

*Oscar Wornek
Business Park
Reference Manual*



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City of Mackay

Oscar Wornek

Business Park

Reference Manual

City Resolution

14-01

March 4, 2014

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Oscar Wornek Business Park Manual

Table of Contents

1. Purpose	7
2. Scope:	7
3. Description:	7
4. Responsibilities:	7
5. Warranties:	9
6. Business Park Use Criteria:	9
7. Application for Lease of Business Space:	10
8. References:	10
9. Security Deposit:	10
10. Utilities:	11
11. Lease Agreement:	11
12. Lease Fees and Payment:	11
13. Failure to Pay:	12
14. Termination of Lease Agreement:	12
15. Inspection of Leased Space:	13
16. Insurance:	14
17. Alterations and/or Improvements:	14
18. Hazardous Material:	14
<u>Figure 1.</u>	8

Oscar Wornek Business Park Manual

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Oscar Wornek Business Park Manual

1. Purpose: The purpose of this manual is to provide guidance and direction to the Mayor and City Council in implementation of City of Mackay Resolution 14-01. This Resolution was written to ensure fair and equitable consideration and treatment to all potential Tenants and current Tenants in the City-owned Oscar Wornek Business Park, herein called the Business Park.

2. Scope: This manual is limited to the operation of Oscar Wornek Business Park building #1 and #2 only.

2.1 Prior to the issuance of Resolution 14-01, several established entities were located and in operation at the Business Park, and have lease agreements in place. These lease agreements shall remain in effect as written until those lease agreements are either renewed or terminated by the City Council. All lease agreements currently recognized as being in effect shall be reviewed and new lease agreements written or terminated in accordance with Resolution 14-01 and this manual.

3. Description: The Business Park is located on U.S. Highway 93 opposite the intersection of Rose Avenue. The Business Park consists of two (2) separate buildings as depicted in figure 1. Building #1 is situated perpendicular to Highway 93 while Building #2 is parallel to the Highway.

3.1 Each building has 9800 sq. ft. of usable space. Some of this space in each building has been subdivided into offices and larger open spaces: for example; accommodation of office cubicles and exercise equipment. See Exhibit 3 for floor plans and descriptions of space(s).

3.2 The primary purpose of the Business Park is to create and sustain jobs thus economically benefiting the upper Big Lost River valley. As such, the business park will be managed to provide individuals/organizations with space to conduct their business if the space they require is not available in other buildings within the city limits of Mackay. The Business Park is not an "incubation center," to provide subsidized space for start-up businesses.

4. Responsibilities: The Mackay City council shall be responsible to update this manual as deemed necessary. This Manual may be updated without changing or reissuing Resolution 14-01. Changes to this Manual shall require a majority vote of the Council.

4.1 The City Council is responsible for reviewing and approving all applications requesting lease of space in the Business Park. The Council shall also review delinquent accounts as well as other Tenant lease agreements which may be subject to termination or other action.

Oscar Wornek Business Park Manual

4.2 The Council shall also assist the Mayor in inspecting the Tenants leased space.



Figure 1.

4.3 The Mayor is responsible for the implementation of all items identified in this manual. The Mayor is designated as the contact individual for those seeking business space and for those businesses who have lease agreements with the City. The Mayor may appoint a Council Member to serve in this function. However, the Council may if they deem it necessary, appoint a Council Member to serve as the contact individual by a simple majority vote. In the Mayor's absence the Chairman of the City Council is authorized to be his alternate.

4.4 The Mayor, with two (2) members of the City Council, shall conduct unannounced visits of each Tenant's leased space (also referred to as Premises) twice (2x) each year accompanied by the Tenant. The visits shall be during regular Tenant business hours. These visits are separate and distinct visits not associated with the initial visit when the Tenant first occupies the Premises or final visit when the Tenant vacates the Premises.

4.5 The City Clerk is responsible for providing "Lease of Business Space Oscar Wornek Business Park Application Forms," upon request by potential Tenants. The Clerk is

Oscar Wornek Business Park Manual

responsible for collecting lease fees (rent). Sending delinquent notices and keeping the City Council apprised of delinquent accounts are also the responsibility of the Clerk.

5. Warranties: The City of Mackay provides no warranties as to the conditions of the leased space (Premises) and services provided other than; the Business Park Buildings met the required building code at the time of construction of the buildings.

