

CITY OF ANN ARBOR
&
COUNTY OF WASHTENAW
LEASE AGREEMENT

1. Parties This Lease, dated the ___ day of ____, 2008, is made between Washtenaw County, a Michigan municipal corporation, 220 N. Main Street, Ann Arbor, Michigan (“County”) as landlord and the City of Ann Arbor, a Michigan municipal corporation, 100 N. Fifth Avenue, Ann Arbor, Michigan (“City”) as tenant.

2. Premises County agrees to lease to CITY approximately 1420 sq. feet on the third floor of the Washtenaw County Annex located at 110 N. Fourth Ave. in Ann Arbor, Michigan (“Premises”).

3. Term The Lease term shall begin on **July 1, 2008**, and expire on **June 30, 2009**.

4. Use The Premises shall be used by CITY as office space for City employees working with County employees on a joint City-County Community Development Unit.

5. Rent and Utilities To cover the cost of rent and utilities for the Premises, CITY agrees to pay the County an annual amount of twenty-five thousand five hundred sixty and no/100 dollars (\$25,560.00), payable in monthly installments of two thousand one hundred thirty and no/100 dollars (\$2,130.00). The nine month period beginning July 1, 2008 and ending June 30, 2009 shall be prorated from the annual amount under the terms of this lease. Monthly rental/utility payments shall be due on or before the 10th day of each month of the Lease.

6. Repairs The County shall repair damage to the structure of the Premises, including walls, windows, roof and foundation unless such damage is caused by CITY’s program activities, staff or participants in which event CITY shall pay for such repair.

7. Assignment and Subletting CITY 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.

8. Insurance The parties acknowledge that each party is insured or self-insured. Each party agrees to maintain insurance or self-insurance reserves or excess insurance policies at its own expense during the term of this Agreement, in the type and amounts below:

Comprehensive General Liability Insurance with a combined single limit of one million (\$1,000,000.00) dollars each occurrence for bodily injury and property damage. Each party agrees to name the other party as “additional insured” on General Liability coverage with respect to services provided under this Lease.

Insurance policies must be issued by companies licensed to do business in Michigan or approved to do business in Michigan and such companies must be well rated and acceptable to the County Administrator.

9. Indemnity CITY will protect, defend and indemnify the County, its officers, agents, servants, volunteers 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 CITY's own employees, and for loss or damage to any property, including property owned or in the care, custody or control of the County in connection with or in any way incident to or arising out of CITY's occupancy of the Premises resulting in whole or in part from negligent acts or omissions of CITY, its subcontractor[s], or any employee, agent or representative or CITY or its subcontractor[s].

10. Compliance With Existing Law The County agrees to keep the Premises in compliance with all federal, state and local laws, ordinances and regulations, including the Americans With Disabilities Act.

11. 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 an all risk of physical loss basis in the standard insurance form. CITY shall maintain insurance and/or assume responsibility for personal property owned by CITY.

12. 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 CITY fails to procure or maintain the insurance coverages and endorsements required by this Lease, the County may immediately cancel this Lease and seek whatever damages to which it may be entitled under Michigan law.

13. Termination The parties acknowledge that they have entered into a separate Community Development Manager Service Agreement ("Agreement"). Under the Agreement, the County is providing the City with a Manager to oversee both City and County Community Development operations which are to be located at the Premises of this Lease. The Agreement contains a termination clause. The parties agree that if the termination clause under the Agreement is triggered by either party, this Lease shall also terminate, effective at the same time as the Agreement terminates.

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

15. 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.

16. 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 provision contained in this Lease and such other provisions shall remain in full force and effect.

17. Choice of Law and Forum This Lease shall be governed by the laws of the State of Michigan. The parties further agree that the proper forum for any litigation arising out of this Lease is in Washtenaw County, Michigan.

18. 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:

Washtenaw County
220 N. Main
P.O. Box 8645
Ann Arbor, Michigan 48107-8645

City of Ann Arbor.
100 N. Fifth Avenue
Ann Arbor, Michigan 48104

IN WITNESS WHEREOF, the parties have executed this Lease on this ____day of _____, 2008.

CITY of ANN ARBOR
A Michigan Municipal Corporation

WASHTENAW COUNTY

By: _____
John Hieftje (DATE)
Mayor

By: _____
Robert E. Guenzel
County Administrator

By: _____
Jacqueline Beaudry (DATE)
City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____
Stephen Postema
City Attorney

By: _____
Curtis N. Hedger
Office of Corporation Counsel

APPROVED AS TO SUBSTANCE:

By: _____
Roger W. Fraser (DATE)
City Administrator

By: _____
Jayne Miller (DATE)
Community Services Administrator

ATTESTED TO:

By: _____
Lawrence Kestenbaum
Washtenaw County Clerk/Register of Deeds

h: leases/a2110