

# **Livonia Public Schools**

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## ***Business Services Office***

Date: August 14, 2013

To: Randy Liepa, PhD., Superintendent

From: Lisa Abbey, Director of Business Services

Re: Leases

We have mailed our leases renewals for our buildings and properties to our tenants. Attached is a list of the lease agreements that have been sent out. Per the lease language, we have increased our lease rate 1.1% based on the cost of living index for the previous twelve month period. Generally, we have not increase our lease rates since the 2008-09 school year.

We are attaching one lease for renewal that has changed. Currently Livonia City Soccer Club (LCSC) leases fields at Taylor and Dickinson. Additionally, they lease some office space and the gymnasium at Taylor. They have requested to extend their current lease for three years and add the use of our turf fields at the high schools. We have worked with the secondary administrators and athletic directors and they are in agreement that this would work with their schedules. Specifically, LCSC could use one field each week on Saturday and Sunday for 8 hours, for 9 weeks in the spring and 9 weeks in the fall (see paragraph 2, section i). The district maintains the right to relocate LCSC if we have need of the field for school purposes. We have attached the draft of the lease for discussion oat the August 19, meeting.

We will keep you up to date on the status of all of our leases and bring them to the Board of Education for approval as we receive them. Please include this item on the August 19, 2013 Finance Committee agenda.

LA/kp

Attachment

## LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter "Lease") is made and entered into this 1st day of September, 2013 ("Effective Date"), by and between LIVONIA PUBLIC SCHOOLS, a Michigan general powers school district, whose address is 15125 Farmington Road, Livonia, Michigan 48154 (hereinafter referred to as "Landlord") and LIVONIA CITY SOCCER CLUB, a Michigan non-profit corporation, whose address is 36611 Curtis Road, Livonia, Michigan 48152 (hereinafter referred to as "Tenant").

### WITNESSETH:

**1. LEASE.** In consideration of the rents, covenants and conditions contained herein, Landlord hereby leases to Tenant and Tenant hires from Landlord the following parcels of real property (collectively the "Leased Premises") for its Soccer Programs (the "Program"):

- A. A portion of Taylor Elementary School, as identified in Attachment 1, located at 36611 Curtis Road, Livonia, Michigan 48152; and
- B. Access to 1 (one) of Landlord's three (3) High Schools' turf fields, as assigned to Tenant by Landlord.

**2. TERM:** The term of this Lease for the Leased Premises shall be as follows unless extended or terminated pursuant to Paragraph 30 hereof:

- A. For Taylor Elementary School: Landlord entered into a Lease Agreement dated September 1, 2010 ("Original Lease") which is set to expire on September 20, 2013. However, when this Lease is fully executed by both Landlord and Tenant, the Original Lease shall automatically terminate and this Lease shall have a term of three (3) years commencing the Effective Date and terminating on August 31, 2016 ("Taylor Lease Term").
- B. For the High Schools' Turf Fields: Landlord and Tenant shall mutually agree upon the dates and times of Tenant's use of the High Schools' turf fields with the following understanding:
  - i) Tenant may use one (1) field each week on Saturday and Sunday for up to eight (8) hours each day and for nine (9) weeks in the fall and for nine (9) weeks in the spring.
  - ii) Notwithstanding 2(B)(i) above, if Landlord requires use of the assigned field for a school purpose, it shall notify Tenant in writing, as soon as reasonably practicable, and either relocate Tenant to another location or allow Tenant to use the field during the week or credit Landlord for the amount pre-paid for use of that field on a pro-rata basis, as mutually agreed upon by the Landlord and Tenant.

- iii) With the agreement of both parties, days and times in paragraph (i) may be adjusted.

**3. RENT.** The Tenant shall pay to Landlord as annual rent for the Leased Premises during the Lease Term the sum of Forty Eight Thousand and 00/100 (\$48,000.00) Dollars (\$40,000.00 for use of Taylor Elementary School and \$8,000.00 for use of the turf fields) at the rate of Four Thousand and 00/100 Dollars per month (\$4,000.00) ("Rent"). Tenant shall pay to Landlord the monthly amount specified above for each month of the Lease Term commencing September 1, 2013. Rent will be paid to the order of Landlord, in advance, without any setoffs or deductions, on the first day of each and every month (the "Rent Day") at Landlord's address set forth in the preface of this Lease, or at such other place as Landlord may designate in writing.

**4. RENT DEPOSIT.** Tenant at the time of making the original lease agreement issued to the Landlord a deposit (\$1,000.00) for security purposes. At the termination of this lease, a determination will be made as to the rebate value of said deposit. Due consideration will be given to normal "wear and tear" in determining the amount of rebate.

