

## **LEASE AGREEMENT**

This Lease Agreement, by and between the City of Grand Rapids, Minnesota, hereinafter referred to as "Lessor" and **Thomas Beaudry, Sole Proprietor**, hereinafter referred to as "Lessee", entered into this **22<sup>nd</sup>** day of **January, 2024**.

### **ARTICLE 1 - LEASED PREMISES**

1.1 In consideration of and subject to the mutual covenants, condition and obligations of this Lease Agreement to be kept and performed, the Lessor does hereby lease and demise to Lessee the Golf Pro Shop at Pokegama Golf Course Clubhouse, consisting of 351 square feet, in Grand Rapids, Minnesota.

### **ARTICLE 2 - TERM**

2.1 The Term of this Lease Agreement shall commence on **April 1, 2024**, and shall continue through **Lessee's** employment as the Director of Golf, unless earlier terminated in accordance with the provisions of this Lease Agreement.

### **ARTICLE 3 -RENT**

3.1 Beginning July 1, 2024, Lessee shall pay to Lessor as rent for the leased premises the sums hereinafter provided in this Article 3.

The term "operating costs for the Pokegama Clubhouse" as used in this Article 3 shall exclude all costs related to be incurred by Lessor, including by way of illustration but not limitation, (1) all utility charges (sewer, water, electricity, heat, garbage collection); and (2) maintenance, insurance, repairs, parts and supplies, equipment and tools, and electrical maps, tubes, starters and ballasts. The term "operating costs for the Pokegama Clubhouse" shall not include the original capital investment or associated debt service.

The term "rented square footage in the Pokegama Clubhouse" as used in the Article 3 shall exclude common areas, exterior grounds.

3.2 Calendar year **2024** base rent shall be based on 351 square feet in the amount of **\$16.73** per square foot annually, payable in equal monthly installments beginning on the **1<sup>ST</sup>** day

of **July, 2024** and continuing on the first day of each month thereafter through **Term of this Agreement**. Rent shall increase \$0.25/SF annually. Rent payments shall be in 1/12 installments paid monthly. Additionally, tenant is solely responsible for paying any, and all, property or personal property taxes associated with the rental space.

3.3 Lessee shall pay as additional rent a late charge in the amount of 1.5% of the monthly rental payment in the event that the monthly rental payment is received after the fifth day of the month due. This late charge shall be exclusive of any other remedy which Lessor may have for Lessee's failure to timely pay rent.

3.4 Rental payments shall be made to the order of the City of Grand Rapids and mailed or delivered to: **City Finance Director, 420 N. Pokegama Avenue, Grand Rapids, MN 55744.**

3.5 Lessee shall timely pay when due any personal property or real property tax on the leasehold estate.

#### **ARTICLE 4 - IMPROVEMENTS**

4.1 In taking possession of the leased premises, Lessee acknowledges that same were on the date of occupancy in good, clean and tenable condition, subject only to the repairs or improvements which Lessor has agreed to make at Lessor's expense and which are set forth on Exhibit "C" attached hereto, if there are any.

4.2 At the expiration or termination of the term of this Lease Agreement, all improvements and alterations made to the leased premises by Lessee shall remain with the leased premises and shall be the property of Lessor. Lessee shall, at its expense, remove Lessee's goods and effects, including trade fixtures (e.g., items such as chairs, sinks, stations, furniture, shelving units), machinery, and equipment, and quit and deliver up the leased premises to Lessor, peaceably and quietly in as good order and condition as same were in on the original date of occupancy, reasonable wear and tear excepted. Any property left in the leased premises at the expiration or termination of this term of this lease shall be deemed to have been abandoned and shall become the property of Lessor to be disposed of as Lessor deems expedient, with all costs of cleanup and

disposal of goods abandoned at the leased premises to be paid by Lessee. Lessee shall not permit any mechanic's or materialmen's liens to stand against the leased premises or against the Pokegama Clubhouse and Lessor may require appropriate assurances by way of bond, deposit or other reasonable procedure to protect against such liens and may, should such liens arise out of Lessee's acts hereunder, pay and discharge same and such amounts shall become due and payable to Lessor from Lessee with interest at the rate of eight percent (8%), or such greater amount as shall then be permitted by law, per annum.

#### **ARTICLE 5 - MAINTENANCE, REPAIRS**

5.1 Lessee shall at all times be responsible for maintaining at its own expense the leased premises in a clean, orderly and safety condition, except as hereinafter provided. Lessee shall be responsible, at its own expense, to clean and maintain all trade fixtures, machinery and equipment furnished by Lessee within the leased premises. Lessee shall be responsible to deposit normal office waste and rubbish at a location at the Pokegama Clubhouse as designated by Lessor.

