. Neither party may assign or transfer its rights or obligations under this Agreement without the prior written consent of the other party.

6. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

SIREPA:

By: \_\_\_\_\_, its Board Chair \_\_\_\_\_  
Mike Hickey

LCEDG:

By: \_\_\_\_\_, its Board Chair \_\_\_\_\_  
Charles Ireland

## LEASE AGREEMENT

This Lease ("Lease") is made this 5th day of November, 2025 by and between **SOUTHEAST IOWA REGIONAL ECONOMIC AND PORT AUTHORITY** (hereinafter referred to as "Landlord") and **LEE COUNTY ECONOMIC DEVELOPMENT GROUP, INC.**, an Iowa non-profit corporation, (hereinafter referred to as "Tenant"), who hereby mutually covenant and agree as follows:

### **I. PREMISES AND TERM**

1.0 Premises. Landlord, for and in consideration of the rents herein reserved and of the covenants and agreements herein contained to be performed on the part of the Tenant, hereby leases to Tenant, and Tenant hereby leases from Landlord, **Real Estate Located in Lee County, Iowa as described in Exhibit A attached hereto** (the "Premises"), and all improvements now located on the Premises, or to be located thereon during the term of this Lease together with all appurtenances belonging to or in any way related to the Premises (all of which improvements and appurtenances shall be referred to in this Lease as the "Premises").

1.1 Initial Term. The Initial Term of this Lease shall commence November 5, 2025 (the "Commencement Date"), and shall end at 11:59 p.m. on November 4, 2026, unless sooner terminated as provided herein in accordance with the provisions of Section 1.2 of this Lease.

1.2 Renewal Option. Any renewal of this lease shall be for a new term negotiated in good faith, and recorded in writing, between Tenant and Landlord.

1.3 Termination Option. There is no termination option of the lease.

1.4 Condition of Premises. Tenant agrees to accept the Premises in the condition then existing as of the execution of this Lease.

1.5 Information Request. Reserved.

### **II. POSSESSION**

2.0 Except as otherwise expressly provided herein (or by written instrument signed by Landlord or Agent), Landlord shall deliver possession of the Premises to Tenant on the Commencement Date. If Landlord gives possession prior to the Commencement Date, such occupancy shall be subject to all the terms and conditions of this Lease. If Landlord shall be unable to deliver possession of the Premises on the Commencement Date for any cause beyond the control of Landlord, Landlord shall not be subject to any liability for the failure to give possession on said date, nor shall the validity of this Lease or the obligations of Tenant hereunder be in any way affected. Under such circumstances, unless the delay is solely the fault of Tenant, rent and other charges hereunder shall not commence until the later of the date possession of the Premises is given or the Commencement Date.

### **III. PURPOSE**

3.0 Purpose. The purpose of this lease arrangement is to secure a location for the proposed Lee County Career Advantage Center and for permanent offices for the Tenant as well as for such other purposes as shall be determined by the Tenant to advance the economic development of Lee County, Iowa. Provided, however, that no such use shall (a) violate any certificate of occupancy or applicable law affecting the Premises, (b) cause injury to the improvements, (c) cause the value or usefulness of the Premises or any part thereof to diminish, (d) constitute a public or private nuisance or waste, or (e) render any applicable insurance on the Premises void or the insurance risk more hazardous. Landlord represents and warrants that the certificate of occupancy for the Premises permits general office use.

3.1 Prohibition of Use. If as a result of any action of Tenant the use of the Premises should at any time during the Lease term be prohibited by law or ordinance or other governmental regulation, or prevented by injunction, this Lease shall not be thereby terminated, nor shall Tenant be entitled by reason thereof to surrender the Premises or to any abatement or reduction in rent, nor shall the respective obligations of the parties hereto be otherwise affected. If

through no fault or action of Tenant the use of the Premises should at any time during the Lease term be prohibited by law or ordinance or other governmental regulation, or prevented by injunction, this Lease shall terminate and Tenant shall surrender the Premises and the rent shall abate as of the date Tenant vacates the Premises (in which event Tenant shall have no liability or obligation under this Lease for the period rent is abated).

#### IV. RENT

4.0 Rent. Beginning with the Commencement Date, Tenant shall pay Landlord as rent for the use and possession of the Premises the sum of interest due on the Building Mortgage, held by Landlord, as determined by Mortgagee or Seven Hundred Sixty-Five Dollars and Fifty Five cents (\$765.55) in amounts determined by current mortgage instrument monthly for **Real Estate Located in Lee County, Iowa as described in Exhibit A attached hereto**. Each monthly payment of the Rent shall be due on the first day of the month. The Rent shall be paid to or upon the order of Landlord at 211 North Gear Avenue, Suite 100, West Burlington, Iowa, 52655 or such other place as designated by Landlord OR by transfer of funds from the **Joint Account as established in the Funding Agreement as described in Exhibit B attached hereto**. Landlord shall have the right to change the payee or the address of the payee of the rent by giving written notice thereof to Tenant. Except as otherwise permitted by this Lease, all payments of rent shall be made without deduction, set off, discount or abatement in lawful money of the United States.

4.1 Renewal Term Rent. Reserved.

4.2 Interest on Late Payments. Reserved.

#### V. TAXES and OTHER IMPOSITIONS

5.0 Taxes. Landlord shall pay all general real property taxes, user fees, special assessments allocable to the Premises and other amounts due with respect to the Premises during the term of this Lease. Tenant occupies the property for purposes pursuant to their existence as a 501c3 charitable organization and Landlord is a recognized Municipality of Iowa as established in Chapter 28J, Iowa Code.

## VI. INSURANCE

### 6.0 Kinds and Amounts.

(a) Landlord shall obtain and pay the premiums for any policy or policies of insurance insuring the replacement cost of the Building and the improvements at any time situated upon the Premises against loss or damage by fire, lightning, wind storm, hail storm, aircraft, vehicles, smoke, explosion, riot or civil commotion as provided by the Standard Fire and Extended Coverage Policy and all other risks of direct physical loss as insured against under Special Extended Coverage Endorsement. The insurance coverage shall be in an amount acceptable to Landlord with all proceeds of insurance payable to Landlord. In addition, Landlord shall procure and carry throughout the term of this Lease commercial general liability insurance protecting against all claims, demands or actions for injury to or death of any person in an amount of not less than \$1,000,000, for injury to or death of more than one person in any one occurrence in an amount of not less than \$1,000,000, and for damage to property in an amount of not less than \$100,000 made by, or on behalf of, any person or persons, firm or corporation arising from, related to or connected with the Premises.

