Attn: Janet Smith
Regional Medical Center
799 W. Main
P.O. Box 359
Manchester IA 52057

DELAWARE COUNTY IOWA
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DEBORAH L. PEYTON
DELAWARE CO. RECORDER
$1.00

Prepared by City Manager David J. Heiar, 208 East main Street, Manchester, Iowa 52057

LEASE OF LAND FOR THE PURPOSE OF PARKING LOT

THIS AGREEMENT, made this 16th day of April, 2001, between the City of Manchester, Iowa, hereinafter referred to as "Lessor", and the Regional Medical Center of Northeast Iowa and Delaware County, hereinafter referred to as "Lessee", hereby enter into the lease of real estate set forth below pursuant to the terms and conditions herein:

WHEREAS, Lessors have title to the real estate located in the City of Manchester, Delaware County, Iowa, described as follows:

North Seventh Street from Main Street to Fayette Street
North Sixth Street from Main Street to Fayette Street
West Fayette Street from North Sixth Street to the Maquoketa River
West Fayette Street from North Seventh Street to North Eighth Street

WHEREAS, Lessee has obtained an interest in real estate adjacent to the above-described property;

WHEREAS, the City Council for the City of Manchester, Iowa, has determined that the lease of the above-described premises to Lessee is in the interest of maintaining quality health care facilities in the community.

NOW, THEREFORE, the parties agree as follows:

LEASED PREMISES

Lessor, in consideration of one dollar to be paid and the covenants to be performed by Lessee, does hereby demise and lease unto the Lessee, and Lessee hereby rents from Lessor, the above-described property.

LESSEE'S COVENANTS

The Lessee hereby agrees:

1. To pay rent in the amount of $1.00 and other consideration set forth herein.

2. To use said land only as a parking lot or for the purposes of allowing the public to gain access to the adjacent properties.

3. At the end or sooner termination of the term of this lease, to peaceably deliver up the land to the Lessor.

4. Not to make any alterations, changes or additions to the above-described premises without prior written consent by the City of Manchester, Iowa. It is expressly agreed that the Lessee shall not be entitled to construct any structure of any kind on the above-described premises during the term of this lease.

LESSOR'S COVENANTS

Lessor agrees:

1. That the Lessee, upon paying one dollar and performing the covenants contained herein, shall peacefully and quietly enjoy the said land and shall not be disturbed by any act of the Lessor or any person claiming under it.

MAINTENANCE OF LEASED PREMISES

It is understood and agreed by the parties that Lessee shall assume and agree to pay for 100 percent of the required maintenance of the surface, which is on the above-described premises. Maintenance shall include but not be limited to snow removal, as well as repairs or installation of a suitable surface.

That portion of the parking lot located on West Fayette Street from Sixth Street to the Maquoketa River and on North Sixth Street from West Main Street to West Fayette Street is in need of replacement. Lessor shall provide for the reconstruction of West Fayette Street from Sixth Street to the Maquoketa River and North Sixth Street from West Main Street to West Fayette Street. It is anticipated the reconstruction will be completed by December 31, 2001. Lessee shall reimburse Lessor for the cost of reconstruction of the above-referenced streets over a three-year period as follows:

A. Interest shall accrue on the unpaid balance of the cost of reconstruction at the rate of 1 percent under New York prime, commencing with the date that the improvements are accepted by the City.

B. One third of the principal costs of reconstruction and all accrued interest shall be paid on the on-year anniversary of acceptance of the improvements.

C. One-third of the principal costs of reconstruction and all accrued interest shall be paid on the second-year anniversary of acceptance of the improvements.

D. One-third of the principal costs of reconstruction and all accrued interest shall be paid on the third-year anniversary of acceptance of the improvements.

The parking lot utilizing West Fayette Street from North Seventh to North Eighth Street is also anticipated to be in need of repair. As such, the parties agree that Lessor shall provide for the reconstruction of West Fayette Street from North Seventh Street to North Eighth Street with the project to be completed in the year 2003. Lessee shall reimburse Lessor for the cost of reconstruction of the above-referenced street over a three year period as follows:

A. Interest shall accrue on the unpaid balance of the cost of reconstruction at the rate of 1 percent under New York prime, commencing with the date that the improvements are accepted by the City.

