

## LEASE AGREEMENT

THIS LEASE, made this first day of **July 1, 2013**, by and between LIVONIA PUBLIC SCHOOLS SCHOOL DISTRICT, the Lessor (hereinafter designated as the Lessor) and GARFIELD COOPERATIVE PRESCHOOL, INC., the Lessee (hereinafter designated as the Lessee).

### WITNESSETH

1. **LEASE.** The Lessor, in consideration of the rents to be paid and the covenants and agreements to be performed by the Lessee, does hereby lease unto the Lessee the following described premises situated in the City of Livonia, Wayne County, Michigan, to wit:

A portion of the property known as Marshall Elementary School, located at 33901 Curtis, Livonia, Michigan, and set forth on the plan of said school attached as Exhibit "A" as follows: Classroom #1 - consisting of 1,156 square feet.

for a term of one (1) year from and after **July 1, 2013 – June 30, 2014**, fully to be completed and ended the Lessee yielding and paying during the continuance of this lease unto the Lessor for annual rent of said premises the amount of **Nine Thousand Five Hundred, Ninety-Nine and .00/100 dollars (\$9,599.00)**. The monthly payment of **Seven Hundred, Ninety-Nine and .92/100 (\$799.92)** is due on the first of each month for the term of the lease.

1a. **RENT DEPOSIT.** The Lessee at the time of making this Lease Agreement has issued to the Lessor a deposit for security purposes, in the amount of \$1,000.00. 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.

2. **RENT.** The Lessee hereby hires the said premises for the said term as above mentioned and covenants well and truly to pay, or cause to be paid unto the Lessor at the dates and times above mentioned, the rent above reserved.

3. **SERVICES.** The Lessor shall provide minimal custodial service, electrical utilities, water, heat, and security to the facility. Lessee shall arrange for installation and service for all telephone charges. Lessee shall have its own program supplies including; hand soap, paper towels, toilet paper, and garbage bags. Lessor shall continue to supply those materials and supplies necessary for servicing the premises.

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

5. **ADDITIONAL RENT.** If the Lessee shall default in any payment or expenditure other than rent required to be paid or expended by the Lessee under the terms hereof, the Lessor may at his option make such payments or expenditure, in which event the amount thereof shall be payable as rental to the Lessor by the Lessee on the next ensuing rent day

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together with interest at ten (10%) percent per annum from the date of such payment or expenditure by the Lessor and on default of such payment the Lessor shall have the same remedies as on default in payment of rent.

The Lessee agrees that in the event the services provided by the Lessor are required at such time that the Lessor or his or her representative are not required to work by contract agreement with the Lessor, Lessee 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.

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

7. **ASSIGNMENT.** The Lessee 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 Lessor. Any assignment, transfer, hypothecation, mortgage or subletting without said written consent shall give the Lessor the right to terminate his lease and to re-enter and repossess the leased premises.

8. **BANKRUPTCY AND INSOLVENCY.** The Lessee agrees that if the estate created hereby shall be taken in executions, or by other process of law, or if the Lessee shall be declared bankrupt or insolvent, according to law, or any receiver be appointed for the business and property of the Lessee or if any assignment shall be made of the Lessee's property for the benefit of creditors, then and in such event this lease may be cancelled at the option of the Lessor.

9. **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 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 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.

10. **USE.** It is understood and agreed between the parties hereto that the premises during the continuance of this lease shall be occupied exclusively for operating a cooperative nursery and for no other purpose or purposes or for any other commercial activity of any nature, without written consent of the lessor. The Lessee 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 Lessor may at his option terminate this lease forthwith and re-enter and repossess the leased premises.

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11. **FIRE.** It is understood and agreed that if the premises hereby leased be damaged or destroyed in whole or in part by fire or other casualty during the term hereof, the Lessor will repair and restore the same to good tenantable condition with reasonable dispatch, and that the rent herein provided for shall abate entirely in case the entire premises are untenable and pro rata for the portion rendered untenable, in case a part only is untenable, until the same shall be restored to a tenantable condition; provided however, that if the Lessee shall fail to adjust his own insurance or to remove his damaged goods, wares, equipment or property within a reasonable time, and as a result thereof the repairing and restoration is delayed, there shall be no abatement of rental if such fire or other cause damaging or destroying the lease premises shall result from the negligence or willful act of the Lessee, his agents or employees, and provided further that if the Lessee shall use any part of the Leased premises for storage during the period of repair a reasonable charge shall be made therefor against the Lessee, and provided further that in case the leased premises, or the building of which they are a part, shall be destroyed to the extent of more than one-half of the value thereof, the Lessor may at his option terminate this lease forthwith by a written notice to the Lessee.

12. **REPAIRS.** The Lessor after receiving written notice from the Lessee 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.

