

# **LEASE AGREEMENT**

THIS AGREEMENT is made and entered into as of this \_\_\_\_\_ day of January, 2025, by and between THE CITY OF DRIGGS, a municipal corporation of the State of Idaho, referred to herein as "LESSOR", and \_\_\_\_\_ an Idaho registered company with mailing address of \_\_\_\_\_, ID \_\_\_\_\_ and doing business in the State of Idaho, referred to herein as "LESSEE",

WITNESSETH:

In consideration of the mutual covenants, conditions and agreements contained herein and the payment of rents herein specified, LESSOR does hereby lease to LESSEE and LESSEE does hereby lease from LESSOR the real property and improvements hereafter identified as the demised premises pursuant to the following terms and conditions:

1. **DEMISED PREMISES.**

The demised premises consist of the real property and improvements situated thereon, located at 971 N Hwy 33, Driggs, Teton County, State of Idaho, and described more specifically as follows, to-wit:

Lease Space \_\_\_\_\_: \_\_\_\_\_ square feet

Together with the tenements, hereditaments and appurtenances thereunto belonging or appertaining.

2. **TERM.**

The term of this lease agreement shall commence on \_\_\_\_\_, 20\_\_\_\_ and extend through September 30, 20\_\_\_\_.

3. **RENT.**

3.1 LESSEE covenants, stipulates and agrees to pay to LESSOR as rent for the demised premises the applicable monthly rent amount from the schedule below, which shall be payable in advance on the first (1st) day of each month.

- Year 1: \_\_\_\_\_
- Year 2: \_\_\_\_\_
- Year 3: \_\_\_\_\_
- Year 4: \_\_\_\_\_
- Year 5: \_\_\_\_\_

3.2 A late fee of Fifty Dollars (\$50) shall be assessed if the above amount is not received on or before the twenty-fifth (25th) day of the month in which it is due.

4. ASSIGNMENT OR SUBLEASING.

LESSEE shall not assign, mortgage, or encumber this Lease, nor sublet or permit the leased premises or any part thereof to be used by others for any purpose, without the prior written consent of LESSOR being first obtained in each instance; provided, however, that regardless of any such assignment or sublease, LESSEE shall remain primarily liable for the payment of the rent herein reserved and for the performance of all the other terms of this lease required to be performed by LESSEE.

5. USAGE OF PREMISES AND COMPLIANCE WITH LAWS AND INSURANCE.

LESSEE shall use the premises solely for \_\_\_\_\_, as defined in the Driggs City Code, in a manner consistent with and conforming to the occupancy certificate and zoning code. LESSEE shall not use, nor permit the use of the premises, for any other purpose or purposes without the prior written consent of LESSOR. The premises shall not be used for any unlawful purpose during the term of the Lease, and LESSEE agrees to comply with all Federal, State, County and City ordinances, laws and regulations, present or future, affecting the use of or the type of business to be carried on in the demised premises. LESSEE further agrees that LESSEE will not use or allow the use of the premises, or any part thereof, for an auction, distress or fire sale or bankruptcy or going out of business sale, and that the premises shall be kept by LESSEE in a clean and wholesome condition, free of any objectionable odors, noises or nuisances, and that all health and police regulations shall, in all respects and at all times, be fully complied with by LESSEE.

6. UTILITIES.

LESSEE shall timely pay for all LESSOR's billing for propane and electricity. LESSEE shall furnish and timely pay for telephone or any other utilities of every type and nature whatsoever used in or about said premises, except for city water and sewer services, at LESSEE'S own cost and expense and shall indemnify LESSOR against any liability on such accounts. LESSOR shall be under no obligation to furnish or pay for any of such utilities.

7. BUILDING AND PROPERTY MAINTENANCE.

7.1 LESSOR, at their own cost and expense shall be responsible to maintain the roof, maintain the structural integrity of the outside walls and structural parts of the building located on the demised premises, as well as heating and air conditioning systems and the common facilities.

7.2 LESSEE, at their own cost and expense shall be responsible to maintain the interior portions of the building within their lease area(s), including all glass. LESSEE, at their own cost and expense shall be responsible for removing snow from those portions of the parking lot used by the LESSEE.

8. LESSOR'S RIGHT OF ENTRY.

LESSOR shall have the right to enter the demised premises at any reasonable time upon notice to LESSEE to examine the same and determine the state of repair or alteration which shall or may be necessary for the safety or preservation of the demised property.