**5. SERVICES.** The Landlord shall provide electrical utilities, water and heat to the premises. Tenant will provide its own custodial service and supplies. Tenant will also maintain outdoor fields as identified in Attachment A for soccer use. Tenant shall arrange for the installation of any telephones at its own cost and shall be responsible for any telephone charges. Snow removal is billed on a time and material basis. Minimum three hours and double time rates apply.

**6. INSURANCE.** In addition to the rentals hereinbefore specified, the Tenant agrees to pay as additional rental any increase on premiums for insurance against loss by fire that may be charged during the term of this lease on the amount of insurance now carried by the Landlord on the premises and on the improvements situated on said premises, resulting from the business carried on in the leased premises by the Tenant or the character of its occupancy, whether or not the Landlord has consented to the same.

**7. ADDITIONAL RENT.** If the Tenant shall default in any payment or expenditure other than rent required to be paid or expended by the Tenant under the terms hereof, the Landlord may at his option make such a payment or expenditure, in which event the amount thereof shall be payable as rental to the Landlord by the Tenant on the next ensuing rent day together with interest at ten (10%) percent per annum from the date of such payment or expenditure by the Landlord and on default in such payment the Landlord shall have the same remedies as on default in payment of rent.

The Tenant agrees that in the event the services provided by the Landlord are required at such time that the Landlord's employees are not required to work by contract agreement with the Landlord, Tenant shall absorb such additional costs or at a minimum their pro-rata share of such costs, including but not limited to custodial services, overtime or holiday wages, etc.

**8. PLACE OF PAYMENT.** All payments of rent or other sums to be made to the Landlord shall be made payable to Livonia Public Schools at 15125 Farmington Road, Livonia, Michigan 48154 or at such place as the Landlord shall designate from time to time.

**9. ASSIGNMENT.** The Tenant covenants not to assign or transfer this lease or hypothecate or mortgage the same or sublet said premises or any part thereof without the written consent of the Landlord. Any assignment, transfer, hypothecation, mortgage of subletting without said written consent shall give the Landlord the right to terminate this lease and to re-enter and repossess the leased premises.

**10. 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 be appointed for the business and property of the Tenant, or if any assignment shall be made of the Tenant's property for the benefit of creditors, then and in such event this lease may be cancelled at the option of the Landlord.

**11. RIGHT TO MORTGAGE.** The Landlord 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 Landlord's interest in the said premises and on the land and buildings of which the said premises are a part or upon any buildings hereafter placed upon the land of which the lease premises form a part. And the Tenant 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 Landlord and any mortgagees or proposed mortgagees and hereby irrevocably appoints the Landlord the attorney-in-fact of the Tenant to execute and deliver any such instrument or instruments for and in the name of the Tenant.

**12. USE.** It is understood and agreed between the parties hereto that the premises during the continuance of this lease shall be occupied exclusively as office space, meeting space and soccer training facility and for no other purpose or purposes or for any other commercial activity of any nature, without written consent of the Landlord. The Tenant agrees and shall not use the premises for any purpose in violation of any law, municipal ordinance or regulation, and that on any breach of this agreement the Landlord may at his option terminate this lease forthwith and re-enter and repossess the leased premises. Tenant will accept full responsibility for entering, locking and securing the facility in accordance with Landlord's security regulations.

**13. REPAIRS.** The Landlord after receiving written notice from the Tenant and having reasonable opportunity thereafter to obtain the necessary workmen, therefore, agrees to keep in good order and repair the roof and the four outer walls of the premises.

**14. INDEMNIFICATION.** The Tenant agrees and shall indemnify and hold Landlord harmless against all liabilities, damage to any person or property in, on or about said leased premises, or other expenses, including reasonable attorneys fees, which may be imposed upon, incurred by, or asserted against the Landlord from any act of neglect or default by Tenant occurring during the term of this lease, including any liability, damage or injury to the Tenant, its agents, employees, invitees or other persons entering the premises, or to goods and chattels therein, resulting from any defect in the structure or its equipment, or in the structure or equipment of structure of which the demised premises are a part. This obligation shall survive any termination of this lease.

**15. INSURANCE.** The Tenant will procure and keep in effect during the term hereof public liability and property damage insurance for the benefit of the Landlord in the sum of five hundred thousand (\$500,000) dollars for damages resulting to one person and one million (\$1,000,000) dollars for damages resulting from one casualty, and one hundred thousand (\$100,000) dollars property damage insurance resulting from any one occurrence. Tenant shall deliver said policies to the Landlord and upon Tenant's failure so to do the Landlord may at his option obtain such insurance the cost thereof shall be paid as additional rent due and payable upon the next ensuing rent day or terminate lease.

