

LEASE AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 2019, by and between **THE CITY OF MARQUETTE**, a Michigan municipal corporation, of 300 W. Baraga Avenue, Marquette, Michigan 49855, hereinafter "LESSOR", and **MARQUETTE JUNIOR HOCKEY CORP.**, of P.O. Box 992, Marquette Michigan 49855, hereinafter "LESSEE".

Recitals

- A. Lessor is the owner and operator of Lakeview Arena, at 401 E. Fair Avenue, Marquette, Michigan.
- B. Lessee desires to lease from Lessor and Lessor is willing to lease to Lessee space it now occupies for offices and storage as shown in Exhibit "A" in accordance with the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual promises of the parties and other good and valuable consideration, the receipt of which is hereby acknowledged, it is agreed as follows:

I – Leased Premises

- 1.1 Lessor leases to Lessee space as shown in Exhibit "A".
- 1.2 Lessor shall develop architectural and engineering plans for renovations required to meet specific needs of Lessee for its intended uses. Lessee shall obtain Lessor's written approval of all such plans and specifications prior to beginning any construction activity.

II – Term of Lease

- 2.1 The term of this lease shall be for a period of five (5) years from and after date of the lease.

III – Rent

- 3.1 Lessee shall pay rent for the Leased Premises in the amount of \$6,390 per year (based on \$12.00 per square foot for 228 square feet of office space and \$6.00 per square foot for 609 square feet of storage space). The City will invoice the User Group on the fifteenth (15th) day of each month for the monthly rent of \$532.50 beginning in September 2019 and payment shall be due no later than the last day of the following month.
- 3.2 Lessee shall be responsible for telephone and internet service.
- 3.3 The rental amount contained herein may be increased by the Lessor on an annual basis in an amount not to exceed three percent (3%) of the then current rental amount. The Lessor shall provide written notice to Lessee of the increase in rental amount no later than May 1, and the increased rent shall become effective October 1, each year this lease is in effect.

IV – Use of Leased Premises

- 4.1 Lessee shall use the Leased Premises only as an administrative office space and storage, and not for any purpose that would:
- a) be deemed hazardous to the public or adjoining premises including, but not necessarily limited to, fire, and environmental type hazards;
 - b) constitute a violation of any public law or requirement;
 - c) cause damage or injury to Lakeview Arena or any part of it (ordinary wear and tear excepted);
 - d) interfere with normal operations of Lakeview Arena's heating, air conditioning, ventilating, plumbing, or other mechanical or electrical systems;
 - e) constitute a public or private nuisance;
 - f) interfere with other Lakeview Arena uses;
 - g) alter the appearance of Lakeview Arena exterior or any portion of the interior other than in the Leased Premises without prior written approval of the Lessor;
 - h) place merchandise, materials, supplies, signs, or other thing of any kind on the sidewalks or other common areas without city staff approval;
 - i) permit refuse to accumulate in or around Leased Premises; and,
 - j) obstruct entry ways.

V – Use of Common Areas by Lessee

- 5.1 Lessee and its invitees shall have the right in common with Lessor, its invitees, and others to use the hallways, public restrooms, entrance ways, public parking, sidewalks, and surrounding area, subject, however, to rules and regulations of Lessor regulating the use of same and displays, rules providing for safety and maintenance, and changes in the layout of common areas.

VI – Maintenance and Repair

- 6.1 Lessee shall be responsible for ordinary janitorial and cleaning services of the Leased Premises.
- 6.2 Lessee shall be responsible for the maintenance and repair of lessee's fixtures, furniture and equipment, which lessee has brought to the Leased Premises, or which are peculiar to lessee's uses. Lessee shall be solely responsible for maintaining said fixtures, furniture and equipment in a safe condition and good repair.
- 6.3 Lessee must obtain written consent of Lessor for all signage used by Lessee in the Leased Premises and adjoining premises. All signage approved by Lessor shall be maintained in good condition and repair.

- 6.4 Lessor reserves the right to make any repairs or alterations that it deems necessary and desirable to the common areas.

