

**LEASE AGREEMENT
BETWEEN THE CITY OF SANDPOINT AND SANDPOINT LIONS CLUB, INC.**

THIS LEASE, effective January 1, 2025, is by and between the City of Sandpoint, Idaho, a municipal corporation of the State of Idaho, (hereinafter, "City") and the Sandpoint Lions Club Incorporated, a non-profit corporation organized under the laws of the State of Idaho (hereinafter, "Lessee").

WHEREAS City and Lessee originally entered into a lease dated January 1, 2010 for the purpose of leasing real property located at Lakeview Park, located in Sandpoint, Idaho;

WHEREAS the original lease (January 1, 2010 – December 31, 2015), including the First Amendment (January 1, 2016-December 31, 2020), terminated December 31, 2020;

WHEREAS the real property is known commonly as 609 S Ella, consisting of approximately .64 Acres more or less and;

WHEREAS the parties wish to set forth their entire agreement relative to Lessee's use of real property to occupy one Building used as the business location for the Sandpoint Lions Club in this lease ("Lease"), which shall replace and supersede all existing leases and other agreements with respect thereto.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1 - PREMISES

Section 1.01 – Purpose: The parties agree that the primary purpose of this Lease is to occupy one building located on the City's real property as the business location for the Sandpoint Lions Club. Each party represents and warrants to the other that the execution, delivery, and performance of this Lease and the consummation of the transactions herein contemplated have been duly authorized by all requisite action on the part of such party.

Section 1.02 – Fee: Lessee agrees to pay as rental for the below described premises, the sum of ONE DOLLAR (\$1.00) per year, payable in advance on or before the first day of each and every year commencing with January 1, 2025. Lessee shall have the option to prepay all three (3) rental payments.

Section 1.03 - Description: The City leases to Lessee, on the terms and conditions stated below, the entirety of the real property, as legally described below, (hereinafter, "the Leased Property").

Per Instrument No. 5229945 as recorded with Bonner County on April 28, 1998.

A portion of property lying in Section 27, Township 57 North, Range 2 West, Boise Meridian, City of Sandpoint, Bonner County, Idaho, more particularly described as:

Beginning at the Northwest quarter corner of Section 27, Thence N.89°16'36" East, 1,322.7 feet to the intersection of the centerlines of Ella Ave. and Ontario Street, Thence S. 00°13'34" E, 210.52 feet (S.00°51'50" W 210.52 feet1 Record), Thence N. 89°55'49" E, 13.56 feet (S. 87°08'10" E 15 feet, Record) to the true point of beginning and the East right of way line of Ella Ave.

Thence N.89' 55'49" E. 283.37 feet, (S. 87' 08' 10" E, 282.50, Record)

Thence S. 00'04'11" E. 96.69 feet, (S. 02'51'50" W, 96.69, Record)

Thence N 89'55'49" W. 296.66 feet. (N 87'08' 10" W. 296.50, Record) to the East right of Way line of Ella Ave.

Thence Northeasterly Along the East Right of Way to the True Point of Beginning.

.64 Acres more or less

Section 1.04 - Use of Premises:

- a) The City leases to LESSEE the parcel of real property located in Sandpoint, Idaho, described below, to be used for the business location of the Sandpoint Lions Club Building.
- b) The current building footprint shall be the exclusive lease of the Lions Club, and the remaining property described below (commonly known as the "exhibition area") may be jointly leased to the Bonner County Historical Society. The Lions Club should communicate with the Bonner County Historical Society to prevent any potential scheduling conflicts of the exhibition area. If there is any unresolved conflict in scheduling for the exhibition area, the Bonner County Historical Society shall have priority.
- c) City represents and warrants to Lessee that:
 - i. There are no pending or, to City's best knowledge, threatened condemnation proceedings or other governmental, municipal, administrative or judicial proceedings affecting the Leased Premises;
 - ii. There are no pending or, to City's best knowledge, threatened actions, proceedings or litigation affecting the Leased Property or the rights and interests of City hereunder;
 - iii. There are no outstanding notices of, nor, to City's best knowledge, are there any violations of, any law (including environmental laws), regulation, ordinance, order or other requirements of any governmental authority having jurisdiction over or affecting any part of the Leased Property.

ARTICLE II -TERM

Section 2.01 - Term: The term of this Lease shall be for three years, commencing on January 1, 2025 (the "Commencement Date"), and continuing through and including December 31, 2027. In the event both Parties of this Lease agree, in writing, and executed through an Amendment to this Agreement, Lessee shall have the option for two (2), three (3) year extensions for the lease of the below described property.

ARTICLE III - RIGHTS OF LESSEE

Section 3.01 - Miscellaneous Rights of Lessee: Lessee is hereby granted the following designated rights, which rights are nonexclusive of the City, granting the same or similar rights to others at Lakeview Park, and are subject to the rules and regulations of the City of Sandpoint with respect to the use of such Lakeview Park.