6. Business Park Use Criteria: Those individuals or organizations (herein referred to as Applicant) seeking to lease space in the Business Park shall meet and/or agree to all of the following criteria prior to completing a request for lease Application Form (see Exhibit 1).

6.1 By completing a lease Application Form, the Applicant is attesting he has met and/or agreed to the following:

6.1.1 The Applicant's business has a valid: State of Idaho Sales Tax Number; or Idaho Sales Tax Exemption Number; or Federal Employer Identification Number; or a combination of any of the above;

6.1.2 There is no similar business within the City of Mackay which the Applicant's business will directly or indirectly unfairly compete for customers;

6.1.3 An attempt has been made by the Applicant to secure space in other buildings within the City Limits of Mackay to establish the business and found no space available;

6.1.4 Changes to building space proposed by the Applicant shall be approved by a majority vote of the City Council prior to approval of a lease. Any approved change(s) to the building shall be made by licensed contractors and not by the Applicant as applicable. Applicant shall fund a minimum of one third (1/3) the cost of the change or purchase a Bond for the entire amount of the cost of the change.

6.1.5 No furnishings shall be provided by the City of Mackay;

6.1.6 No smoking will be allowed in the Business Park buildings in keeping with Idaho Code 39-5503 which prohibits smoking in a publicly owned building;

6.1.7 No Hazardous Material as defined by the U.S. Department of Transportation in Title 49 of the US Code of Federal Regulations shall be allowed. This does not prohibit Consumer Commodities of those materials to be present. Use of these materials shall be approved on a case by case basis by the City Council prior to application for lease;

6.1.8 Applicants whose proposed business requires permits from the Department of Environmental Quality will be considered on a case by case basis;

Oscar Wornek Business Park Manual

6.1.9 Applicants who are leased space in the Business Park shall agree to unannounced visits to inspect the leased space a minimum of twice (2x) per year. These visits are separate and distinct visits not associated with the initial occupancy visit, or the final visit conducted upon termination of lease agreement;

6.1.10 The Applicant shall provide insurance to include liability, and fire.

7. Application for Lease of Business Space: Any individual or organization may request an Application Form (see Exhibit 1) to lease space in the Business Park. Application Forms shall be available from the City Clerk at the Mackay City Hall during normal business hours. Exhibit 1 may be changed or updated as deemed necessary by a majority vote of the City Council without updating this entire Manual. Questions regarding the Application Form shall be addressed by the Mayor.

7.1 Completed Application Forms shall be given to the City Clerk and presented to the City Council for approval at the next regular City Council meeting. Upon approval by the Council, the City Clerk shall complete a Lease Agreement (see Exhibit 2) for the Mayor to sign and present to the Applicant for signature. Once both parties have signed the Lease Agreement, the Original shall be filed with the City Clerk and a copy provided to the Applicant (Tenant). The Lease Agreement shall be notarized.

7.2 All Applicants are strongly recommended to attend the City Council meeting when their Application Form will be reviewed. This may facilitate more timely approval of the Application if the Council has questions that are not adequately addressed on the Application Form.

8. References: Tenant shall provide three (3) references. These references shall not be related to the Tenant or to those who are or may be employed by the tenant.

9. Security Deposit: Tenant shall post a security deposit in the amount of five hundred dollars (\$500.00) with the City Clerk prior to being given access (key) to the leased space (premises). This deposit is in addition to the first month's rent. This security deposit shall be retained by the Clerk for the duration of the lease agreement. If the Tenant leaves the premises in the same or better condition than in which it was received, normal wear and tear accepted, the security deposit will be returned within thirty (30) days following removal of all Tenant's personal property, return of all keys, and an inspection of the premises by the Mayor accompanied by two (2) members of the City Council; provided the Tenant's rent is current. Termination of the lease agreement due to violations or failure to comply with terms of the lease agreement by the Tenant shall result in forfeit of the security deposit.

9.1 The security deposit shall not be used or considered by the Tenant as the final rent payment.

Oscar Wornek Business Park Manual

10. Utilities: Sewer and Water utilities are provided to the Tenant at no cost by the City. Electricity is provided to the Business Park by the City but payment agreement must be made by the Tenant to Lost River Electric Cooperative, Inc. Other utilities such as telephone and computer services shall be provided by the Tenant at no cost to the City. The City is responsible for grounds maintenance.