B. One-third of the principal costs of reconstruction and all accrued interest shall be paid on the one-year anniversary of acceptance of the improvements.

C. One-third of the principal costs of reconstruction and all accrued interest shall be paid on the second-year anniversary of acceptance of the improvements.

D. One-third of the principal costs of reconstruction and all accrued interest shall be paid on the third-year anniversary of acceptance of the improvements.

INDEMNIFICATION

Lessee states and agrees that it shall hold harmless and indemnify Lessor from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of the occupancy or use by Lessee of the leased premises or any part thereof or any other part of Lessor's property, occasioned wholly or in part by any act or omission of Lessee, it's agents, contractors or employees.

INSURANCE

Lessee shall maintain, with respect to the leased premises and the property of which the leased premises are a part, comprehensive public liability insurance in the amount of one million dollars ($1,000,000) in responsible companies qualified to do business in Iowa and in good standing therein, insuring Lessor as well as Lessee against injury to persons or damage to property as provided. The Lessee shall deposit with the Lessor certificates for such insurance at or prior to the commencement of the term, and thereafter within thirty (30) days prior to the expiration of any such policies. All such insurance certificates shall provide that such policies shall not be canceled without at least ten (10) days prior written notice to each assured named therein.

TERM OF LEASE

The term of this lease shall be for a time period commencing the 16th day of April, 2001, and terminating the 31st day of December, 2010. Lessee shall have the right to renew the lease for an additional 10 years provided it has made timely payment of all obligations for reimbursement to Lessor for costs of reconstruction of streets as set forth in this lease. Any renewal or extension of the terms of this lease shall be made in writing following required notice and hearing as provided by law. This lease may further be terminated upon mutual written agreement by both parties.

FILING WITH THE OFFICE OF THE DELAWARE COUNTY RECORDER

The parties hereby understand and agree that it shall be the responsibility of the Lessor that this Lease Agreement shall be placed on file in the office of the Delaware County Recorder and made of public record.

NOTICE

Any notice or demand, which under the terms of this lease or by any statute or ordinance, must or may be given or made by a party hereto, shall be in writing and may be given by certified or registered mail or regular U. S. Mail, sent to the other party at the address of its principal office as set forth below, or to such other address as such party may from time to time designate by written notice.

NO ORAL MODIFICATION

This lease may not be modified except by an instrument in writing, signed by the parties hereto, their heirs, legal representatives, successors or assigns.

REGIONAL MEDICAL CENTER OF
NORTHEAST IOWA & DELAWARE COUNTY

BY Donald R. Huber
Donald R. Huber, Chairperson

BY Lon Butikofer
Lon Butikofer, Administrator

STATE OF IOWA)
) SS:
COUNTY OF DELAWARE)

On this 16th day of April, 2001, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Donald R. Huber and Lon Butikofer, to me personally known, and who, being by me duly sworn, did say that they are the Chairperson and Administrator respectively, of the corporation executing the within and foregoing instrument, that (no seal has been procured by the) (~~the seal affixed thereto is the seal of the~~) corporation; that the instrument was signed (~~and sealed~~) on behalf of the corporation by authority of its Board of Directors; and that Donald R. Huber and Lon Butikofer as officers acknowledged the execution of the foregoing instrument to be the voluntary act and deed of the corporation, by it and by them voluntarily executed.

CITY OF MANCHESTER IOWA SEAL

Julie Berte
Notary Public in and for said State

CITY OF MANCHESTER, IOWA

BY: Milt L. Kramer
Milt L. Kramer, Mayor

BY: Karen K. Cole
Karen K. Cole, City Clerk

STATE OF IOWA)
) SS:
COUNTY OF DELAWARE)

On this 17th day of April, 2001, before me, Julie A. Swanson, a Notary Public in and for the State of Iowa, personally appeared Milt L. Kramer and Karen K. Cole, to me personally known, and, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Manchester, Iowa; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of it's City Council, as contained in R-055-2001 adopted by the City Council on the 16 day of April, 2001, and that Milt L. Kramer and Karen K. Cole, acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

Julie A. Swanson, Notary Public
in and for the State of Iowa - #224151
My Commission expires 08/23/2002