(b) Tenant shall procure and maintain policies of insurance, at Tenant's sole cost and expense insuring at minimum the following:

(i) Tenant from all claims, demands or actions for injury to or death of any person in an amount of not less than \$1,000,000, for injury to or death of more than one person in any one occurrence in an amount of not less than \$1,000,000, and for damage to property in an amount of not less than \$100,000 made by, or on behalf of, any person or persons, firm or corporation arising from, related to or connected with the Premises.

(ii) To the extent required by the laws of Iowa, Tenant from all worker's compensation claims arising on or about the Premises.

(iii) All contents, and Tenant's trade fixtures, machinery, equipment, furniture and furnishings in the Premises to the extent acceptable to Tenant.

6.1 Form of Insurance. The insurance required under Section 6.0 shall be with financially responsible insurance companies. Tenant will provide the Insured Parties with thirty (30) days prior written notice of any cancellation or termination of the policies required hereunder where such cancellation or termination does not result in equal or greater coverage. A certificate evidencing the insurance to be maintained by Tenant shall be provided to Landlord upon the Commencement Date and thereafter from time to time upon request, but not more often than annually.

6.2 Mutual Waiver of Subrogation Rights. Whenever (a) any property loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the parties to this Lease, or anyone claiming by, through, or under it in connection with the Premises, and (b) such party is then covered in whole or in part by insurance with respect to such property loss, cost, damage or expense or is required under this Lease to be so insured, then the party so insured (or so required) hereby releases the other party from any liability said other party may have on account of such property loss, cost, damage or expense to the extent of any amount recovered by reason of such insurance (or which could have been recovered had such insurance been carried as so required) and waives any right of subrogation which might otherwise exist in or accrue to any person on account thereof.

6.3 Additional Insured Status. Tenant agrees that Landlord shall be added by endorsement as additional insured, to the extent of Tenant's negligence, to Tenant's policy of insurance described in 6.0(b)(i) herein. The insurance coverages to be afforded to Landlord under these coverages shall be with respect to liability arising out of Tenant's lease, occupancy and use of the Premises and shall be primary/noncontributory to any insurance carried independently by Landlord, which shall be excess and noncontributory.

## VII. DAMAGE OR DESTRUCTION

7.0 Obligation To Rebuild. In the event of damage to, or destruction of, any improvements on the Premises, or of the fixtures and equipment therein, by fire or other casualty, Landlord shall promptly, at its expense, repair, restore or rebuild the same to the condition existing prior to the happening of such fire or other casualty.

## VIII. CONDEMNATION

8.0 Taking of Whole. Reserved.

8.1 Partial Taking. Reserved.

## IX. MAINTENANCE AND ALTERATIONS

9.0. Maintenance.

(a) Tenant shall be responsible to keep and maintain the structural components of all buildings and building systems located on the Premises, including, but not limited to, maintaining the common areas, HVAC, plumbing, and electrical systems, grass areas, sidewalks, parking lots, and be responsible for all mowing, snow and trash removal and janitorial services with respect to the buildings on the Premises. Tenant specifically accepts the Premises in its "as is" condition existing as of the Commencement Date. Tenant shall be responsible for all repairs or maintenance of the parking lots, driveways and sidewalks. The "structural components" shall include the floor, foundation, exterior walls, load bearing walls, roof structure and elevator.

(b) Tenant shall perform all other maintenance and repair of the Premises required or reasonably necessary in order keep and maintain the Premises in good condition and repair. Tenant shall keep the Premises in full compliance with all health, safety and policy regulations in force; provided, however, that Tenant shall not be required to perform any alterations or capital improvements to the Premises. Any permanent building improvements made by either party, defined as individual expenditures exceeding \$2,500.00 and critical to the building's operation, safety, or structural integrity, shall, be recorded in a joint capital improvements ledger open to examination by both parties. Annually, both parties shall review the ledger; any of the same expenditures over \$20,000 shall have consent from the other party prior to implementation. Notwithstanding any provision to the contrary, Tenant, subject to Section 6.2 above, shall further be solely responsible for items of maintenance and repair to the Premises occasioned by Tenant's own negligent act or omission or the acts of any employee, agent, invitee or customer of Tenant. Tenant shall keep the Premises in clean and sanitary condition.

9.1 Alterations.

(a) Tenant shall not create any openings in the roof or exterior walls, or make any other Alterations to the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld. Any damage to any portion of the Premises due to any Alteration undertaken by Tenant or any repair or maintenance arising therefrom shall be repaired, restored or replaced, as the case may be, at the sole cost and expense of Tenant.

(b) As to any Alterations to which Landlord consents, and as to any replacements whatsoever, such work shall be performed with new materials, in a good and workmanlike manner, strictly in accordance with plans and specifications approved by Landlord and in accordance with all applicable laws and ordinances. Upon completion of any such work by or on behalf of Tenant, Tenant shall provide Landlord with such documents as Landlord may require (including, without limitation, sworn contractors' statements and supporting lien waivers) evidencing payment in full for such work, and "as built" working drawings.

(c) Landlord agrees that Tenant may make improvements to the Premises prior to the Commencement Date. Any remodeling, build-ups or Alterations required by Tenant prior to its occupancy of the Premises shall be treated as Alterations in accordance with Section 9.1(a) and (b).

## X. ASSIGNMENT AND SUBLETTING

10.0 Assignment and Subletting. Tenant may sublet all or a part of the Premises for any use pursuant to economic development, with Landlord's prior written consent. Any revenues generated from subletting shall be deposited by Tenant into the **Joint Account as established in the Funding Agreement as described in Exhibit B attached hereto**. Tenant shall ensure any sublease is established via a lease agreement which adds the Landlord as an additional insured to the coverage to be supplied by the sublessee in amounts and at levels consistent with Section 6.0.b.i.

10.1 Reserved.

10.2 Other Transfer of Lease. Except as otherwise provided herein, Tenant shall not allow or permit any transfer of this Lease, or any interest hereunder, by operation of law, or convey, mortgage, pledge, or encumber this Lease or any interest herein.

