

**LEASE AGREEMENT
CITY OF SANDPOINT AND NICK AND VANESSA WATSON**

The CITY OF SANDPOINT, a municipal corporation of the State of Idaho, hereinafter referred to as the “Lessor” does hereby convey by lease unto Nick and Vanessa Watson, husband and wife, hereinafter referred to as “Lessee”, a certain parcel of real property owned by Lessor, situated in the City of Sandpoint, Bonner County, Idaho, for the exclusive possession, use, and occupancy thereof by the Lessee, subject to the considerations, covenants, restrictions, and agreements hereinafter set forth.

**I
PREMISES LEASED**

The premises leased include Marsha’s Snack Shack located within City Beach Park at 58 Bridge Street in Sandpoint, Idaho for Concessions Services as identified in Exhibit A – Location, attached hereto for reference.

**II
TERM AND REVERSION**

The term of this Lease shall begin at 8:00 AM Pacific Time on May 17, 2024 and terminate at 12:00 PM Pacific Time on September 06, 2024. The leased premises shall revert to Lessor in its entirety for all dates and times prior to and after those identified within this Lease Agreement.

The initial term of this Lease as described above is for one (1) season. This Lease may be extended for two, one season renewals upon a written request by Lessee 90 days prior to May 01, 2025 with rent and utilities costs negotiated for each renewal and a signed Amendment to this Lease Agreement is signed by both Parties. No guarantee the rent or utilities amounts will remain the same for subsequent renewals beginning with the 2025 renewal. The Lessor may deny the request for renewal if the parties cannot agree on costs of rent and utilities as discussed above.

**III
CONSIDERATION**

The Lessee, shall, in consideration thereof, pay unto Lessor as follows: \$2,000 per month for facility rent and \$150.00 per month for utilities – electric, water, sewer, and wi-fi.

Lessee shall pay a prorated rent amount of \$986.30 for 15 days @ 65.75 per day. This shall be paid to the Lessor upon execution of this Lease.

Lessee shall pay a prorated utilities amount of \$73.95 for 15 days @ \$4.93 per day. This shall be paid to the Lessor upon execution of this Lease.

Final September 2024 rent and utilities will be paid within 10 days after exiting facility but no later than September 16, 2024. Final September rent and utilities will be calculated based on occupancy days and prorated @ \$65.75 per day for rent and \$4.93 per day for utilities.

Future payments:

Lessee shall deliver payment to Lessor on the 1st of each month and no later than the 10th of the month to the following address:

Accounts Receivable
City of Sandpoint
1123 Lake Street
Sandpoint, Idaho 83864

Payments not received by 5:00 PM on the 10th of the month shall incur a late fee of \$25.00.

IV INSURANCE

Lessee shall provide proof of general liability insurance pursuant to Idaho Code §6-924 with a company authorized to do business within the State of Idaho, insuring the public against any loss or damage which may result to any person or persons, or any damage to property, arising from the operation and use of the premises by the Lessee. Said insurance policy shall name the Lessor as an additional insured. A Certificate of Insurance shall be provided to the Lessor by Lessee prior to the commencement of the occupation and use of said premises by Lessee. Such policy, plan, and contract, or insurance shall, at all times be kept in full force and effect during the term of this Lease. Said insurance policy shall provide liability insurance of not less than One Million Dollars (\$1,000,000.00) per Occurrence and Two (\$2,000,000) Million Dollars Aggregate naming Lessor as Additional Insured.

Proof of Worker's Compensation coverage, if applicable, shall also be provided to the Lessor by the Lessee prior to the commencement of the term of this Lease and shall, at all times, be kept in full force and effect during the term of this Lease.

The Lessee specifically acknowledges that Lessor does not maintain and shall not maintain any fire, casualty, hazard, or liability insurance whatsoever to protect the Lessee's contents or equipment. Lessor will maintain insurance coverage for the structure and Lessor owned equipment.

V MAINTENANCE

Lessee is responsible for the general clean-up of the facility, both interior and exterior on a daily basis. This includes, but is not limited to, the following:

1. Picking up and removal of trash, placement of all collected trash in dumpster at City Beach;
2. Cleaning and sanitizing of Snack Shack restroom and ensuring restrooms are locked and secured at the end of each day of operations.
3. Empty and clean grease traps and filters.
4. Keep floors swept and mopped in kitchen and storage areas.
5. Keep kitchen equipment cleaned and sanitized.
6. Keep freezers and refrigerators cleaned.
7. Keep outdoor seating areas cleaned.

