

LEASE AGREEMENT

THIS LEASE AGREEMENT is made this 21st day of November, 2017, by and between the City of Lawrence, Kansas, a municipal corporation, and Amarr Company, a North Carolina corporation, d/b/a Entrematic.

RECITALS

- A. The City of Lawrence, Kansas, a municipal corporation ("City"), owns that Structure located at 2425 E 15th Street, Lawrence, Kansas, Lawrence, Kansas ("Premises").
- B. Amarr Company, a North Carolina corporation, d/b/a Entrematic ("Tenant"), wishes to lease a portion of the Premises for a term of six months for the purpose of storing trailers ("Leased Space").
- C. The City agrees to lease to Tenant the Leased Space, subject to the terms and conditions of this Lease Agreement ("Lease").

NOW, THEREFORE, in light of the mutual promises and obligations contained herein, and in exchange for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

TERMS

- 1. **Lease of Space.** The City hereby agrees that, in exchange for the payment of Rent and the giving of other good and valuable consideration, it will lease to Tenant the Leased Space for the purpose of storing trailers. Tenant will be permitted to store a maximum of ten (10) trailers in the Leased Space.
- 2. **Rent.**
 - (a) In exchange for use of the Leased Space and other good and valuable consideration, Tenant agrees to pay to the City monthly rent in the total amount of **Seventy-five Dollars and No Cents** (\$75.00) per trailer stored in the Leased Space. Rent shall be paid in monthly installments, with or without notice, invoice or demand of the City, on or before the 1st day of each month during the Term or any Option Term of this Lease. Payments shall be made to the City Clerk. For payments received after the 15th day of the month, Tenant will be assessed a 1.5% late fee. Tenant's first payment of rent shall be due at the time of execution of this Lease, and shall thereafter be paid on the 1st day of each month during the Term or any Option Term of this Lease.

(b) No deposit shall be required as a part of this Lease.

3. **Term of the Lease.** The Lease shall commence at 12:00 a.m. on December 1st, 2017, ("Commencement Date") and will expire at 11:59 p.m. on July 31, 2018 ("Term"), unless earlier terminated as provided herein.
4. **Option Terms.** Tenant shall have the option to extend the Initial Term of this Lease for three (3) additional and successive one-month terms (individually, "Option Term" and, collectively, "Option Terms"). The Lease shall expire, at the end of the Initial Term or any Option Term, unless Tenant gives written notice to the City at least 15 days prior to the expiration of that Term of its intent to exercise its option hereunder. In no event shall this Lease extend beyond October 31, 2018. Option Terms shall be deemed a continuation of this Lease and shall not be considered a new Lease or an amendment hereto.
5. **Use of Leased Space.** The Leased Space shall be used by Tenant for the storage of a maximum of ten (10) trailers and for no other purpose. Tenant shall not have the right to install any fixtures or to make any repairs, alterations, or improvements to the Leased Space.
6. **City's Right of Entry.** The Tenant agrees that the City or its agents shall have the right to enter the Leased Space at any time.
7. **Utilities.** The City shall pay for all utilities furnished to the Leased Space, if any, during the Term and any Option Term of this Lease.
8. **Insurance.** As a municipal corporation, the City is self-insured for General Liability in accordance with Kansas law. Consequently, City shall not be required to purchase insurance as a condition of this Lease.
9. **Indemnity.**
 - (a) During the time that this Lease is in effect, the City agrees to indemnify, defend, save, and hold harmless Tenant, its officers, commissioners, agents, employees, grantees, and assigns, from and against all claims, actions, liabilities, damages, costs, expenses, and judgments, including attorneys' fees, which relate to, arise out of, or are in any way related to Tenant's use of the Leased Space or any portion thereof or the maintenance thereof, on account of any injury to persons or damage to property. This indemnification clause shall not apply to any injury or damage caused by Tenant's own negligent, reckless, or willful actions, or that of its agents.

