Memo

To:

Northfield Township Board

From:

Howard Fink

Date:

7/20/2016

Re:

75 Barker Lease

Dear Township Board,

Tina Lupi Smith has requested a new lease with the Township Board regarding 75 Barker. While this is bound to create some political reverberations, I do not recommend signing a long term lease. The future of 75 Barker continues to be a point of discussion in the community. I do not believe we have coalesced around a particular use. I recommend continuing with National Staffing on a month to month lease. To provide National Staffing some assurances, we can always agree to a 60 or 90 day notification if we intend to break the month to month lease. There is an advantage to signing another long term lease, as we have a guarantee of revenue. This is a classic policy decision. I was hoping that we could debate the issue at this meeting and vote in the following two weeks.

Respectfully Submitted,

Howard Fink, Township Manager

LEASE

This Lease is made this 2rd day of ________, 2014, between the TOWNSHIP OF NORTHFIELD, a Michigan Municipal Corporation, whose address is 8350 Main Street, Whitmore Lake, Michigan 48189, hereinafter referred to as "Landlord" and NATIONAL STAFFING AND HOME CARE, INC., a Michigan Corporation, whose address is 5039 Girard Drive, Pinckney, 48169, hereinafter referred to as "Tenant".

PREMISES LEASED: The Landlord leases to the Tenant the main office portion of the building commonly referred to as the old township hall located at 75 Barker Road, as more particularly described in attached Exhibit "A", consisting of approximately 1,331 square feet of building space located on real estate in the Township of Northfield, County of Washtenaw, State of Michigan. The Landlord also leases to the Tenant the 2 office spaces located in the Fire Hall, consisting of approximately 50 square feet each, including the right of ingress and egress to the offices.

Tenant agrees and acknowledges that it will not utilize any portion of the Fire Hall other than the two (2) office spaces indicated above. Tenant agrees that the parking lot will continue to be utilized as a public parking lot used by the Township, by members of the public, merchants and their customers, and for other civic events approved by Landlord. Civic events shall include, but not be limited to, the Kiwanis Fourth of July BBQ picnic, Whitmore Lake Public School events, and Farmer's Market. The Farmer's Market will be held in the parking lot on Thursdays from 2:00 p.m. to 7:00 p.m. beginning in June and continuing through September and will require a minimum of ten (10) parking spaces. Landlord reserves the right to approve additional events and/or modify civic event dates and times.

 holding over after the termination of this Lease, thereafter the tenancy shall be from month to month in the absence of a written agreement to the contrary.

RENT: The Tenant leases the premises described above for the term as stated above and agrees to pay the Landlord as rent for said premises the sum of Nine Hundred Eighty Dollars (\$980.00) per month, payable in advance, beginning on the first day of the month following commencement of this Lease, as set forth under "term" above and on the same day for each and every month thereafter for the term of this Lease. The monthly rents are to be allocated as follows: (a) Eight Hundred Thirty Dollars (\$830.00) for the main office portion of the premises, and (b) Seventy-Five Dollars (\$75.00) each for the two office spaces in the Fire Hall; for a total of Nine Hundred Eighty Dollars (\$980.00) per month. All payments of rent or other sums to be paid to the Landlord shall be made at 8350 Main Street, Whitmore Lake, Michigan 48189.

SECURITY DEPOSIT: Landlord acknowledges receipt of a security deposit in the amount of One Thousand Two Hundred Fifty Dollars (\$1,250.00) and agrees to hold the deposit in accordance with Michigan law. The security deposit may, at the option of the Landlord, and in accordance with Michigan law, be used to pay any damages suffered by the Landlord by reason of the Tenant's breach of its obligation under this Lease.

<u>USE</u>: The Tenant shall use the designated premises for office use and for no other purposes without the prior written consent of the Township of Northfield.

ACCESS BY LANDLORD: The Landlord shall have the right to enter upon the leased premises at all reasonable hours for the purpose of inspecting the premises and for any purpose related to the safety, protection, operation or improvements of the building and for access to the Fire Hall. The Landlord shall also have unlimited access to the electrical controls located in the garage of the Fire Hall. The Landlord may also allow other authorized individuals reasonable access to the Fire Hall for the purposes of storage. If the Landlord deems any repairs necessary,

it may demand that the Tenant make the same and if the Tenant refuses or neglects forthwith to commence such repairs and complete the repairs within reasonable dispatch, the Landlord may make or cause to be made such repairs and shall not be responsible to the Tenant for any loss or damage that may accrue to its business by reason thereof, and if the Landlord makes or causes to be made such repairs, the Tenant agrees that it will forthwith on demand pay to the Landlord the cost thereof with interest at seven (7%) percent per annum.