Except as provided in Paragraph 12 hereof, the Tenant further covenants and agrees that he will, at his own expense, during the continuation of this lease, keep the said premises and every part thereof in as good repair, and at the expiration of the term yield and deliver up the same in like

condition as when taken, reasonable use and wear thereof and damage by the elements expected. The Tenant shall not make any alterations, additions, or improvements to said premises without the Landlord's prior written consent, and all alterations, additions or improvements made by either of the parties hereto upon the premises, except movable office furniture and trade fixtures put in at the expense of the Tenant, shall be the property of the Landlord, and shall remain upon and be surrendered with the premises at the termination of this lease, without molestation or injury.

**16. SIGN.** All signage must comply with City of Livonia Sign Ordinance and be approved in advanced by the Landlord. Tenant shall be entitled to sign usage, advertising its business, in front of the leased premises. The cost for such signage, however, shall be borne solely by the Tenant. Any other signage (including any fixtures to the building of the leased premises) shall be allowed, and shall be at Tenant's sole cost. Tenant shall not place in, on or about any door or window any lettering, placard or window signs without first receiving Landlord's prior written consent.

**17. LANDLORD ACCESS.** The Tenant covenants and agrees that the Landlord may enter the demised premises at reasonable times and install or repair pipes, wires and other appliances or make any repairs deemed by the Landlord essential to the use and occupancy of other parts of the Landlord's building.

**18. EMINENT DOMAIN.** That in the event the premises, or any part thereof, are taken through exercise of the power of eminent domain, the entire award for damages to the premises, both leasehold and reversion, shall be the sole property of the Landlord, and the Tenant hereby assigns to the Landlord all the Tenant's right, title and interest in any joint award made pursuant to any such proceedings, and authorizes and empowers the Landlord in the name of the Tenant to receipt and give acquittance therefore, and to make, execute and deliver in the Tenant's name any release or other instrument that may be required to recover any such award or judgment.

In the event the entire premises are taken, rental shall be considered paid to date the Tenant is ousted pursuant to such proceedings, and all the other covenants and conditions of this lease having been performed, this lease shall be void. If less than the whole be taken, the Landlord may at the Landlord's option restore the remainder of the premises. In event the Landlord shall elect not to restore the building, this lease shall be void in the same manner as is above provided, in event the entire premises are taken.

**19. RESERVATION.** The Landlord reserves the right of free access at all times to the roof of said leased premises and reserves the right to rent said roof for advertising purposes. The Tenant shall not erect any structures for storage or any aerial, or use the roof for any purpose without the consent in writing of the Landlord.

**20. COMPLIANCE WITH LAWS.** The Tenant shall at his own expense under penalty of forfeiture and damages promptly comply with all lawful laws, orders, regulations or ordinances of all municipal, County and State authorities affecting the premises hereby and the cleanliness, safety, occupation and use of same.

**21. CONDITION OF PREMISES AT TIME OF LEASE.** The Tenant further acknowledges that he has examined the said leased premises prior to the making of this lease, and knows the condition thereof, and that no representations as to the condition or state of repairs thereof have been made by the Landlord, or his agent, which are not herein expressed, and the Tenant hereby accepts the leased premises in their present condition at the date of the execution of this lease.



**22. DISCLAIMER.** The Landlord shall not be responsible or liable to the Tenant for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to or connected with the premises hereby leased or any part of the building of which the leased premises are a part or for any loss or damage resulting to the Tenant or his property from bursting, stoppage or leaking of water, gas, sewer or steam pipes.

**23. HOLDING OVER** It is hereby agreed that in the event of the Tenant herein 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 shall be in the amount 1 ½ times monthly hereunder.

**24. ACCESS TO PREMISES.** The Landlord shall have the right to enter upon the leased premises at all reasonable hours for the purpose of inspecting the same. If the Landlord deems any repairs necessary, he may demand that the Tenant make the same if the Tenant refuses or neglects forthwith to commence such repairs and complete the same with 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 his stock or business by reason thereof, and if the Landlord makes or causes to be made such repairs, the Tenant agrees that he will forthwith on demand pay to the Landlord the cost thereof with interest at 10% annum, and if he shall make default in such payment the Landlord shall have the remedies provided in Paragraph 7 hereof.

**25. RE-ENTRY.** In case any rent shall be due and unpaid or if default be made in any of the covenants herein contained, or if said leased premises shall be deserted or vacated, then it shall be lawful for the Landlord, his certain attorney, heirs, representatives and assigns, to re-enter into, repossess the said premises and the Tenant and each and every occupant to remove and put out.