#### **ARTICLE 6 - UTILITIES**

6.1 Lessor shall furnish such heat, water, sewer, electricity, elevator services, central air conditioning and garbage removal in and about the leased premises as shall be necessary, in Lessor's judgment, for comfortable occupancy of the leased premises, under normal business conditions. Lessor's obligation to provide electricity to the leased premises shall include only electricity for standard building lighting and office use.

6.2 Lessee shall conserve heat, water and electricity and shall not neglect or misuse water, fixtures, electrical lights, or other equipment or facilities furnished in conjunction with Lessor's provisions of utilities pursuant to this Article.

6.3 In the event energy use restrictions are established by Federal or State authorities or that an energy supply emergency is declared by Federal or State authorities, Lessor may reduce the quantity or quality of any utilities or other services to be provided under this Article as may be necessary to comply with directives and regulations promulgated by said authorities.

6.4 Lessor shall be responsible to provide light, heat and other utility services to the common areas of the Pokegama Clubhouse as, in Lessor's discretion, is appropriate. The cost of providing such heat, lighting and other utilities shall be included within "operating costs".

#### **ARTICLE 7 - BUILDING USE, REGULATIONS, SECURITY**

7.1 Lessee shall establish the hours of operation of the Pro Shop subject to the right of Lessor to establish minimum hours of operation. Lessee shall purchase for his own account inventory for the Pro Shop, shall exclusively determine the types and quantities of merchandise available for sale and the pricing thereof, and shall be exclusively responsible for profits, losses, damage or shrinkage relating to inventory. Lessee shall also determine the services to be offered at the Pro Shop, subject to Lessor's right to determine minimum range of services to be offered. Lessee shall have use of the driving range when providing golf lessons. Lessor shall not authorize any other individual to operate a Pro Shop, including the Pro Shop services and activities listed this Paragraph, during the term of this Lease Agreement.

7.2 Lessor and Lessee may mutually agree that revenues from Pro Shop sales and services shall be collected through Lessor's cash register. Lessor shall then reimburse Lessee for cash proceeds received by Lessor from Pro Shop sales, provided that Lessor shall not be obligated to reimburse Lessee for checks which are not honored and paid or charge sales, including credit card charges, for which Lessor does not receive cash payment.

Income received by Lessee from operation of the Pro Shop is not income from Lessor employment. Lessor shall not be obligated to withhold federal or state income taxes, FICA, PERA, or any other payroll withholdings from said income.

Lessee shall hold harmless, indemnify and defend Lessor against any and all claims, damages, losses or judgments against Lessor arising out of merchandise sold or services provided by Lessee through the Pro Shop. Lessee shall obtain and keep in force a policy of comprehensive general liability insurance, which policy shall name Lessor as an additional insured, with limits of liability not less than Lessor's maximum limits of liability as set forth in Minn. Stat. Sec. 466.04. Lessee shall keep on file at the office of the City Clerk a current certificate of insurance evidencing that said policy is in full force and effect and providing that Lessor shall receive 30 days' advance notice prior to cancellation of said policy.

## **ARTICLE 8 - COMMON AREAS, EXTERNAL GROUNDS**

8.1 Lessee's use of the common areas and external grounds of Pokegama Clubhouse shall be in compliance with rules and regulations which may be promulgated from time by Lessor.

## **ARTICLE 9 - INSURANCE**

9.1 Lessor shall maintain general liability, fire and extended coverage insurance on the Pokegama Clubhouse, including common areas and exterior grounds, and Lessor's fixtures and equipment and Lessor shall cause Lessee to be named as an additional insured. Lessee shall insure its own personal property on the premises as it sees fit. All personal property placed upon or in the leased premises or common areas or external grounds shall be at the risk of Lessee or the owner of the personal property and Lessor shall not be liable to Lessee or any other party for any damage or destruction of said personal property arising from any cause whatsoever. Lessee shall maintain at its own cost and expenses general liability insurance required herein. All insurance coverage is subject to approval of the City of Grand Rapids and shall be maintained by Lessee at all times this Agreement is in effect. Lessee further agrees that to protect themselves as well as the City of Grand Rapids under the indemnity Contract set forth above, the Lessee shall at all times during the term of the Agreement have and keep in force insurance protection as specified by Minn. Stat. Cpt. 466.04, subd. 1 as may be modified from time to time by the State Legislature and Lessee shall name Lessor as an additional insured on said policy. Throughout the term of this Lease Agreement, Lessee shall provide Lessor with evidence that Lessee has obtained the insurance required by this Article and that Lessor is an additional insured under said policies of insurance. All costs incurred by Lessor in maintaining insurance coverage pursuant to this Article shall be included within "operating costs".