The Lessee may use and occupy the Leased Property for any lawful purposes, except that the Lessee shall not use or occupy, nor permit the Leased Property or any part thereof to be used or occupied, for any unlawful business or activity, use or purpose, nor for any business, use, or purpose that would reasonably be deemed disreputable or extra hazardous, nor for any purpose or in any manner which is in violation of any present or future governmental laws or regulations. The Lessee shall not permit any sale, storage, or consumption of alcohol unless Lessee has received approval from the City for Lessee special events through the City's special event process and permitting. The Lessee shall indemnify the City against all costs, expenses, liabilities, losses, damages, injunctions, suits, fines, penalties, claims and demands, including reasonable attorney fees, arising out of any violation of, or default of this provision.

The Lessee shall have the right to make alterations and improvements to the Leased Property as reasonably necessary or appropriate, in the Lessee's judgment, for the Lessee's conduct thereon of its business, provided that prior to the commencement of any such alterations or improvements, the City shall, in each case, have determined that the alterations do not diminish the value of the property and shall have approved in writing the plans and specifications thereto. Additionally, Lessee shall be required to obtain at Lessee's expense, any and all permits required for any alterations City has approved. The Lessee shall have the right to maintain on the Leased Property appropriate facilities for the conducting of Lessee's business.

ARTICLE IV - OBLIGATIONS OF LESSEE

Section 4.01 - Garbage and Waste Removal: Lessee agrees to cause to be removed promptly, at its own expense from the Leased Premises, all waste including garbage and rubbish, and agrees not to deposit the same, except temporarily in connection with collection for removal, on any part of the Leased Property, the draining system, or other property of the City constituting Lakeview Park.

Section 4.02 - Utility Connections: Lessee may contract for connections to public utility services as are available and shall transfer all existing utility accounts into their name and pay any and all fees associated with the utilities.

Section 4.03 - Fire Prevention: Lessee shall exercise due and reasonable care and caution to prevent and control fire on Leased Property, and to that end shall install suitable fire extinguishers throughout the Building resting on the Leased Property in accordance with rules and regulations of the City's Fire Chief. All paints and oils shall be stored in suitably protected outbuildings or compartments in accordance with rules and regulations as required by such Fire Chief.

Section 4.04 - Maintaining Clean Premises: Lessee shall provide proper containers for trash and garbage and shall keep the Leased Property free and clear of rubbish, debris, and litter at all times.

Section 4.05 - City Approval of Plans and Specifications: No construction of any kind shall be carried out by Lessee except in accordance with plans and specifications which have received the prior written approval of the City and any other regulatory agency. It is agreed that, for any improvements, new construction, alterations, and remodeling undertaken on the Leased Property that has been approved by City by Lessee, the City shall be held harmless from any costs incurred in providing such facilities. Upon termination of this Lease by the passage of time or otherwise, title to all structures, installations, or improvements of any kind paid for and placed upon the Leased Property by Lessee, either those in place or immovable, exclusive of all equipment, machines, appliances, furniture, trade fixtures, partitions, installations and other Lessee personal property that is capable of being removed from the Leased Property without material damage to same (collectively, "Lessee's Personal Property"), shall vest and transfer to the City.

Section 4.06 - Taxes: Lessee agrees to pay all lawful taxes and assessments which, during the term or extension thereof, may become a lien, or which may be levied by the State, County, City or any other tax-levy body upon the following: (a) Any taxable interest by Lessee acquired in this Lease; and (b) All taxes on any taxable personal property owned by Lessee in or about the Leased Property. Upon any termination of this Lease, all taxes when levied, or any lien on any of the above-described personal property or taxable interest therein, shall be paid in full without prorating by Lessee forthwith or as soon as a statement thereof has been issued by such tax-levying body.

Section 4.07 -Utilities: Lessee shall promptly pay any charges for sewer, water, gas, electricity, telephone, and any other utility charge for services provided at the Leased Property at Lessee's order or consent, including all monthly fees for service.

Section 4.08 - Lessee's Repairs and Maintenance: At its expense, Lessee shall be responsible for general landscaping and maintenance of the real property included in the Leased Property.

Section 4.09 - Surrender: Lessee shall, on the last day of the term, or upon the sooner termination of the term, peaceably and quietly surrender the Leased Property to the City, broom clean, including all Buildings, alterations, rebuilding, replacements, changes, or additions placed by the Lessee thereon, in as good condition and repair as at the commencement of the term, and as any new buildings, structures, replacements, additions, or improvements constructed, erected, added, or placed thereon by the Lessee were when completed, all with the natural wear and tear and damage by casualty excepted. Notwithstanding the foregoing, Lessee shall at all times retain all right, title and interest in and to all Lessee's Personal Property, and Lessee may remove the same from the Leased Property upon expiration or termination of the term.