9. ALTERATIONS.

No alteration, addition, or improvement to the demised property shall be made by LESSEE without the written consent of LESSOR which shall not be unreasonably withheld by LESSOR. Any alteration, addition or improvement made by LESSEE after such consent shall have been given, and any fixtures installed as part thereof, shall at LESSOR'S option become the property of LESSOR upon the termination of this Lease and be surrendered with the premises; provided, however, that LESSOR shall have the right to require LESSEE to remove such fixtures at LESSEE'S cost upon the termination of this Lease. Upon the removal of any such fixtures, LESSEE shall be required to promptly repair any damage or injury done to the premises by such removal and restore the premises to as good condition as the same are in at the time LESSEE shall take possession, reasonable wear and tear expected. LESSEE shall indemnify LESSOR against any mechanic's or materialman's lien or other lien arising out of the making of any alteration, repair, addition, or improvement by LESSEE, AND SHALL HOLD LESSOR harmless of any such liens or claims, including reasonable attorney's fees and costs that may be incurred in removing any such liens.

10. SIGNS.

LESSEE shall not affix or maintain upon the glass panes or supports of windows, doors or the exterior walls of the premises, any signs, advertising placards, names, insignia, trademarks, descriptive material or any other such like items except as shall have first received the written approval of LESSOR as to the size, type, color, location, copy, nature and display qualities. Anything to the contrary in this Lease notwithstanding LESSEE shall not affix any sign to the roof of the premises, nor utilize any advertising medium which can be heard outside the premises, but may make use of any existing signs, or erect at its sole cost and expense identification signs which are first approved by LESSOR provided that such signs are erected in accordance with the provisions of any and all applicable municipal, city or county codes. Such signs shall be maintained by LESSEE in a neat and clean condition, and shall be revamped or repainted whenever necessary to maintain their quality appearance.

11. WASTE.

LESSEE shall not commit any waste or damage to the premises hereby leased, nor permit any waste or damage to be done thereto.

12. PROTECTION OF PROPERTY.

LESSEE agrees to maintain the demised property and improvements in as good condition as the same are in at the time LESSEE shall take possession of the demised property, reasonable wear and tear are expected. At the termination of the Lease in any manner LESSEE may remove any signs owned by LESSEE from the demised property, promptly repairing any damage or injury done to the premises by such removal and restoring said premises to the condition above described.

13. INSURANCE.

LESSOR shall maintain and pay for adequate fire and extended coverage insurance upon the leased building, but shall be under no duty or obligation to provide any fire or extended coverage insurance for any personal property or contents belonging to LESSEE within the demised premises, or furnish insurance coverage of any type to LESSEE. LESSEE agrees to obtain at LESSEE'S own cost and expense, general public liability insurance protecting and indemnifying LESSOR and LESSEE against all claims for damages to person or property or for loss of life or of property occurring upon, in, or about the leased property, with liability limits of \$300,000.00 property damage and \$1,000,000.00 with respect to injuries to any one person, and \$1,000,000.00 with respect to any one accident or disaster or incident of negligence. Such insurance policies shall provide that all notices issued by the insurance company pertaining to any changes in insurance coverage under the insurance policy, delinquent premium notices, or other matters pertaining to the coverage provided by such insurance policies shall be sent to both LESSOR and LESSEE. Evidence of such insurance policies shall be delivered to LESSOR. LESSOR shall have the right at any time to require LESSEE to provide to LESSOR copy of such insurance policies, together with any amendments or additions to such insurance policies and evidence that all payments required to be made in order to maintain such insurance in full course and effect have been paid in full by LESSEE.

14. TAXES.

LESSOR shall pay all real estate taxes and real property assessments levied against the demised property, with the exception of any real estate taxes or personal property assessments on equipment, machinery or any other assets of any kind or nature placed in or upon the demised property by LESSEE. LESSEE shall pay all other taxes, licenses, and assessments of every kind, nature and description, including all taxes and assessments on any equipment, machinery or any other assets of any kind or nature placed in or upon the demised property by LESSEE.

15. FIRE RISK.

LESSEE shall not do anything in the demised premises or bring or keep anything therein which in any way might increase or tend to increase the risk of fire or damage by explosion, or which will conflict with the regulations of the fire department or fire laws, or with any fire insurance policy on the building or any part thereof, or with any rules or ordinances established by the Health Department or with any municipal, state, county or federal laws, ordinances or regulations.

16. ACCEPTANCE OF PREMISES.

LESSEE has examined the demised property and the buildings and improvements situate thereon, and accepts the same in the condition and state of repair they are now in. Neither LESSOR nor their agents have made any representation with respect to the demised premises except as are expressly set forth herein. No rights, easements or licenses are acquired by the LESSEE by implication or otherwise, except as expressly set forth in the provision of the Lease Agreement.