9.2 Notwithstanding anything in this Lease Agreement to the contrary, Lessor shall not be liable to Lessee and Lessee shall not be liable to Lessor for any damage to or destruction of the Pokegama Clubhouse by fire or other perils or for any claim or cause of action arising out of any death, injury or damage to property in, on or about the leased premises or the common areas or exterior grounds of Pokegama Clubhouse. Lessor and Lessee shall furnish to each other appropriate written consents from their respective insurers to this waiver of liability provision.

## **ARTICLE 10 - LESSOR ACCESS**

10.1 Lessor, its agents and employees shall have the right to enter the leased premises upon reasonable advance notice for the purpose of inspection, cleaning, repairing, altering or improving the premises, or to exhibit the premises to prospective tenants. Lessor's reserved rights hereunder shall include, without limitation, free, unhampered and unobstructed access to the airways, equipment ducts, stairways, access panels and all utilities and services to the Pokegama Clubhouse. There shall be no diminution of rent and no liability on the part of Lessor by reason of any inconvenience, annoyance or injury to business caused by Lessor's reasonable exercise of rights reserved by Lessor in this Article.

## **ARTICLE 11 - FIRE OR OTHER CASUALTY: CONDEMNATION**

11.1 If during the term of this Lease the leased premises shall be damaged or destroyed by fire or other casualties so that the premises shall thereby be rendered unfit for use or occupation, Lessor shall have the option to either (a) repair such damage with all reasonable diligence and restore the premises to substantially the condition immediately prior to such event, and until such premises have been duly repaired and restored the rent herein reserved, or a just and proportionate part thereof according to the nature and extent of the injury which has been sustained shall be abated, or (b) Lessor may terminate this lease and end the term hereof, and in case of such termination and cancellation the rent shall be paid to the date of such fire or other casualty and all other further obligations on the part of either party hereto shall cease. Lessor is required to notify Lessee of whether it will repair or terminate within thirty (30) days of the date of such damage or destruction. Provided, however, that in the event the premises are not so restored within one hundred eighty (180) days after the occurrence, Lessee may, at its option, terminate this lease.

11.2 Lessee shall be entitled in any full or partial taking by eminent domain to take that portion of the net award representing payment for Lessee's leasehold interest, trade fixtures, moving expenses or business interruption. All amounts paid pursuant to an agreement with a condemning authority in connection with any taking shall be deemed to constitute an award on account of such taking. Lessee agrees that this Lease shall control rights of Lessor and Lessee in any such award, and any contrary provision of any present or future law is hereby waived. If any taking shall result in Lessee being deprived of space in excess of 5 percent of the space then leased

to Lessee, Lessee shall have the right on thirty (30) days advance written notice, to terminate the obligations hereunder effective as of such taking. If Lessee continues occupancy following a partial taking, rent will be adjusted of a pro-rata basis for the remainder of the lease term.

**ARTICLE 12 - QUIET POSSESSION**

12.1 Lessor hereby warrants and covenants that it has full authority to execute this Lease Agreement and further agrees that Lessee, upon paying rent and performing the covenants and conditions of this Lease Agreement, shall quietly have, hold and enjoy the leased premises during the term hereof.

**ARTICLE 13 - TERMINATION OF AGREEMENT:**

13.1 Lessee shall notify Lessor on or before July 1 of any calendar year of intent to voluntarily terminate his employment with City, with said termination to be effective as of December 31 of the same calendar year, unless a lesser amount of notice time is agreed to by City.

13.2 This Agreement shall terminate on the effective date of Lessee’s termination of employment with the City.

**ARTICLE 14 - NOTICE**

14.1 Any notice, demand, request or other communication which may or shall be given or served by Lessor or Lessee pursuant to this Lease Agreement shall be deemed to have been given or served on the date the same is deposited in the United States mail, registered or certified, postage prepaid and addressed as follows:

To Lessee:

Thomas Beaudry  
2512 Horseshoe Lake Road  
Grand Rapids MN 55744

To: Lessor

City Administrator  
City Hall

**ARTICLE 15 - ASSIGNMENT, SUBLETTING**

15.1 Lessee agrees that neither the leased premises nor any part thereof shall be sublet nor shall this Lease Agreement be assigned by Lessee without prior written consent of Lessor, which consent shall not be unreasonably withheld. If Lessor does give consent, such consent shall not release Lessee from its obligation hereunder, unless a release is specifically given by Lessor.

**ARTICLE 16 - NO PARTNERSHIP**

16.1 Nothing contained in this Lease Agreement shall be deemed or construed to create a partnership or joint venture of or between Lessor and Lessee or to create any other relationship between the parties hereto other than that of Lessor and Lessee.