VII – Insurance and Indemnity

- 7.1 Lessee shall not permit any activity anywhere within Lakeview Arena or the parking areas adjacent to Lakeview Arena which would invalidate or be in conflict with Lessor's fire, boiler, sprinkler, water damage, and extended coverage insurance policies covering Lakeview Arena and the contents therein.
- 7.2 Lessee shall not permit any activity anywhere within Lakeview Arena or the parking areas adjacent to Lakeview Arena which would cause Lessor's rate for the insurance described herein to be increased.
- 7.3 Lessee at its sole expense shall be responsible for insuring its own tangible personal property, equipment, and fixtures from loss from fire and other casualty and shall at all times provide Lessor with a certificate evidencing such coverage.
- 7.4 Lessee at its sole expense shall maintain liability insurance protecting and insuring Lessee and Lessor from all claims for injury or damage to persons or property arising out of the use of the Leased Premises or the common areas of Lakeview Arena by Lessee, its employees, agents, invitees, and licensees. The amount of the insurance shall be not less than One Million Dollars (\$1,000,000.00) per occurrence for accident, bodily injury, or death and not less than Five Hundred Thousand Dollars (\$500,000.00) for property damage. Lessee shall at all times provide Lessor with a copy of said policies with proof of payment of premium thereon. The insurance policies shall bear endorsements to the effect that the insurer agrees to notify Lessor not less than thirty (30) days in advance of any modification or cancellation thereof.
- 7.5 Lessee will indemnify and hold Lessor harmless from and against all loss, cost, expense and liability whatsoever (including Lessor's cost of defending against the foregoing, such cost to include attorneys' fees) resulting or occurring by reason of Lessee's construction, use or occupancy of the Leased Premises.

VII – Damage by Fire or Other Causes

- 8.1 If the Leased Premises is partially damaged by fire or other peril without the fault or neglect of Lessee or of its servants, employees, agents, visitors, invitees or licenses, the damage shall be repaired by and at Lessor's expense. If the Leased Premises or Lakeview Arena is substantially damaged (herein defined as fifty (50%) per cent or more of the cost of replacement), Lessor may elect either to repair or rebuild the Leased Premises or Lakeview Arena, as the case may be, or to terminate this lease upon giving notice of such election in writing to lessee within ninety (90) days after the event causing the damage. If Lessor elects to rebuild, Lessee in a timely manner shall repair or replace its fixtures, furniture, equipment and improvements to at least the condition of same prior to the damage.

IX – Assignment/Subletting

- 9.1 Lessee shall not assign or sublet the Leased Premises or any part thereof without the express prior written consent of the Lessor.
- 9.2 In no event shall a sublease be allowed that would jeopardize the tax-exempt status of Lakeview Arena or any portion thereof.
- 9.3 Lessor may freely assign its rights and obligations under this Lease Agreement to any third party pursuant to a Purchase and Sale Agreement, Land Contract or similar instrument.

X – Use of Premises by Lessor

- 10.1 Lessor reserves for itself and its contractors and agents the right to enter the Leased Premises at reasonable times for inspection, maintenance, installation, operation, and repairs.
- 10.2 Lessor may close the building which is the subject of this Lease Agreement, in whole or in part, at any time during the term of this lease. In such event, the parties understand and agree that the Lessor is not responsible to reimburse the Lessee for any construction costs paid by Lessee to improve the Leased Premises.

XI – Covenant of Quiet Enjoyment

- 11.1 Lessor warrants and represents that it has full authority to execute this lease for the above term. Lessor covenants that upon Lessee paying the rents and performing its covenants and duties prescribed herein, Lessee may, except as otherwise described herein, have the exclusive and reasonable right to have, hold and enjoy the Leased Premises.

XII – Lessor's Right to Perform Lessee's Obligation

- 12.1 If Lessee defaults in the observance or performance of any term or covenant of this lease, Lessor may, without thereby waiving the default, remedy the default for Lessee's account and at Lessee's expense. If, in connection therewith, Lessor makes any expenditure or incurs any obligation for the payment of money or in instituting, prosecuting, or defending any action or proceeding commenced before or during the term of this lease, or after the expiration or termination of the term including, but not necessarily limited to, legal expenses and attorneys' fees, Lessee shall pay to Lessor on demand the sums paid or obligations incurred together with legal fees and costs.

