

RESOLUTION NO. R15-109

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A
LEASE AGREEMENT WITH LAUREL CHAMBER OF COMMERCE
FOR THE LAUREL CHAMBER BUILDING.

BE IT RESOLVED by the City Council of the City of Laurel, Montana:

Section 1: Approval. The agreement between the City of Laurel and the Laurel Chamber of Commerce for leasing of the Laurel Chamber Building is accepted and approved. A copy is attached hereto for convenience.

Section 2: Execution. The Mayor and City Clerk/Treasurer of the City of Laurel are hereby given authority to accept and execute said agreement on behalf of the City.

Section 3: Effective date. The effective date for the attached agreement is hereby approved upon approval by the City Council.

Introduced at a regular meeting of the City Council on November 17, 2015, by Council Member Poehls.

PASSED and APPROVED by the City Council of the City of Laurel this 17th day of November, 2015.

APPROVED by the Mayor this 17th day of November, 2015.

CITY OF LAUREL

Mark A. Mace
Mark A. Mace, Mayor

ATTEST:

Cindy Allen for
Shirley Ewan, Clerk/Treasurer

Approved as to form:

Sam S. Painter
Sam S. Painter, Civil City Attorney

LEASE AGREEMENT

This Lease Agreement is entered into this 17th day of November, 2015, by and between the City of Laurel, Montana, a municipal corporation organized and existing under the laws of the State of Montana, whose business address is P.O. Box 10, Laurel, Montana 59044, hereinafter referred to as "City" (Lessee) and the Laurel Chamber of Commerce, whose business address is 108 E. Main Street, Laurel, Montana 59044.

W I T N E S S E T H:

In consideration of the mutual covenants hereinafter set forth, the parties hereto agree and covenant as follows:

ARTICLE I

Purpose of Lease

The purpose of this Agreement is to lease Lessee certain and specific City facilities or property in order that Lessee may conduct its Chamber activities, including but not limited to, meetings, after hour events, and other community events, so long as such activity is not prohibited by City ordinance, resolution or regulation.

ARTICLE II

Property Leased

The City hereby leases and permits the use to Lessee and Lessee hereby leases from the City the following-described property and improvements located in the City of Laurel including the Laurel Chamber Building hereinafter referred to as "the premises" as specifically shown on Exhibit A and attached hereto and part of this Lease Agreement.

ARTICLE III

Parties

City: Office of the Mayor (City Clerk)
 PO Box 10
 Laurel, Montana 59044
 Phone: (406) 628-8456
 Fax: (406) 628-2289

Lessee: Laurel Chamber of Commerce
108 E. Main Street
Laurel, MT 59044
Phone: (406) 628-8105

ARTICLE IV
Term of lease

The term of this lease shall commence on approval by the City Council and execution by the Parties and run for a period of five (5) years, with the option to revisit and renew for an additional 5-year term thereafter. If this lease is terminated during either 5-year term, the City agrees that Lessee may remove from the premises all equipment, materials and products owned and utilized by Lessee.

ARTICLE V

Lessee Obligations and Covenants

Lessee hereby covenants and agrees with the City that Lessee shall:

1. Use and occupy the premises in a careful and proper manner and not commit any waste therein;
2. Not use or occupy the premises for any unlawful purpose, and will conform to and obey all present and future laws, ordinances, and all rules and regulations of all governmental authorities or agencies, respecting the use and occupation of the premises;
3. Not assign the lease, nor sublet the premises, nor any part thereof, without prior written consent of the City. The City shall require no more than thirty (30) days for such approval upon written request by the Lessee and shall not unreasonably withhold such approval;
4. Not use or occupy said premises, or permit the same to be used or occupied, for any purpose deemed extra hazardous on account of fire or otherwise;
5. Lessee shall make no alterations, changes or revamping, remodeling or capital

improvement in or to the premises, without prior written permission approved by the Public Works Director and in addition thereto, Lessee shall obtain all approvals and permits required for such work under City ordinance. Approvals for any improvements/changes must be granted or rejected by the City within thirty (30) days of written notice by Lessee or the work may proceed the same as if such approval was received. Approval for such proposed work shall not be unreasonably withheld. Any such alterations or additions shall be the sole responsibility of the Chamber inclusive of any and all financial, material, or labor considerations and will become the property of the City upon termination of this or any subsequent lease;

6. Provide the City copies of receipts for improvements and/or maintenance completed by the club or organization by December 31st to the Office of the Mayor, Attention Clerk/Treasurer, P.O. Box 10, Laurel, MT 59044;
7. Lessee and the City's Maintenance Superintendent shall perform an entrance inspection prior to the finalization of the lease, an annual inspection on or before the lease anniversary date and an exit inspection at the end of the lease; Lessee must contact the City to arrange for the inspections; Lessee must also Permit the City to enter upon the said premises at all reasonable times to examine the condition of same;
8. Indemnify and save the City, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against any loss, damage and liability occasioned by, growing out of, or arising or resulting from any default hereunder, or any tortuous or negligent act on the part of Lessee, their members, agents or employees. For such purpose, each Lessee shall procure and maintain in full force and effect during the term of this agreement, commercial general liability, including product liability, in a reliable company or companies with minimum policy limit

