

OFFICE LEASE

(Regarding 520 West Michigan Ave.)

DATED: May 1, 2019

PARTIES: **Battle Creek Downtown Development Authority**, a Michigan statutory downtown development authority created and operating pursuant to PA 197 of 1975, whose address is c/o City of Battle Creek, 10 N. Division Street, Battle Creek, MI 49015 (Landlord)

and

VOCES, a Michigan non-profit corporation, of 520 West Michigan, Battle Creek, MI 49017 (Tenant).

PREMISES

LEASED: The building and improvements at 520 West Michigan Ave., Battle Creek, Calhoun County, Michigan (the Property).

ORIGINAL TERM: The original term of this Lease is three (3) years, beginning on May 1, 2019, and ending at midnight on April 30, 2022 and renewable and subject to early termination as provided for in paragraph 13.

BASIC RENT: The basic rent for the original term of this Lease is \$3,600 per year payable in monthly installments of \$300.00, payable in advance on the 1st day of each month, beginning on May 1, 2019. The rent represents an 80% discount in the market rate for the Leased Premises.

ALL SUMS PAID OR REQUIRED TO BE PAID UNDER THIS LEASE ARE DEEMED TO BE RENT.

IN CONSIDERATION of the rents, covenants, and conditions of this Lease, Landlord hereby leases to Tenant the above-described Property for the basic term, at the basic rent, and upon the following terms and conditions:

- 1. CONDITION AND MAINTENANCE OF PROPERTY:** Tenant acknowledges Tenant has inspected the Property and Tenant's Premises and accepts them as is and with all faults. During the term of this Lease and any renewals, Tenant will maintain, at Tenant's sole expense, Tenant's Premises in good condition and repair. Tenant's maintenance obligation includes, but is not limited to, securing janitorial services for Tenant's Premises, replacement of all lighting elements, periodic carpet cleaning, and repair of any damages to walls, floors, doors, doorways, and ceilings within Tenant's Premises. Landlord will maintain and repair the roof, foundation, exterior walls, all exterior doors and windows, all electrical wiring, plumbing and plumbing fixtures, heating and cooling units, and all other systems, unless such repair or maintenance is due to Tenant's excessive use of or special demands upon such systems. At its cost, Tenant will arrange for building improvements to Tenant's Premises, including paint, carpeting, moving non-structural walls, using properly qualified, volunteer representatives of the building trades. The Landlord must approve of the choice of colors for materials selected.

2. **UTILITIES:** During the term of this Lease and any renewals, Tenant will promptly pay all electric, heating, fuel, water, sewage, gas, telephone, and other utility bills for services provided to the Tenant's Premises during the period the Tenant remains or has the right to remain in possession of Tenant's Premises, but only to the extent such utility services provided to the Tenant's Premises are separately metered. Landlord will pay all other utility charges for services provided to the Property.
3. **TAXES:** The Tenant will pay all personal property taxes assessed against any of the Tenant's personal property within Tenant's Premises and any improvements Tenant makes to Tenant's Premises which are taxed as personal property. During the Lease term, the Landlord will pay all real property taxes assessed against the Property.
4. **INSURANCE:** During the Lease term, the Landlord will maintain at Landlord's expense extended coverage casualty insurance covering the Property to such extent and with such companies as Landlord deems appropriate. Tenant will procure and keep in force, at Tenant's sole expense, policies of insurance with companies, providing coverages, and in such amounts as are satisfactory to Landlord insuring Landlord and Tenant, as their interests may appear, against public liability and personal injury. Unless the Landlord otherwise requires, Tenant will provide to the Landlord proof of liability insurance in the amount of not less than \$100,000.00 per person, \$300,000.00 per occurrence, and \$50,000.00 for property damage. Tenant further agrees to defend, save, and hold Landlord harmless from any and all liability arising out of Tenant's use of the Property, including reimbursement to Landlord for any attorneys fees incurred in defending, settling, or responding to any such claim.
5. **ADDITIONAL RENT:** If Tenant fails to maintain Tenant's Premises as paragraph requires, pay any utility charges as paragraph requires, or maintain insurance as paragraph requires, the Landlord may, but has no obligation to, advance funds to pay such costs or fulfill such obligations. The Tenant will immediately reimburse the Landlord for any such amounts the Landlord expends and any amount so expended will bear interest at the lower of 11% per annum or the highest permissible legal rate of interest.
6. **USE OF PROPERTY:** Tenant may use the Property only for purpose of Tenant's Voces Community Project. Tenant will use the Property in a careful, safe, and proper manner. Tenant will not conduct nor permit to be conducted on the Property any business or any act which is contrary to or in violation of state, federal, or local law or ordinance or which would void insurance coverage. Tenant will not permit the use or storage of hazardous or toxic substances on the Property unless Tenant properly and promptly disposes of all such substances at a location off the Property and in accordance with all applicable governmental regulations. All hazardous or toxic substances will at all times remain Tenant's property and Tenant will indemnify Landlord for any costs or expenses Landlord incurs in disposing of any hazardous or toxic substances remaining on Tenant's Premises after Landlord acquires possession of Tenant's Premises following this tenancy and any costs or expenses Landlord incurs in connection with any environmental contamination of any portion of the Property caused by Tenant, Tenant's actions, or Tenant's failure to take any actions required of Tenant by law which failure causes or contributes to such contamination.

