

MONTH-TO-MONTH AGREEMENT
Between

_____,
A _____, As Tenant
And The
State Of Michigan, As Landlord

THIS MONTH-TO-MONTH AGREEMENT ("Agreement") is entered into by and between _____, a _____, as ("Tenant"), whose address is _____, and the State of Michigan, by the Department of Technology, Management and Budget, whose address is 530 W. Allegan Street, Lansing, MI 48933, on behalf of the Department of Corrections ("Landlord"), and establishes the following terms, conditions, performance obligations, and covenants between the parties.

WITNESSETH:

The parties, for the considerations herein mentioned, agree as follows:

1. **DESCRIPTION OF THE PREMISES:** Landlord hereby rents to Tenant approximately 9.39 acres of land and improvements thereto on the grounds of the property commonly known as Camp Ottawa, 216 Gendron Road, Township of Iron River County of Iron, Michigan (the "Premises") as further described in Attachment A to this Agreement and personal equipment including a working sawmill ("Equipment") as further described in Attachment B to this Agreement. The Premises are to be used by the Tenant exclusively for the purposes of operating a commercial sawmill and related commercial lumber processing activities.
2. **TERM:** The term of this Agreement is month-to month beginning _____, 20__ and ending _____, 20__, subject to the cancellation provisions of this Agreement.
3. **RENT:** Tenant shall pay to Landlord rent at the rate of _____ Dollars and No Cents (\$_____.00) per month. Rent shall be due in advance by the first day of each month this Agreement is in effect. Rent shall be made payable to the "State of Michigan" and shall be mailed as follows, Attention: Administrator, Michigan State Industries, Office of Employment Readiness, Michigan Department of Corrections, Michigan State Industries, Office of Employment Services, 5656 South Cedar Street, Michigan 48911, or to such other address as Landlord may from time to time designate.
4. **SERVICES BY THE LANDLORD:**
 - 4.1 Water and sewer services.
5. **SERVICES AND RESPONSIBILITIES OF THE TENANT:** Tenant shall furnish the following at its own expense:
 - 5.1. All exterior and interior maintenance of the Premises and Landlord's equipment as well as all maintenance and repairs to mechanical, plumbing and electrical systems serving the Premises and equipment as needed to keep them in sound working order and in compliance with applicable legal codes. Tenant shall provide Landlord with manufacturer instructions, warranties and correspondence associated with said maintenance and repairs upon cancellation of this Agreement.
 - 5.2. All gas, electric and steam utilities serving the Premises.

- 5.3. Telecommunication services.
- 5.4. Janitorial services and supplies.
- 5.5. Snow removal from driveways, steps, porches and walkways.
- 5.6. Grounds maintenance.
- 5.7. Replacement of light bulbs and tubes as needed.
- 5.8. Removal of trash and refuse from the Premises at least weekly.
- 5.9. Tenant understands that the Premises are part of a State of Michigan Correctional Facility and agrees to comply fully with all security procedures for ingress and egress to the Premises, tool and vehicle storage on the Premises, background checks of Tenant's personnel and other security procedures of the Department of Corrections as deemed necessary by the Warden of the Ojibway Correctional Facility or his/her designee. Tenant further agrees that none of its personnel may bring firearms onto the Premises at any time.
6. **ASSIGNMENT AND SUBLETTING:** Tenant shall neither assign nor sublet the Premises without the advance written consent of the Landlord, other than in the normal course of allowing Tenant's employees and guests to park motor vehicles at the Premises.
7. **ALTERATIONS:** No alterations, modifications, or improvements shall be made to the Premises without the written consent of the Landlord. At the expiration of the Agreement, all such alterations, modifications, and improvements to the Premises shall become the property of the Landlord, unless otherwise agreed in writing or the Tenant acquires fee title to the Premises.
8. **CODES AND PERMITS:** Tenant shall comply with all applicable codes and obtain any necessary permits in connection with its use of the Premises.
9. **DAMAGE:** Tenant shall be liable for any damage to the Premises or Landlord's equipment caused by sole action of the Tenant, Tenant's employees or Tenant's guests or by any casualty insured under the Tenant's insurance policy, less reasonable wear and tear or damage by the elements.
10. **ENVIRONMENTAL:** The Landlord and Tenant mutually agree that they shall not release on, in, or below the Premises any hazardous substance. The Tenant assumes responsibility to the extent provided by law, for a release or threatened release of a hazardous substance by the Tenant. The Landlord shall not indemnify or defend the Tenant if the release or threatened release is caused solely by the Tenant.
11. **INDEMNIFICATION AND LIABILITY INSURANCE:** Tenant hereby expressly agrees to hold harmless, defend, and indemnify the Landlord, its agents and employees, from and against any and all claims, costs, losses, suits, demands, actions, liabilities, damages, causes of actions or judgments which may in any manner be imposed on or incurred by the State, its agents and employees, for any bodily injury, loss of life, and/or damage to property, including the State's agents, employees, and property, resulting from or arising out of Tenant's use of the Premises or equipment.

