

LEASE AGREEMENT
Between
SALT LAKE COUNTY
And
GREATER SALT LAKE MUNICIPAL SERVICES DISTRICT

This Lease Agreement (“Agreement”) is entered into this ___ day of _____, 2019, between Salt Lake County, a body corporate and politic of the State of Utah (“LESSOR”) and Greater Salt Lake Municipal Services District, a local district and public entity of the State of Utah (“LESSEE”). LESSOR and LESSEE may be referred to as “the Parties.”

THEREFORE, in exchange for and in consideration of the payment to be made hereunder, and the mutual promises, covenants, and conditions contained in this Agreement, the Parties hereby agree as follows:

1. GRANT OF LEASE

LESSOR does hereby lease to LESSEE a portion of third floor of the North Building at the Salt Lake County Government Center, 2001 S. State Street, SLC, UT 84190 (“Government Center”), which consists of approximately 10,717 square feet of office space (the “Premises”) specifically identified in Exhibit A.

2. TERM OF LEASE

The term of this lease shall be for the period of one year from October 1, 2019, through September 30, 2020 (“Term”), unless terminated as hereinafter provided. Upon mutual written consent of the Parties, this Agreement may be extended for up to two (2) additional one (1) year terms (each an “Extension Term”) upon the same conditions of this lease, except as provided herein. LESSEE shall notify LESSOR in writing of LESSEE’S request to renew the lease at least sixty (60) days prior to the expiration of the then current Term or Extension Term.

3. RENT

A. LESSEE shall pay LESSOR as rent for said Premises \$12.75 per square foot annually (totaling \$136,641.80) with a rent payment of Eleven Thousand Three Hundred Eighty-Six dollars and Eighty-One cents (\$11,386.81) per month for the initial Term of this Agreement. If the Parties elect to extend the terms of this Agreement for the first Extension Term, rent shall increase to \$15.75 per square foot annually with a rent payment of Fourteen Thousand Sixty-Six dollars and Six cents (\$14,066.06) per month. If the Parties elect to extend this Agreement for the second Extension Term, the rent paid by LESSEE shall increase by 3% during the second Extension Term to \$16.22 per square foot per year, with a rent payment of Fourteen Thousand Four Hundred Eighty- Five dollars and Eighty-One cents (\$14,485.81) per month. During the original Term and each Extension Term, rent shall be payable in advance on the first day of each month. If the rent is not received by LESSOR within fifteen (15) days after such amount shall be due, LESSEE shall pay to LESSOR a late charge equal to five percent (5%) of such overdue amount.

- B. PARKING. LESSEE may use any parking stalls in the parking structure or other employee parking areas at the Government Center designated as general employee parking. LESSEE and LESSEE's employees may not use any of the parking stalls at the Government Center designated for use by the general public.
- C. FURNISHINGS. LESSEE shall be able to use any office furnishings provided by LESSOR within the Premises, including, desks, chairs, bookshelves, tables, and filing cabinets. All furnishings provided by LESSOR shall be labeled by LESSOR to be readily identified as County property. LESSEE may provide any additional office furnishings at its own costs and expense. LESSEE shall be responsible to provide at its own costs and expense any other furnishings and office supplies necessary and related to its use of the Premises.
- D. INITIAL INTERIOR IMPROVEMENTS. LESSOR is in the process of remodeling a portion of the Government Center that includes the Premises. The Premises will be built out in accordance with LESSOR's current plans and designs for this area. LESSEE agrees to accept the Premises "as is" at the commencement of this Lease. LESSEE has examined the Premises and is satisfied with the physical condition, and taking possession is conclusive evidence of receipt of them in good order and repair. LESSEE acknowledges that LESSOR has made no representation or warranty related to the fitness of the Leased Premises for any particular purpose (including without limitation the current use thereof) Upon the expiration or termination of the Lease, LESSEE shall return the Leased Premises to LESSOR in as good a condition as when received, reasonable wear and tear excepted.

4. SURRENDER OF PREMISES AT TERMINATION

At the expiration of the Term and any Extension Term of this Agreement, or upon any surrender of the premises according to the terms and conditions herein, LESSEE will yield said Premises to LESSOR in as good order and condition as when entered upon by LESSEE, subject to reasonable use and wear, damage by fire, casualty not the fault of LESSEE, and damage by the elements.