TENANT'S COVENANTS: The Tenant agrees as follows:

- 1. To use the premises in accordance with all governmental laws and regulations.
- 2. Tenant agrees to pay the costs of all utilities charged to 75 Barker Road, which utilities shall include, but not be limited to, electricity (both supply costs and actual electricity) for all Detroit Edison and Integris utility accounts, natural gas, cable, telephone, and sewage.
- 3. To pay any and all personal property taxes arising out of or incident to its use of the leased premises.
- 4. To maintain the interior of the leased premises in good repair during the continuance of this Lease and, at the termination of the Lease, to yield and deliver up the premises in like condition as when taken, and reasonable use and wear.
- 5. To not make any alterations, additions or improvements to said premises without the Landlord's prior written consent. In the event the Township has approved an alteration, addition or improvement to said premises, the Landlord shall become the owner of said alteration, addition or improvement upon termination of the Lease.
- 6. To not perform any acts or carry out any practices which may injure the building or constitute a nuisance.
- 7. To keep the premises under its control clean and free from rubbish and dirt at all times.
- 8. To indemnify and hold harmless the Landlord from any liability for damages to

any person or property in, on, or about the leased premises or common elements, including, but not limited to, the sidewalk adjacent to the building, from any cause whatsoever; and Tenant will procure and keep in effect during the term of this Lease renter's insurance for the benefit of the Landlord at Tenant's expense, in the amount of One Million Dollars (\$1,000,000.00). Landlord shall be listed as a named insured. Tenant shall deliver the Certificate of Insurance to the Landlord and upon Tenant's failure to do so, the Landlord may at its option obtain such insurance and the cost shall be paid as additional rent due and payable upon the next ensuing rent day.

- 9. To not assign this Lease or sublet the premises or any portion of the premises without the express written consent of the Township of Northfield.
- 10. To peaceably surrender and deliver up the premises and every part thereof to the Landlord upon the expiration of the term of this Lease.

LANDLORD'S COVENANTS: The Landlord agrees as follows:

- The Landlord guarantees that the Tenant will peaceably hold and enjoy the
 premises as long as the Tenant shall perform all of the terms and covenants of this
 Lease to be performed by it.
- 2. The Landlord will procure and maintain fire and extended insurance coverage on said building located on the premises, but this shall not be construed to provide any coverage for any property placed upon said premises by the Tenant.
- 3. The Landlord shall be responsible for all repairs in excess of Five Hundred Dollars (\$500.00) that would constitute a capital improvement to the premises, such as repairs to the roof, plumbing, electrical, heating and cooling systems.

<u>DESTRUCTION OF PREMISES</u>: It is understood and agreed that if the premises leased are damaged or destroyed in whole or in part by fire or other casualty during the term of this Lease, either party shall have the right to terminate this Lease. It is further understood and agreed that if the damage or destruction is a result of the negligent act or intentional act of the Tenant, the Tenant shall not have the right to terminate this Lease.

<u>DEFAULT</u>: If the Tenant shall default in any payment or expenditure other than the rent

required to be paid or expended by the Tenant under the terms of this Lease, the Landlord may at its option make such payment or expenditure, in which event the amount shall be payable as rent to the Landlord by the Tenant on the next ensuing rent date together with interest at seven (7%) percent per annum from the date of such payment or expenditure by the Landlord and on default on such payment, the Landlord shall have the same remedies as on default in the payment of rent. In the event the Landlord shall, during the period covered by this Lease, obtain possession of the premises by summary proceedings, or otherwise, the Tenant hereby agrees to pay the Landlord the expense incurred in obtaining possession of the premises and also all expenses and commission which may be paid in and about the letting of the same, and all other damages. It is agreed that each and every one of the rights, remedies and benefits provided by this Lease shall be cumulative, and shall not be exclusive of any other rights, remedies or benefits allowed by law.

BANKRUPTCY AND INSOLVENCY: The Tenant agrees that if the estate created hereby shall be taken in execution, or by other process of law, or if the Tenant shall be declared bankrupt or insolvent, according to law, or any receiver is appointed for the business and property of the Tenant, or if any assignment is made of the Tenant's property for the benefit of creditors, then in such event, the Lease may be canceled at the option of the Landlord.

POSSESSION: Landlord shall have no liability to Tenant if Landlord shall be unable to deliver possession of the premises on the date of the commencement of the term of this Lease by reason of the holding over of the prior occupant, or for any other cause beyond the reasonable control of Landlord, but in such event rent shall not commence until possession of the premises is tendered to Tenant. If Tenant shall occupy the premises prior to the date of the commencement of the term with the consent of Landlord, such occupancy shall be subject to all of the terms and conditions of this Lease.

MORTGAGE: Landlord reserves the right to subordinate this Lease to the lien of any first mortgage now or hereafter placed upon the premises. Tenant agrees to execute any documents requested by Landlord or mortgagee to confirm any such subordination.

LEASING AS IS: The Tenant acknowledges that the premises have been examined prior to the making of this Lease and that no representations as to the condition or state of repairs

have been made by the Landlord or his agent which are not herein expressed, and the Tenant accepts the leased premises in the present condition at the date of the execution of this Lease.

NOTICES: Whenever under this Lease a provision is made for notice of any kind, it shall be deemed sufficient notice and service thereof if such notice to the Tenant is in writing addressed to the Tenant at its last known address or at the leased premises and deposited in the mail with postage prepaid and if such notice to the Landlord is in writing addressed to the last known address of the Landlord and deposited in the mail with postage prepaid.

ADVERTISING DISPLAY: It is agreed that all signs and advertising displayed in or about the premises shall be such only as to advertise the business carried on upon said premises. The Landlord shall control the character, location and size of the signs. No signs shall be displayed unless approved by the Landlord. No awnings shall be installed or used on the exterior of said building unless approved by the Landlord.

Executed by the Landlord on this 2nd day of May, 2014 pursuant to approval of the Northfield Township Board of Trustees on the 13th day of May, 2014.

TOWNSHIP OF NORTHFIELD

Howard Fink, Township Manager

NATIONAL STAFFING AND F CARE, INC.

Tina Lupi-Smith

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Its:

Tina Lupi-Smith, Individually