XIII – Default by Lessee

- 13.1 The occurrence of the following event may, at Lessor's option, constitute an event of default:
 - a) failure to perform Lessee's covenants and agreements contained in this agreement, provided, however, that Lessor has provided Lessee with written notice of the failure and Lessee has failed to promptly commence to cure the default and diligently prosecute the curing of the default which remains uncured for a period of thirty (30) days after written notice from Lessor.
- 13.2 In the event of default by Lessee, Lessor shall have the following remedies:

- a) In the event of the occurrence of an event of default, Lessor shall have the right to give ninety (90) days of written notice of termination to Lessee and on the date specified in said notice, the lease will terminate unless, on or before the date of termination, all arrears of rent and other sums due from Lessee to Lessor and all other events of default have been fully cured.
- b) Lessor shall have the right to terminate and repossess the Leased Premises without prejudice to other remedies that Lessor may have. Upon receipt of notice of termination, Lessee shall remove itself and any other person occupying the premises.
- c) Lessor shall have all the rights and remedies of a Lessor as provided by applicable law.

13.3 The rights and remedies of Lessor shall be cumulative as more particularly provided at law or in equity pursuant to the laws of the State of Michigan.

XIV – Surrender of Leased Premises Upon Termination of Lease

- 14.1 All renovations and improvements shall be at Lessee's expense and shall be considered fixtures and owned by Lessor at the termination of lease. Upon the expiration or termination of the lease, Lessee shall quit and surrender the Leased Premises in good order and condition, ordinary wear and tear and damage by fire or other casualty or the elements excepted, and shall remove all of its property, fixtures, and equipment from the Leased Premises. In removing its equipment, Lessee shall be solely liable for repairing any and all damages to the Leased Premises or other areas of Lakeview Arena. In the event that the Lessee fails to remove its equipment, and Lessor is required to do so, all costs and expenses incurred by Lessor in removing same and restoring the leasehold to useable condition shall be the financial responsibility of the Lessee.
- 14.2 If upon thirty (30) days following termination of the lease, Lessee has failed to remove its furniture, equipment, and fixtures, Lessor reserves the right to deem them abandoned and shall have the legal right to dispose of same and costs incurred in disposing of same shall be the financial responsibility of Lessee.

XV - Miscellaneous

- 15.1 This agreement shall be binding on the parties and inure to the benefit of the Lessor and Lessee and their respective successors and assigns.
- 15.2 This agreement shall be governed by and construed in accordance with the laws of the State of Michigan.
- 15.3 This agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this agreement shall not be binding upon either party except to the extent incorporated herein.
- 15.4 Any modification of this agreement or additional obligations assumed by either party in connection with this agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.

- 15.5 Waiver by Lessor of any breach of any covenant of duty of Lessee under this lease is not a waiver of a breach of any other covenant of duty of Lessee or any subsequent breach of the same covenant or duty.
- 15.6 The invalidity of any portion of this agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provision.
- 15.7 All notices to be given under this lease shall be in writing and mailed, postage prepaid, or by certified or registered mail, return receipt requested, or delivered personally or by courier delivery, or sent by telecopy (immediately followed by one of the preceding methods) to Lessor's address and Lessee's address as above stated or any other place that Lessor or Lessee may designate in a written notice given to the other parties. Notices shall be deemed served on the earlier of receipt or three (3) working days after the date of mailing.
- 15.8 Each person executing this Lease for a party hereby represents and warrants that he or she has the full power and authority to enter into this Lease on behalf of the party for which he or she signs and to make this lease binding on such party.

The parties have set their hands on the day and year first above written.

CITY OF MARQUETTE

MARQUETTE JUNIOR HOCKEY CORP.

Frederick Stonehouse, Mayor


By: SCOTT CAMBENSY
Its: President

Kris M. Hazeres, City Clerk

Approved as to Form:

L. Michael Angeli, City Manager

Ronald D. Keefe, City Attorney