The Tenant shall, at Tenant's expense, during the term of this Agreement, insure the premises with general liability insurance naming the State, its several departments, boards, agencies, commissions, officers, and employees, as an additional insured and which protects against all claims, demands, actions, suits, or causes of action, and judgments, settlements or recoveries, for bodily injury or property damage arising out of a condition of the Premises. The Tenant agrees to maintain minimum policy limits in the amount of \$500,000 per occurrence for property damage and \$1,000,000 per occurrence for bodily injury, with a \$2,000,000.00 aggregate. The Tenant shall provide to the State with a certificate of insurance, naming the State, its several departments, boards, agencies, commissions, officers, and employees as an additional insured party, within thirty (30) calendar days following execution and delivery of this Agreement to Tenant. This provision shall not apply to liability for damages arising out of bodily injury to any person or damage to property of others resulting from the sole negligence of the State, its several departments, boards, agencies, commissions, officers and employees. The policy insurance shall provide that it may not be modified, cancelled, or allowed to expire without thirty (30) days prior written notice given to the State or the additional insured.

12. **NON-DISCRIMINATION:** Tenant shall comply with the Elliott-Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2101 et seq. the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 et seq., and all other federal, state and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment, to be employed in the performance of this real estate contract, with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. The Tenant agrees to include in every subcontract entered into for the performance of this real estate contract this covenant not to discriminate in employment. A breach of this covenant is a material breach of this real estate contract.
13. **CANCELLATION RIGHTS:** This Agreement may be cancelled by the Tenant or the Landlord upon thirty (30) days written notice to the other party delivered either in person or by certified mail, return receipt requested, to the other party's address as set forth under the "Notices" Section of this Agreement or to such other address as either party may designate, from time to time, in writing for the delivery of notices under this Agreement. The following contingency provisions may also apply:
 - 13.1. If at any time the Tenant vacates the Premises prior to the expiration of the Agreement, the Tenant will be responsible for all rental payments, repairs above and beyond normal wear and tear, until and including the date of the Agreement cancellation.
 - 13.2. If this Agreement shall be canceled pursuant to the provisions of this Section, Tenant shall surrender possession of the Premises within thirty (30) days of the date of cancellation. Upon cancellation of this Agreement as provided in this Section, Tenant shall surrender possession of the Premises in the same condition as when delivered to the Tenant, reasonable wear and tear excepted.
 - 13.3. This Agreement may be cancelled by the Landlord provided the Tenant is notified in writing at least thirty (30) days prior to the effective date of cancellation and any one of the following occur:
 - 13.3.1. The Tenant or any subcontractor, manufacturer or supplier of the Tenant appears in the register compiled by the Michigan Department of Consumer and Industry Services (or its successors) pursuant to 1980 PA 278, as amended, MCL 423.321 et seq. (Employers Engaging in Unfair Labor Practices Act).