11. Lease Agreement: All Lease Agreements between the City and any Tenant shall be the standard Lease Agreement (see Exhibit 2). Special provisions may be considered by a majority vote of the Council. Exhibit 2 may be changed or updated as deemed necessary by a majority vote of the City Council without updating this entire Manual.

11.1 The Lease Agreement between the City and the Tenant shall be initially for one (1) twelve (12) month period. If the terms of the initial Lease Agreement are met to the satisfaction of the City Council, the Lease Agreement will be extended for one additional twelve (12) month period. Lease Agreement may be extended and renewed with Council Approval

11.2 However, if during the initial Lease Agreement or at any time during the unexpired period of any lease, the City Council deems that the Tenant has not fulfilled the stipulations of the lease, the lease shall not be extended or the lease will be terminated; and the Tenant shall remove all their property from the Business Park within thirty (30) days of written notification by the Council. Upon notification of lease termination, the Tenant may request a hearing and reevaluation by the Council. Decisions of the Council shall be final.

11.3 The Tenant will be allowed to lease space solely for the purpose(s) the Tenant has identified in the Application Form.

11.4 The Tenant shall not be allowed to reassign a lease agreement nor sublet any portion of the leased space. This is to be considered as a new lease agreement(s) and will require resubmission of all forms for approval by the City Council.

12. Lease Fees and Payment: Lease fees (rent) shall be based upon the amount of space leased and the going rate for business space in this area. Space for lease shall be identified as: Commercial Space, which is typical space used for business activities that provide a product or service; Office Space, which is typically used by professionals for specialized activities such as engineering; and Industrial Space, which is used for light manufacturing or fabrication. Because each type of space requires different construction and facilities, the fee for lease of each space shall be different: Industrial Space being the least expensive with Office Space the most expensive.

12.1 Therefore, a Tenant shall not lease Industrial Space and then use it as Office Space or the Tenant shall be immediately in violation of his lease agreement. The exact lease fee is included in this Manual as Exhibit 4. Exhibit 4 may be changed or

Oscar Wornek Business Park Manual

updated as deemed necessary by a majority vote of the City Council without updating this entire Manual.

12.2 Payment of Fees (rent) is due and payable to the City Clerk on the first working day of each month and is considered late if not paid by the tenth (10th) of that month. A late fee of ten percent (10%) of the base fee will be assessed and added to the next months fees.

12.3 All monies received from the Tenant shall be applied to the current total amount owed. If late fees are assessed and the next month's fees are paid without including the late fee, the late fee will be subtracted from the monthly fee, resulting in the monthly fee not being paid in full and subject to another late fee. Late fees shall not be compounded.

13. Failure to Pay: Tenant agreements shall be considered broken by the Tenant and therefore null and void if the monthly lease fees (rent) are not kept current. The City Clerk shall issue a delinquent notice on the 15th day of each month to each Tenant whose lease fees are not current including penalties.

13.1 The City Clerk shall notify the City Council, at the next regular council meeting, of all Tenants who are delinquent for the past month and have been issued a delinquent notice.

13.2 Tenants will be given three (3) months to make their lease accounts current. The City Clerk shall issue delinquent notices for each of those months, including in the notice the base fee(s) and all penalties. Also with the third (3rd) delinquent notice, the Tenant shall be requested to provide a written plan of how the Tenant will become current or attend the next scheduled City Council meeting and explain why their lease agreement should not be terminated.

14. Termination of Lease Agreement: Any lease agreement deemed by the City Council to be in default shall be terminated by a majority vote of the Council. The Council shall consider the following criteria when determining if a lease agreement should be terminated.

14.1 Any of the following may result in termination:

14.1.1 The Tenant is three (3) consecutive months behind in lease payments (including penalties).

14.1.2 The Tenant is operating a business different from the business identified in the Application Form.

Oscar Wornek Business Park Manual

14.1.3 The Tenant is operating a business that has been determined by the Idaho Department of Environmental Quality to require a permit.

14.1.4 The Tenant failed to identify any Hazardous Material, as defined by the U.S. Department of Transportation in Title 49 US Code of Federal Regulations used in his business.

14.1.5 The Tenant fails to comply with any lease agreement clause and continues to violate that clause after being requested to comply.

14.1.6 The Tenant fails to maintain the leased space in a neat and tidy manner such that fire hazards are reduced or eliminated.