5. MAINTENANCE

- A. LESSOR, through Salt Lake County Facilities Management ("Facilities Management"), shall be responsible for the following items of maintenance, unless such maintenance is required as result of the willful or negligent action or inaction of LESSEE or its employees, agents, or subcontractors: roof, exterior walls, interior support walls, structural repair, exterior painting, yard maintenance, plumbing equipment, heating and air conditioning equipment, electrical equipment, light globes and tubes, janitorial cleaning services and supplies, carpet cleaning, glass breakage, trash and snow removal, and parking lot maintenance.
- B. LESSEE may request additional cleaning or maintenance services not included in Section 5(A) from Facilities Management. Such requested services will be scheduled and provided to LESSEE according to Facilities Management's existing fee schedules, and LESSEE shall be solely responsible for the costs and expenses of such

services.

6. UTILITIES, TAXES, AND INSURANCE

LESSOR shall be responsible for the following utilities and insurance: power, heat, water, sewer, fire, and casualty insurance on the building. LESSEE shall be responsible for the following: telephone, internet, taxes upon LESSEE's personal property or business operations, privilege taxes on the Premises, and insurance upon LESSEE's personal property.

7. RIGHT TO LEASE PREMISES

LESSOR hereby warrants that it has the legal right to lease the Premises.

8. SUBLETTING OR ASSIGNMENT

LESSEE will not sublet the premises or any portion thereof or assign the lease without the prior written consent of LESSOR.

9. QUIET ENJOYMENT OF PREMISES.

LESSOR covenants with LESSEE that upon fully complying with and properly performing all of the terms, conditions and covenants hereof to be performed by LESSEE, LESSEE shall have the use of the Premises for the lease term set forth herein unless terminated as provided in paragraph 21 or paragraph 22 herein.

10. CONDEMNATION.

If the whole of the Premises shall be taken by any public or governmental authority under the power of eminent domain, then the term of this Agreement shall cease as of the date possession is taken by such authority and the lease payments required hereunder shall be paid through the date of possession and not thereafter. If only a part of the Premises shall be taken and the remainder not so taken remains tenantable for the purposes for which LESSEE has been using the Premises, then this Agreement shall continue in full force and effect as to said remainder and all of the provisions hereof shall continue except that the LESSOR agrees that it will reduce the rent based on the actual square footage of the Premises lost to condemnation. If the remaining Premises are untenable for LESSEE's purposes, then LESSEE may terminate this Agreement by giving written notice to LESSOR. The term "eminent domain" as used in this paragraph shall include the exercise of any similar governmental power and any purchase or other acquisition in lieu thereof by a governmental entity. LESSOR reserves all rights to compensation for damages to the Premises, the building, the land and the leasehold accruing by reason of the exercise of eminent domain.

11. DAMAGE BY FIRE AND OTHER CASUALTY.

A. In the event that the Premises should be substantially damaged or destroyed by fire or other casualty, then, and in such event, the LESSOR shall have the right to terminate this Agreement by giving written notice to the LESSEE within thirty (30) days after such damage or destruction. If this Agreement is not terminated, then LESSOR shall restore the Premises to substantially the same condition they were in immediately preceding the damage or destruction, excluding therefrom any obligation to restore any leasehold improvements made by the LESSEE or any change in the Premises made by the LESSEE. If the damage or destruction and/or restoration shall

substantially interfere with the LESSEE's use of the Premises, as provided herein, for a continuous period of forty-five (45) days or more (commencing on the date of the fire or other casualty), then the LESSEE may elect to terminate this Agreement by giving written notice to the LESSOR within five (5) days after the end of such forty-five (45) day period.

- B. If the Premises are damaged and LESSEE retains possession, rents from the date the damage was sustained to the completion of repairs and restorations shall be reduced on a pro rata basis to the extent that the Premises were untenable.
- C. LESSOR and LESSEE hereby waive all causes and rights of recovery against each other or their respective agents, officers and employees for any loss sustained to the Premises or personal property brought and kept therein regardless of cause or origin, to the extent of any recovery by either party from any policy of insurance.