- (b) During the time that this Lease Agreement is in effect, Tenant agrees to indemnify, defend, save, and hold harmless the City, its officers, trustees, agents, employees, grantees, and assigns, from and against all claims, actions, liabilities, damages, costs, expenses, and judgments, including attorneys' fees, which relate to, arise out of, or are in any way related to Tenant's use of the Leased Space or any portion thereof or the maintenance thereof, on account of any injury to persons or damage to property. This indemnification clause shall not apply to any injury or damage caused by the City's own negligent, reckless, or willful actions, or that of its agents.
10. **Damage to or Destruction of Leased Space.** If the Leased Space or the Structure shall be destroyed or shall be so damaged by fire or other casualty, such that it can no longer be used for the purposes of this Lease and the City decides, at its discretion, not to rebuild or to repair, then this Lease shall terminate of its own accord.
11. **Default.** If either Tenant or the City fails to perform or observe any material term, covenant, provision, or condition of this Lease, then that party will be in default under this Lease. In the case of default, the other party shall send to the party in default a written Notice of Default, setting forth, with particularity, the nature of the complained of default.
12. **Right to Cure.** From the date of written Notice of Default from the other party, the party in default shall have thirty (30) days to cure any default.
13. **Failure to Cure.** If the party in default fails to cure the default in the time prescribed by Section 12, *supra*, then the other party shall have the right to terminate this Lease and may, at its discretion, pursue any other remedies described in this Lease or that may be available to it at law or in equity and which are not otherwise proscribed by the terms of this Lease. If the City terminates this Lease for Tenant's failure to cure, then the City shall retain any Rent that Tenant has paid that month. If Tenant terminates this Lease for the City's failure to cure a default, the City shall refund to Tenant a prorated portion of the Rent paid for that month or months after the date of the default.
14. **Termination and Removal of Tenant's Property.** Upon the expiration or termination of this Lease, Tenant shall quit and surrender the Leased Space to the City in the condition it is now, ordinary wear and tear excepted.
15. **Quiet Possession.** The City covenants that Tenant, on paying the Rent and performing its obligations hereunder, shall and may peaceably and quietly have, hold, and enjoy the Leased Space during the term of this Lease -- subject to the

City's right of entry, *see* Section 6, *infra* -- free from any disturbance by the City, its agents or employees, or others acting within the control of the City.

16. **Relationship of the Parties.** Nothing set forth herein shall be deemed or construed by the parties, nor by any third party, as creating the relationship of principal and agent, partnership, or a joint venture between the parties hereto.
17. **Toxic or Hazardous Materials.** Tenant shall not store, use, or dispose of any toxic or hazardous materials in, on, or about the Leased Space.
18. **Waiver of Subrogation.** Tenant hereby waives any and all rights of subrogation against the City, its agents, servants, and employees, for any damage caused to the property of Tenant located in and upon the Leased Space, by reason of Tenant's negligence. The City hereby waives any and all rights of subrogation against Tenant, its officials, officers, agents, servants, and employees, for any damage caused to the property of the City, including the Leased Space, the Structure, and that property located in the Structure, by reason of the City's negligence.
19. **Limitation of Liability.** Neither party shall be liable to the other for lost profits or special, incidental, collateral, punitive, exemplary, or consequential damages, including but not limited to frustration of economic or business expectations, loss of profits, loss of capital, cost of substitute product(s), facilities, or services, or down time costs, even if advised of the possibility of such damages. Further, the liability of one party to the other for damages under this Lease Agreement, excluding liabilities relating to a party's indemnification obligations as set forth in Section 9, *supra*, or any other damages permitted under this Lease, is limited to the total amount payable by Tenant to the City under this Lease to which the dispute relates.
20. **Subordination and Non-disturbance.** The City shall have the right to transfer, mortgage, or otherwise encumber the Premises, including the Leased Space, provided such mortgage holder agrees to recognize the Tenant and to grant a non-disturbance agreement acceptable to Tenant. Tenant agrees to subordinate this Lease and to execute any such document that would make this Lease subordinate to any such mortgage or other encumbrance.
21. **Assignment.** This Lease may not be sold, assigned, transferred, or sublet without the prior written approval or consent of both parties.
22. **Authorization.** Each of the persons executing this Lease, in behalf of the respective parties, represents and warrants that he or she has the authority to bind the party in behalf of whom he or she has executed this Lease, and that all

acts required and necessary for authorization to enter into and to execute this Lease Agreement have been completed.

