

LEASE AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____ 2022, by and between the **CITY OF MARQUETTE**, a Michigan municipal corporation, of 300 W. Baraga Avenue, Marquette, Michigan 49855, hereinafter (“Lessor”), and **VANGO’S, INC.**, a Michigan corporation of 927 North Third Street, Marquette, Michigan 49855, hereinafter (“Lessee”).

Recitals

- A. Lessor is the owner and operator of the concession stands at Mattson Park and Presque Isle Park, Marquette, Michigan.
- B. Lessee desires to lease and Lessor is willing to lease to Lessee both concession stands and all equipment currently located within each concession stand (“Premises”) 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:

1. Leased Premises

- 1.1 Lessor leases to Lessee the Premises, as shown on Exhibit A and Exhibit B.
- 1.2 Lessee agrees to develop architectural and engineering plans for renovations to the Premises required to meet the specific needs of Lessee for Lessee’s intended uses, if needed. Lessee shall be responsible for constructing all renovations as developed by Lessee, and Lessee shall obtain Lessor’s written approval of all such plans and specifications prior to beginning any construction activity.
- 1.3 Lessee agrees that only equipment located within the Premises on the date of this Agreement is part of the Premises, and that Lessee takes said Premises and equipment “as is”. Any other equipment needed by Lessee to operate the concessions shall be the sole responsibility of Lessee.

2. Term of Lease

- 2.1 The term of this lease is variable, as agreed by the parties in writing, but shall run for three consecutive years as follows:

commencing no earlier than May 1, 2022 & terminating no later than September 30, 2022;
commencing no earlier than May 1, 2023 & terminating no later than September 30, 2023; &
commencing no earlier than May 1, 2024 & terminating no later than September 30, 2024.

3. Rent

- 3.1 Lessee shall be obligated to pay rent for the Premises, due in advance on the first of each month for the entire term of this lease as established in 2.1, as follows:

Presque Isle concession stand: \$600 per month (utilities included)

Rent shall be prorated for any partial month during the term of this lease.

4. Use of Leasehold Premises

4.1 Lessee shall use the Premises only as a concession stand for food and beverages 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 the Premises or any part of it (ordinary wear and tear excepted);
- d) interfere with normal operations of the Premises' heating, air conditioning, ventilating, plumbing, or other mechanical or electrical systems;
- e) constitute a public or private nuisance;
- f) alter the appearance of the Premises, except as provided herein, without prior written approval of the Lessor;
- g) permit noise or odors to be unreasonably dispelled from the Premises;
- h) place merchandise, materials, supplies, signs, or other things of any kind on the sidewalks or other common areas without Lessor approval;
- i) permit refuse to accumulate in or around Premises; or
- j) obstruct entryways.

4.1 Lessee is solely responsible for obtaining all necessary licenses and permits and otherwise complying with all laws while providing the concessions contemplated by this Agreement.

4.2 Lessee is solely responsible for development of menu items and pricing, for obtaining all supplies and products and for all costs related to its sale of food and beverages.

5. 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 public restrooms, public parking, sidewalks, and surrounding area, subject, however, to all rules and regulations regarding the use of those areas.

5.2 Lessee's right to use to Presque Isle - Island Store Pavilion ("Pavilion") is not exclusive. Lessor shall have the right, at all times, to rent the Pavilion to third party users. Lessee shall contact Lessor on a weekly basis in order to determine the dates and times the Pavilion has been rented to a third party user.

6. Maintenance and Repair

- 6.1 Lessee shall be responsible for all ordinary janitorial and cleaning of the Premises as provided in Attachments 1 and 2. Lessor shall provide trash receptacles for Premises and shall maintain those receptacles once per day. Any necessary additional refuse collection shall be the responsibility of the Lessee. Any refuse generated from preparation of goods or services shall be the sole responsibility of Lessee.
- 6.2 Lessee shall be solely responsible for the maintenance and repair of all equipment located on the Premises.
- 6.3 Lessee shall be solely responsible for the maintenance and repair of all of Lessee's fixtures, furniture and equipment and keep them in a safe condition and good repair.
- 6.4 Lessee must obtain written consent of Lessor for all signage used by Lessee on the Premises and adjoining premises. All signage approved by Lessor shall be maintained in good condition and repair.
- 6.5 Lessor reserves the right to make any repairs or alterations that it deems necessary and desirable to the common areas. Lessee will be notified of any repairs or alterations to the Premises at least 7 days in advance except in emergency situations.