7. **EQUIPMENT, FURNISHINGS, AND TRADE FIXTURES:** At the end of the Lease term, the Tenant will remove from Tenant's Premises all of the Tenant's property, trade fixtures, and any improvements Tenant has made to Tenant's Premises. Tenant will leave Tenant's Premises in a broom clean condition and will repair all damages or blemishes to the floors, walls, doors and doorways, ceiling, and any other area of Tenant's Premises or the Property arising from Tenant's use of Tenant's Premises or the Property or the installation or removal of any trade fixtures or improvements and will restore Tenant's Premises to the condition existing before Tenant's occupancy, reasonable wear and tear excepted.
8. **WALKS, DRIVEWAYS, LAWN, AND PARKING AREA:** The Tenant will keep the walks and driveways adjoining Tenant's Premises free from litter, obstructions, ice, and snow, and shall maintain/mow the lawn. Landlord will maintain the driveways and parking areas in their current condition, including, but not limited to, the application of blacktop sealer from time to time as necessary and re-striping of parking areas as necessary. The Tenant will provide refuse service for one or more dumpsters on the Property for use of Tenant and others occupying any portion of the building. Tenant is responsible for disposing of Tenant's trash in the dumpsters provided.
9. **SIGNS:** Tenant has the right to erect or place signs on the Property. Any sign Tenant places on the Property must comply with all ordinances and statutes and Tenant will maintain such signs. All such signs are subject to the Landlord's approval as to size, appearance, content, and location.
10. **ENTRY BY LANDLORD FOR INSPECTION:** Landlord has full access to the Property at all reasonable times for the purpose of inspecting the condition of the Property.
11. **ASSIGNMENT AND SUBLETTING:** Tenant may not assign this Lease or any rights under this Lease or sublet any portion of the Property without the Landlord's prior written consent.
12. **DEFAULT:**
 - 12.1 Each of the following events constitutes an event of default:
 - 12.1.1 If the Tenant becomes insolvent in that Tenant cannot or is not paying Tenant's obligations as they become due;
 - 12.1.2 If Tenant's interest under this Lease is assigned by operation of law;
 - 12.1.3 If Tenant vacates the Property or ceases business operations from the Property for more than 20 consecutive days;
 - 12.1.4 If Tenant fails to deliver to Landlord proof of Tenant's insurance maintained pursuant to paragraph within 10 days of Landlord's demand for proof of such insurance;

12.1.5 If Tenant breaches any of Tenant's obligations under this Lease, including, but not limited to, maintenance of the Property pursuant to paragraph or assignment of the Tenant's interest in violation of paragraph 11;