**26. QUIET ENJOYMENT.** The Landlord covenants that the said Tenant, on payment of all the aforesaid installments and performing all the covenants aforesaid, shall and may peacefully and quietly have, hold and enjoy the said demised premises for the term aforesaid.

**27. EXPENSES-DAMAGES RE-ENTRY.** In the event that the Landlord shall, during the period covered by this lease, obtain possession of said premises by re-entry, summary proceedings, or otherwise, the Tenant hereby agrees to pay out the Landlord the expense incurred in obtaining possession of said premises including attorney's fees and court costs, and also all expenses and commissions which may be paid in and about the letting of the same, and all other damages.

**28. REMEDIES NOT EXCLUSIVE.** It is agreed that each and every of the rights, remedies and benefits provided by this lease shall be cumulative, and shall not be exclusive of any other of said rights, remedies and benefits, or of any other rights, remedies and benefits allowed by law.

**29. WAIVER.** One or more waivers of any covenant or condition by the Landlord shall not be construed as a waiver of a further breach of the same covenant or condition.

**30. NOTICE.** 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 his last known Post Office address or at the leased premises and deposited in the mail with postage prepaid.

**31. OPTION TO EXTEND OR RENEW.** Any renewal or extension of this agreement shall be subject to a review and renegotiation of all terms and conditions as approved by LIVONIA PUBLIC SCHOOLS SCHOOL DISTRICT. The rental rate for such extensions or renewal periods shall increase

at a rate consistent with the percentage increase in the cost of living index for the previous twelve month period. As used herein, the cost of living index shall be the ALL ITEMS CONSUMER PRICE INDEX FOR URBAN WAGE EARNERS FOR THE DETROIT, MICHIGAN METROPOLITAN AREA.

**32. OPTION TO TERMINATE.** It shall be understood and agreed between the parties that upon a written ninety (90) days notice to the Tenant, the Landlord reserves the right to terminate said Lease Agreement if it becomes necessary to use the facility for its own purposes.

**33. TAXES AND ASSESSMENT.** Landlord shall use its best efforts to maintain the current tax exempt status for the premises. However, should a possessory interest tax or any other personal property or real property tax or assessment whatever be assessed against the Landlord or the premises as a result of this lease of the premises, the Tenant agrees to and shall pay it pro-rata share of all such foregoing taxes and assessments and charges prior to the date of delinquency thereof and given written notice of each such payment to the Landlord within five (5) days after such payment is made. Tenant may contest the validity or amount of such taxes or assessments, but shall hold Landlord harmless with respect to any such contest. Tenant's pro-rata share of any such taxes shall be the ratio of the square feet in the demised premises to the total number of square feet of leasable space in the entire premises which is assessed for such taxes.

**34. MISCELLANEOUS.** It is agreed that in this lease the word "he" shall be used as synonymous with the words "she," "it" and "they," and the word "his" synonymous with the words "her," "its" and "their."

**35. WAIVER OF SUBROGATION AND RIGHTS OF RECOVERY.** In the event of fire and other damage to the premises or personal property leased, the parties mutually waive their rights of subrogation and recovery against each other, their agents or employees to the extent that they are insured or are required to carry insurance for said loss.

The covenants, conditions and agreement made and entered into by the parties hereto are declared binding on their respective successors, representatives and assigns.

**IN WITNESS WHEREOF,** the parties have accepted this Agreement at a duly authorized meeting and their authorized designated representatives have hereunto set their hands and seals and day and year first above written.

**IN THE PRESENCE OF:**

**LIVONIA PUBLIC SCHOOLS**

By: \_\_\_\_\_  
**Lisa Abbey**  
**Director of Business Services**

By: \_\_\_\_\_  
**Livonia Board of Education President**

By: \_\_\_\_\_

By: \_\_\_\_\_  
**Livonia Board of Education Secretary**

**IN T HE PRESENCE OF:**

By: \_\_\_\_\_

By: \_\_\_\_\_  
**Livonia City Soccer Club**

## ATTACHMENT A

List of outdoor fields for the lease agreement between Livonia Public Schools and Livonia City Soccer Club

Term: September 1, 2013 – August 31, 2016

Churchill High School outdoor fields  
8900 Newburgh Rd  
Livonia MI 48150

Franklin High School outdoor fields  
31000 Joy Rd  
Livonia MI 48150

Stevenson High School outdoor fields  
33500 Six Mile Rd  
Livonia MI 48152