

## LEASE AGREEMENT

THIS LEASE shall be effective on December 1, 2022, by and between the County of Alpena, whose address is 720 W. Chisholm Street, Alpena, Michigan, 49707 (Landlord) and District Health Department No. 4, whose address is 100 Woods Circle, Suite 200, Alpena, Michigan 49707 (Tenant). In consideration of the mutual covenants and promises contained herein the parties agree as follows:

### 1. DESCRIPTION

Landlord hereby leases to Tenant a portion of the premises located at 100 Woods Circle, Alpena, Michigan, consisting of approximately 10,920 square feet of office space together with the nonexclusive right to use certain common areas and parking areas serving the building (the Leased Property), as more specifically identified in the floor plan and site plan attached hereto as Exhibit A.

### 2. QUIET POSSESSION

Landlord shall deliver quiet possession of the Leased Property to Tenant on the date this Lease is executed and shall secure Tenant in the quiet possession of the Leased Property against all persons during the entire Lease term and the renewals thereof.

### 3. TERM AND PURPOSE OF LEASE

The term of this lease shall be for five (5) years beginning December 1, 2022 and ending November 30, 2027. Tenant may use the Leased Property only for the purpose of providing public health services to its clients and administrative services associated with those public health services. It is further agreed, however, that either party may terminate this agreement without cause by giving a three (3) month advance notice of termination in writing to the other party.

### 4. RENT

During the term of this Lease Tenant shall pay Landlord annual rent of ONE HUNDRED AND THIRY-ONE THOUSAND SEVEN HUNDRED AND SIXTY-NINE and 90/100 DOLLARS (\$131,769.90) payable in equal monthly installments of TEN THOUSDAND NINE HUNDRED AND EIGHTY and 83/100 DOLLARS (\$10,980.83) for first twelve (12) months; and shall increase 1.5% for each of the succeeding twelve (12) months increments. [See Exhibit B] The first rental payment shall commence on December 1, 2022 and shall be payable the same of each month thereafter. All rental payments shall be made to the Landlord by mail or by personal delivery to such address as shall be designated by Landlord.

5. RENEWALS

This Lease may be renewed upon such terms as shall be agreed upon between Landlord and Tenant in writing. If the Tenant should remain in possession of the Leased Property after the termination or expiration of the Lease or any renewal thereof, Tenant shall be deemed a Tenant on a month-to-month basis with the same conditions as set forth in the Lease, except as to the term of the Lease.

6. ASSIGNMENT AND SUBLETTING

This Lease shall not be assigned or sublet by Tenant without the prior written approval of Landlord.

7. WASTE AND NUISANCE

Tenant shall not commit, or suffer to be committed, any waste on the Leased Property, nor shall Tenant maintain, commit, or permit the maintenance or commission of any nuisance on the Leased Property.

8. REPAIR AND MAINTENANCE

The Tenant shall be responsible for keeping the Leased Property in as good condition as it is on the date that possession is given to Tenant, reasonable wear and tear excepted. All repairs and maintenance of the Leased Property that are necessary due to damages beyond reasonable wear and tear, regardless of the cause, shall be the responsibility of the Tenant at its sole expense. All other repairs within the Leased Property, including but not limited to, interior walls, floors, and plumbing and electrical systems and all repairs of items that are in common use with other tenants such as the roof, exterior walls of the building, common areas of the building, and parking area shall be the responsibility of the Landlord at its sole expense. The determination of the need to make repairs, the timing of repairs and whether a contractor or employee of Landlord will be used to make the repairs shall be determined by the Landlord in the sole exercise of its discretion. The Tenant and Landlord may agree annually on a list of prioritized repairs/updates. Landlord shall at its sole expense be responsible for cleaning within all areas within the building in common usage with other tenants; the cleaning services shall be conducted no less than weekly. Routine cleaning of offices shall be the responsibility of the Tenant, including the Tenant providing its own janitorial supplies and equipment. Tenant shall dispose of office garbage in the dumpster provided by landlord, except hazardous or biological waste, the disposal of which shall be at the sole responsibility and expense of Tenant. **TENANT EXPRESSLY AGREES THAT NO BIOLOGICAL OR HAZARDOUS WASTE WILL BE DEPOSITED IN THE DUMPSTER, NOR MAINTAINED WITHIN THE BUILDING EXCEPT IN LOCED DISPOSAL CONTAINERS. BIOLOGICAL AND HAZARDOUS WASTE WILL BE REGULARLY DISPOSED OF BY TENANT ACCORDING TO LEGAL WASTE DISPOSAL STANDARD.** Carpet cleaning in Tenant offices will be the responsibility of the Tenant, while carpet cleaning and/or floor cleaning

in common areas will be the responsibility of the Landlord. Parking lot maintenance, lawn care and grounds maintenance will be the responsibility of the Landlord. Outside window washing will be the responsibility of the Landlord. Common areas are as marked on the attached floor plan, and Tenant will make such areas available to Landlord at reasonable times.