\$1,000,000 combined single limit per occurrence, and \$2,000,000 aggregate single limit per occurrence; and \$1,000,000 Liquor Liability. The City shall be named as an additional insured part on the policy to be evidenced by a certificate of insurance presented to the City Clerk/Treasurer on or before July 1 of each year. The City and Lessee hereby grant to each other, on behalf of any insurance company providing insurance under this agreement, a waiver of any right of subrogation which any insurer or party may acquire against the other party by virtue of payment of any loss under any insurance policy;

9. Pay for the use and maintenance of utility services on the premises, including but not limited to gas, electricity, and telephone;
10. Conduct ordinary day-to-day maintenance and repair necessary to keep both the interior and exterior of the premises in a good state of repair and acceptable condition. Making sure to inspect the facilities on a regular basis to determine any hazardous conditions which may exist, and take immediate action to correct such conditions if they exist;
11. Provide for necessary janitorial and maintenance services and supplies to insure the inside of the building is kept clean;
12. Be responsible for all damage (excepting reasonable wear and tear and not including acts of God) to property, public or private, that may be caused by this operation in the performance of this lease;
13. All signs and banners must comply with the LMC 15.40;
14. Lessee must provide a proper fire extinguisher;
15. Lessee must provide material safety data sheets (MSDS) for all cleaning chemicals or products that may contain hazardous materials in an approved MSDS booklet;
16. Extension cords may not be used, as they are against fire code;

17. Lessee shall allow participation in their organization for all interested persons regardless of race, creed, sexual gender, economic or social status and will encourage such participation without the discrimination of any kind or nature;
18. Leave premises, at the expiration or prior to termination of this lease and any extension thereof, in as good condition as received, reasonable wear and tear alone accepted;
19. Lessee must provide contact information to the City of next year's board prior to the end of the season.

ARTICLE VI

Rent

1. Lessee shall pay the City rent in the amount of \$100.00 per year as consideration for the use of the premises. Lessee shall pay annually on or before the anniversary date of their respective signatures on the lease.
2. Rent includes the following: Use and lawful possession of the premises.

ARTICLE VII

Repairs and Maintenance

City's obligations under this lease include mowing the lawn outside the Chamber Building and plowing snow in the parking lot and sidewalk when necessary and time allows. In addition, the City is responsible for major repairs defined as non-recurring structural, electrical, plumbing and mechanical repair. Lessee is responsible for all other maintenance and upkeep of all premises. The City's obligation to undertake major repairs does not include major repairs necessitated by any acts of Lessee, their agents, employees, officers, invitees.

ARTICLE VIII

Condition

Neither the City nor any of its employees or agents made any representations with respect to the above-described property except as expressly set forth herein, and no rights, easements or licenses are acquired by the Lessee by implication or otherwise, except as expressly set forth

herein. Acceptance of possession of the above-described property by Lessee shall be conclusive evidence that Lessee accept the same "as is" and that the property was and is in similar or same condition at the time possession was accepted, under this Lease.

ARTICLE IX

Right to Inspect Premises

The City has a right, at all times during the term of this lease, through its agents and employees, to enter upon the leased premises for the purpose of examining and inspecting the same to determine whether Lessee have complied with its obligations hereunder with respect to the care and maintenance of the premises, and the repair or rebuilding of the improvements therein when necessary. This right of inspection may only be exercised after 24 hours' notice to Lessee of City's desire to inspect the premises. This 24-hour notice is necessary to insure that a representative of Lessee will be available to accompany City's representative at the time of inspection.

ARTICLE X

Assignment/Cancellation/Termination/Negotiation

1. **Assignment.** Neither City nor Lessee may assign, transfer or sublet the rights under this lease to any party without prior written consent of the other party.
2. **Cancellation.** In the event the premises leased hereunder or any portion thereof is not available for occupancy or use upon commencement of or during the term of this lease due to fire, casualty, acts of God, strikes, national emergency or some other cause beyond the control of the City, this lease and the obligations of the Parties hereunder shall terminate and the Lessee hereby waive any claim against the City, its employees or agents for damages by reason of such cancellation. Any notice of cancellation must be in writing and sent by certified mail, as noted.
3. **Termination.** City may terminate this lease if the Lessee fail to make the rental payment, obtain and maintain liability insurance, or perform any other condition or obligation required herein. Notice of termination must be in writing and sent by certified

mail, as noted.