Lessee is to notify Lessor immediately if any safety issues have been found and need to be addressed as it relates to the building and/or building systems, such as plumbing, electrical, or air conditioning.

VI GENERAL RULES

1. Lessee is expected to adhere to all signs posted at City Beach.
2. Temporary signs may be posted with written permission from Lessor and must be removed at the conclusion of Lessee's Lease. Temporary signs may not be placed over or obstruct any permanently affixed signs or cause any damage to the interior or exterior of the structure.
3. Lessor will grant Lessee permission to paint the interior of the building with Lessor's prior approval of the paint color(s). No stenciling or painted signs will be allowed.
4. No interior or exterior building modifications, including, the landscape, near or around the building is allowed unless prior written approval provided by Lessor. If approved, costs are the responsibility of the Lessee. The building structure will be surrendered to Lessor, including any approved modifications made by Lessee without any financial reimbursement by the Lessor.
5. Any community engagement in the form of events, activities – movie nights, live musical performances, etc. will require a Special Events Permit. Lessee shall submit an application to Lessor for any planned events or activities and be issued a permit. Lessee shall obtain all required special licensing (ie; public movie licensing, music licensing, etc.) for applicable events or activities.
6. Lessee may have a small retail space within the building as identified in Exhibit B - Photos, attached hereto for reference. Lessee shall not place any displays outside the identified area or outside the building.

VII MISCELLANEOUS

1. Fixtures and existing equipment. Lessor shall be responsible for replacing or repairing any existing fixtures, Lessor owned equipment, and building systems. Lessor owned equipment attached hereto for reference as Exhibit C. Lessee will be responsible for all other equipment.
2. Wi-fi will be available. If dedicated internet is needed, Lessee will be responsible for contacting provider for set up and connection and responsible for payment of cost for installation and monthly fees. Lessee to have service disconnected upon vacating premises.
3. Lessee's hours of operations for 2024 Season shall be as follows:
 - a. Monday thru Thursday, 11 AM – 6 PM
 - b. Friday and Saturday, 11 AM – 8 PM
 - c. Closed Sunday

These hours of operation will be part of negotiations between Lessee and Lessor for renewals as outlined in Section II – Term and Reversion.

First day of Snack Shack operations for 2024 Season is scheduled for Friday, May 24, 2024.

4. Lessee shall obtain all required Federal, State, and Local licenses, as applicable, for Snack Shack operations, including but not limited to City of Sandpoint Business License and Bonner County required food handling licenses and permits.
5. City reserves the right to hire food trucks and various vendors for Special events with the understanding that every attempt will be made to ensure items for sale do not conflict with those being sold in Marsha's Snack Shack.
6. Lessor has the right to inspect premises at any time, for any reason, and shall provide Lessee 24 hours' notice of such inspection.
7. Lessor to provide proper employee training in food handling, equipment handling and maintenance, safety, emergency preparedness, and any other training necessary to ensure safety to employees and the public.
8. Lessee will provide pest control as needed and consult with Lessor prior to application of any pesticide outside the facility.
9. Two sets of keys will be provided to Lessee. Lessee shall return both sets of keys at final inspection. Any lost keys will result in a \$50.00 fee per set. If leys are lost or stolen, Lessee shall be responsible for reimbursement of costs to Lessor for re-keying locks plus a 10% Administrative fee.

VIII PARKING

Parking is available in the parking lot located at City Beach. No special or assigned parking will be extended as part of this Lease. Lessee to ensure they are parking in designated, allowed parking spaces. Lessor will not waive any violations received as a result of not parking in designated spaces.

IX ASSIGNMENT

The Lessee shall not assign, sell, or transfer the Leasehold rights set forth in this Lease or set over unto any other person, persons, business, or group thereof, any or all of the Leasehold rights in the premises or in the interest in said premises or property or any of the rights acquired hereunder by this Lease without the prior written approval of Lessor.

**XI
HOLD HARMLESS**

To the extent allowed by law, Lessee shall indemnify and hold the Lessor and its officials, officers, employees, agents and assigns, harmless from and/or against any and all claims, damages, and liabilities, including reasonable attorney's fees (collectively, "claims") that may be suffered or incurred or that arise as a result of and which are caused by Lessee's wrongful acts or omissions in the performance of its duties under this Lease, and/or the wrongful acts or omissions of attendees of the activities as outlined in this Lease.