23. **Notice.** Notice under this Lease shall be provided in writing to the parties at the following addresses:

(a) Notice to Tenant:

Entrematic
3800 Greenway Circle
Lawrence, KS 66046

ATTN: John Amundson / VP Supply Chain

(b) Notice to the City:

City of Lawrence, Kansas
City Manager's Office
6 East 6th Street
P.O. Box 768
Lawrence, Kansas 66044

24. **Successors and Assigns.** This Lease shall be binding upon and inure to the benefit of the parties, their respective heirs, personal representatives, successors, and assigns.
25. **Non-waiver.** Failure of either party to insist on strict performance of any of the conditions, covenants, terms, or provisions of this Lease or to exercise any of its rights hereunder shall not waive such rights, but the party shall have the right to enforce such rights at any time and to take such action as might be lawful or authorized hereunder, whether in law or equity.
26. **Governmental Powers.** It is agreed that, by executing this Lease, Tenant does not waive or surrender any of its governmental powers or authority.
27. **Severability.** If any section, sentence, clause, or phrase of this Lease is found to be invalid by any court of competent jurisdiction, it shall not affect the validity of any remaining provision of this Lease Agreement.
28. **Venue.** The parties agree that the appropriate venues for any legal actions arising out of this Agreement are the District Court of Douglas County, Kansas, or, if federal jurisdiction exists, the United States District Court for the District of Kansas.
29. **Governing Law.** This Lease shall be governed by the laws of the State of Kansas.

30. Miscellaneous.

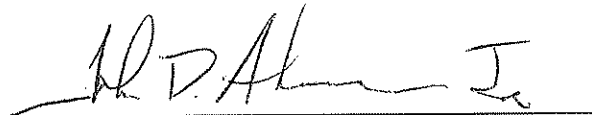
- (a)** This Lease supersedes all prior discussions and negotiations and contains all agreements and understandings between the City and Tenant with respect to the subject matter hereof. This Lease may only be amended by a writing signed by all parties.
- (b)** The provisions of the Lease relating to indemnification shall survive any termination or expiration of this Lease. Any provision of this Lease that would require performance subsequent to the termination or expiration of this Lease shall likewise survive any such termination or expiration.
- (c)** This Lease may be executed in duplicate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one (1) or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument.
- (d)** The recitals are incorporated herein by reference as if set forth herein in full.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned have caused this Lease Agreement to be executed as of the date noted above.

TENANT:

AMARR COMPANY, INC., a North Carolina Corporation, d/b/a Amarr Garage Door



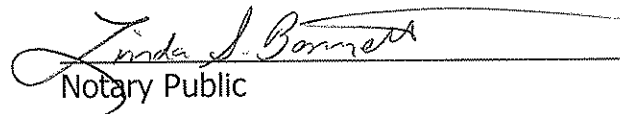
John D. Amundson Jr.
Vice President of Supply Chain
Entrematic

ACKNOWLEDGMENT

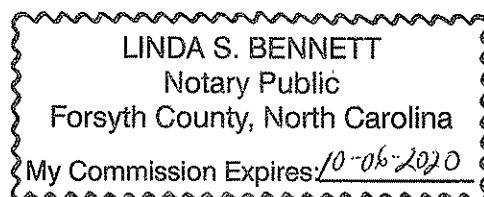
THE STATE OF North Carolina)
)
THE COUNTY OF Forsyth) SS:

BE IT REMEMBERED, that on this 15th day of November, 2017, before me the undersigned, a notary public in and for the County and State aforesaid, came John D. Amundson, Jr., as a VP of Supply Chain of Amarr Company, Inc., a North Carolina corporation, doing business as Amarr Garage Door, who is personally known to me to be the same person who executed this instrument in writing, and said person fully acknowledged this instrument to be the act and deed of the aforementioned entity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, the day and year last written above.


Notary Public

My Appointment Expires:



**THE CITY:
CITY OF LAWRENCE, KANSAS, a
municipal corporation**

THOMAS M. MARKUS
City Manager

ACKNOWLEDGMENT

THE STATE OF KANSAS)
) ss:
THE COUNTY OF DOUGLAS)

BE IT REMEMBERED, that on this ____ day of _____, 2017, before me the undersigned, a notary public in and for the County and State aforesaid, came Thomas M. Markus, as City Manager of the City of Lawrence, Kansas, who is personally known to me to be the same person who executed this instrument in writing, and said person fully acknowledged this instrument to be the act and deed of the aforementioned entity.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, the day and year last written above.

Notary Public

My Appointment Expires: