

LEASE AGREEMENT

1. **Parties.** This Lease Agreement ("Lease"), dated as of 1st day of January 2021, is made between Washtenaw County, a Michigan municipal corporation, 220 N. Main Street, Ann Arbor, Michigan ("County", or "Lessor") as landlord and The Regents of the University of Michigan, a Michigan constitutional corporation, 326 E. Hoover, Mail Stop E, Ann Arbor, Michigan ("Lessee") as tenant.

2. **Premises.** County agrees to lease to Lessee, Office 021A consisting of 130 square feet ("Premises") located at the Washtenaw County Sheriff's Office Emergency Services Division, 2201 Hogback Road, Ann Arbor, MI 48107 ("Building"). Lessee shall have the use of all exterior and interior common and public areas and facilities, including restrooms, kitchens and conference rooms as designated by County for the use in common by occupants of the Building ("Common Areas"). These designated Common Areas are: Conference Room 024, Kitchen 036/036A, Restroom 038/38 and Additional Guest Restrooms 005A/005B. County is in the process of constructing a building at 705 N Zeeb Road, Ann Arbor, MI 48103 ("Zeeb Building"). After completed construction of the Zeeb Building, County may elect to relocate Lessee, at County's expense, to comparable office space (including the use of comparable Common Areas) upon thirty 30 days' prior written notice. Upon any such relocation, the parties will execute an amendment to this Lease documenting the relocation and the new premises.

3. **Term.** This contract begins on the date of this agreement and ends on December 31, 2025 with an option to extend for an additional five (5) year period if agreed to by both the County and the Lessee in writing.

4. **Use, Operations, Financial Requirements.**

Lessee shall use the Premises for office space and other uses related to the operations of Lessee and the operations of the Washtenaw / Livingston Medical Control Authority (the "MCA"). Lessee shall use only the designated area for its operations. At the end of the Lease, Lessee will be required to remove its personal property at the expiration or sooner upon termination of the agreement. On removal of the property, the Premises shall be returned to the County in its original state with reasonable wear and tear expected.

Operations. A background check was performed by the Washtenaw County Sheriff's Office for the staff person currently assigned by the Lessee at the date of this Lease and a County ID badge was issued to the assigned staff person (building access outside of the normal business hours is subject to change and restrictions). The assigned staff person must comply with all County building use and access policies which will be provided in hard copy to the staff person upon taking possession of the Premises. County reserves the right to revoke staff access to the building for policy violations or alleged criminal violations. A background check shall be performed by the Washtenaw County Sheriff's Office for any replacement staff person assigned by the Lessee before building access will be granted and before being issued a County ID badge (building access outside of the normal business hours is subject to change and restrictions). The background check shall be performed within thirty (30) days after written notice from Lessee to Landlord with the name and other details of the replacement assigned staff person. Should the background check take longer than

thirty (30) days and access be denied to Lessee's assigned staff person due to the delay in the background check, then Lessee's rent shall be abated for such period of time in which access is denied and the abatement shall be credited against the next Rent payment due.

Washtenaw County observes the following holidays and the County building will not be open: New Year's Day, Martin Luther King Jr. Day, President's Day, Memorial Day, Independence Day, Labor Day, Indigenous People's Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve, Christmas Day, New Year's Eve. The day off before New Year's Day and Christmas Day applies only when December 25 and January 1 normally fall on a Tuesday, Wednesday, Thursday or Friday. Should a holiday fall on Saturday, Friday shall be considered the holiday. Should a holiday fall on Sunday, Monday shall be considered the holiday.

Financial Requirements.

Lessee will be responsible for all costs related to salary, fringe and retirement benefits for the Lessee's staff person. County shall have no responsibility for such benefits.

The County will provide financial support services for the purchase and payment of office supplies and other expenses related to the Lessee's day-to-day operations. The County shall be compensated by the Lessee in an amount determined by the negotiated annual budget for the supplies necessary to support the staff position. The Lessee shall reimburse the County for these expenses on a quarterly basis with proper documentation of such expenses. County currently supplies the following in the Premises: office furniture, a telephone and a computer. If any of these items need to be replaced, the parties will agree on how the items will be replaced and how the cost to use these items will be billed to the Lessee, when the County supplies the replacement items.

5. Rent. Lessee agrees to pay the County for the use of the Premises in 2021 at the annual rate of Eleven Thousand Ninety Dollars and Zero Cents (\$11,090.00) paid in four quarterly payments, each payment to be made within fifteen (15) days after the beginning of each calendar quarter, and the first payment to be made within fifteen (15) days of the full execution of the Lease by both parties. Alternatively, Lessee may pay the annual rate in a lump sum payment.

Rent shall automatically increase two and one half percent (2.5%) over the previous calendar year's rent to account for the County's increased costs of maintaining the premises. The annual increase will take effect on January 1 of each calendar year starting with January 1, 2022.

6. General Maintenance and Parking. The County will provide, at the County's cost, all utilities to the Premises (including telephone and internet service) and the Common Areas, daily housekeeping, cleaning, sanitation and preventative maintenance to the Premises and the Common Areas. The County will also maintain the existing fire suppression, mechanical, electrical and plumbing systems for the Premises and the Common Areas.

Parking. The County will provide one (1) parking space at the Building and additional spaces for meetings at the Building hosted by Lessee.

7. **Repairs.** The County shall, at the County's cost, repair damages to the structure of the Premises, including walls, windows, roof and foundation unless such damage is caused by Lessee including its staff, agents or guests in which event Lessee shall pay for such repair. Lessee shall pay for the cost of repair to any interior damage caused by Lessee, its staff, agents or guests.

8. **Inventory, Equipment, and Furniture.** Lessee shall have the sole responsibility to purchase and maintain any additional inventory, equipment, and furniture needed for the Premises. Any of Lessee's inventory, equipment, and furniture brought into the space will need to be removed by Lessee when the Lease expires or is terminated. Lessee shall be responsible to remove such furniture at or before the expiration or termination of the Lease term. Lessee shall leave any County-provided furniture in the area when they vacate the Premises. County reserves the right to approve all equipment brought into the facility. The County will not be responsible in any way for any equipment supplied by Lessee. Lessee shall be responsible for performing proper use and care for the equipment. The County agrees that all trade fixtures, machinery, equipment, furniture or other personal property of whatever kind or nature, kept or installed by Lessee shall not become the property of the County or a part of the realty no matter how affixed and may be removed, at any time and from time to time during the entire term of the agreement and any renewals.

9. **Assignment and Subletting.** Lessee shall not voluntarily, or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease and shall not sublet the Premises or any part of the Premises, without first obtaining the County's written consent. The parties agree that the use of the Premises by the MCA, as described in Section 4 above, is not an assignment or sublet of the Premises.

10. **Insurance.** Each party shall maintain at its expense during the term of this Lease, the following insurance:

Commercial General Liability and Umbrella Liability Insurance:

a. Lessor and Lessee shall each maintain commercial general liability (CGL) insurance, and, if necessary, commercial umbrella insurance with a limit of not less than \$3,000,000 each occurrence.

b. CGL insurance shall be written on ISO occurrence form or a substitute form providing equivalent coverage and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract.

c. The Lessor and Lessee shall be included as an additional insured under each other's General Liability Policy, but only to the extent of the negligence of the other party.

Property Insurance:

Lessee agrees to maintain insurance and/or assume the responsibility for loss or damage to the personal property owned by Lessee including the loss of rents.

Upon request, each party shall furnish certificates of insurance to the other party.

11. **Indemnity.** To the extent permitted by Michigan law, Lessee will protect, defend and indemnify the County, its officers, agents, and employees from any and all liabilities, claims, liens, demands and costs, including legal fees, of whatsoever kind and nature which arise from injury or death to any persons, including property owned or in the care, custody or control of the County caused by the Lessee or Lessee's employees, contractors or agents.

12. **Compliance With Existing Law.** Lessor agrees to keep the Premises in compliance with all federal, state and local laws, ordinances and regulations.