**XI
DEFAULT**

Upon any noted default, deficiency or violation of this Lease, Lessor shall notify Lessee in writing of such violation and shall extend reasonable time to address said deficiency. Notwithstanding, Lessor reserves the right to immediately terminate this Lease, if in its sole discretion, Lessee has failed to comply with the terms and provisions of this Agreement.

**XII
TERMINATION**

The Lessor may terminate this Lease for any reason with 14 days' written notice to Lessee. At the end and conclusion of the term of this Lease, including termination by Lessor or an uncured default as set forth in Section XI above, Lessee shall vacate the above-described premises and shall ensure that all the property of the Lessee, its members, officers, agents, and employees are removed from the above-described premises. Lessor shall not be required to give any notice of termination or expiration of the term of this Lease nor take any action whatsoever prior to reentering and occupying said premises at the termination of this Lease. Lessee shall surrender said premises in good condition, without damage or waste, except for normally expected wear and tear. Lessee agrees to pay Lessor an additional \$75.00 per day for each day lessee has failed to fully vacate the site after 4 calendar days at the expiration or termination of this Lease.

Upon final walk-through inspection with Lessee, any damage to the facility caused by Lessee, not considered normal wear and tear, will be the responsibility of Lessee to repair. Lessee shall work with Lessor on timeline for such repairs and Lessor must be aggregable to that timeline. If Lessee fails to repair any damage within the timeline agreed upon, Lessor will make repairs and bill Lessee for cost of repairs and an additional 10% for Administrative fees.

**XIII
LIEN, DEBT AND INDEBTEDNESS PROHIBITED**

Neither Lessee, nor any of its officers, directors, members, agents, assigns, and employees shall incur any lien, debt, or indebtedness upon said premises or property of the Lessor.

**XIV
ATTORNEY FEES**

If it becomes necessary for either party to enforce the terms of this Lease, the prevailing party shall be entitled to recover reasonable attorney fees and costs in addition to any other damages.

**XV
JURISDICTION AND VENUE**

Jurisdiction and venue of any action arising out of this agreement shall be in the District Court of the First Judicial District of the State of Idaho, Bonner County. This agreement and all terms and conditions contained herein, and performance thereof, shall be governed pursuant to the laws of the State of Idaho.

**XVI
ENTIRE AGREEMENT**

This Agreement contains the entire agreement of the Parties and supersedes all prior negotiations and proposed agreements, written or oral. The Parties acknowledge and warrant that neither they, nor their respective agents or attorneys, have made any promise, representation, or warranty whatsoever, expressed or implied, not contained in this Agreement to induce the execution of this Agreement. Each Party acknowledges and warrants that they have not relied on any promise, representation, or warranty not contained in this Agreement in entering into this Agreement. Any promise, representation, or warranty that is not specifically contained in this Agreement will not be valid or binding on the Parties.

**XVII
MODIFICATION OF AGREEMENT**

Any modifications of this Agreement must be in writing and must be signed by the Parties/each Party affected by the modification.

**XVIII
NOTIFICATIONS**

The legal address for all written notifications to the Parties under this Lease Agreement shall be as follows:

Lessor:

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

Lessee:

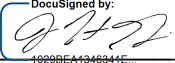
Nick and Vanessa Watson
87 Hanson Court
Dover, Idaho 83825

**XIV
TIME IS ESSENCE**

Time is of the essence of this Lease.

IN WITNESS WHEREOF, the Parties have agreed to all the terms of this Lease Agreement as written and as executed with signatures below, effective May 17, 2024.

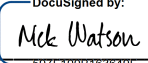
CITY OF SANDPOINT

By:  5/15/2024
1629DEA1346941E...

Name: Jeremy Grimm

Title: Mayor

NICK AND VANESSA WATSON

By:  5/15/2024
597F100B163649F...

Name: Nick Watson

Title: Owner

By: 
99DF46F2074643A...

Name: Vanessa Watson

Title: Manager

DESIGNATED REPRESENTATIVE FOR LESSEE:

Name: Nicholas Watson
Title: Owner
Email Address: mtnlifeco@gmail.com
Mailing Address: PO Box 1603
Sandpoint, ID 83864
Phone Number: 530-414-3513

DESIGNATED REPRESENTATIVE FOR CITY OF SANDPOINT:

Name: Cheryl Hughes
Title: Grants, Contracts, and Procurement Manager
Email Address: chughes@sandpointidaho.gov
Mailing Address: 1123 W. Lake St.
Sandpoint, ID 83864
Phone Number: (208) 255-2657

