

LEASE AGREEMENT

THIS AGREEMENT, made this _____ day of _____, 2024, by and between **THE CITY OF MARQUETTE**, a Michigan municipal corporation, of 300 W. Baraga Avenue, Marquette, Michigan 49855, hereinafter "LESSOR", and **UPPER PENINSULA SUBSTANCE ENFORCEMENT TEAM**, of P.O. Box 364 Gwinn MI 49841, hereinafter "LESSEE".

Recitals

- A. Lessor is the owner of the City Hall building, located at 300 W. Baraga Avenue, Marquette, Michigan.
- B. Lessee desires to lease and Lessor is willing to lease to Lessee office space, meeting rooms, a lounge and a training room as shown in Exhibit "A" located in the lower level of the City Hall building 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 space ("Premises") as shown in Exhibit "A".
- 1.2 Lessee agrees to develop architectural and engineering plans for any and all renovations/remodeling required to meet the specific needs of Lessee for Lessee's intended uses. Lessee shall be responsible for constructing all renovations at Lessee's cost, and Lessee shall obtain Lessor's written approval of all such plans and specifications prior to beginning any construction activity.
- 1.3 Lessee shall have access to the Premises during all hours that City Hall is open to the public, and shall have access to the Premises during non-public hours only from the lower "Police Station" entrance to the building.
- 1.4 Lessee shall not install any signage within the Premises or outside or within the City Hall building without approval from Lessor, consistent with Lessor's City's sign ordinance. In the event Lessee installs any signage within the Premises or outside or within the City Hall building, lessee shall dismantle, dispose of and restore any damaged areas caused by signage at the end of the Lease term.

2. Term of Lease

- 2.1 The term of this Agreement shall be for a period of two (2) years beginning September 1, 2024 and ending August 31, 2026; and may be renewed by written mutual consent of the parties for two (2) year terms upon terms and conditions as agreed upon by the parties.

This Agreement may be terminated by either party, without cause, by providing at least 90 days written notice to the other party at the address listed herein.

3. Rent

- 3.1 The monthly rental amount shall be \$750.00 due in advance on the first day of each month.

- 3.2 Lessee shall be responsible for its own telephone and internet service as needed and desired by Lessee.
- 3.3 The rental amount is subject to annual reviews by Lessor and may be increased upon written consent of the parties.

4. Use of Leasehold Premises

- 4.1 Lessee shall use the Premises only for Law Enforcement operations, 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 City Hall building or any part of it (ordinary wear and tear excepted);
 - d) interfere with normal operations of the City Hall building's heating, air conditioning, ventilating, plumbing, or other mechanical or electrical systems;
 - e) constitute a public or private nuisance;
 - f) interfere with other City Hall building uses;
 - g) alter the appearance of the City Hall building's exterior or any portion of the interior other than in the Premises, except as provided herein, 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 written approval;
 - i) permit refuse to accumulate in or around Premises; and,
 - j) obstruct entry ways.
- 4.2 Lessee is solely responsible for obtaining all necessary licenses and permits and otherwise complying with all laws as needed to comply with Lessee's intended use of the Premises.

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 hallways, public restrooms, entrance ways, public parking, sidewalks, and surrounding area, subject, however, to rules and regulations of Lessor regulating the use of same, rules providing for safety and maintenance, and changes in the layout of common areas.

- 5.2 Lessee, upon the written approval of the Lessor's Chief of Police or his designee, shall also have non-exclusive right (this right to be shared with Lessor's Police Department) to use all common areas within the Police Department and to use shared storage areas within Lessor's Police Department.

6. Maintenance and Repair

- 6.1 Lessee shall be responsible for all ordinary janitorial and cleaning of the Premises.
- 6.2 Lessee shall be solely responsible for the maintenance and repair of all equipment located on the Premises.
- 6.3 Lessee must obtain written consent of Lessor for all signage used by Lessee on the Premises and on or in the City Hall building Arena. All signage approved by Lessor shall be maintained in good condition and repair, and shall be removed by Lessee no later than 15 days following termination of the Lease term without causing damage to the Premises or the City Hall building.
- 6.4 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 the Premises which would invalidate or be in conflict with Lessor's fire, boiler, sprinkler, water damage, and extended coverage insurance policies covering the City Hall building and contents therein.
- 7.2 Lessee shall not permit any activity on the Premises 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 Premises or the common areas of the City Hall building by Lessee, its employees, agents, invitees, and licensees. The amount of the insurance shall be not less than One Million and 00/100 Dollars (\$1,000,000.00) per occurrence for accident, bodily injury, or death; not less than Five Hundred Thousand and 00/100 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. 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 and at Lessor's expense. If the Premises or the City Hall building 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 Premises or the City Hall 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, 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.

9. Assignment/Subletting

- 9.1 Lessee may assign or sublet the Premises upon written approval by Lessor's Chief of Police or his designee.
- 9.2 In no event shall a sublease be allowed that would jeopardize the tax-exempt status of the City.
- 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.

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.
- 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 leasehold period. 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 leasehold space.

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 the observance or performance of any term or covenant 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 pay rent when due; 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 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.

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

LESSOR
CITY OF MARQUETTE

LESSEE
UPPER PENINSULA SUBSTANCE
ABUSE TEAM

Sally Davis, Mayor

D/F/L/T Paul A Campbell
By: PAUL CAMPBELL
Its: PC

Kyle Whitney, Clerk

APPROVED AS TO SUBSTANCE:

APPROVED AS TO FORM:

Karen M. Kovacs, City Manager

Suzanne C. Larsen, City Attorney