Section 4.10 — Holding Over: Should Lessee, or any of its successors in interest, hold over the Leased Property or any part thereof after the expiration of the Lease term, unless otherwise agreed to in writing by City, such holding over shall constitute and be construed as a month-to-month tenancy, and rental for such tenancy will be paid at a rental equal to one dollar \$1.00 per month. In the event City leases all or any part of the Leased Property covered hereby to a third-party lessee for a term commencing upon the expiration of this Lease, and City is unable to deliver possession thereof to said lessee because Lessee is holding over, Lessee shall indemnify City for actual damages incurred by it as a result of such inability to deliver possession and shall be responsible for any costs or liabilities the City incurs as a result of Lessee holding over and not vacating the property.

ARTICLE V - RIGHTS OF THE CITY

Section 5.01 - Payments by the City Recoverable From Lessee: Upon written notice to Lessee, the City shall have the right, during the term of the Lease, to pay any unpaid taxes, assessments, water, sewer, or other charges owed by the Lessee, pursuant to the terms of this Lease, on the Leased Property and reversionary interest therein remaining unpaid after the same have become due and payable. The amount paid of such taxes, assessments and charges owed by Lessee shall be deemed to be additional rent due from Lessee within 30 days of receipt of invoice from the City with interest thereon at the rate of ten percent (10%) per annum after 30 days from the date of invoice to the Lessee. The City, at its option, may advance or pay any such charge, but it shall not be obligatory on the City to inquire into the validity of any such charge, provided, however, that, if Lessee shall be actively prosecuting its administrative or legal remedies in protest of any such charge, the City shall not have the right to pay or advance sums referable thereto until such remedies shall have been exhausted.

Section 5.02 - Right of Entry and Inspection: The City reserves the right at any reasonable time mutually agreed to by the parties to enter upon the Leased Property, either in person or through its designated agents or employees, for the purpose of inspecting the Leased Property and ascertaining the condition of the same. In any case, City shall have the right to inspect the Leased Property within 24 hours of the delivery of written notice. The City shall use reasonable good faith efforts not to disturb Lessee's business operations during such entry and/or inspection.

ARTICLE VI - OBLIGATIONS OF THE CITY

Section 6.01 - Quiet Enjoyment: The Lessee, upon the payment of the annual lease, herein reserved, and upon the performance of all of its other obligations under the terms of this Lease, shall at all times during this Lease term, peaceably and quietly enjoy the Leased Property without any disturbance from the City or from any person claiming through the City.

ARTICLE VII - INDEMNITY AND INSURANCE

Section 7.01 - Indemnity: The Lessee shall indemnify and hold the City, its officials, officers, employees, agents and assigns, harmless from and/or against any and all claims, damages, and liabilities (including reasonable attorney's fees) that may be suffered or incurred or that arise as a result of and which are caused by the Lessee's wrongful acts or omissions in the performance of its duties under this Agreement. This indemnification does not apply when such claims, damages, and liabilities are the result of negligent acts, errors, omissions or fault on the part of the City, its officials, officers, employees, agents or assigns. Nothing contained in this indemnification provision shall waive, in any manner, the limits of liability provided to the CITY specified in Idaho Code §6-901 through 6-929, known as the Idaho Tort Claims Act.

Section 7.02 - Insurance: Lessee, at its own expense, shall keep and maintain in full force and effect a policy of commercial general liability insurance, including a contractual liability endorsement covering Lessee's obligations under Section 8.01, insuring Lessee's activities upon, in and about the Leased Premises against claims of bodily injury or death or property damage or loss with limits of at least One Million Dollars (\$1 Million) per occurrence and Two Million Dollars (\$2 Million) aggregate. Each insurance policy shall provide that it is not subject to cancellation or material alteration except after Thirty (30) days prior written notice to the City and Lessee. Lessee shall deliver to the City immediately upon execution of this Lease and upon annual renewal thereafter, copies of policies of such insurance or certificates

evidencing the existence and amounts of same. Should Lessee fail to keep in effect and pay for such insurance as required under this Lease, the City may do so, in which event the Lessee shall be required to reimburse the City for the insurance premium paid by the City. If the City receives notice of termination, cancellation or lapse of such insurance, it may elect to notify Lessee to cease operations on the Leased Property until the City receives copies of policies evidencing that the insurance required under this Lease is in full force and effect. This City is to be named Additional Insured on each such policy or policies.

ARTICLE VIII - GENERAL PROVISIONS

Section 8.01 - Alterations and Improvements: Lessee shall make no alterations to the Leased Property or make any other improvements thereupon without prior written consent of the City and any required permits have been issued. All alterations, changes, and improvements paid for and built, constructed, or placed on the Leased Property by Lessee, with the exception of fixtures removable without material damage to the Leased Property and Lessee's Personal Property shall, unless otherwise provided by written agreement between the City and Lessee, be the property of the City and remain on the Leased Property at the expiration, or sooner termination, of this Lease.