## **XI. LIENS AND ENCUMBRANCES**

11.0 Encumbering Title. Tenant shall not do any act which shall in any way encumber the title of Landlord in and to the Premises, nor shall the interest or estate of Landlord in the Premises in any way be subject to any claim by way of lien or encumbrance, whether by operation of law or by virtue of any express or implied contract by Tenant. Any claim to, or lien upon, the Premises arising from any act or omission of Tenant shall accrue only against the leasehold estate of Tenant and shall be subject and subordinate to the paramount title and rights of Landlord in and to the Premises.

11.1 Liens and Right to Contest. Tenant shall not permit the Premises to become subject to any liens on account of labor or material furnished to Tenant or claimed to have been furnished to Tenant in connection with work of any character performed or claimed to have been performed on the Premises by, or at the direction or sufferance of Tenant; provided, however, that Tenant shall have the right to contest, in good faith and with reasonable diligence, the validity of any such lien or claimed lien if Tenant shall give to Landlord such security or bond in an amount equal to the amount of the claim or lien to assure payment thereof and to prevent any sale, foreclosure, or forfeiture of the Premises by reason of nonpayment thereof; provided further, however, that on final determination of the lien or claim for lien, Tenant shall immediately pay any judgment rendered, with all proper costs and charges, and shall have the lien released and any judgment satisfied.

## **XII. UTILITIES**

12.0 Utilities. Tenant shall be responsible to pay for utilities (electricity, natural gas, water, sewer, etc.) and trash removal that serve or benefit the Premises. It is anticipated that (i) Tenant will pay its own telephone, data, cable bill, or other communications costs, if any. All shared utility services shall be in the name of Tenant. Landlord reserves the right to establish commercially reasonable policies regarding utilities used by Tenant. The purpose of the policies includes, but is not limited to, cost savings and energy efficiency.

## **XIII. INDEMNITY AND WAIVER**

### **13.0 Indemnity.**

(a) Except to the extent of Landlord's negligence or intentional misconduct, Tenant will protect, indemnify and save harmless Landlord from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation, reasonable attorneys' fees and expenses) imposed upon or incurred by or asserted against Landlord by reason of (i) any accident, injury to or death of persons or loss of or damage to property occurring on or about the Premises or any part thereof, including adjoining sidewalks, curbs, streets or ways, resulting from any act or omission of Tenant, or Tenant's employees, agents, representatives, customers or invitees, or anyone claiming by, through, or under Tenant; or (ii) performance of any labor or services or the furnishing of any materials or other property in respect of the Premises or any part thereof at the direction or under the control of Tenant, its employees or agents.

(b) Except to the extent of Tenant's negligence or intentional misconduct, Landlord will protect, indemnify and save harmless Tenant from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation, reasonable attorneys' fees and expenses) imposed upon or incurred by or asserted against Tenant by reason of (i) any accident, injury to or death of persons or loss of or damage to property occurring on or about the Premises or any part thereof including the common areas, adjoining sidewalks, curbs, streets or ways, resulting from any act or omission of Landlord, or Landlord's employees, agents, representatives, customers or invitees, or anyone claiming by, through, or under Landlord; or (ii) performance of any labor or services or the furnishing of any materials or other property in respect of the Premises or any part thereof including any common areas at the direction or under the control of Landlord, its employees or agents.

13.1 Waiver of Certain Claims. All property belonging to Tenant or any occupant of the Premises other

than Landlord that is in or on any part of the Premises shall be there at the risk of Tenant or of such other person only, and Landlord shall not be liable for any damage thereto or for the theft or misappropriation thereof. Tenant waives all claims it may have against Landlord for damage or injury to property sustained by Tenant or any persons claiming through Tenant or by any occupant of the Premises, or by any other person, resulting from any part of the Premises or any of its improvements, equipment or appurtenances becoming out of repair, or resulting from any accident on or about the Premises, or resulting directly or indirectly from any act or neglect of any person, including Landlord to the extent permitted by law. This Section 13.1 shall include, but not by way of limitation, damage caused by water, snow, frost, steam, excessive heat or cold, sewage, gas, odors, or noise, or caused by bursting or leaking of pipes or plumbing fixtures, and shall apply equally whether any such damage results from the act or neglect of Tenant or any other person, including Landlord to the extent permitted by law, and whether such damage be caused by or result from anything or circumstance above mentioned or referred to, or to any other thing or circumstance whether of a like nature or of a wholly different nature.

#### **XIV. RIGHTS RESERVED TO LANDLORD**

14.0 Rights Reserved to Landlord. Without limiting any other rights reserved or available to Landlord under this Lease, at law or in equity, Landlord reserves the following rights to be exercised at Landlord's election:

- (a) To inspect the Premises and to make repairs, additions or Alterations to the Premises at any time;
- (b) To show the Premises to prospective purchasers, mortgagees, or other persons having a legitimate interest in viewing the same;
- (c) To place and maintain "For Sale" signs on the exterior of the buildings located on the Premises; and
- (d) To set commercially reasonable policies for security to provide for safety of all tenants and occupants of the buildings on the Premises, including but not limited to restrictions on building's access.

14.1 Relocation. The parties acknowledge and agree that, in the event Landlord enters into a contract to sell the Premises to a third party and that third party desires to take possession of the Premises at an earlier time than the expiration of the Lease term, then Landlord shall insure that any such sale is subject to the rights of the Tenant under this lease for its then current term.

Landlord may enter upon the Premises for any and all of said purposes and may exercise any and all of the foregoing rights hereby reserved, during normal business hours unless an emergency exists, without being deemed guilty of any eviction or disturbance of Tenant's use or possession of the Premises, and without being liable in a manner to Tenant.

#### **XV. QUIET ENJOYMENT**

15.0 Quiet Enjoyment. So long as Tenant is not in default under the covenants and agreements of this Lease and except as otherwise provided herein, Tenant's quiet and peaceable enjoyment of the Premises shall not be disturbed or interfered with by Landlord, any prior encumbrance or title holder, or by any person claiming by, through or under Landlord.