**ARTICLE 17 - DEFAULT BY LESSEE**

17.1 Lessor and Lessee agree that this Lease Agreement is made upon the condition that if the Lessee shall neglect or fail to keep, observe and perform any of the covenants and agreements contained in this Lease Agreement which are to be kept, observed or performed by Lessee, so as to be in default, or if the leasehold interest of Lessee shall be taken by execution or other legal process of law, or if Lessee shall petition to be or be declared to be bankrupt or insolvent according to law, or if Lessee shall vacate said premises or abandon the same for a period of 45 days during the term of this Lease Agreement, then and in any of said cases the Lessor may, at its option, immediately or at any time thereafter without further notice or demand, enter into and upon the leased premises, or any part thereof, in the name of the whole, and take absolute possession of the same without such re-entry working a forfeiture of the rents to be paid and the covenants to be performed by Lessee for the full term of this Lease Agreement, and may, at Lessor's election, lease or sublet the leased premises, or any part thereof, on such terms and conditions and for such rents and for such time as the Lessor may elect, and after crediting the rent actually collected by Lessor from such reletting, collect the balance of rent owed pursuant to this Lease Agreement from Lessee, charging Lessee such reasonable expenses as the Lessor may expand in putting the



premises in tenable condition and collecting said rentals from Lessee, including reasonable attorney's fees.

Alternatively, Lessor may at its election and upon written notice to Lessee declare this Lease Agreement forfeited and void under the condition set forth above, and Lessor may re-enter and take full and absolute possession of said premises as the owner thereof, free from any right or claim of Lessee or any person or persons claiming through or under Lessee, and such election and re-entry shall be and constitute an absolute bar to any right to enter by Lessee. The commencement by Lessor of any action to recover possession of the leased premises or any part thereof shall not be deemed an election by Lessor to treat this Lease Agreement as void and terminated, without the written notice above specified.

In the event of termination or re-entry by Lessor for default by Lessee, Lessor shall make every reasonable effort to re-rent, lease or sublet the premises. Lessor, at its option, may make such alterations, repairs, replacements and/or decorations to the leased premises as Lessor, in its sole judgment, considers advisable and necessary for the purpose of reletting the premises; and the making of such alterations, repairs, replacements and/or decorations shall not operate to be construed to release Lessee for liability hereunder as aforesaid.

#### **ARTICLE 18 - DEFAULT BY LESSOR, LESSEE**

18.1 Lessor shall not be deemed to be in default under this Lease Agreement until Lessee shall have given Lessor written notice specifying the nature of the default and Lessor shall have not cured such default within ten (10) days after receipt of such notice, or within such reasonable time thereafter as may be necessary to cure such default where such default is of a character as to reasonably require more than ten (10) days to cure.

18.2 Except with respect to the payment of rent, for which no notice of default shall be necessary, Lessee shall not be deemed to be in default under this Lease Agreement until Lessor shall have given Lessee written notice specifying the nature of default and Lessee shall have not cured such default within ten (10) days after receipt of such notice or within such reasonable time thereafter as may be necessary to cure such default where such default is of a character as to reasonably require more than ten (10) days to cure.

## **ARTICLE 19 - WAIVER, MODIFICATION, ENTIRE AGREEMENT**

19.1 No waiver of any condition, covenant, right of option of this Lease Agreement by the Lessor shall be deemed to imply or constitute a further waiver of any like condition or covenant of said Lease Agreement.

19.2 No amendment or modification of this Lease Agreement shall be valid or binding unless expressed in writing and executed by duly authorized representatives of the parties hereto in the same manner as the execution of this Lease Agreement. The Grand Rapids Economic Development Authority shall consider the recommendation of all interested parties in determining whether to approve any amendment or modification of this Lease Agreement.

19.3 Neither Lessor nor any agent or employee of Lessor has made any representations or promises with respect to the leased premises or the Pokegama Clubhouse except as herein expressly set forth, and no rights, privileges, easements or licenses are acquired by Lessee except as herein expressly set forth.

## **ARTICLE 20 - WINDOW TREATMENT**

20.1 Lessee, at its expense, may install shades, drapes or window coverings and, if installed, Lessee shall maintain said window coverings in an attractive and safe condition, provided however, in the sole judgment of Lessor said window coverings are in harmony with the exterior and interior appearance of Pokegama Clubhouse and will create no safety or fire hazard.

**ARTICLE 21 - DISCRIMINATION PROHIBITED:** The Landlord shall not discriminate based upon race, color, creed, religion, national origin, sex, marital status, age, handicap, or disability, familial status or recipients of public assistance; and shall comply with all nondiscrimination requirements of Federal, State and local law.

**IN WITNESS WHEREOF**, the parties have hereunto set their hands on the date first written above.

LESSOR:

\_\_\_\_\_  
Mayor, City of Grand Rapids

\_\_\_\_\_  
City Clerk/Treasurer

Date: \_\_\_\_\_

LESSEE:

\_\_\_\_\_

BY: \_\_\_\_\_

Its \_\_\_\_\_

Date: \_\_\_\_\_