17. QUIET ENJOYMENT.

LESSOR covenants and warrants that if LESSEE shall faithfully and fully discharge the obligations herein set forth, LESSEE shall have and enjoy during the term of this Lease, a quiet and undisturbed possession of the demised premises, together with all of its appurtenances.

18. LESSEE INDEMNIFICATION.

LESSEE covenants and agrees not to do or suffer anything to be done by which persons or property in or about or adjacent to the demised premises may be injured, damaged, or endangered. LESSEE hereby agrees to indemnify LESSOR against and to hold LESSOR harmless from any and all claims or demands for loss of or damage to property for injury or death to any person from any cause whatsoever while in, upon, or about the demised premises during the term of this lease or any extension thereof. LESSEE shall, at LESSEE'S own expense, maintain any workman's compensation insurance or any other form of insurance required by law upon the employees or agents employed by LESSEE and LESSOR shall have no responsibility with respect thereto.

19. CONDEMNATION.

If the demised property, or any substantial portion thereof, is condemned or taken by right of eminent domain, or by purchase in lieu thereof, then and in any such event, this Lease shall terminate and cease as of the time when possession is taken by the public authority and rental shall be accounted for between LESSOR and LESSEE as of the date of the surrender of possession. Such termination shall be without prejudice to the rights of either LESSOR or LESSEE to recover compensation from the condemning authority for any loss or damage caused by such condemnation. Neither LESSOR or LESSEE shall have any rights in or to any award or payment made to the other by the condemning authority.

20. DESTRUCTION.

It is understood and agreed that if the building upon the demised premises shall be destroyed by fire, the elements, riots, insurrections, explosions or any other cause, or be so damaged thereby that it becomes untenable and cannot be rendered tenantable within sixty (60) days from the date of such damage, this Lease may be terminated by either LESSOR or LESSEE; provided, however, that in the event the building is so damaged, LESSEE shall not be required to pay the rental herein provided during the term the demised premises are wholly unfit for occupancy. In the event that only a portion of the demised premises be damaged or become untenable, then the rental during the period that said premises remain partially untenable shall be reduced in the proportion that the untenable portion of said premises bear to the total thereof. LESSOR shall make all reasonable effort to repair the demised premises within sixty (60) days or upon such extended period as both parties shall agree, provided that if said partially tenantable premises cannot be rendered fully tenantable within said sixty (60) days or extended period agreed upon by both LESSOR or LESSEE, from the date of said damage, this Lease can be terminated by either LESSOR or LESSEE.

21. MUTUAL RELEASE OF LIABILITY.

Neither LESSOR nor LESSEE shall be liable to the other for any business interruption or any loss or damage to property or injury to or death of persons occurring on the demised

property or the adjoining property, or in any manner growing out of or connected with LESSEE'S use and co-occupation of the demised premises, or the condition thereof, or the adjoining property, whether or not caused by the negligence or other fault of LESSOR or LESSEE or their respective agents, employees, subtenants, licensees, or assignees. This release shall apply only to the extent that such business interruption loss or damage to property, or injury to or death of persons is covered by insurance, regardless of whether such insurance is payable to or protects LESSOR or LESSEE or both. Nothing in this paragraph shall be construed to impose any other or greater liability upon either LESSOR or LESSEE than would have existed in the absence of the paragraph. This release shall be in effect only so long as the applicable insurance policies contain a clause to the effect that his release shall not affect the right of the insured to recover under such policies.

## 22. TIME IS OF THE ESSENCE

Time and prompt performance of each and every term, covenant and condition of this Lease is material and of the essence of this Lease. Every term, covenant and condition is a material term, covenant and condition of this Lease. Performance means compliance that is full and to the letter of this Lease. Substantial compliance will not be sufficient.

## 23. EVENTS OF DEFAULT.

23.1 The following or any of them constitute an event of default of the terms of this Lease Agreement:

- (A) Failure by LESSEE to pay when due any installment of rent or any other sum herein specified to be paid by LESSEE if the failure continues for ten (10) days after written notice has been given to LESSEE;
- (B) Abandonment of the premises by LESSEE without cause (for the purposes hereof the failure to occupy and operate the premises for ten (10) consecutive days shall be conclusively deemed an abandonment of the premises by LESSEE
- (C) Failure by LESSEE to perform any other provision of this Lease required of LESSEE, if the failure to perform the same is not cured within thirty (30) days after written notice has been given to LESSEE;
- (D) If LESSEE shall file or have filed against LESSEE in any court pursuant to any statute, either in the United States or of any other state, a Petition in Bankruptcy or Insolvency, or for reorganizations, or for appointment of a receiver or trustee of all or a substantial portion of the property owned by LESSEE, or if LESSEE makes an assignment for the benefit of creditors, or an execution or attachment shall be issued against LESSEE on all or a substantial portion of LESSEE'S property, whereby all or any portion of the premises covered by this Lease or any improvements thereon shall be taken or occupied, or attempted to be taken or occupied by someone other than LESSEE, except as may herein be otherwise expressly permitted, and such adjudication, appointment, assignment, petition, execution of attachment shall not be set aside, vacated, discharged or bonded within thirty (30) days after the termination, issuance, or filing of the same; and

