

LEASE AGREEMENT

THIS AGREEMENT OF LEASE, Made this 4th day of June, 2024 by and between M.A.

Real Estate hereinafter referred to as the "Lessor" of 816

WASHINGTON AVE BAY CITY MI 48708, and The Bay City

DOWNTOWN DEVELOPMENT AUTHORITY and Bay City

DOWNTOWN MANAGEMENT BOARD

herein referred to collectively as the "Lessee."

WITNESSETH:

(1) Description. That the Lessor, in consideration of the agreements herein to be performed by the Lessee, does hereby grant, lease, demise and let unto the Lessee the following parcel of land together with the hereditaments and appurtenances thereunto situate and being in the City of Bay City, Mi, and County of Bay and State of Michigan, hereinafter designated as "Premises", legally described as follows:

3 total Commercial Offices located at 816 Washington Avenue, Bay City, MI 48708

The property and Premises commonly known as

816 Washington Ave Bay City Mi 48708

(2) Term. The initial term of this lease shall be 5 years commencing on the 5st day of June, 2024 and conclude the 4th day of June 2029.

(3) Option To Renew. This lease may be amended or modified upon mutual agreement in a writing signed by those who will be a party to the lease. The initial renewal term is set to be at the same lease rate for an additional 5 years commencing June 5, 2029 and running through June 4, 2034.

(4) Use. The Lessee may use and occupy the Premises for any lawful purpose. The Lessee shall not use or knowingly permit any part of the Premises to be used for any unlawful purpose.

(5) Rental. The Lessee, in consideration of the agreements and covenants to be performed by the Lessor, does hereby hire the said Premises for terms and covenants contained in this Lease, agrees and promises to pay rent to the Lessor of \$750/month. Broken out this way: DDA to pay for 1.5 offices per month and DMB to pay for 1.5 offices per month. Offices are \$250/month each. Therefor DDA will pay \$375/month and the DMB will pay \$375/month.

The Lessee shall be required to pay a Security Deposit of \$750 (equivalent to one month's total rent - \$375 from the DDA and \$375 from the DMB).

(6) Utilities, Services and Furnishings. Lessee agrees to pay and be responsible for its proportional percentage of electricity, heat, internet, telephone and other services used by the lessee in the demised Premises and any water consumption over and above normal use found by fault of leaks or mechanical problems with Lessee's personal property or plumbing installed by lessee. Proportionally, there are 8 total offices. Lessee shall be responsible for 3/8 of the total utility bills. Lessor shall bill lessee monthly for these services and provide documentation of the total bill. The Lessor shall supply the Lessee a rubbish removal service during the term of the lease.

(7) Repairs and Maintenance. Lessee shall take good care of the demised Premises and its fixtures, equipment, furnishings, air conditioner and furnace and shall not commit or allow waste of any kind to occur, and Lessee shall be responsible for its proportional cost of the mechanical, electrical, and plumbing systems, age and code or ordinance violation of the demised Premises caused by the Lessee. Lessor holds responsible for structural supports, load bearing walls, acts of god, product defect, code or ordinance violation caused by lessor, and roof (roof specifically because tenants are on the ground floor and would have no need to maintain the roof. Both Lessor and Lessee acknowledge the lack of a barrier-free lavatory/lavatories. Lessor will provide a one-year warranty on all build out items including everything listed above. Lessee accepts the responsibility for the cost of replacement of fixtures, carpentry, furnishings and normal electrical and plumbing installation. Lessee shall reimburse Lessor for any damage to the demised Premises, fixtures, equipment or furnishings caused by intentional acts, negligence or misuse by Lessee, his agents, family or guests and at the termination of this lease or any renewal thereof Lessee shall yield and deliver up the demised Premises in like condition, reasonable wear and tear expected. All work done by Lessee shall be done in compliance with local ordinances and applicable building codes and under such permit or permits as are proper or required by code, ordinance, regulation or statute. Lessee also agrees to pay for its proportional amount 3/8 for yearly preventative maintenance of the HVAC systems provided the contracting with the vendor doing the maintenance is shared with and approved by its board. Lessee will be responsible for only its proportional amount for any of the above listed responsibilities.

(8) Alterations. All alterations, additions and improvements (including fixtures and equipment) put in at the expense of the Lessee shall remain the property of Lessor after installation without compensation to Lessee and shall remain upon and be surrendered with the Premises as a part thereof at the termination of this lease, but no alterations, additions or improvements in the demised Premises or the buildings or grounds may be made by the Lessee without previous written consent of Lessor.