#### **XVI. SUBORDINATION OR SUPERIORITY**

16.0 Subordination or Superiority. If the mortgagee or trustee named in any first mortgage or first trust deed hereafter made shall agree that, if it becomes the owner of the Premises by foreclosure or deed in lieu of foreclosure, it will recognize the rights and interest of Tenant under the Lease and not disturb Tenant's use and occupancy of the Premises if and so long as Tenant is not in default under the Lease (which agreement may, at such mortgagee's option, require attornment by Tenant), then all or a portion of the rights and interests of Tenant under this Lease shall be subject and subordinate to such first mortgage or first trust deed and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof. Any such mortgagee or trustee may elect that, instead of making this Lease subject and subordinate to its first mortgage or first trust deed, the rights and interest of Tenant under this Lease shall have priority over the lien of its mortgage or trust deed. Provided that the mortgagee or other superior party agrees to recognize Tenant's interest in the Premises and accepts the Premises subject to the terms and conditions of this Lease, Tenant agrees that it will, within ten (10) business days after demand in writing, execute and deliver a reasonable form of an instrument that may be required, either to make the Lease subject and subordinate

to such a mortgage or trust deed, or to give the Lease priority over the lien of the mortgage or trust deed, whichever alternative may be elected by the mortgagee or trustee.

## **XVII. SURRENDER**

17.0 Surrender. Upon the termination of this Lease, whether by forfeiture, lapse of time or otherwise, or upon termination of Tenant's right to possession of the Premises, Tenant will at once surrender and deliver up the Premises, together with all improvements thereon, to Landlord, in good repair and "broom clean" or similar condition, subject to reasonable wear and tear, casualty loss and loss by public taking. Said improvements shall include all plumbing, lighting, electrical, heating, cooling and ventilating fixtures and equipment, and all Alterations (as said term is defined Section 9.1 hereof) whether or not permitted under Section 9.1. Tenant may, upon Landlord's prior written consent, remove any Alterations or improvements made at Tenant's expense, provided Tenant repairs any damage to the Premises caused by such removal. All Alterations, temporary or permanent, made in or upon the Premises by Tenant and not removed by Tenant shall become Landlord's property and shall remain upon the Premises on any such termination without compensation, allowance or credit to Tenant; provided, however, that if Landlord gives written notice to Tenant at the time Landlord consents to any Alteration, then Landlord shall have the right to require Tenant to remove any Alterations and restore the Premises to their condition prior to the making of such Alterations, repairing any damage occasioned by such removal and restoration. Said right shall be exercised by Landlord's giving written notice thereof to Tenant on or before thirty (30) days before such termination. If Landlord requires removal of any Alterations and Tenant does not make such removal in accordance with this Section at the time of such termination, or within thirty (30) days after such request, whichever is later, Landlord may remove the same (and repair any damage occasioned thereby), and dispose thereof or, at its election, deliver the same to any other place of business of Tenant or warehouse the same. Tenant shall pay the costs of such removal, repair, delivery and warehousing to Landlord on demand.

17.1 Removal of Tenant's Property. Upon the termination of this Lease, Tenant shall remove Tenant's articles of personal property incident to Tenant's business ("Trade Fixtures"); provided, however, that Tenant shall repair any injury or damage to the Premises which may result from such removal, and shall restore the Premises to the same condition as prior to the installation thereof. If Tenant does not remove Tenant's Trade Fixtures from the Premises prior to the expiration or earlier termination of the Lease term, Landlord may, at its option, remove the same (and repair any damage occasioned thereby) and dispose thereof or deliver the same to any other place of business of Tenant or warehouse the same, and Tenant shall pay the cost of such removal, repair, delivery and warehousing to Landlord on demand, or Landlord may treat such Trade Fixtures as having been conveyed to Landlord with this Lease as a Bill of Sale, without further payment or credit by Landlord to Tenant.

17.2 Holding Over. Tenant shall have no right to occupy the Premises or any portion thereof after the expiration of the Lease or after termination of the Lease or of Tenant's right to possession pursuant to Section 18.0 hereof. In the event Tenant or any party claiming by, through or under Tenant holds over, Landlord may exercise any and all remedies available to it at law or in equity to recover possession of the Premises, and for damages. For each and every month or partial month that Tenant or any party claiming by, through or under Tenant remains in occupancy of all or any portion of the Premises after the expiration of the Lease or after termination of the Lease or Tenant's right to possession, Tenant shall pay, as minimum damages and not as a penalty, monthly rental at a rate equal to 115% of the rate of rent and other charges payable by Tenant hereunder immediately prior to the expiration or other termination of the Lease or of Tenant's right to possession. The acceptance by Landlord of any lesser sum shall be construed as a payment on account and not in satisfaction of damages for such holding over.

## **XVIII. REMEDIES**

18.0 Tenant Defaults. Tenant agrees that any one or more of the following events shall be considered events of default as said term is used herein:

- Tenant shall be adjudged an involuntary bankrupt, or a decree or order approving, as properly filed, a petition or answer filed against Tenant asking reorganization of Tenant under the Federal bankruptcy laws as now or hereafter amended, or under the laws of any state, shall be entered, and any such decree or judgment or order shall not have been vacated or set aside within sixty (60) days from the date of the entry or granting thereof; or

- Tenant shall file or admit the jurisdiction of the court and the material allegations contained in any petition in bankruptcy or any petition pursuant or purporting to be pursuant to the Federal bankruptcy laws as now or hereafter amended, or Tenant shall institute any proceeding or shall give its consent to the institution of any proceedings for any relief of Tenant under any bankruptcy or insolvency laws or any laws relating to the relief of debtors, readjustment or indebtedness, reorganization, arrangements, composition or extension; or

(c) Tenant shall make any assignment for the benefit of creditors or shall apply for consent to the appointment of a receiver for Tenant or any of the property of tenant; or

(d) The Premises are levied upon by any revenue officer or similar officer; or

(e) A decree or order appointing a receiver of the property of Tenant shall be made and such decree or order shall not have been vacated or set aside within sixty (60) days from the date of entry or granting thereof; or

(f) Tenant shall abandon the Premises or vacate the same, along with non-payment of Rent, during the term hereof; or

(g) Tenant shall default in any payment of rent or in any other payment required to be made by Tenant hereunder when due as herein provided, or shall default under Sections 6.0 or 6.1 or 6.3 hereof, and any such default shall continue for five (5) days after notice thereof in writing to Tenant; or

(h) Tenant shall fail to contest the validity of any lien or claimed lien and give security to Landlord to assure payment thereof, or, having commenced to contest the same and having given such security, shall fail to prosecute such contest with diligence, or shall fail to have the same released and satisfy any judgment rendered thereon, and such default continues for ten (10) days after notice thereof in writing to Tenant; or

(i) Tenant shall default in keeping, observing or performing any of the other covenants or agreements herein contained to be kept, observed and performed by Tenant, and such default shall continue for thirty (30) days after notice thereof in writing to Tenant; or

(j) Tenant shall repeatedly be late in the payment of rent or other charges required to be paid hereunder or shall repeatedly default in the keeping, observing, or performing of any other covenants or agreements herein contained to be kept, observed or performed by Tenant (provided notice of such payment or other defaults shall have been given to Tenant, but whether or not Tenant shall have timely cured any such payment or other defaults of which notice was given). For purposes of this provision, "repeatedly" shall mean three (3) or more occasions in any 12 month period.