#### 9. IMPROVEMENTS

During the term of this Lease the Tenant shall not make any improvements to the Leased Property unless it is approved in advance by the Landlord in writing. The decision whether to authorize any improvements shall be the Landlord's in writing. The decision whether to authorize any improvements shall be the Landlord's in its absolute discretion. Tenant shall be afforded an opportunity to provide its recommendations concerning possible renovations. The parties, however, expressly agree that Landlord reserves the right to make the final decision concerning possible renovations to the Leased Property and the building as a whole. Any renovations approved by Landlord pursuant to the recommendations of the Tenant shall be paid by Landlord. All improvements shall remain the property of the Landlord upon the termination or expiration of this Lease. Any such improvements may, at the option of the Landlord, reopen the agreement as to the amount of rent pursuant to paragraph 4 hereof.

#### 10. DEFAULT

If Tenant breaches any provision of this Lease, including the payment of rent, and such breach continues for thirty (30) days after receipt by Tenant of written notice of the breach, then Landlord shall have the right to re-enter the premises and regain possession or to take such other action as permitted by law.

#### 11. UTILITIES

Landlord shall be responsible for the payment of all charges for garbage removal, water, sewer, natural gas, and electric utilities for the Leased Property. Tenant shall be responsible for the payment of all charges for telephone, and Internet services. Not included is the destruction and disposal of confidential or shredded documents which is the sole responsibility of the Tenant.

#### 12. SNOW REMOVAL

Landlord shall have sole responsibility to keep the premises, as well as all entrances and exits free from unreasonable accumulations of ice and snow.

#### 13. INDEMNIFICATION

Each party shall indemnify and hold harmless the other party, its public officials, officers, board members, successors, assigns, agents, servants, employees, and insurance

companies from any damages, legal fees or expenses, awards, demands, rights, causes of action, including but not limited to, causes of action for contribution, indemnification, or recovery of any liens of any kind or nature, losses, claims and actions which may, do, or shall arise out of or grow out of that party's duties and obligations contained in this Lease. This provision shall apply to any and all claims by either party, its public officials, officers, board members, agents, servants, employees, successors or assigns or to any and all claims by any third party.

#### 14. LIABILITY AND CASUALTY INSURANCE

Landlord shall obtain and maintain property insurance on the building in which the Leased Property is located under the terms and conditions determined by the Landlord in the sole exercise of its discretion. Tenant shall maintain at its own expense, public liability insurance with liability limits no less than \$1,000,000 for a single occurrence and \$2,000,000 in the aggregate. This insurance policy shall name Landlord as an additional named insured and shall contain a provision that the policy cannot be terminated, canceled, or substantially altered without thirty (30) days written notice to Landlord. Tenant shall provide notice of compliance with this insurance provision before taking possession of the Leased Property. If Tenant fails to comply with the requirement to maintain public liability insurance as provided herein, then Landlord may, in addition to treating it as a breach of this Lease, procure such public liability insurance and charge the expense thereof to Tenant as additional rent in the amount of any such payment fully payable as part of the next monthly rental payment. Insurance on Tenant's contents shall be the sole responsibility and expense of Tenant, and Landlord has no liability for the loss of Tenant's contents.

#### 15. NOTICES

All notices provided to be given under this Lease shall be given by regular mail unless otherwise herein provided, addressed to the proper party, at the following addresses or to any subsequent address which the parties may designate in writing for such purpose. The date of service of a notice served by mail shall be the date on which the mailing occurred.

##### LANDLORD:

County of Alpena  
C/O County Administrator  
720 W. Chisholm St.  
Alpena, MI 49707

##### TENANT:

DISTRICT HEALTH DEPARTMENT No. 4  
100 Woods Circle, Suite 200  
Alpena, MI 49707

#### 16. FIRE OR CASUALTY LOSS

It is understood and agreed that if the Leased Property is damaged or destroyed in whole or in part by fire or other cause during the term of this Lease or any renewals, then the Landlord shall have the option within thirty (30) days to terminate this Lease or to restore the Leased Property as speedily as is reasonably possible under the circumstances. The

Tenant's rent shall abate in proportion to the amount of the Leased Property Tenant is unable to reasonably use during the period of time needed to restore the Leased Property to a tenantable condition. In the event that the Leased Property cannot be restored to a tenantable condition within ninety (90) days from the date of occurrence, then either party shall have the option of terminating this Lease by written notice to the other.