Section 8.02 - Damage or Destruction of Leased Premises: If all of the Buildings on the Leased Property are completely or substantially destroyed by fire or other casualty not caused by Lessee, either City or Lessee may terminate this Lease by issuing a notice of termination to the other party.

Section 8.03 - Materials Affecting Fire Insurance: Lessee shall not keep or have on the Leased Premises any article or thing of a dangerous, inflammable, or explosive character which might unreasonably increase the danger of fire on the Leased Property except in accordance with applicable laws, rules and regulations.

Section 8.04 - Assignment of Interests or Rights: Except as expressly provided in this Lease, neither Lessee, nor any assignee or other successor of Lessee, shall in any manner, directly or indirectly, by operation of law or otherwise, sublease, assign, transfer, or encumber any of Lessee's rights in and to this Lease or any interest therein, nor license or permit the use of the rights herein granted in full or in part without the prior written consent of the City.

Section 8.05 - Condemnation: If the Leased Premises or any interest therein is taken as a result of the exercise of the right of eminent domain, this Lease shall terminate as to such portion as may be taken. If Lessee shall reasonably determine that it is no longer feasible to continue operations at the Leased Property without the portion taken, the Lessee shall have the right to terminate this Lease. The City shall be entitled to that portion of the award as is represented by the real property involved, but Lessee may make a separate claim against the governmental entity exercising the right of eminent domain for Lessee's relocation expenses.

Section 8.06 - Nonwaiver: Waiver by either party of strict performance of any provision of this Lease shall not be a waiver of, or prejudice to, such party's right to require strict performance of the same provision, or of any other provision, in the future. To the extent City's consent or approval is required under this Lease, such consent or approval shall not be unreasonably withheld, conditioned or delayed.

Section 8.07 - Attorney's Fees: Reasonable attorney fees and costs shall be awarded to the prevailing party in any action to enforce or interpret this Agreement, or to declare a termination or forfeiture thereof.

Section 8.08 - Time of the Essence: It is mutually agreed that time is of the essence to the performance of all covenants and conditions to be kept and performed under the terms of this Lease.

Section 8.09 - Notices: All notices required under this Lease shall be deemed to be properly served if sent by certified mail to the last address previously furnished by these parties. Until changed by the parties by notice in writing, notices shall be sent to:

CITY:
City of Sandpoint
City Clerk
1123 Lake Street
Sandpoint, Idaho 83864

LESSEE:
Lions Club
PO Box 414
Sandpoint, ID 83864

All such notices shall be deemed served upon deposit in the United States Postal Service with postage prepaid.

Section 8.10 - Assurance of Nondiscrimination: Pursuant to Title VI of the Civil Rights Act of 1964, and by Part 15 of the Federal Aviation Regulations, Lessee agrees it will not, on the grounds of race, color, or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 15 of the Federal Aviation Regulations, as such law or Regulations may be amended. Pursuant to Sandpoint City Code 5-210 Lessee agrees it will not discriminate against a person based on sexual orientation or gender identity/expression.

Section 8.11 - Consent of the City: Whenever consent or approval of direction by the City is required under the terms of this Lease, the same may be received in writing from the Mayor or authorized City representative/designee .

Section 8.12 - Index and Headings: The index, and article and section headings, are for convenience for reference, and are not intended to define or limit the scope of any provisions of this Lease.

Section 8.13 - Governing Law: This Lease shall be governed under the laws of the State of Idaho, and the jurisdiction for any action arising out of performance of this Agreement, or interpretation of its terms and conditions, shall be in the District Court in the First Judicial District of the State of Idaho, Bonner County.

Section 8.14 - Entire Agreement: This Lease contains the entire agreement and understanding between the parties. There are no oral understandings, terms, or conditions, and neither party has relied upon any representation, express or implied, not contained in this Lease. All prior understandings, terms, or conditions are deemed merged in this Lease, and all existing leases and other arrangements between the parties relative to the Leased Property are replaced and superseded by this Lease, effective as of the Commencement Date.

Section 8.15 - Modification by Writing: This Lease may not be modified orally, but only by agreement in writing through an Amendment to this Agreement and signed by both parties.

Section 8.16 - Severability: If any provision of this Lease shall be declared invalid or unenforceable, the remainder of this Lease shall continue in full force and effect.

IN WITNESS WHEREOF, the City has caused these presents to be signed, and the Lessee has signed effective the day and year first above written.

CITY OF SANDPOINT:

SANDPOINT LIONS CLUB:

Jeremy Grimm, Mayor

Date

Janice Rader 4/25/2025
President Date

ATTEST:

Melissa Ward, City Clerk

Date