(9) Fire and Other Casualty. If the demised Premises shall be damaged by fire, casualty, or other cause or happening, or if any lawful authority shall order demolition or removal of any structure covered by this lease, so as to render them unfit for Lessee's use, then this lease shall terminate and Lessee's obligation to pay rent shall cease, and any unearned rent paid in advance shall be refunded to Lessee.

(10) Insurance. Lessor, at its own expense, agrees that during the continuance of this lease, or renewal thereof, it will keep the demised Premises insured against loss or damage by fire, including extended coverage. The Lessee agrees that it will carry its own insurance on the contents contained within the leased Premises and will further maintain liability insurance of all kinds whereby said Lessee shall keep, save and hold harmless, Lessor from any and all damages and liability for anything and everything whatsoever arising from, or out of the occupancy of the Premises hereby demised by the Lessor to the Lessee. The Lessee further agrees to keep the Premises herein leased in a clean, safe, orderly and sanitary condition and in good repair. Lessee agrees to indemnify, protect, defend and hold Lessor harmless from any loss or liability by reason of Lessee's occupancy or any other person thereon by invitation or license of Lessee, and from any expense, cost and attorney fees incurred in connection with any such claim. In the event of any accident or occurrence on the demised Premises resulting in personal injury to any party, each party agrees to give notice to the other party within twenty-four (24) hours after the occurrence thereof, or a party learns of such occurrence, or a party should have reasonably know of such occurrence.

(11) Personalty. All personal property in the demised Premises belonging to the Lessee shall be kept at the risk of the Lessee only, and Lessor shall not be liable for any damage to such personal property, or to Lessee or other persons, arising from the building or any part of the appurtenances thereof becoming out of repair or from any acts or neglect of the occupants of the demised Premises or any other person or due to the happening of any accident in or to said building.

(12) Other Insurance. If the Lessee shall employ an independent contractor or others to make any repairs or alterations to the demised Premises, or for any maintenance thereto, Lessee shall obtain and maintain such other insurance policies so that Lessor will be held harmless from any and all obligations that may arise by Lessee causing said repairs, alterations or maintenance to be made and Lessor shall be fully protected under the terms and conditions of paragraph 10., above.

(13) Waiver Of Subjugation. The Lessor waives all rights of recovery against the Lessee, its subleases, and their respective agents and employees, for any loss or damage to property of the Lessor located on the demised Premises or comprising a part thereof and insured under valid and collectable insurance policies, to the extent of any recovery collectible under such insurance. The Lessee waives, and will require any subleases to waive, all rights of recovery against the Lessor, and the agents and employees of the Lessor, for loss or damage to property of the Lessee or to the insured under valid and collectible insurance policies, to the extent of any recovery collectible under such insurance. The parties hereto agree that all policies of fire or extended coverage insurance or any and all material damage insurance, shall contain either an appropriate provision waiving all rights of abrogation, or an endorsement acknowledging notice that the aforesaid rights of recovery have been waived.

(14) Taxes. Lessor shall pay all real estate taxes and any and all present and future assessments if any, in respect to said demised Premises. Lessee shall pay and be responsible for all personal property taxes assessed in respect of any personal property owned by lessee and situated upon the demised Premises.

(15) Assignment - Subletting. Lessee shall not assign this agreement or sub-let the demised Premises or any part thereof, without the prior written consent of the Lessor.

(16) Right to Mortgage. The Lessor reserves the right to subject and subordinate this lease at all times to the lien of any mortgage or mortgages now or hereafter placed upon the Lessor's interest in the demised Premises or any portion thereof. The Lessee covenants and agrees to execute and deliver upon demand such further instrument or instruments subordinating this lease to the lien of any such mortgage or mortgages as shall be desired by the Lessor and any mortgagees or proposed mortgagees, and hereby irrevocably appoints the Lessor the attorney-in-fact of the Lessee to execute and deliver any such instrument or instruments for and in the name of the Lessee.

(17) Quiet Enjoyment. Lessor covenants that if Lessee shall observe and perform all and singular their covenants and agreements herein contained, Lessee may peacefully and quietly have, hold, occupy and enjoy said demised Premises, with the appurtenances, for and during the term hereof.

Lessee acknowledges that Lessee is not the only tenant of the property legally described above and there exist covenants of quiet enjoyment that extend to and encompass others within the building. Lessee agrees that the covenant of quiet enjoyment extends to and through the Lessor to such other tenants and that Lessee will respect such covenants and will do nothing to interfere with or disrupt the right to quiet enjoyment of the other tenants. Lessee acknowledges and agrees that the Lessor shall have the right to enforce the right of quiet enjoyment at law or in equity.