17. EXCUSE

Neither party shall be required to perform any term, condition, or covenant in this Lease so long as such performance is delayed or prevented by any acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riot, floods, and any other cause not reasonably within the control of the party with the duty to act and which by the exercise of due diligence that party is unable, wholly or in part, to prevent or overcome.

18. TIME OF ESSENCE

Time is of the essence of this Lease.

19. EXCULPATION OF LESSOR

If Landlord conveys title to the Lease Property during the term of this Lease or any renewal thereof, then Landlord shall not be liable to Tenant, its successors or assigns as to any act or omission from and after such conveyance.

20. WAIVER OF DEFAULT

No waiver by the parties hereto of any default or breach of any term, condition, or covenant of this Lease shall be deemed to be a waiver of any other breach of the same or any other term, condition, or covenant contained herein.

21. RIGHTS AND REMEDIES CUMULATIVE

The rights and remedies provided by this Lease are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

22. ATTORNEY'S FEES

In the event either party breaches any of the terms of this Lease whereby the party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting party agrees to pay the other party reasonable attorney's fees so incurred by such other party.

23. MISCELLANEOUS

- A. The premises covered by this Lease shall not be used for any unlawful purpose.
- B. Tenant shall abide by state and local laws in respect to the operation of a business on the Leased Property and in respect to the manner in which it uses the Leased Property.
- C. Tenant agrees not to permit any advertising inside or outside of the Lease Property, except as authorized by Landlord in writing. However, Tenant may continue any such advertising as is currently in use on the Leased Property as of the date that this Lease is executed.
- D. Tenant agrees that if the interest created by this Lease shall be taken in execution or by other process of law or if the Tenant become bankrupt or insolvent, according to law, or any Receiver be appointed for the business or property of the Tenant, if any assignment shall be made of Tenant's property for the benefit of creditors, then and in such event, this Lease may be canceled at the option of the Landlord.
- E. Landlord reserves the right to subordinate this Lease at any time to the lien of any mortgage or mortgages now or hereafter placed upon the Landlord's interest in the Leased Property. The Tenant agrees to execute and deliver, upon demand, such further documents subordinating this Lease to the Landlord and any mortgages or future mortgages and hereby irrevocably appoints the Landlord as Tenant's attorney-in-fact to execute and deliver any such instrument or instruments in the name of the Tenant.
- F. The Tenant acknowledges that it has examined the Leased Property prior to the execution of this Lease and that it knows the condition thereof. Tenant acknowledges that all representations as to the condition of the Lease Property or the state of repairs thereof have been made by the Landlord or its agent. Any representations regarding the Leased Property are only set forth in this Lease. The Tenant specifically accepts the Lease Property in its present condition at the date of the execution of this Lease which means that it accepts the Lease Property "as is". Tenant acknowledges that it has had the opportunity to examine the Lease Property for any hidden defects.
- G. This Lease shall be binding upon the heirs, executors, personal representatives, successors and assigns of the parties.
- H. If any provisions of this Lease shall be declared invalid or unenforceable, the remainder of the Lease shall continue in full force or effect.
- I. This Lease contains the entire agreement between the parties and any subsequent agreement made hereafter shall be ineffective to change, modify or discharge this Lease, either in whole or in part, unless such an agreement is in writing and signed by the party against whom enforcement of the change, modification or discharge is sought.

IN WITNESSS WHEREOF this Lease has been executed to be effective on the day and year set forth above.

LANDLORD:  
COUNTY OF ALPENA

Dated: 12/13/20

By: *Mary C. Hannah*  
Its: Chairperson, Robert Adrian  
*County Administrator, Mary Catherine Hannah*

TENANT:

DISTRICT HEALTH DEPARTMENT NO. 4

Dated: 11-28-2022

By: *Denise M. Bryan, MPA*  
Its: Health Officer

## Exhibit B

### Lease Rate Schedule

10,092 sq feet

		Annual		Monthly
12-2022 through 11-2023	\$	131,770.00	\$	10,980.83
12-2023 through 11-2024	\$	133,746.55	\$	11,145.55
12-2024 through 11-2025	\$	135,752.75	\$	11,312.73
12-2025 through 11-2026	\$	137,789.04	\$	11,482.42
12-2026 through 12-2027	\$	139,855.88	\$	11,654.66