12. USE OF PREMISES

The Premises shall be used by the LESSEE as office space.

13. COMPLIANCE

LESSEE shall require its employee, agents, and subcontractors to comply with the requirement of the Salt Lake County County-Wide Policy 1043 – Rental of Salt Lake County Government Center Space (“Policy 1043”) and any other policies and procedures developed by Salt Lake County respecting the use of the Government Center.

14. SECURITY OF MONIES

LESSEE shall be solely responsible for the security of its money while on the Premises and while transporting its money to and from the Premises. The Parties agree that the LESSOR shall have no responsibility for the security of the LESSEE’s monies.

15. INDEMNIFICATION

LESSEE agrees to indemnify, hold harmless and defend the LESSOR, its officers, agents and employees from and against any and all losses, damages, injuries, liabilities, and claims, including claims for personal injury, death, or damage to personal property or profits, however allegedly caused, resulting directly or indirectly from, or arising out of the LESSEE's use or operation of the Premises and the furniture and furnishings contained therein.

16. CONDITION OF PREMISES

The LESSEE has examined the Premises and certifies that it is in receipt of Premises in a condition of good order and repair.

17. INSURANCE

LESSEE shall, at its sole cost and expense, secure and maintain during the term of this Agreement, including all renewal or additional terms, the following minimum insurance coverage:

GENERAL INSURANCE REQUIREMENTS FOR ALL POLICIES.

- A. Any insurance coverage required herein that is written on a “claims made” form

rather than on an “occurrence” form shall (i) provide full prior acts coverage or have a retroactive date effective before the date of this Agreement, and (ii) be maintained for a period of at least 3 (three) years following the end of the term of this Agreement or contain a comparable “extended discovery” clause. Evidence of current extended discovery coverage and the purchase options available upon policy termination shall be provided to the County.

B. All policies of insurance shall be issued by insurance companies licensed to do business in the State of Utah and either:

(i) Currently rated A- or better by A.M. Best Company;

—OR—

(ii) Listed in the United States Treasury Department’s current *Listing of Approved Sureties (Department Circular 570)*, as amended.

C. Lessee shall furnish certificates of insurance, acceptable to the County, verifying the foregoing matters concurrent with the execution hereof and thereafter as required.

D. In the event any work is subcontracted, LESSEE shall require its subcontractor, at no cost to the County, to secure and maintain all minimum insurance coverages required of the LESSEE hereunder.

E. LESSEE’s insurance policies shall be primary and non-contributory to any other coverage available to LESSOR. The workers’ compensation, general liability and auto liability policies shall be endorsed with a waiver of subrogation in favor of LESSOR.

F. In the event that governmental immunity limits are subsequently altered by legislation or judicial opinion, LESSEE shall provide a new certificate of insurance within 30 (thirty) days after being notified thereof in writing by the County, certifying coverage in compliance with the modified limits or, if no new limits are specified, in an amount acceptable to LESSOR.

G. All required certificates and policies shall provide that coverage thereunder shall not be canceled or modified without providing 30 (thirty) days prior written notice to LESSOR in a manner approved by the County District Attorney.

H. In the event LESSEE fails to maintain and keep in force any insurance policies as required herein, LESSOR shall have the right at its sole discretion to obtain such coverage and reduce payments to LESSEE for the costs of said insurance.

REQUIRED INSURANCE POLICIES.

LESSEE, at its own cost, agrees to secure and maintain during the Term and any Extension Term the following required policies of insurance in accordance with the general insurance requirements set forth in the preceding subsection:

A. Workers’ compensation and employer’s liability insurance as required by the State of Utah, unless a waiver of coverage is allowed and acquired pursuant to Utah law. This requirement includes contractors who are doing business as an individual and/or as a sole proprietor as well as corporations and partnerships. In the event any work is subcontracted, LESSEE shall require its subcontractor(s) similarly to provide workers’ compensation insurance for all of the latter’s employees, unless a waiver of coverage is allowed and acquired pursuant to Utah law.