14.1.7 Tenant fails to maintain the required insurance.

14.1.8 The Council does not approve renewal.

15. Inspection of Leased Space: A team consisting of the Mayor and two (2) members of the City Council shall inspect each Tenant's leased space and document the condition of said space upon signing of the Lease Agreement. Photographs along with accompanying notations of the space condition shall be maintained by the City Clerk in the Tenant's file.

15.1 Additional unannounced inspections shall be performed of all Tenant leased space during Tenant's regular hours of business, at a minimum of six (6) month intervals by similar teams. Documentation of these visits shall also be placed in the Tenant's file. Included in the documentation shall be any conditions noted that are not in conformance with the Tenant's Lease Agreement and action(s) taken by the Tenant to remedy those conditions.

15.2 Any items noted during these inspections which are not in conformance with the Tenant's Lease Agreement shall be made known immediately to the Tenant. The Tenant must correct any identified condition(s) within twenty-four (24) hours or request an extension from the City. Conditions that cannot be corrected by the Tenant within that time period shall be deemed as violation of their Lease Agreement.

15.3 Upon termination of the Tenant's Lease Agreement, the team shall inspect the leased space. Photographs along with accompanying notations of the space condition shall be taken. This information shall be presented to the entire City Council and compared with photographs taken during the initial visit, prior to Tenant taking

Oscar Wornek Business Park Manual

occupancy of the leased space, to determine if the Tenant shall receive the return of any or all of their Security Deposit.

16. Insurance: Tenant shall carry as a minimum the following amounts of insurance with the City of Mackay Listed as additional insured: One million dollars (\$1,000,000.00) public liability insurance and included in said liability a "Fire Legal Liability" in the amount of one million dollars (\$1,000,00.00). Tenant shall provide a certificate(s) of insurance indicating said insurance is current prior to being granted access to the Premises.

16.1 The City shall not be held responsible for loss of Tenant personal property and the Tenant will be required to release and discharge the City of and from any liability for damage or loss to the Tenant's property.

16.2 The City shall insure the buildings of the Business Park.

17. Alterations and/or Improvements: No alterations, additions, or improvements shall be made to the leased space by the Tenant without first submitting a written request to the City Council; explaining in detail, including drawings the requested alteration or improvement and obtaining expressed written consent from the Council. This is to include placement of any signs on the leased space or Business Park property. All alterations, additions or improvements made by the Tenant shall be accomplished using licensed contractors as applicable and at the Tenant's expense. All alterations, additions or improvements shall become the property of the City.

18. Hazardous Material: No hazardous material as defined by the U. S. Department of Transportation in US Code of Federal Regulations Title 49 shall be permitted. This is not to include Consumer Commodities of said materials such as cleaning supplies.

Tenants seeking to lease space for business that require a State of Idaho Department of Environmental Quality permit for either air or water emissions are prohibited from leasing space in the Business Park.

Exhibit 1

OSCAR WORNEK BUSINESS PARK



**P.O. Box 509
313 East Custer Street
(U.S. Highway 93)
Mackay Idaho 83251**

APPLICATION FORM

Lease of Business Space Oscar Wornek Business Park Application Form

Individuals or organizations desiring to locate their business in the Oscar Wornek Business Park owned by the City of Mackay shall complete the following application and present it to the Mackay City Council for consideration and evaluation, prior to authorizing the Mayor to enter into a lease agreement for business space. The Applicant acknowledges, by completing this form, they have been informed of the criteria used for consideration in granting a lease.

Lease Criteria for Businesses in the Oscar Wornek Business Park

Please initial by each box to indicate you have read and understand each requirement.

- The Applicant has a valid: State of Idaho Sales Tax Number; or Idaho Sales Tax Exemption Number; or Federal Employer Identification Number; or a combination of any of the above for this business;
- The Applicant's business will not directly or indirectly compete unfairly with a similar business in the City
- An attempt has been made by the Applicant to secure space in other buildings within the City Limits of Mackay to establish the proposed business and found no space available;
- The Applicant is willing to accept the space available in the Business Park in "as is condition." Changes to the space available shall be presented in writing to the Council for approval. The Applicant shall be required to pay a minimum of one third (1/3rd) the cost of the proposed change or obtain a bond for the entire amount of the cost of the change if approved by the Council. Changes shall be made by licensed contractors as applicable.
- No furnishings shall be provided by the City of Mackay;
- No smoking will be allowed in the Business Park spaces in keeping with Idaho Code 39-5503 which prohibits smoking in a publicly owned building;
- No Hazardous Material as defined by the U.S. Department of Transportation in Title 49 of the US Code of Federal Regulations shall be allowed without prior Council approval;
- Applicants whose proposed business requires or could require special permits from the Department of Environmental Quality will be considered on a case by case basis;
- Applicant agrees to unannounced visits by the City to inspect the leased space;
- The Applicant shall provide liability and fire insurance. The City of Mackay shall not be held liable for any damage or loss of Applicant property.