12.1.6 If Tenant fails to pay any installment of rent or additional rent within 7 days of Landlord's demand for same.

12.2 With the exception of the events of default described in subparagraphs 12.1.4 and 12.1.6, if any event of default continues for fifteen (15) days after the Landlord's notice of default or Tenant fails in good faith to begin the correction of a breach of any other covenant or condition of this Lease to be performed by Tenant within ten (10) days after notice to Tenant of the nature of such breach, Landlord may elect to terminate this Lease upon 5 days notice to Tenant. As to the events of default described in subparagraphs 12.1.4 and 12.1.6, the Landlord may elect to terminate this Lease immediately upon the expiration of the time periods provided in those subparagraphs. Notwithstanding such termination Tenant will be liable to Landlord for damages for breach of the Tenant's obligations under this Lease, including, but not limited to, Landlord's lost rent after crediting any rent received for Tenant's Premises from any other tenant during the remaining term of this Lease, Landlord's expenses incurred in re-renting the Property, and any costs the Landlord incurs in making the Property ready for re-renting.

13. **RENEWAL OF LEASE/EARLY TERMINATION OF LEASE:** If Tenant desires to renew this Lease, it shall advise Landlord in writing not less than 180 days before the date of termination of this Lease, and the parties shall thereafter attempt to mutually agree upon renewal and the terms thereof.

If Tenant desires to terminate this Lease, it may do so at any time on thirty days advance written notice, subject to the obligation to pay Landlord an amount equal to four months rent on or before expiration of such thirty days notice. Regardless of such early termination, Tenant shall remain responsible for any amounts due under this Lease through the effective date of such termination.

14. **NOTICE:** Any notice required or permitted to be given under this Lease is properly given if delivered personally to the party or if delivered by certified mail, postage fully prepaid, return receipt requested, addressed to the party at the party's last-known address. The effective date of any notice will be the date the notice is delivered personally or the day after the notice is mailed by certified mail.
15. **DAMAGE BY FIRE:** If the Property is damaged or destroyed by fire or other catastrophe, one of the following will occur:

15.1 If damage or destruction occurred through no fault of the Tenant, Tenant's agents,

employees, or owners and if the Landlord does not begin to repair or rebuild the Property within 90 days of the occurrence, the Tenant may elect to terminate this Lease, pay all rent accrued as of the date of the occurrence, and neither party will have any further obligation to the other.

15.2 If the insurance proceeds payable as a result of the occurrence are sufficient to pay the cost of repairing or rebuilding the Property, the Landlord will, within a reasonable time after receipt of such proceeds, begin repairing or rebuilding the Property and will proceed with reasonable diligence to restore the Property. If the Landlord so begins restoring the Property, this Lease will not terminate, but the rent will abate in full if the Property is wholly untenable and in part if the Property is partially untenable from the date of such occurrence to the completion of the restoration.

15.3 If the insurance proceeds payable as a result of the occurrence are not sufficient to pay the cost of repairing or rebuilding the Property, the Landlord may elect to terminate this Lease without any further liability to the Tenant or to repair or rebuild the Property. If the Landlord elects to terminate this Lease, Tenant will promptly pay all rent accrued as of the date of the occurrence, and neither party will have any further obligation to the other. If the Landlord elects to repair or rebuild the Property, subparagraph 15.2 will govern the parties' rights and obligations during the period of restoration.

16. **WAIVER OF SUBROGATION:** Landlord releases the Tenant and Tenant's officers, directors, shareholders, partners, and employees, from liability for loss or damage to the Property and any property or improvements of which the Property is a part that is covered by valid and collectible fire insurance with an extended coverage endorsement. Tenant releases the Landlord, Landlord's officers, directors, shareholders, partners, and employees, from liability for loss or damage to any of Tenant's property located on or about the Property that is covered by valid and collectible fire insurance with an extended coverage endorsement. This release applies only with respect to loss or damage actually recovered from an insurance company. This release is effective even if the loss or damage was caused by the fault or negligence of a party or any person for whom a party may be responsible. This release will not apply to loss or damage to either party's property unless the loss or damage occurs when the party's applicable insurance policy contains a clause or endorsement to the effect that the release will not adversely affect or impair the policy or prejudice the right of the insured to recover under the policy. Each party will endeavor to obtain casualty insurance policies permitting the waiver of the right of subrogation.