18.1 Landlord Defaults. Landlord shall be in default in the performance of any obligation required to be performed by Landlord under the Lease if Landlord has failed to perform such obligation within thirty (30) days after the receipt of notice from Tenant specifying the nature of Landlord's failure to perform; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, Landlord shall not be deemed in default if it shall commence such performance within thirty (30) days and thereafter diligently pursues the same to completion.

18.2 Remedies. Upon the occurrence of any one or more of such events of default, Landlord may at its election terminate this Lease or terminate Tenant's right to possession only, without terminating the Lease.

Upon termination of the Lease, or upon any termination of the Tenant's right to possession without termination of the Lease, the Tenant shall surrender possession and vacate the Premises immediately, and deliver possession thereof to the Landlord, and hereby grants to the Landlord the full and free right, without demand or notice of any kind to Tenant (except as hereinabove expressly provided for), to enter into and upon the Premises in such event with or without process of law and to repossess the Premises as the Landlord's former estate and to expel or remove the Tenant and any others who may be occupying or within the Premises without being deemed in any manner guilty of trespass, eviction, or forcible entry or detainer, without incurring any liability for any damage resulting therefrom and without relinquishing the Landlord's rights to rent or any other right given to the Landlord hereunder or by operation of law. Upon termination of the Lease, Landlord shall be entitled to recover as damages all rent and other sums due and payable by Tenant on the date of termination, plus an amount equal to the present value of (1) the rent and other sums provided herein to be paid

by Tenant for the residue of the stated term hereof; less the fair rental value of the Premises for the residue of the stated term (taking into account the time and pro rata share of expenses necessary to obtain a replacement tenant or tenants, including expenses hereinafter described relating to recovery of the Premises, preparation for reletting and for reletting itself), and (2) the cost of performing any other covenants to be performed by the Tenant.

If the Landlord elects to terminate the Tenant's right to possession only without terminating the Lease, the Landlord may, at the Landlord's option, enter into the Premises, remove the Tenant's signs and other evidences of tenancy, and take and hold possession thereof as hereinabove provided, without such entry and possession terminating the Lease or releasing the Tenant, in whole or in part, from the Tenant's obligations to pay the rent hereunder for the full term or from any other of its obligations under this Lease. Landlord may, but shall be under no obligation so to do, relet all or any part of the Premises for such rent and upon such terms as shall be satisfactory to Landlord (including the right to relet the Premises as a part of a larger area, and the right to change the character or use made of the Premises). For the purpose of such reletting, Landlord may decorate or make any repairs, changes, alterations or additions in or to the Premises that may be necessary. If Landlord does not relet the Premises, Tenant shall pay to Landlord on demand damages equal to the amount of the rent, and other sums provided herein to be paid by Tenant for the remainder of the Lease term. If the Premises are relet and a sufficient sum shall not be realized from such reletting, after deducting the amortizable portion (determined by dividing the remaining months in the Lease by the number of months in the new lease) of the expenses of such decorations, repairs, changes, alterations, additions, the expenses of such reletting and the collection of the rent accruing therefrom (including, but not by way of limitation, attorneys' fees and brokers' commissions), to satisfy the rent and other charges herein provided to be paid for the remainder of the Lease term, Tenant shall pay to Landlord on demand any deficiency and Tenant agrees that Landlord may file suit to recover any sums falling due under the terms of this Section from time to time.

If Tenant shall default under Section 18.0(i) and if such default cannot with due diligence be cured within said period of thirty (30) days after notice in writing shall have been given to Tenant, and if Tenant promptly commences to eliminate the causes of such default, then Landlord shall not have the right to declare said term ended by reason of such default or to repossess without terminating the Lease so long as Tenant is proceeding diligently and with reasonable dispatch to take all steps and do all work required to cure such default, and does so cure such default, provided, however, that the curing of any default in such manner shall not be construed to limit or restrict the right of Landlord to enforce all of its rights and remedies hereunder for any other default not timely cured.

Upon any default by Landlord, Tenant may exercise any of its rights provided in law or at equity and shall have the right, but not the obligation, to cure any such default by Landlord and to deduct the costs incurred by Tenant to cure such default, including legal fees and expenses, from the amounts next due and owing under the Lease. In the event that the obligations of Landlord under the Lease are not performed during the pendency of a bankruptcy or insolvency proceeding involving the Landlord as the debtor, or following the rejection of this Lease in accordance with Section 365 of the United States Bankruptcy Code, then notwithstanding any provision of this Lease to the contrary, Tenant shall have the right to set off against rents next due and owing under this Lease (a) any and all damages caused by such non-performance of Landlord's obligations under the Lease by Landlord, debtor-in-possession, or the bankruptcy trustee, and (b) any and all damages caused by the non-performance of Landlord's obligations under the Lease following any rejection of the Lease in accordance with Section 365 of the United States Bankruptcy Code.

18.3 Remedies Cumulative. No remedy herein or otherwise conferred upon or reserved to either party shall be considered to exclude or suspend any other remedy but the same shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute, and every power and remedy given by this Lease to either party may be exercised from time to time and so often as occasion may arise or as may be deemed expedient.

18.4 No Waiver. No delay or omission of either party to exercise any right or power arising from any default shall impair any such right or power or be construed to be a waiver of any such default or any acquiescence therein. No waiver of any breach of any of the covenants of this Lease shall be construed, taken or held to be a waiver of any other breach, or as a waiver, acquiescence in or consent to any further or succeeding breach of the same covenant. The acceptance by Landlord of any payment of rent or other charges hereunder after the termination by Landlord of this Lease or of Tenant's right to possession hereunder shall not, in the absence of agreement in writing to the contrary by Landlord, be deemed to restore this Lease or Tenant's right to possession hereunder, as the case may be, but shall be construed as a payment on account, and not in satisfaction of damages due from Tenant to Landlord.