Application for Business Space in the Oscar Wornek Business Park

Please enter the required information. All information is to be printed clearly:

I, _____ hereby request the Mackay City Council consider this
(Print Name)

application to lease space in the Oscar Wornek Business Park for

(Print Name of Business)

Type of business space requested: _____ Office, _____ Commercial, _____ Industrial.

Business is: _____ New; _____ Existing (Date Established: _____)

If existing, provide current location:

The business (new or existing) is identified by the following valid: State of Idaho Sales Tax Number; or Idaho Sales Tax Exemption Number; or Federal Employer Identification Number; or a combination of any of the above. Enter applicable number(s) below.

State of Idaho Sales Tax Number _____

State of Idaho Sales Tax Exemption Number _____

Federal Employer Identification Number _____

Please Describe Business:

Business hours will be _____ to _____ Monday through Friday or _____
(From Hour) (To Hour) (Week Day)

to _____ . This business will employ _____ employees
(Week Day) (Enter Number)

Initially, with the possibility of employing _____ employees in the future.
(Enter Number)

Indicate the amount of space your business is looking to lease in the Business Park:
_____ sq. ft.

Provide the following Contact information:

Name of Contact Person if not the Applicant: _____
Street Address: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
E-mail address: _____
Phone Number: _____ Cell: _____
Website: _____

Provide three (3) references (Not related to Applicant or Contact Person):

1. Name (printed): _____
Address: _____
Phone: _____

2. Name (printed): _____
Address: _____
Phone: _____

3. Name (printed): _____
Address: _____
Phone: _____

(Applicant Name Printed) (Applicant Signature)

(Date Submitted)

To be completed by Mackay City Council

Date Application Received by Council: _____
Council Action: ___ Approved¹ ___ Rejected² ___ Need more information³

¹Mayor is authorized to proceed with issuance of a lease agreement
²City Clerk is requested to notify Applicant in writing. Council Meeting minutes shall document rejection reason(s)
³City Clerk is requested to return Application to Contact and request additional information in writing.

Signature of Council Representative: _____ Date: _____

Exhibit 2
Oscar Wornek Business Park Lease Agreement

AGREEMENT: between the City of Mackay, Idaho a municipal, corporation; herein referred to as "LESSOR" and _____ herein referred to as "LESSEE;"

WITNESSETH:

1. PREMISES: LESSOR leases and rents to LESSEE, and LESSEE leases and rents from LESSOR, the real property located in Oscar Wornek Business Park Building # __1, __ 2, described as follows:

In addition the LESSEE is granted access to common area entries and egresses and common restrooms located in said building which shall remain the property of the LESSOR.

2. TERM: The term of this lease shall be for one (1) year from the date of signing this agreement under the following terms and conditions and shall be reviewed annually by the LESSOR for any changes.

3. RENT: LESSEE agrees to pay LESSOR \$0.__(Spell Out) per square foot as rent for the leased space (herein referred to as "Premises" in monthly installments of \$____.(Spell Out) per month. Rent is due and payable on the first day of the month. Payment is considered late on the fifteenth (10th) day of the month. A late fee of ten percent (10%) of the monthly fee shall be assessed and added to the next month's rent fee.

If the monthly rent fee is paid without including an assessed late fee, the late fee will be subtracted from the rent paid resulting in the rent not being paid in full. Rent fees and/or assessed late fees three (3) months in arrears shall violate this agreement and this agreement shall be considered voided by the LESSEE. Rental fees shall be evaluated and may be adjusted by the LESSOR annually.

4. SECURITY DEPOSIT: LESSEE shall post a security deposit in the amount of five hundred dollars (\$500.00) with the LESSOR. This deposit is in addition to the first month's rent. This security deposit shall be retained by the LESSOR for the duration of the lease agreement. If the LESSEE shall leave the premises in the same or better condition than in which it was received, the security deposit will be returned within thirty

(30) days following removal of all LESSEE property from the Premises, return of all keys, and an inspection of the premises by the LESSOR, provided the LESSEE'S rent is current. The security deposit shall not be used or considered by the LESSEE as the last and final rent payment. Termination of the lease agreement due to violations or failure to comply shall result in forfeit of the security deposit by the LESSEE.