13. **Subrogation.** In the event of fire or other damage to the Premises or personal property Leased, the parties mutually waive their rights of subrogation and recovery against each other, their agents, employees or subleases to the extent that they are insured or are required to carry insurance for such loss. The County agrees to maintain insurance and/or assume the responsibility for loss or damage to the building and personal property owned by the County including the loss of rents. The coverage shall be on all risk of physical loss basis in the standard insurance form. Lessee shall maintain insurance and/or assume responsibility for personal property owned by Lessee unless the loss is attributable to the County in which case Lessee shall be covered by the County policy.

14. **Default.** If either party breaches any provisions of this Lease, that party shall be in default. In the event of default, the party not in default shall give the defaulting party notice of the default and thirty (30) days to correct the default. If such default is not corrected within thirty (30) days, the party not in default may terminate this Lease and pursue its remedies available under Michigan law, provided, however, that if Lessee fails to procure or maintain the insurance coverages and endorsement required by this Lease, the County may immediately cancel this Lease and seek whatever damages to which it may be entitled under Michigan law. Moreover, if correcting a breach takes more than thirty (30) days to complete, the party correcting the breach shall be given an opportunity to complete such corrections beyond the thirty (30) day period referenced above, provided that party diligently pursues such correction to completion.

15. **Termination.** Either party may unilaterally terminate this Lease for any reason by giving the other party ninety (90) days written notice of such termination.

16. **Quiet Possession.** Upon performing the covenants, conditions and provisions of this Lease, Lessee shall have quiet possession of the Premises for the entire Lease period.

17. **Total Agreement.** This Lease memorializes all the prior discussions, understandings and agreements involved in negotiating this Lease. No provision of this Lease may be amended or added to except by agreement in writing signed by both parties. This Lease shall not be effective or binding until signed by both parties.

18. **Severability.** Any provision of this Lease which is found by a competent court of law to be invalid, void or illegal shall in no way affect, impair or invalidate any other provisions contained in this Lease and such other provisions shall remain in full force and effect.

19. **Choice of Law and Forum.** This Lease shall be governed by Michigan law. Any claims, demands, or actions asserted against Lessee shall be brought in the Michigan Court

of Claims as it is the only court of exclusive jurisdiction over claims against the University of Michigan, a Michigan constitutional corporation. Lessor, its successors and assigns, consent to the jurisdiction of a court with applicable subject matter jurisdiction sitting in the state of Michigan with respect to any claims arising under this agreement.

20. Notices. All notices or demands which may or are required under this Lease must be in writing and shall be sent by United States mail, postage paid, to the following addresses:

Notices to the Lessor should be sent to:

Washtenaw County
Attn: **FACILITIES MANAGEMENT**
PO Box 8645
Ann Arbor, Michigan 48107-8645

Notices for the Lessee should be sent to:

Michigan Medicine Lease Coordinator
2301 Commonwealth Blvd, SPC 2945
Ann Arbor, MI 48105-2945

with a copy to:

The University of Michigan Real Estate Office
Attn: Executive Director of Real Estate
326 East Hoover Street, Mail Stop E
Ann Arbor, MI 48109-1002

SIGNATURES APPEAR ON THE FOLLOWING PAGE

Remainder of Page Intentionally Left Blank

IN WITNESS WHEREOF, the parties have executed this Lease on this ___ day of _____, 2021.

LESSEE

WASHTENAW COUNTY

The Regents of the University of Michigan:

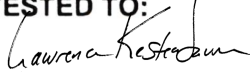


09/21/2021

By: Brian Smith
Its: Interim Executive Vice President and
Chief Financial Officer

Gregory Dill
County Administrator

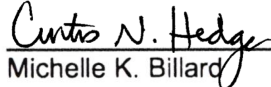
ATTESTED TO:



Signed by Deputy E Golembiewski for L. Kestenbaum 09/23/2021

Lawrence Kestenbaum
County Clerk/Register

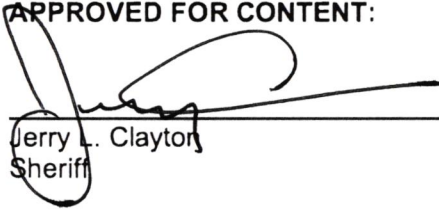
APPROVED AS TO FORM:



09/20/2021

Michelle K. Billard
OFFICE OF CORPORATION COUNSEL

APPROVED FOR CONTENT:



Jerry L. Clayton
Sheriff