(E) The taking by any person, except by LESSOR or its agents or affiliates, of the leasehold created hereby or any part thereof upon execution, or other process of law or equity other than assignment or sublease.

23.2 Upon the occurrence of any event of default, and the failure, neglect or refusal of LESSEE to cure the same during any notice period required for such default specified above, without further notice to LESSEE, LESSOR shall be entitled to effectuate such rights and remedies against LESSEE as are available to LESSOR under the terms of this Lease Agreement and the laws of the State of Idaho, including, without limitation, the following remedies:

(A) LESSOR shall have the immediate right, but not the obligation, to terminate this Lease, and all rights of LESSEE hereunder by giving LESSEE written notice of LESSOR'S election to terminate. No act by LESSOR other than giving notice to LESSEE shall terminate this lease. In the event of such termination, LESSEE agrees to immediately surrender possession of the premises. Should LESSOR terminate this Lease, it may recover from LESSEE all damages LESSOR may incur by reason of LESSEE'S breach, including the cost of recovering the premises, reasonable attorney's fees, and the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amount shall be immediately due and payable from LESSEE to LESSOR.

(B) LESSOR shall also have the right, without process of law, to enter the premises and remove all persons and property from the premises without being deemed guilty of or liable in trespass. No such re-entry or taking possession of the premises by LESSOR shall be construed as an election on its part to terminate this lease unless a written notice of such intention is given by LESSOR to LESSEE. no such action by LESSOR shall be considered or construed to be a forcible entry.

(C) LESSOR may, at any time, and from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, or allowed by law or equity, including the right to recover all rent as it becomes due.

(D) In addition to the other right of LESSOR herein provided, LESSOR shall have the right, without terminating this Lease, at its option, with or without process of law, to reenter and retake possession of the premises, and all improvements thereon, and collect rents from any SUBLESSEES and/or sublet the whole or any part of the premises for the account of LESSEE, upon any terms or conditions determined by LESSOR. LESSEE shall be liable immediately to LESSOR for all costs LESSOR incurs in re-letting the premises, including without limitation, brokers' commissions, expenses of remodeling the premises required by the re-letting, and like costs. Re-letting can be for a period shorter or longer than the remaining term of this lease. In the event of such re-letting, LESSOR shall have the right to collect any rent which may become payable under any sublease and apply the same first to the payment of expenses incurred by LESSOR in dispossessing LESSEE and in re-letting the premises, and, thereafter, to the payment of the rent herein required to be paid by LESSEE, in fulfillment of LESSEE'S covenants hereunder; and LESSEE shall be liable to LESSOR for the rent herein required to be

paid, less any amounts actually received by LESSOR from a sublease, and after payment of expenses incurred, applied on account of the rent due hereunder. In the event of such election, LESSOR shall not be deemed to have terminated this Lease by taking possession of the premises unless notice of termination in writing, has been given by LESSOR to LESSEE.

23.3 The remedies provided in this Lease Agreement are cumulative in addition to any remedies now or later allowed by law or equity. The exercise of any remedy by LESSOR shall not be exclusive of the right to affect any other remedy, allowed LESSOR under the terms of this Agreement, or now or later allowed by law or equity.

23.4 Any delay by LESSOR in enforcing the terms of this Agreement or any considerations or departures therefrom shall not operate to waive or be deemed to be a waive of any right to require compliance that is full and to the letter of this Agreement or to thereafter require performance by LESSEE in strict accordance with the terms of this Agreement.

23.5 In the event that any remedy granted to LESSOR under the terms of this Agreement is held void or unenforceable, LESSOR shall nevertheless have all of the other remedies provided in this Agreement that are not contrary to law.

#### 24. ENFORCEMENT.

Should either party default in the performance of any covenants or agreements contained herein, such defaulting party shall pay to the other party all costs and expenses, including but not limited to, a reasonable attorney's fee, including such fees on appeal, which the prevailing party may incur in enforcing this Agreement or in pursuing any remedy allowed by law for breach hereof.