5. INSURANCE: LESSEE shall carry as a minimum the following amounts of insurance with the City of Mackay Listed as additional insured: one million dollars (\$1,000,000.00) public liability insurance and included in said liability a "Fire Legal Liability" in the amount of one million dollars (\$1,000,00.00). LESSEE shall provide a certificate(s) of insurance indicating LESSEE currently carries said insurance to the LESSOR prior to occupying the Premises.

The LESSOR shall not be held liable or responsible for damage or loss of LESSEE property and the LESSEE hereby releases and discharges LESSOR of and from any liability for loss or damage to the property of LESSEE while on the leased Premises.

6. INDEMNIFICATION: LESSEE agrees to indemnify, defend and hold harmless, LESSOR, and its officers, agents and employees, from and against all claims losses, actions, or judgments for damages, losses or injury to persons or property arising out of or in conjunction with the acts and/or any performances or activities of LESSEE, LESSEE's agents, employees, or representatives under this Agreement.

7. WARRANTIES: The LESSOR warrants that the Premises met the building code in effect at the time of construction of the Business Park Buildings and that services provided to the Premises including sewer, water, and electricity are in good working condition. No other warranties are expressed or implied.

8. RIGHT OF ACCESS: The LESSOR reserves the Right of Access to the Premises. A team consisting of the Mayor and two (2) members of the City Council and the LESSEE shall inspect each LESSEE's Premises and document the condition of said Premises upon signing of the lease agreement. Photographs along with accompanying notations of the condition of the Premises shall be maintained by the LESSOR.

Unannounced inspections shall be performed of the LESSEE's Premises during regular hours of business at a minimum of six (6) month intervals by similar teams. Documentation of these visits shall also be placed in the LESSEE's file. Included in the documentation shall be any conditions noted that are not in keeping with the lease agreement and action(s) taken by the LESSEE to remedy those conditions.

Additional inspections may be performed by the LESSOR as deemed necessary.

Any items noted during these inspections which are not in keeping with this lease agreement shall be made known immediately to the LESSEE. The LESSEE must

correct any identified condition(s) within twenty-four (24) hours, or request in writing an extension from the LESSOR. Conditions that cannot be corrected by the LESSEE within that time period shall be deemed as violation of this lease agreement.

9. ASSIGNMENT OR SUBLETTING PROHIBITED: LESSEE shall not assign this lease nor sublet the whole or any part thereof.

10. FIRE OR OTHER LOSS: if any part of the Premises shall be damaged by fire, the elements or other causes, LESSOR will cause the same to be promptly repaired and restored by licensed professionals; unless caused by the acts or negligence of the LESSEE or its employees, in which case LESSEE shall promptly restore and repair the Premises.

If any part of the Premises is so damaged as to be unfit for use or occupancy, the rent of LESSEE shall be adjusted on a pro-rated basis, if the cause of loss of occupancy is the fault of the LESSOR. The LESSOR shall not be held liable for any loss of revenue due to the loss of use of the Premises. This shall include damage incurred to adjacent spaces within the Occupied Business Park Building which preclude occupancy by the LESSEE of his Premises.

11. UTILITIES AND SERVICES: The LESSEE shall be responsible for all utilities such as electricity, telephone, janitorial services, trash collection and disposal. The LESSOR will be responsible for snow removal from the entries, parking lot and sidewalks. The LESSOR shall also maintain the grounds. The LESSOR shall also provide water and sewer services.

12. HAZARDOUS MATERIAL OR WASTE: No hazardous material or hazardous waste, as defined by federal, state or local laws or regulations shall be permitted on the Premises.

13. USE OF PROPERTY: The LESSEE will use the Premises for the purposes described in the "Lease of Business Space Oscar Wornek Business Park Application Form," which has been reviewed and approved by the LESSOR and upon which this Agreement is predicated. The said form shall become an Appendix to this Agreement. Any change in the LESSEE's use of the Premises shall be requested in writing and approved in writing by the LESSOR. Changes to this Agreement may be required in order to allow the LESSEE to change the purpose for which the Premises is leased. Any LESSEE change in purpose without written permission from the LESSOR shall constitute a breach of this agreement.