B. Commercial general liability insurance on an occurrence form with LESSOR as an additional insured, in the minimum amount of \$1,000,000 per occurrence with a \$2,000,000

general policy aggregate and \$2,000,000 products completed operations policy aggregate. The policy shall protect LESSOR, LESSEE, and any subcontractor from claims for damages for personal injury, including accidental death, and from claims for property damage that may arise from LESSEE's operations under this Agreement, whether performed by LESSEE itself, any subcontractor, or anyone directly or indirectly employed by either of them. Such insurance shall provide coverage for premises operations, acts of independent contractors, and completed operations. The policy shall be primary and not contributing to any other policy or coverage available to LESSOR whether such coverage be primary, contributing or excess.

18. WAIVER.

It is agreed that the waiving of any of the covenants of this Agreement by either party shall be limited to the particular instance and shall not be deemed to waive any other breaches of such covenant or any provision herein contained.

19. ENTRY AND INSPECTION.

LESSEE hereby grants a continuing right of access to the Premises or any part hereof to LESSOR and its employees, agents, and representatives. Said access shall be afforded at all reasonable times for the purpose of inspecting the Premises, for necessary repairs and maintenance, for enforcement of the provisions hereof or for any other necessary or reasonable purpose of LESSOR.

20. IMPROVEMENTS

No alterations, additions, or improvements, including changes in furnishings or décor may be made by LESSEE to the leased Premises without first obtaining prior written approval from LESSOR. Standards and procedures for changes to the Premises or the décor are set forth in Policy 1043. LESSEE shall not construct or place any sign on the Premises or the Government Center without first obtaining the prior written approval of LESSOR. All directional signage shall be compatible and generally consistent with the design of the other directional signage located in the Government Center. LESSEE shall remove all signs upon the expiration or earlier termination of this Lease, and immediately repair any damage to the Premises caused by, or resulting from, such removal. Any alterations or repairs shall only be made by LESSOR and ownership of any and all improvements and repairs which shall be made or installed in or on the Premises shall remain with the premises at the expiration of this lease or any renewal or extension.

21. TERMINATION

Either party may terminate this Agreement for convenience by giving the other party one hundred eighty (180) days written notice of the date of such termination. Upon such termination, LESSEE agrees to vacate the Premises on the termination date and return possession thereof to LESSOR.

22. DEFAULT

In the event lease payments are not paid on time, or the Premises are used or permitted to be used contrary to the provisions of this Agreement, LESSOR may re-enter and take possession thereof and re-let the Premises and hold LESSEE liable for any damages or losses which may arise from LESSEE's default. If any Party defaults in the performance of any of its obligations

under this Lease, the non-defaulting Party shall notify the defaulting Party of the default, and the defaulting Party shall have thirty (30) days after receiving such notice to cure the default. If the defaulting Party is not reasonably able to cure the default within a thirty (30) day period, the defaulting Party shall have an additional reasonable period of time to cure the default as long as the defaulting Party commences the cure within the 30-day period and thereafter diligently pursues the cure to completion. In the event of a default by the defaulting Party which is not cured after notice and within the applicable cure period the non-defaulting Party shall be entitled to exercise all remedies at law and in equity.

23. LIENS

LESSEE shall not permit any lien or other claim or demand to be enforced against the Premises by reason of LESSEE's use of the Premises. LESSEE agrees to immediately notify LESSOR of any notice of lien, claim or demand made upon it with regard to the Premises. Mechanics' liens or other claims that affect or may affect LESSOR's title which are caused by acts or omissions of the LESSEE and that are not removed or corrected, or are not corrected as soon as reasonably practicable more than thirty (30) days after notice of said lien or claim is given, shall constitute a default and shall entitle LESSOR to terminate this Agreement upon ten (10) days' notice in writing.