EMERGENCY CONTACTS:

Lessor - Austin Hull: (208) 610-4453
Lessee - Vanessa Watson: (860) 983-1165

EXHIBIT A LOCATION



**EXHIBIT B
PHOTOS**



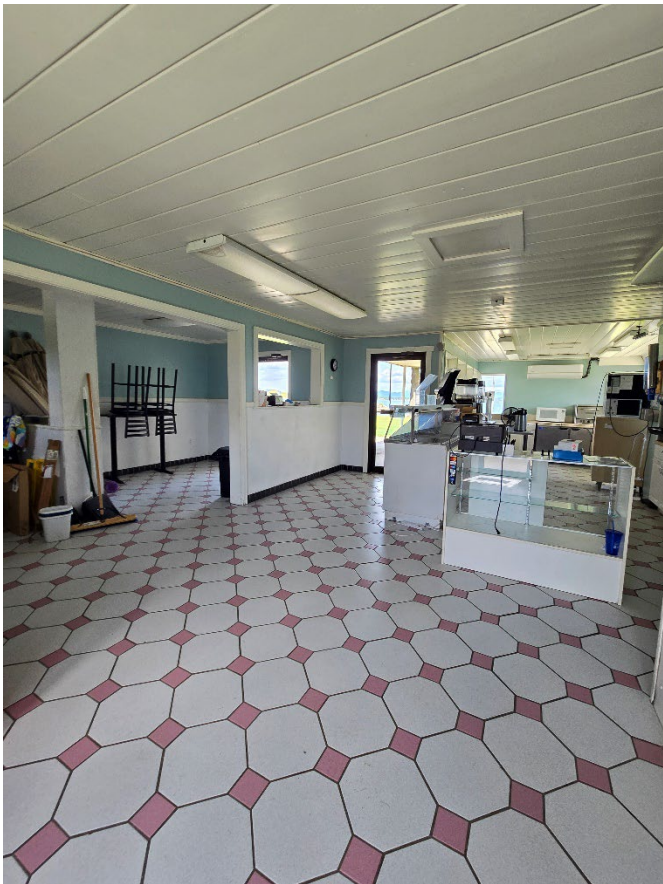














PICTURE ABOVE IS PERMITTED RETAIL SPACE LOCATION





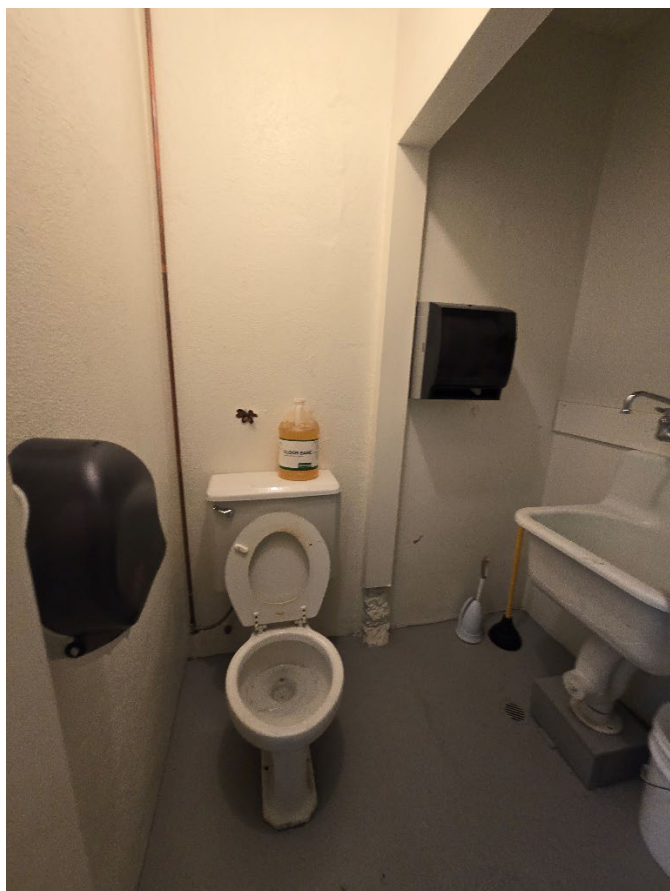
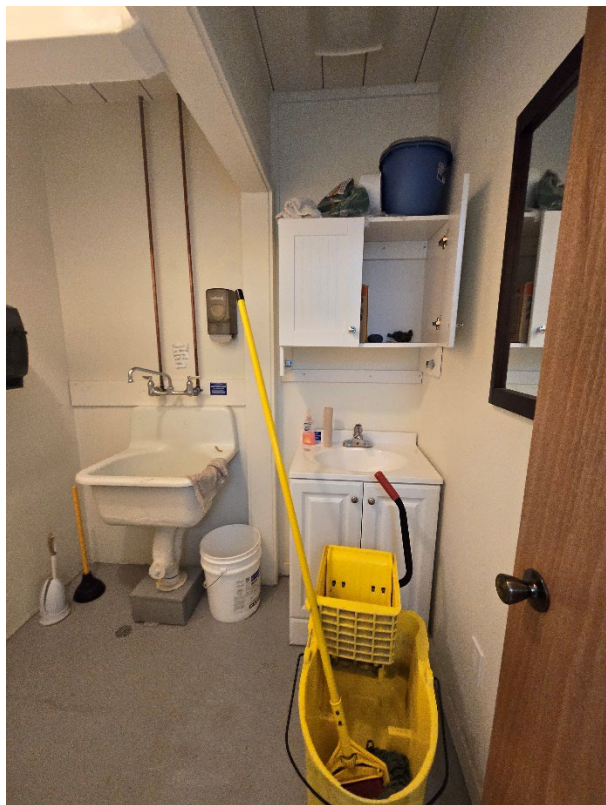