#### 25. LESSOR'S RIGHT TO CURE LESSEE'S DEFAULT.

If LESSEE shall default in the performance of any covenant or condition in this Agreement required to be performed by LESSEE, LESSOR may, after thirty (30) days' notice to LESSEE, or without notice if in LESSOR'S opinion an emergency exists, perform such covenant or condition for the account and at the expense of LESSEE, in which event LESSEE shall reimburse LESSOR for all sums paid to effect such cure, together with interest from the date of the expenditure at the rate of eighteen percent (18%) per annum and reasonable attorney's fees. All amounts owed by LESSEE to LESSOR under this paragraph shall be additional rent. In order to collect such additional rent LESSOR shall have all remedies available under this Agreement for a default in the payment of rent and the provisions of this paragraph shall survive the termination of the lease. Nothing in this paragraph provided shall in any way require LESSOR to perform or correct any such defaults on the part of LESSEE.

#### 26. NOTICES.

Service of any notice permitted or required under the terms of this Agreement shall be deemed complete upon the deposit of the same in the United States Mail, by Certified or Registered Mail, addressed to LESSEE at PO Box 299, Driggs, ID, 83422 or addressed to LESSOR at PO Box 48, Driggs, Idaho, 83422, as the case may be, or such other address as either shall hereafter in writing to the other designate, or by causing said notice to be served personally upon LESSEE or on LESSOR as the case may be. In the event there be more than one (1)



person constituting LESSOR or LESSEE herein, service by mail or personal service as provided above upon any one person in such party shall be good and sufficient service upon all persons constituting such party the same as though such service had been made upon each and every member of such party. In the event LESSEE or LESSOR elect to hire an attorney to prepare any Notice of Default required by the terms of this Agreement, the other party shall pay, in addition to any sums required to be paid to cure said default, or in addition to any other performance required by such party to cure such default, the costs of preparation of said default notice, and said default shall not be cured unless and until said costs are paid. The Notice of Default shall specify the amount of said costs.

27. HOLDING OVER.

If LESSEE remains in possession of the demised premises after the expiration date of this lease or the termination of this lease for any reason, with LESSOR'S acquiescence and without any distinct agreement between the parties, LESSEE shall be a LESSEE at will and except for the term of such holdover, which shall be at LESSOR'S will, the tenancy shall be subject to all provisions of this Lease Agreement. LESSEE shall be responsible to LESSOR for all damage which LESSOR shall suffer by reason of LESSEE remaining in possession after the termination of this agreement and LESSEE hereby indemnifies LESSOR against all claims made by any succeeding LESSEE against LESSOR resulting from delays by LESSOR in delivering possession of the premises to such succeeding LESSEE. Nothing in this paragraph shall be construed as a consent by LESSOR to the possession of the premises by LESSEE after the termination of this Lease Agreement for any reason.

28. LIENS.

LESSEE agrees not to permit any lien for monies owing by LESSEE to become a lien against the demised premises. In the event any lien is created against the demised premises on the account of monies owing by LESSEE, LESSEE shall cause the termination of such lien within thirty (30) days following discovery of the same by LESSEE. Should any such lien be filed and not released or discharged or action not commenced to declare the same invalid within thirty (30) days after discovery of the same by LESSEE, LESSOR may at LESSOR'S option (but without any obligations to do) apply and discharge such lien. LESSEE shall repay any sum so paid by LESSOR and such amounts due to LESSOR shall be deemed additional rent

29. LESSEE AS INDEPENDENT CONTRACTOR.

LESSEE'S use of the demised premises shall be as an independent contractor and nothing herein shall be deemed to create a partnership or joint venture between the parties.

30. IDAHO LAW GOVERNS.

This Lease Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Idaho.

31. MODIFICATION.

This Lease Agreement contains the entire agreement between the parties and may not be modified or changed orally, but only by an agreement in writing and signed by the party against whom enforcement of any waiver, change, modification, or discharge is sought.

32. BINDING ON SUCCESSORS.

It is further expressly agreed, that the provisions, stipulations, terms, covenants, conditions and undertakings in this lease and any renewals thereof shall inure to the benefit of and bind the heirs, executors, administrators and assigns or successors in interest of both the LESSOR and LESSEE.

33. SEVERANCE AND VALIDITY.

In the event any provision of this agreement or any 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, it being agreed that such remaining provisions shall be construed in a manner most closely approximating the intention of the parties with respect to the invalid, void or unenforceable provision or part thereof.

IN WITNESS WHEREOF the parties have hereunto set their hands the day and year first above written.

**LESSEE**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**LESSOR**

\_\_\_\_\_  
August Christensen, Mayor

ATTESTED:

\_\_\_\_\_  
Kreslyn Schuehler, City Clerk