## **XIX. MISCELLANEOUS**

19.0 Estoppel Certificate. Tenant shall at any time and from time to time upon not less than ten (10) business days prior written request from Landlord, execute, acknowledge and deliver to Landlord, in form reasonably satisfactory to Tenant and Landlord and/or Landlord's mortgagee, a written statement certifying (if true) to Tenant's knowledge that Tenant has accepted the Premises, that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications), that Landlord is not in default hereunder (or, if Landlord is in default, specifying the nature of such default), the date to which the rental and other charges have been paid in advance, if any, and such other accurate factual certifications as may reasonably be required by Landlord or Landlord's mortgagee, agreeing to give copies to any mortgagee of Landlord of all notices by Tenant to Landlord and agreeing to afford Landlord's mortgagee a reasonable opportunity (not to exceed 30 days) to cure any default of Landlord. It is intended that any such statement delivered pursuant to this subsection may be relied upon by any prospective purchaser or mortgagee of the Premises that is the addressee of such certificate and their respective successors and assigns.

19.1 Landlord's Right to Cure. Landlord may, but shall not be obligated to, cure any default by Tenant (specifically including, but not by way of limitation, Tenant's failure to obtain insurance, make repairs, or satisfy lien claims); and whenever Landlord so elects, all costs and expenses paid by Landlord in curing such default, including without limitation reasonable attorneys' fees, shall be so much additional rent due on the next rent date after such payment together with interest (except in the case of said attorneys' fees) at the rate of twelve percent (12%) per annum (or, if lower, the highest rate permitted by applicable law) from the date of the advance to the date of repayment by Tenant to Landlord.

19.2 Amendments Must Be in Writing. None of the covenants, terms or conditions of this Lease, to be kept and performed by either party, shall in any manner be altered, waived, modified, changed or abandoned except by a written instrument, duly signed and delivered by the other party.

19.3 Notices. All notices to or demands upon Landlord or Tenant desired or required to be given under any of the provisions hereof shall be in writing. Any notices or demands from Landlord to Tenant shall be deemed to have been duly and sufficiently given if a copy thereof has been mailed by United States registered or certified mail in an envelope properly stamped or delivered to a nationally recognized overnight carrier (e.g. FedEx) for overnight delivery and addressed to Tenant at the addresses set forth below or at such other address as Tenant may theretofore have designated by written notice to Landlord:

LEE COUNTY ECONOMIC  
DEVELOPMENT GROUP  
Attn: CEO  
2495 280<sup>th</sup> St  
Montrose, IA 52639

Any notices or demands from Tenant to Landlord shall be deemed to have been duly and sufficiently given if mailed by United States registered or certified mail in an envelope properly stamped or delivered to a nationally recognized overnight carrier (e.g. FedEx) for overnight delivery and addressed to Landlord at Landlord's Address or at such other address or to such other agent as Landlord may theretofore have designated by written notice to Tenant, with a copy to any first mortgagee of the Leased Premises, the identity and address of which Tenant shall have received written notice. The effective date of any notice sent by nationally recognized overnight carrier shall be the next business day. The effective date of any notice sent by certified mail shall be three (3) business days after delivery of the same to the United States Postal Service.

19.4 Short Form Lease. This Lease shall not be recorded, but the parties agree, at the request of either of them, to execute a Short Form Lease for recording, containing the names of the parties, the legal description and the

term of the Lease.

19.5 Time of Essence. Time is of the essence of this Lease, and all provisions herein relating thereto shall be strictly construed.

19.6 Relationship of Parties. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent or of partnership, or of joint venture, by the parties hereto, it being understood and agreed that no provision contained in this Lease nor any acts of the parties hereto shall be deemed to create any relationship other than the relationship of Landlord and Tenant.

19.7 Captions. The captions of this Lease are for convenience only and are not to be construed as part of this Lease and shall not be construed as defining or limiting in any way the scope or intent of the provisions hereof.

19.8 Severability. If any term or provision of this Lease shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Lease shall not be affected thereby, but each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law, unless and except to the extent the invalid or unenforceable term was a material inducement to the Lease.

19.9 Law Applicable. This Lease shall be construed and enforced in accordance with the laws of the State of Iowa and any and all actions arising out of the Lease shall have the limited jurisdiction of the Lee County District Court located in either Keokuk or Fort Madison, Iowa.

19.10 Covenants Binding on Successors. All of the covenants, agreements, conditions and undertakings contained in this Lease shall extend and insure to be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto, the same as if they were in every case specifically named, and wherever in this Lease reference is made to either of the parties hereto, it shall be held to include and apply to, wherever applicable, the heirs, executors, administrators, successors and assigns of such party. Nothing herein contained shall be construed to grant or confer upon any person or persons, firm, corporation or governmental authority, other than the parties hereto, their heirs, executors, administrators, successors and assigns, any right, claim or privilege by virtue of any covenant, agreement, condition or undertaking in this Lease contained.

19.11 Signs. Tenant shall install no sign without Landlord's prior written approval of detailed plans and specifications. Any signs shall comply with all applicable laws and ordinances. All signs shall be removed at the cost of Tenant and the space repaired at the time Tenant vacates the property. Door and directory signage shall be provided and installed by the Tenant in accordance with building standards at Tenant's expense.

19.12 Enforcement Expenses. Landlord and Tenant agree to pay on demand the expenses of the other, including reasonable attorneys' fees, expenses and administrative hearing and court costs incurred either directly or indirectly in enforcing any obligation of the other party under this Lease, in curing any default by the other party, in connection with appearing, defending or otherwise participating in any action or proceeding arising from the filing, imposition, contesting, discharging or satisfaction of any lien or claim for lien, in defending or otherwise participating in any legal proceedings initiated by or on behalf of the other party wherein the party seeking the payment of expenses is not adjudicated to be in default under this Lease. Tenant agrees to pay any reasonable expenses of Landlord incurred in connection with any investigation or review of any conditions or documents in the event Tenant requests Landlord's approval or consent to any action of Tenant which may be desired by Tenant or required of Tenant hereunder.