- 13.3.2. The Tenant or any subcontractor, manufacturer or supplier of the Tenant is found guilty of discrimination, pursuant to 1976 PA 453, as amended, MCL 37.2101 et seq. (Elliott-Larsen Civil Rights Act); or 1976 PA 220, as amended, MCL 37.1101 et seq. (Persons with Disabilities Civil Rights Act).
- 13.3.3. The Tenant's use of the Premises is in violation of local adopted ordinance, or recorded deed restrictions, or Landlord determines that Tenant is not using the Premises for the purposes allowed and provided in Section 1.
- 13.3.4. The Tenant fails to repair or restore the Premises for damage specified in Section 9.

- 14. **QUIET ENJOYMENT:** Tenant, upon payment of the aforementioned rent and the performance of the conditions outlined herein may peacefully and quietly have, hold, and enjoy the Premises - providing Tenant's use of the Premises shall at no time interfere with the Operations of the Landlord in the same and adjacent facilities belonging to the Landlord. Landlord may access the Premises as needed to perform its responsibilities under this Agreement and to make reasonable inspections of Landlord's property, both real and personal.
- 15. **NOTICES:** Any notice due the Landlord shall be complete if submitted in writing and transmitted by certified or registered mail return receipt requested. Unless changed by the Landlord, notices shall be transmitted to:

Administrator
 Michigan Department of Corrections
 Michigan State Industries
 Office of Employment Services
 5656 South Cedar Street
 Lansing, Michigan 48911

With a copy sent to:

Director
 Real Estate Division
 Michigan Department of Technology, Management and Budget
 P.O. Box 30026
 Lansing, Michigan 48909

Any notice due the Tenant shall be complete if submitted in writing and transmitted by certified or registered mail return receipt requested. Unless changed by the Tenant, notices shall be transmitted to:

Notices either issued or received shall be deemed effective as of 12:00 noon Lansing, Michigan time on the third business day following the date of mailing. Business day is defined as any day other than a Saturday, Sunday, legal holiday, or day preceding a legal holiday. A receipt from a U.S. Postal Service, or successor agency, performing such function shall be conclusive evidence of the date of mailing.

16. **MISCELLANEOUS PROVISIONS:**

16.1. **GOVERNING LAW:** This Agreement shall be governed by and interpreted in accordance

with the laws of the State of Michigan.

- 16.2. **MUTUAL DRAFTING:** The Agreement shall be interpreted and construed as drafted mutually by all parties.
- 16.3. **ENTIRE AGREEMENT AND ENCLOSURES:** This Agreement, with all Attachments as listed herein, constitutes the entire agreement between the parties with regard to this transaction and may be amended only in writing.
- 16.4. **SEVERABILITY:** Should any provision of this Agreement or any addenda thereto be found to be illegal or otherwise unenforceable by a court of law, such provision shall be severed from the remainder of the Agreement, and such action shall not affect the enforceability of the remaining provisions of the Agreement.
- 16.5. **WAIVER:** Failure to enforce any term of this Agreement shall not be deemed a waiver of the enforcement of that or any other term of this Agreement.
- 16.6. **EFFECTIVE DATE:** The effective date of this Agreement shall be the date of the last signature executing this Agreement.
- 16.7. **BINDING EFFECT:** This Agreement shall be binding upon and to the benefit of the heirs, executors, administrators and assigns of the Landlord and Tenant.
- 16.8. **REQUIRED APPROVALS:** This Agreement shall not be binding or effective on either party until approved by the Landlord and the Tenant.

17. **LIST OF ATTACHMENTS**

Attachment A - Survey map and legal description of the subject Premises (labeled as the "CARVE-OUT FOR SAWMILL" on the survey map.)

Attachment B - Camp Ottawa Sawmill Equipment List.

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IN WITNESS WHEREOF, the parties to this Agreement subscribe their names on the date set forth below.

Tenant: _____

Signature Date: _____

Print Name: _____
Title: _____

Landlord: **Department of Corrections**

Signature Date: _____

Print Name: _____
Title: _____

Landlord: Department of Technology, Management and Budget

Signature Date: _____

Terri L. Fitzpatrick
Director, Real Estate Division
Department of Technology, Management and Budget

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