13. **INDEMNIFICATION.** The Lessee agrees and shall indemnify and hold Lessor 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 Lessor from any act of neglect or default by Lessee occurring during the term of this lease, including any liability, damage, or injury to the Lessee, 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.

14. **INSURANCE.** The Lessee will procure and keep in effect during the term hereof public liability and property damage insurance for the benefit of the Lessor 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. Lessee shall deliver said policies to the Lessor and upon Lessee's failure so to do the Lessor may at his option obtain such insurance the cost thereof shall be paid as additional rent due and payable on the next ensuing rent day.

15. **REPAIRS AND ALTERATIONS.** Except as provided in paragraph 12 hereof, the Lessee 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 a 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 Lessee shall not make any alterations,

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additions, or improvements to said premises without the Lessor's 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 Lessee, shall be the property of the Lessor, and shall remain upon and be surrendered with the premises at the termination of this lease, without molestation or injury. Lessee shall, within the scope of this agreement, be permitted to install kitchen facilities. Such facilities shall be in complete compliance with any and all regulations pertinent to said installations.

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

17. **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 Lessor, and the Lessee hereby assigns to the Lessor all the Lessee's right, title and interest in any joint award made pursuant to any such proceedings, and authorizes and empowers the Lessor in the name of the Lessee to receipt and give acquittance therefor, and to make, execute and deliver in the Lessee'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 the date the Lessee 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 Lessor may at the Lessor's option restore the remainder of the premises.

In the event the Lessor 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.

18. **RESERVATION.** The Lessor 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 Lessee shall not erect any structure for storage or any aerial, or use the roof for any purpose without the consent in writing of the Lessor.

19. **COMPLIANCE WITH LAWS.** The Lessee 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 leased and the cleanliness, safety, occupation and use of same.

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20. **CONDITION OF PREMISES AT TIME OF LEASE.** The Lessee 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 conditions or state of repairs thereof have been made by the Lessor, or his agent, which are not herein expressed, and the Lessee hereby accepts the leased premises in their present condition at the date of the execution of this lease.

21. **DISCLAIMER.** The Lessor shall not be responsible or liable to the Lessee for any loss or damage that may be occasioned by or through the acts or omissions of person 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 Lessee or his property from bursting, stoppage or leaking of water, gas, sewer or steam pipes.

22. **HOLDING OVER.** It is hereby agreed that in the event of the Lessee 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.

23. **ACCESS TO PREMISES.** The Lessor shall have the right to enter upon the lease premises at all reasonable hours for the purpose of inspecting the same. If the Lessor deems any repairs necessary, he may demand that the Lessee make the same if the Lessee refuses or neglects forthwith to commence such repairs and complete the same with reasonable dispatch, the Lessor may make or cause to be made such repairs and shall not be responsible to the Lessee for any loss or damage that may accrue to his stock or business by reason thereof, and if the Lessor makes or causes to be made such repairs, the Lessee agrees that he will forthwith on demand pay to the Lessor the cost thereof with interest at 10% per annum, and if he shall make default in such payment the Lessor shall have the remedies provided in paragraph five hereof.

24. **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 Lessor, his certain attorney, heirs, representatives and assigns, to re-enter into, repossess the said premises and the Lessee and each and every occupant to remove and put out.

25. **QUIET ENJOYMENT.** The Lessor covenants that the said Lessee, 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.

26. **EXPENSES-DAMAGES RE-ENTRY.** In the event that the Lessor shall during the period covered by this lease, obtain possession of said premises by re-entry proceedings, or otherwise, the Lessee hereby agrees to pay out the Lessor the expense incurred in obtaining possession of said premises, and also all expenses and commissions which may be paid in and about the letting of the same, and all other damages.

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27. **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 said rights, remedies and benefits, or of any other rights, remedies and benefits allowed by law.

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

29. **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 Lessee is in writing addressed to the Lessee at his last know Post Office address or at the leased premises and deposited in the mail with postage prepaid.

30. **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 extension 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.

31. **OPTION TO TERMINATE.** It shall be understood that upon a written one hundred and eighty (180) days notice to the Lessee, the Lessor reserves the right to terminate said Lease Agreement if it becomes necessary to use the facilities for its own purposes.

32. **TAXES AND ASSESSMENTS.** Lessor 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 Lessor or the premises as a result of the lease of the premises, the Lessee agrees to and shall pay its 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 Lessor within (5) five days after such payment is made. Lessee may contest the validity or amount of such taxes or assessments, but shall hold Lessor harmless with respect to any such contest. Lessee'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.

33. **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."

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

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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 the day and year first above written.

**IN THE PRESENCE OF:                      LIVONIA PUBLIC SCHOOLS SCHOOL DISTRICT**

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

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

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

**IN THE PRESENCE OF:                      GARFIELD CO-OP NURSERY**

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

**By: \_\_\_\_\_**  
**Garfield Co-op President**