4. Lessee may rent or sublet the premises for periods not to exceed 72 consecutive hours. However, lessee and/or the renter/subletor must obtain and provide liability insurance that names the City as an additional insured on the policy during the event. If alcohol is available or sold, the Lessee must obtain a special event permit for the event.

ARTICLE XI

Compliance With Ordinances and Regulations

Lessee, at their respective expenses, shall comply with all laws, orders and regulations of federal, state and municipal authorities, and with any direction of any public officer, pursuant to law, which imposes any duty upon Lessee or the City with respect to the leased premises.

Lessee, at their respective sole expenses, shall obtain all licenses or permits which may be required for the conduct of its business within the terms of this agreement, or for making repairs, alterations, improvements, or additions. The City, when necessary, will join with Lessee in applying for all such permits or licenses.

ARTICLE XII

Liability Insurance

Lessee shall obtain and maintain at all times during the term hereof, with a responsible insurer, for the benefit of the City and the Lessee as their respective interest may appear, comprehensive general liability insurance in the amount of One Million dollars (\$1,000,000.00) per occurrence with an aggregate value of Two Million dollars (\$2,000,000.00), to protect against any loss, claims, lawsuits or liability for damages, property damage, personal injury or death, and any expenses of the parties against any claim for such damages which might result from use or occupation or condition of the premises. Simultaneously with and as a prerequisite of executing of this lease, Lessee shall furnish a copy of such insurance policy(ies) to the City Clerk/Treasurer and such policy(ies) shall contain an endorsement that it shall not be canceled or altered without at least thirty (30) days prior written notice to the City from the insurer. The City and Lessee shall be specifically named as insured under said policy.

ARTICLE XIII

Indemnification

Lessee hereby agrees to indemnify and to hold the City free and harmless from and against any and all actions, claims and demands arising out of the use or occupancy of the premises by Lessee or the failure of the Lessee to maintain the premises as herein provided, including, but without limitation, any carelessness, negligence, improper conduct, wrongful or intentional act or breach of this lease by the Lessee or its agents, employees, patrons, invitees, suppliers or licensees, and any and all costs, expenses and fees, including attorneys' fees, incurred by the City incident thereto. The City hereby indemnifies and agrees to hold the Lessee free and harmless from any and all actions caused by the sole negligence of the City.

ARTICLE XIV

Use/Right of Entry and Inspection/Damage/Repairs

1. Use. Lessee shall not use or permit the use of the leased premises for any purpose prohibited by law, shall comply with all requirements and demands of all governmental agencies or officials with respect to the condition, use and occupancy of the premises as such may appear from time to time during the term of this lease and shall not commit nor suffer to be committed any nuisance on or waste of the premises.
2. Right of Entry and Inspection. Lessee shall permit the City or the City's duly authorized agents, employees or representatives to enter upon the leased premises at all reasonable times for the purpose of inspection.
3. Damage. It is specifically understood that any damage caused by Lessee or their guests to the premises during the term of this Lease shall be promptly corrected or replaced at the Lessee' expense.
4. Repairs. All repairs to the premises during the terms of this lease shall be the sole responsibility of the Lessee.

ARTICLE XV

Time of the Essence

Time is and shall be deemed of the essence in respect to the performance of each provision of this lease.

ARTICLE XVI

Mortgages and Subleases

Lessee may not assign their rights under this lease or assign or encumber the premises without the prior written consent of the City.

ARTICLE XVII

Surrender Upon Termination

Upon the termination or cancellation of this lease Lessee, at their expense, shall remove from the premises all merchandise, furniture, furnishings, equipment or any other personal property belonging to it, and shall quietly and peaceably surrender possession of the leased premises in a similar or an improved condition as when received. There shall not be any holding-over by Lessee beyond the termination or cancellation of this lease. Any such holding-over by Lessee shall incur to the City a penalty fee of \$100.00 per day.

ARTICLE XVIII

Entire Agreement

This lease and attached Exhibit A shall be deemed to include the entire agreement between the parties hereto and no waiver of any right, agreement or condition herein and no modification of any term or condition herein shall be binding upon either party unless in writing and signed by the parties.

ARTICLE XIX

Partial Invalidity

In the event any provision of this Lease or part thereof shall be determined by any court of competent jurisdiction to be invalid, void or otherwise unenforceable, the remaining

provisions hereunder, or parts thereof, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

ARTICLE XX

Notices/Demands

Notices or demands required hereunder shall be in writing and shall be sent by certified mail (return receipt requested) to those persons at the addresses noted herein. The address of either party hereinabove set forth may be changed from time to time by giving written notice in that regard. All payments required to be made hereunder shall be made at the appropriate address hereinabove set forth or to such address as either of the parties may from time to time specify.

CITY OF LAUREL

LESSEE:

By: Mart A Mace
Mayor

By: [Signature]
Chamber of Commerce

By: Cindy Allen for Shirley Ewan
City Clerk/Treasurer

Appendix A

Laurel Chamber of Commerce