(18) Right of Inspection and Re-renting. Lessor, during the term of this lease, at reasonable times and during Lessee's usual business hours, upon prior notice, may enter the demised premises to examine, inspect and to make such decorations, repairs, improvements, or additions as Lessor may deem necessary or desirable, and may show the demised Premises to others for the purpose of rental or sale, and may affix to any suitable parts of the demised Premises a notice for lease or sale thereof.

(19) Default. If Lessee shall fail to observe or perform any obligations under this lease and shall fail to cure its default within fifteen (15) days after notice from Lessor to do so, or within seven (7) days after notice of failure to pay rent, or if Lessee shall be adjudicated bankrupt or become insolvent or shall make an assignment for the benefit of creditors or abandon the demised Premises, then in any of said cases, Lessor may, in addition to other remedies provided by law, terminate this lease and/or lawfully enter into and upon the demised Premises or any part thereof and repossess the same, and expel the Lessee and persons claiming under and through it, and remove any effects, without being liable for trespass and without prejudice to any remedies which may be available for arrears of rent or for Lessee's breach of covenant. Lessee agrees that in the event of default Lessee shall be liable for and shall pay all such costs as may be incurred by Lessee in attempting to cure the default or otherwise enforcing Lessors rights at law or in equity for any breach of this agreement, including the payment of Lessor's actual attorney fees.

(20) Waiver of Default. This lease contains all the agreements and conditions made between the parties hereto, and may not be modified orally or in any other manner than by an agreement in writing signed by all the parties hereto or its respective successors in interest. The receipt of rent by Lessor with knowledge of any breach of this lease by the Lessee, or any default on the part of Lessee in the observance or performance of the conditions or covenants of this lease, shall not be deemed to be a waiver of any provision of this lease. No failure on the part of the Lessor to enforce any covenant or provision herein contained, nor any waiver of any right thereunder by the Lessee, unless in writing, shall discharge or invalidate such covenant or provision or affect the right of the Lessor to enforce the same in the event of any subsequent breach or default. The receipt by the Lessor of any rent or any other sum of money or any other consideration hereunder paid by the Lessee after the termination, in any manner, of the term herein demised, or after the giving by the Lessor of any Notice hereunder to effect such termination, shall not reinstate, continue, or extend the term herein demised, or destroy, or in any manner impair the efficacy of any such notice of termination as may have been given hereunder by the Lessor in writing and signed by the Lessor. Neither acceptance of the keys nor any of this lease shall be deemed to be an agreement in writing signed by the Lessor accepting or agreeing to accept such a surrender.

(21) Holding Over. Any holding over by Lessee or any assigner or sub-tenant beyond the expiration of the specified term shall give rise to a tenancy from month-to-month.

(22) Eminent Domain. If a substantial part of the demised Premises is to be taken for public or quasi-public use, under any Statute or by right of Eminent Domain, such as to render the demised Premises unsuitable for the business of the Lessee, then this Lease, at the option of the Lessee, shall be canceled and declared null and void, and have no effect, and Less shall be liable for the rent only up to such time of partial taking. In the event of a partial taking which is not extensive enough to render the Premises unsuitable for the business of the Lessee, Lessor shall promptly restore the demised Premises to a condition comparable to its condition at the time of said condemnation and the lease shall be reduced proportionately. In the event of the occurrence of the contingencies above mentioned or if complete condemnation, rent shall abate corresponding with the time during which the Premises may not be used by the Lessee, and the Lessee shall be entitled to receive a pro rata refund of any advance rental paid by the Lessee for the rental period during which the demised Premises is either wholly or partially taken. Nothing herein contained shall be deemed or construed to prevent the Lessor or the Lessee from enforcing and prosecuting in any condemnation proceedings a claim for the value of their respective interest.

(23) Notices. All notices to be given hereunder by either party shall be in writing and given by personal delivery or registered mail to Lessor at the address set forth above: and to Lessee at the demised Premises. Any mailed notice shall be effective as of the date of mailing.

(24) Benefit. The terms and conditions of this agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors, or assigns except as may be herein-before provided.

(25) Duplicate Original Copies. This agreement is executed in duplicate originals, one of which shall be retained by Lessor and one by Lessee, each of which shall be deemed to be an original but all of which shall be constructed as one document.

(26) Acknowledgment. Each party acknowledges that he has read this agreement and agreed to the terms and conditions herein contained.


IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year stated in the commencement.

IN THE PRESENCE OF:

LESSOR:

M.A. Real Estate, John C. Klein

LESSEE:



DDA Executive Director



DDA Board Chair



DMB Executive Director

DMB Board Chair