19.13 Execution of Lease by Landlord. This document shall become effective and binding only upon the execution and delivery hereof by Landlord and by Tenant. All negotiations, considerations, representations and understandings between Landlord and Tenant are incorporated herein.

19.14. Parking. Reserved.

19.15. Civil Rights. Tenant shall not discriminate against any qualified employee or applicant for employment because of race, color, national origin, religion, sex, age or physical or mental disability.

19.16. Audits and Inspections of Records.

(a) Tenant shall make available to the Landlord all of its records pertaining to matters covered by this

Lease and only matters relating to this Lease. Said audit or inspections shall occur at a reasonable time as mutually agreed to by both parties during normal business hours and as frequently as deemed necessary.

(b) Tenant shall retain all records pertaining to this Lease in Tenant's possession for a period of three (3) years after the expiration of the Lease or any extensions thereof. All records shall be retained beyond the three (3) year period if audit findings have not been resolved within that period or if other disputes have not been resolved

19.17. Environmental Compliance.

(a) Landlord warrants and represents to Tenant that it has no knowledge of the presence or of the release, now or in the past, of any hazardous substance or material on the Premises. Landlord agrees to hold Tenant free, harmless and indemnified from any penalty, fine, liability, cost or charge whatsoever related to the damage or condition that might be caused by any existing environmental condition that currently exists on the Premises.

(b) Tenant covenants and agrees that throughout the Term its use and occupancy of the Premises will at all times be in strict compliance with all governmental regulations, be they federal, state or local, that pertain to the use and storage of hazardous materials and substances, and Tenant shall save and hold Landlord free, harmless and indemnified from any penalty, fine, cost or charge whatsoever which Landlord may incur by reason of Tenant's failure to comply with this Paragraph. Such covenants, however, shall not apply to any condition that existed at the time Tenant first took possession of any part of the Premises, or which is caused or results from acts of others, including Landlord.

(c) Tenant's obligations under this Paragraph shall automatically terminate and expire one (1) year after Tenant no longer occupies the Premises unless an action has been filed in a judicial tribunal of competent jurisdiction prior to that time which related to a period during which Tenant in fact did occupy any part of the Premises.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease the day and year first above written.

Landlord:

SOUTHEAST IOWA REGIONAL ECONOMIC AND PORT AUTHORITY

BY: \_\_\_\_\_

Mike Hickey, Chair

Tenant:

LEE COUNTY ECONOMIC DEVELOPMENT GROUP, INC.

BY: \_\_\_\_\_

Charles Ireland, Chair

EXHIBIT A

BEING A PART OF THE SOUTHWEST QUARTER (SW ¼) OF SECTION THIRTY-FOUR (34) AND A PART OF THE SOUTHEAST QUARTER (SE ¼) OF SECTION THIRTY-THREE (33), BOTH TOWNSHIP SIXTY-SEVEN (67) NORTH, RANGE FIVE (5) WEST OF THE FIFTH PRINCIPAL MERIDIAN, LEE COUNTY, IOWA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION THIRTY-FOUR; THENCE N89°08'15" W (ASSUMED BEARING FOR THIS DESCRIPTION) 126.60 FEET TO THE NORTHWEST CORNER OF THE NORTHWEST QUARTER OF SECTION THREE, TOWNSHIP 66 NORTH, RANGE 4 WEST; THENCE N88°52'15" W 197.90 FEET ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 33; THENCE N01°02'54" E 1304.59 FEET ON A LINE PARALLEL TO AND 324.5 FEET WESTERLY FROM THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 33; THENCE S88°59'28" E 448.44 FEET TO AN EXISTING IRON BAR ON THE WESTERLY RIGHT OF WAY LINE OF US HIGHWAY #61 AS NOW ESTABLISHED; THENCE S00°58'45" W 912.1 FEET ALONG SAID RIGHT OF WAY LINE; THENCE S01°32'29" W 322.06 FEET ALONG SAID RIGHT OF WAY LINE; THENCE S08°07'02" E 71.1 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 34; THENCE N89°08'15" W 133.6 FEET TO THE POINT OF BEGINNING, CONTAINING 13.45 ACRES, MORE OR LESS, INCLUDING 0.50 ACRE, MORE OR LESS, LYING WITHIN THE EXISTING PUBLIC ROAD EASEMENT, AND BEING SUBJECT TO EASEMENTS OF RECORD.



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## FUNDING AGREEMENT

LEE COUNTY ECONOMIC DEVELOPMENT GROUP (“**LCEDG**”) and SOUTHEAST IOWA REGIONAL AND ECONOMIC PORT AUTHORITY (“**SIREPA**”), are seeking to secure a building for future use of economic and workforce development known as the Lee County Career Advantage Center in connection with the acquisition and use of property locally known as KL MEGLA BUILDING (the “**Project**”) located at 2495 280<sup>th</sup> St, Montrose, IA. LCEDG will occupy certain office space in the building for nominal consideration as part of the Project. The Agreement implements certain provisions in the Put Option approved by the same parties.

This Funding Agreement is entered into and outlines the terms under which LCEDG shall pay for certain expenses related to the Project until Agreement term ends or the building is sold to a third party.

- 1) Authorized Project Costs. As used herein, the term “Authorized Project Costs” means all costs outlined on EXHIBIT A.
- 2) Other Terms of Funding. As used herein, the term “Other Terms of Funding” means all other terms outlined on EXHIBIT B.
- 3) The Funding. LCEDG shall maintain funds for the project in an interest-bearing checking account jointly accessible by SIREPA Board Chair and Assigns and LCEDG Board Chair and Assigns. All revenues derived from the building shall also be deposited in the same account. The joint account may be replenished from time to time by either party.

Transfer of Funding Amount. LCEDG or SIREPA shall use all funds disbursed for Authorized Project Costs. Under no circumstances shall LCEDG’s obligation for Authorized Project Costs exceed the amount of its deposit into the Funding Account. If the entire Funding Amount is not disbursed for Authorized Project Costs at which time the Project ceases, or the building is sold, the remaining Funding Amount shall be returned to LCEDG. All transfers from the joint account shall be by federal wire transfer, inter-bank account transfer, or written check to such account as the recipient of the funds shall designate.