24. NOTICES

Whenever any notice, approval, consent, request, or election is give or made pursuant to this lease, it shall be in writing sent by certified mail, return receipt requested; or registered mail; or it shall be delivered personally. Said notices and payments shall utilize the following addresses:

LESSEE: Greater Salt Lake Municipal Services District
District General Manager
2001 South State Street, N3 600
Salt Lake City, UT 84190
E-mail: bbarker@msd.utah.gov

With a copy to Counsel for the District
Fabian VanCott
Mark H. Anderson
Rachel S. Anderson
215 South State Street, Suite 1200
Salt Lake City, UT 84111
E-mail: mhanderson@fabianvancott.com
E-mail: randerson@fabianvancott.com

LESSOR: Salt Lake County Real Estate Section
Salt Lake County Real Estate Manager
2001 S. State Street, S3-110
Salt Lake City, Utah 84190

25. NO OFFICER OR EMPLOYEE INTEREST

It is understood and agreed that no officer or employee of the County has or shall have any pecuniary interest, direct or indirect, in this Agreement or the proceeds resulting from the performance of this Agreement. Unless otherwise authorized by law, no officer or employee of LESSEE or any member of their families shall serve on any County board or committee or hold any such position which either by rule, practice, or action nominates, recommends, or supervises LESSEE's operations, or authorizes funding or payments to LESSEE.

26. ETHICAL STANDARDS

LESSEE represents that it has not: (a) provided an illegal gift to any County officer or employee, or former County officer or employee, or to any relative or business entity of a County officer or employee, or relative or business entity of a former County officer or employee; (b) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees of bona fide commercial agencies established for the purpose of securing business; (c) breached any of the ethical standards set forth in State statute or Salt Lake County Code of Ordinances § 2.07 (2010); or (d) knowingly influenced, and hereby promises that it will not knowingly influence, any County officer or employee or former County officer or employee to breach any of the ethical standards set forth in State statute or Salt Lake County ordinances.

27. CAMPAIGN CONTRIBUTIONS

The Salt Lake County campaign finance disclosure ordinance limits campaign contributions by LESSEE to County candidates. Salt Lake County Code of Ordinances § 2.72A (2010). LESSEE acknowledges and understands those limitations on campaign contributions mean that any person, business, corporation or other entity that enters into a contract or is engaged in a contract with the County is prohibited from making campaign contributions in excess of \$100 to County candidates during the term of the contract and during a single election cycle as defined in the ordinance. LESSEE further acknowledges that violation of those provisions governing campaign contributions may result in criminal sanctions as well as termination of this Agreement.

28. GOVERNMENT RECORDS ACCESS MANAGEMENT ACT

LESSEE acknowledges that County is a governmental entity subject to the Utah Government Records Access and Management Act ("GRAMA"), Utah Code Ann. §§ 63G-2-101 to -901 (2019). As a result, County is required to disclose certain information and materials to the public, upon request. LESSEE agrees to timely refer all requests for documents, materials and data in its possession relating to this Agreement and its performance to the County Representative for response by County.

Generally, any document submitted to County is considered a "public record" under GRAMA. Any person who provides to the County a record that the person believes should be protected under subsection 63G-2-305(1) or (2) shall provide both: (1) a written claim of business confidentiality and (2) a concise statement of reasons supporting the claim of business confidentiality. Generally, GRAMA only protects against the disclosure of trade secrets or commercial information that could reasonably be expected to result in unfair competitive injury.

IN WITNESS WHEREOF, the parties execute this Agreement the day and year recited above.

LESSOR:
SALT LAKE COUNTY

By _____
Mayor or Designee

Department Director Approval

Megan Hillyard, Administrative Services

Division Director Approval

Rory Payne, Facilities Management

APPROVED AS TO FORM

R. Christopher Preston
Deputy District Attorney

LESSEE:
GREATER SALT LAKE MUNICIPAL
SERVICES DISTRICT

By _____
Joe Smolka, Chair

APPROVED AS TO FORM
Attorney for LESSEE

By: _____

Government Center MSD Lease

Exhibit A



LEGEND	SQ FT
■ PUBLIC WORKS ADMIN.	432
■ PW OPS / ANIMAL SERVICES	126
■ PLANNING & DEVELOPMENT SERVICES	7,357
■ MSD	3,360
■ ENVIRONMENTAL HEALTH	298
■ ENERGY MANAGEMENT	204
■ SOLID WASTE	101
 SHARED	1,339
	13,217

▨ Premises Leased to MSD