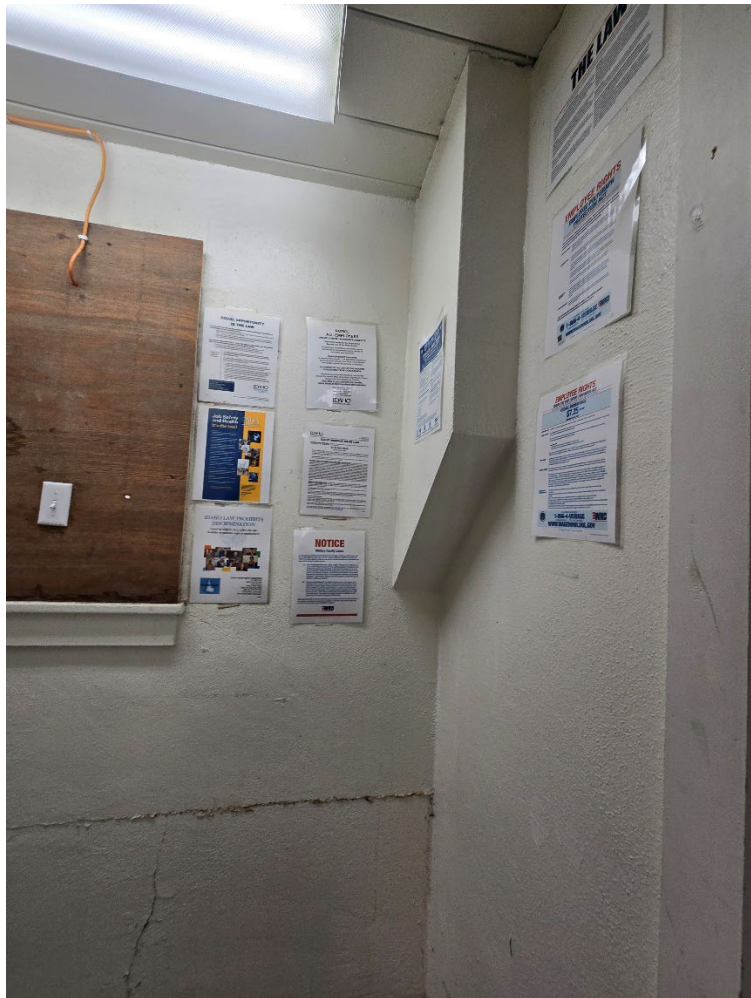






EXHIBIT C
CITY OWNED EQUIPMENT LIST

City owned equipment within Marsha's Snack Shack. Please note this is not an exhaustive list of all City owned property within the building and is a list of larger and specialty equipment.

1. Shaved Ice Machine
2. Microwave
3. Two Freezers
4. Stainless Steel Refrigerator
5. Soda Machine
6. Pretzel and Cheese Heater
7. Two Commercial Slushy Machines
8. Small Oven
9. Hot Dog Cooker
10. Table and Chairs
11. Four outside picnic tables and patio
12. No Heater
13. Mini-Split Air Conditioner
14. Ice Cream Freezer
15. Money Vault
16. Two stand-up water/soda/power aid machines