- 4) Indemnification. RESERVED.
- 5) Termination Date. The Funding Agreement shall automatically renew unless cancelled by either party with 90 days advance notice.
- 6) Funding Agent. RESERVED.
- 7) Notices. Except as otherwise provided in this Funding Agreement, any notice, request, instruction, or other document to be given hereunder by any party hereto to any other party will be in writing and will be given (and will be deemed to have been duly given upon receipt) by hand delivery, by electronic facsimile transmission, email transmission, or other standard forms of written communication as follows:

If to LCEDG:

Emily Benjamin, LCEDG  
[ebenjamin@lcedg.com](mailto:ebenjamin@lcedg.com) , 319-463-9030  
2495 280<sup>th</sup> St  
Montrose, IA 52639

If to SIREPA:

Mike Norris, SEIRPC  
[mnorris@seirpc.com](mailto:mnorris@seirpc.com), 319-753-4310  
211 N Gear Ave, Suite 100  
West Burlington, IA 52655

- 8) Governing Law. This Funding Agreement shall be governed by and construed in accordance with the laws of the State of Iowa without giving effect to any choice or conflict of law provision or rule. All actions and proceedings arising out of or relating to this Funding Agreement shall be heard and determined in any state court in Lee County, Iowa, and the parties hereto hereby consent to the jurisdiction of such courts in any such action or proceeding.
- 9) Counterparts. This Funding Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 10) Expenses. Except as otherwise provided for herein, each of the parties hereto shall bear its own expenses (including without limitation, fees and disbursements of its counsel and other experts) incurred by it in connection with the preparation, negotiation, execution, delivery, and performance of this Funding Agreement, each of the other documents and instruments executed in connection with or contemplated by this Funding Agreement, and the consummation of the transactions contemplated hereby and thereby.
- 11) Amendments. This Funding Agreement may be amended, supplemented, or modified, and any provision hereof may be waived, only pursuant to a written instrument making specific reference to this Funding Agreement signed by each of the parties hereto.
- 12) Successors and Assigns. The terms and conditions of this Funding Agreement will inure to the benefit of and be binding upon the respective successors and any permitted assigns of the parties hereto. No party may assign either this Funding Agreement or any of such party's rights, interests or obligations hereunder without the prior written approval of the other parties.

Agreed to and confirmed:

\_\_\_\_\_ Date: \_\_\_\_\_

Charles Ireland  
Board Chair, LCEDG

\_\_\_\_\_ Date: \_\_\_\_\_

Mike Hickey  
Board Chair, SIREPA

EXHIBIT A  
AUTHORIZED PROJECT COSTS

The following list of project costs is authorized for payment out of the Funding to either SIREPA or LCEDG:

- Debt Service
- Utilities (water, electricity, natural gas)
- Property and Liability Insurance for Building Owner
- Trash disposal
- Pest Control
- Internet and Telephone
- Security System installation or maintenance
- Fire Sprinkler Inspection or Maintenance
- Heating and Cooling Inspection and Maintenance
- Electrical System Inspection and Maintenance
- Plumbing and Septic Inspection and Maintenance
- Interior and Exterior Lighting and Maintenance
- Janitorial Services
- Landscaping, mowing and snow removal services
- Exterior Repairs to Building Envelope
- Legal Expenses related to leasing, buying/selling the property
- All other Building Inspection or Evaluation services
- All other services necessary to maintain the safe and working condition of the building
- All other necessary financial and accounting fees
- All other expenses jointly agreed to by LCEDG and SIREPA germane to the project

EXHIBIT B  
OTHER TERMS OF FUNDING

LCEDG reserves the right as the Funding Party to create, discuss, and execute with SIREPA Memorandums of Understanding, Memorandums of Agreement, Rights of First Refusal, Subdivision of Land Plans, Future Plans or all other matters necessary to use the Property for the highest and best use for the future of economic and workforce development in Lee County.



# SIREPA

SOUTHEAST IOWA REGIONAL  
ECONOMIC & PORT AUTHORITY

## Memo

To: SIREPA Board of Directors  
From: Mike Norris, Administrator  
Date: November 5, 2025  
Re: Agreement updates with LCEDG

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### BACKGROUND

SIREPA first engaged in broadband planning in its 2019 strategic plan. Shortly thereafter, LCEDG funded a county-wide broadband needs study which brought together Danville Telecom and SIREPA. This planning process set the stage for the future public-private partnership among Lee County, SIREPA, and Danville Telecom to expand broadband in Lee County anchored by county ARPA funds.

#### *Lee County Broadband Expansion Timeline*

2019: SIREPA strategic plan identifies broadband expansion as a priority

2019: LCEDG funds county-wide broadband needs study

2022: SIREPA applies for and receives Lee County ARPA funds to be used as local match for a State of Iowa broadband grant application with Danville Telco. The project would establish a redundant fiber optic transmission loop, and serve 120 addresses, and utilize the \$1.95 million county ARPA funds to leverage \$3.5 million in OCIO NOFO 6 funds.

2022: Danville Telco receives \$3.5 million award from OCIO NOFO 6 funds.

2023: Bids for the broadband work exceeded funds by \$1.3 million. Project pivots to serve addresses around Wever, moves away from Shimek area, and completes fiber optic transmission loop.

2023: SIREPA encourages the establishment of ITQ areas in Lee County; SEIRPC submits ITQs for four counties (Des Moines, Henry, Lee, Louisa) and many achieve high ranks, unleashing grant potential.

2024: Lee County Broadband expansion completion and ribbon cutting in Wever.

2025: NOFO 8 awards announced from BEAD funds, leveraged from ITQ submittal: Mediacom and Mediapolis Telephone Co. collectively awarded \$36 million to serve 2,000 unserved or underserved addresses in Lee County.

2025: IMON acquires Danville Telecom and buys out SIREPA-owned fiber backbone.

2025: NOFO 9 awards announced from BEAD funds, leveraged from ITQ submittal: AMG Technology Investment Group, Mediacom, Mediapolis Telephone Co. collectively awarded of \$15.8 million to serve an additional 2,400 unserved or underserved addresses.

*TOTAL IMPACT OF LEE COUNTY BROADBAND EXPANSION EFFORTS:*

4,400 previously unserved or underserved addresses to receive Tier 1 broadband service in Lee County – nearly all rural.

\$51 million in outside funds (NOFO 8, NOFO 9) leveraged by ITQ process

New fiber optic transmission loop offers greater capacity and redundancy for the entire County.

New public-private partnership model for future projects