14. Alterations and/or Improvements: No alterations, additions, or improvements shall be made to the Premises by the LESSEE without first submitting a written request to the LESSOR explaining in detail (including drawings) the desired alteration, addition

or improvement; and obtaining expressed written consent from the LESSOR. This is to include placement of any sign(s) on the Premises. All alterations additions or improvements made by the LESSEE shall be accomplished using licensed contractors and at the LESSEE'S expense or as agreed upon in the LESSOR response to the LESSEE written request. All alterations additions or improvements shall become the property of the LESSOR.

15. TIME OF ESSENCE AND DEFAULT: Time is of the essence of this agreement. If LESSEE defaults in any of the terms of this Agreement for a period of ten (10) consecutive calendar days after written notice of default has been sent by LESSOR, the LESSOR, at its option and in addition to all other legal and equitable remedies, may declare this lease forfeited and terminated and re-enter and repossess the leased Premises. Upon such forfeiture and termination, all rights of LESSEE under this agreement shall immediately terminate. The LESSEE shall immediately remove all personal property from the Premises and surrender the keys to the Premises to the LESSOR.

16. SERVICE OF NOTICES: Any notice may be served upon the LESSOR by certified mail to LESSOR at City of Mackay, P. O. Box 509, Mackay, ID 83251. Any Notice may be served upon the LESSEE by certified mail to:

LESSEE at _____

Mailing Address _____

City _____ State _____ Country _____

Service of a notice by certified mail shall be deemed complete upon date of the postmark. Either party may change the address for Service of Notice by written notice to the other party.

17. ATTORNEY FEES: If action is brought to enforce the terms or provisions of this lease agreement, or to enforce forfeiture for default, or to collect damages for breach, the prevailing party in such action shall be entitled to recover from the losing party reasonable attorney fees together with the costs authorized by law. In addition, LESSEE agrees to pay the sum of two hundred twenty five dollars (\$225.00) for the costs and attorney fees for each notice of default served upon LESSEE by LESSOR.

18. RENEWALS: Upon expiration of this lease agreement, LESSEE shall have the right to renew it by giving written notice of renewal at least thirty (30) days before the termination of this Agreement. All renewals of this Agreement shall be under the same terms and conditions of this Agreement. The rent fee is subject to change as determined by the LESSOR.

19. TERMINATION: The LESSOR may terminate this Agreement at any time without incurring any liability for damages if it is determined that the LESSEE has violated any clause of this Agreement by providing written notice of said violation(s)

20. ENTIRE AGREEMENT: This Agreement in conjunction with the completed "Lease of Business Space Oscar Wornek Business Park Application Form" constitute the entire agreement of the parties and can only be modified or amended in writing by joint agreement in writing by the parties. All other agreements, if any, are hereby terminated.

Dated this _____ day of _____, 20__
(Date) (Month) (Yr.)

LESSEE: _____ Date: _____
(Signature) (Date)

State of Idaho, County of Custer

_____ being duly subscribed and sworn and having personally appeared before me a Notary Public for the State of Idaho on this _____ day of _____ 20__ executed the forgoing document.

Notary Public for Idaho
Residing at _____
My Commission Expires: _____

Mayor, City of Mackay, Idaho _____ Date: _____

Notary Public for Idaho
Residing at _____
My Commission Expires: _____

(SEAL)

ATTEST: Clerk, City of Mackay _____ Date _____

Exhibit 3

Business Park Spaces

This Exhibit is under construction and will be included upon separate approval at a later date.

Exhibit 4

Business Park Lease Fees

The following fees are to be used as a target fee. The fee prior to the approval of Resolution 14-01 was \$0.11 (eleven cents) for any and all space in both buildings of the Business Park. The Council in approving this initial Exhibit understands that negotiations with current Tenants will be required do to the significance in the amount of increase for Commercial and Office space.

However, all new business that apply for lease of space in the Business Park shall be subject to the below stated fees:

Industrial Space: \$0.15 (fifteen cents) / sq. ft. monthly or \$1.80 (one dollar and eighty cents) /sq. ft. yearly

Commercial Space: \$0.35 (thirty-five cents) / sq. ft. monthly or \$4.21 (four dollars and twenty-one cents) / sq. ft. yearly

Office Space: \$0.50 (fifty cents) / sq. ft. monthly or \$6.00 (six dollars) / sq. ft. yearly

This Exhibit shall be reviewed and evaluated at the beginning of each calendar year and revised as deemed necessary by a majority vote of the City Council.