7. Insurance and Indemnity

- 7.1 Lessee shall not permit any activity on or immediately adjacent to the Premises which would invalidate or be in conflict with Lessor's fire, boiler, sprinkler, water damage, and extended coverage insurance policies covering the Premises and contents therein. Lessor will provide Lessee with a copy of any and all relevant insurance policies.
- 7.2 Lessee shall not permit any activity on or immediately adjacent to the Premises which would cause Lessor's rate for the insurance described herein to be increased. Lessor will provide Lessee with a list of any such activities.
- 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 Premises and adjacent areas 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 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. Lessor shall be named as an additional insured on all insurance policies required by this lease.
- 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 on, use of, or occupancy of the Premises.

8. Damage by Fire or Other Causes

8.1 If the 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 licensees, the damage shall be repaired by Lessor at Lessor's expense. If the Premises is substantially damaged (herein defined as fifty percent (50%) or more of the cost of replacement), Lessor may elect either to repair or rebuild the leasehold or the pool building, 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 instead of terminating the lease, Lessor will rebuild something substantially similar to the current Premises, and Lessee shall in a timely manner repair or replace its fixtures, furniture, equipment and improvements to at least the condition of same prior to the damage.

9. Assignment/Subletting

9.1 Lessee shall not assign this Agreement.

9.1 Lessee shall not sublet the Premises or any part thereof without the express prior written consent of the Lessor.

9.3 In no event shall a sublease be allowed that would jeopardize the tax-exempt status of the City.

9.4 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.

10. Use of Premises by Lessor

10.1 Lessor reserves for itself and its contractors and agents the right to enter the Premises at reasonable times for the purpose of inspecting, maintaining, installation, operation and repair services. This paragraph does not change the parties' obligations with regarding to maintenance and repairs as otherwise set forth herein.

11. 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 leasehold.

12. Lessor's Right to Perform Lessee's Obligation

12.1 If Lessee defaults in any term of this lease, Lessor may, without thereby waiving the default, remedy the default 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 this lease 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.

13. Default by Lessee

- 13.1 If the Lessee fails to perform any other obligations under this agreement within 30 days after receiving written notice of the default from the Lessor; if the Lessee makes any assignment for the benefit of creditors or a receiver is appointed for the Lessee or its property; or if any proceedings are instituted by or against the Lessee for bankruptcy (including reorganization) or under any insolvency laws, the Lessor may terminate this lease, reenter the Premises, and seek to relet the Premises on whatever terms the Lessor thinks advisable. Notwithstanding reentry by the Lessor, the Lessee shall continue to be liable to the Lessor for rent owed under this lease and for any rent deficiency that results from reletting the premises during the term of this lease. Notwithstanding any reletting without termination, the Lessor may at any time elect to terminate this lease for any default by the Lessee by giving the Lessee written notice of the termination.
- 13.2 In addition to the Lessor's other rights and remedies as stated in this lease, and without waiving any of those rights, if the Lessor deems necessary any repairs that the Lessee is required to make or if the Lessee defaults in the performance of any of its obligations under this lease, the Lessor may make repairs or cure defaults and shall not be responsible to the Lessee for any loss or damage that is caused by that action. The Lessee shall immediately pay to the Lessor, on demand, the Lessor's costs for curing any defaults, as additional rent under this lease.
- 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.

14. Surrender of Leasehold 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 upon termination of lease. Upon the expiration or termination of the lease, Lessee shall surrender the Premises in good order and condition, ordinary wear and tear excepted, and shall remove all of its property, fixtures, and equipment from the Premises. In removing its equipment, Lessee shall be solely liable for repairing any and all damages to the Premises. 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 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.

15. Miscellaneous

- 15.1 Lessee, at its sole option, may continue with the current security system at the same cost currently charged to Lessor by contacting Range Corporation directly.
- 15.2 This agreement shall be binding on the parties and inure to the benefit of the Lessor and Lessee and their respective successors and assigns.
- 15.3 This agreement shall be governed by and construed in accordance with the laws of the State of Michigan.
- 15.4 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.


- 15.5 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.
- 15.6 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.
- 15.7 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.
- 15.8 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.

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

LESSOR
CITY OF MARQUETTE

LESSEE
VANGO'S, INC.

Jennifer A. Smith, Mayor



By: ROB CARON
Its: MANAGER

Kyle Whitney, City Clerk

APPROVED AS TO SUBSTANCE:

APPROVED AS TO FORM:

Karen M. Kovacs, City Manager

Suzanne C. Larsen, City Attorney

EXHIBIT A