17. **CONDEMNATION:** If the entire Property, or such portion of the Property as to render the use by Tenant unprofitable or impractical, is taken or appropriated by virtue of eminent domain or similar proceedings, or be condemned for public or quasi-public use, Tenant may elect to terminate this Lease. All rent and charges will be permanently abated from the date of taking. Except as provided above, in the event of a partial taking, this Lease will not terminate, but

Tenant will be entitled to an abatement of rent in a just and equitable amount. If the parties cannot agree on the amount of abatement, the amount will be determined by arbitration. All compensation for any taking of the Property or any portion thereof will belong to and be the property of Landlord. Tenant hereby assigns to Landlord all rights with respect thereto; provided, however, nothing contained herein will prevent Tenant from seeking in a separate action reimbursement from the condemning authority (if permitted by law) for moving expenses, expenses for removal of Tenant's property, or loss of Tenant's business good will, but if and only if such action does not reduce the amount of the award or other compensation otherwise recoverable from the condemning authority by Landlord.

18. **ALTERATIONS:** Tenant may make such alterations, additions, or improvements to the Property as Tenant deems necessary for Tenant's purposes only with the Landlord's prior written consent. If Landlord is required by the municipality or by court or other governmental authority to repair, alter, remove, reconstruct or improve any part of the Property, then Landlord will complete such work at Landlord's expense and Tenant hereby waives any claim for damage because of such work.
19. **SUBORDINATION:** Tenant agrees this Lease is and will remain subject and subordinate to all present and future mortgages affecting the Property and Tenant will promptly execute and deliver to the Landlord such certificate in writing as Landlord may request showing the subordination of this Lease to such mortgage or mortgagee and in default of Tenant so doing, Landlord will have the authority to execute such certificate on behalf of Tenant.
10. **LICENSES:** Tenant hereby represents that Tenant has and will maintain any and all licenses which may be required for Tenant's business.
21. **NONWAIVER:** Failure of Landlord to insist on the strict performance of any term or condition of this Lease will not constitute a waiver of Landlord's right to later enforce such term or condition.
22. **HOLDING OVER:** It is expressly agreed and understood between the parties that if Tenant holds over beyond a lease term without an express written renewal, then the tenancy becomes a month-to-month tenancy and the holding over will not constitute a renewal of this Lease.
22. **QUIET ENJOYMENT:** Landlord agrees that upon Tenant's prompt payment of the rents and compliance with all provisions of this Lease, Tenant may peacefully and quietly have, hold and enjoy Tenant's Premises during the basic term and all additional renewal terms.
32. **ATTORNEYS FEES:** If either party commences any legal action to enforce this Lease or to obtain any relief for breach of this Lease, then in addition to any other relief available, the prevailing party in such action will be entitled to an award of actual reasonable attorneys fees incurred.
42. **MISCELLANEOUS PROVISIONS:**

- 24.1 This Lease constitutes the entire agreement between the parties and may be amended only by a written document executed by all the parties.
- 24.2 This Lease is governed by the laws of Michigan.
- 24.3 This Lease is binding on the parties, their heirs, representatives, assigns and successors.
- 24.4 If any term, condition or covenant of this Lease is, to any extent, invalid or unenforceable, the remaining provisions will not be affected and will continue to be valid and enforceable.
- 24.5 The captions, sections numbers and article numbers are for convenience only and in no way describe, limit or construe the provisions of this Lease.
- 24.6 The provisions of this Lease will be presumed to have been mutually drafted and negotiated by the parties. No presumption will apply against either party in interpreting this Lease in the event of any ambiguity.

DATED:

Apr 22, 2019

LANDLORD: Battle Creek Downtown Development Authority

By:

Its:

Cheryl Stark
President

TENANT: VOCES

DATED:

4/23/2019

By:

Its:

[Signature]
Executive Director

Prepared By: Nelson Karre

VANDERVOORT, CHRIST & FISHER, P.C.
Suite 450, 70 West Michigan Ave.
Battle Creek, MI 49017
(269) 965-7000