

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter "Lease") is made and entered into this ____ day of _____ 2011 (hereinafter "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 **METRO BASKETBALL ASSOCIATION**, a Michigan non-profit corporation, whose address is 411 N. Military, Dearborn, Michigan 48124 (hereinafter referred to as "Tenant").

Recitals

1. The Landlord is the owner of a parcel of real property in the City of Livonia, County of Wayne, State of Michigan, commonly known as _____, _____, Michigan _____ (the "Property").
2. Tenant desires to lease a portion of the Property (the "Premises" as further defined in Section I below) to use in connection with its operations.
3. Landlord desires to lease the Premises to Tenant and grant Tenant the right to use the Premises in accordance with the terms and conditions of this Lease.

NOW, THEREFORE, for and in consideration of the Rent and other good and valuable consideration to be paid by Tenant to Landlord, Landlord and Tenant agree to the following:

I. OPTION TO LEASE

- A. In consideration of the sum of 100⁰⁰ and 00/100 Dollars (\$ 100⁰⁰) (the "Option Fee"), Landlord hereby grants Tenant, for a period of 30 months commencing on the Effective Date and continuing for thirty (30) months (the "Option Term"), an option (the "Option") to lease a certain portion of the Property containing approximately _____ square feet, and more particularly described and depicted on Exhibit A, attached hereto and incorporated herein by reference (the "Premises").
- B. During the Option Term, Tenant and its agents, engineers, surveyors and other representatives shall have the right to enter upon the Property solely to inspect, examine, conduct soiling testing and soil borings, drainage testing, and other geological or engineering tests or studies on the Premises that Tenant may deem necessary or desirable to determine the physical condition, feasibility and suitability of the Premises for Tenant's intended use (the "Tests"). Additionally, during the Option Term, Tenant shall have the right to apply for and obtain licenses, permits, approvals, or other relief required of or deemed necessary or appropriate at Tenant's discretion for its use of the Premises and include, without limitation, applications for zoning approvals, special use permits, and construction permits (collectively, the "Government Approvals"), and initiate the ordering and/or scheduling of necessary utilities. All Tests, Governmental Approvals and other activities of Tenant contemplated herein shall be performed at Tenant's sole costs and expense. At all times during the Option Term, Tenant agrees that it will provide at least three (3) days written notice to Landlord prior to any of its engineers, surveyors, employees, agents, contractors or subcontractors entering the Property or Premises to perform any Tests on, to or under the Property or Premises. Landlord, in its sole discretion, may accompany Tenant and/or Tenant's employees, representatives, contractors or subcontractors during such Tests. During said Option Term, Tenant shall

keep and maintain insurance which covers such activities and Tests as set forth in Section VIII. Tenant shall use its best efforts to minimize interference with Landlord's and any other of Landlord's tenants' or occupants' use of the Property or Premises during any Tests. Tenant shall keep confidential any results of any Tests, unless otherwise required by law. Tenant shall restore the Property and/or Premises to its condition as it existed at the commencement of the Option Term. In addition, Tenant shall indemnify, defend and hold Landlord harmless from and against any and all injury, loss, damage or claims arising directly out of Tenant's Tests or other use of the Property and/or Premises during the Option Term, which obligation shall survive the expiration or earlier termination of this Lease. Landlord and Tenant expressly acknowledge and agree that Tenant's access to the Property and/or Premises during this Option Term shall be solely for the limited purpose of performing the Tests outlined above.

- C. During the Option Term, Tenant may exercise its Option by notifying Landlord in writing, provided, however, as a condition of Tenant's right to exercise the Option, Tenant shall submit to Landlord sufficient documentation evidencing Tenant has secured all appropriate funding to construct the Facility (as defined in Section IV below). If Tenant exercises the Option, then Landlord leases the Premises to Tenant subject to the terms and conditions of this Lease commencing on the date set forth in Section II below. If Tenant does not exercise the Option during the Option Term, this Lease will terminate and the parties will have no further liability to each other unless otherwise specified in this Lease.

II. TERM

- A. If Tenant exercises the Option, the term of this Lease shall commence upon the date set forth in the Lease Commencement Form executed by both Landlord and Tenant, which sample is attached hereto and incorporated herein by reference as **Exhibit B** and once executed shall be attached hereto and replace the sample form (the "Lease Commencement Date"), and shall continue for a period of thirty (30) years unless otherwise terminated as provided for herein (the "Term"). Tenant acknowledges that it has not expectation of a lease beyond the Term.
- B. Any holding over by the Tenant after the expiration or termination of this Lease, without the consent of Landlord, shall be construed to be a tenancy from month-to-month and the Rent to be paid by Tenant shall be at an amount equal to two (2) times the Rent required to be paid by Tenant under Section 3 hereof. Acceptance by Landlord of such payments after such expiration or termination shall not constitute a renewal of this Lease. This provision shall not operate as a waiver of Landlord's right to re entry or any other right of Landlord, and Tenant shall be a Tenant-at-sufferance only during the period of any such holding over without the consent of Landlord.

III. RENT

- A. Tenant shall pay Landlord as rent for the Premises during the Term the annual sum of Twenty Thousand and 00/100 Dollars (\$20,000.00) per year, which shall be payable in monthly installments of One Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$1,666.67)(the "Rent"). Tenant shall pay to Landlord the annual amount specified above for each year of the Term, with the first monthly Rent payment due on the Lease Commencement Date. Thereafter, Rent shall be paid monthly to the order of Landlord, in advance, without any setoffs or deductions,

on or before the first day of each 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.

- B. If this Lease is terminated prior to the expiration of the Term, which results in a partial month of use and occupancy by the Tenant, Rent shall be pro-rated accordingly.
- C. If Tenant fails to pay the Rent when due, interest shall accrue on all unpaid Rent from the due date until such Rent is paid, at the lesser of six percent (6%) per annum, or the maximum rate permitted by law.

IV. PERMITTED USE OF PREMISES

- A. Subject to the terms and conditions of this Lease, Tenant may use the Premises for the construction, maintenance, operation, repair, replacement and upgrade of an indoor sports facility (the "Facility") and for no other purposes without the express prior written consent of Landlord (collectively the "Permitted Use").
- B. Tenant shall, at its sole cost and expense, be obligated to construct the Facility and develop the Premises substantially in accordance with its planned use and concept dated _____, 2011 which is attached hereto and incorporated herein by reference as **Exhibit C** (the "Concept Plan"). Furthermore, the construction and installation of the Facility, including all necessary land development, permitting and Governmental Approvals, shall be done in a professional and workmanlike manner and in compliance with all applicable local, state and federal laws, including, to the extent applicable, those laws pertaining to school building construction, being the Michigan Revised School Code, MCL 380.1 *et seq.*, the School Building Construction Act, MCL 388.851 *et seq.*, the Stille-Derossett-Hale Single State Construction Code Act, MCL 125.1501 *et seq.*, and the Michigan Building Code (collectively the "Construction Acts"). Tenant shall submit all appropriate applications to the State of Michigan Department of Education (the "MDE") and/or the State of Michigan Department of Licensing and Regulatory Affairs ("LARA"), as well as the City of Westland and any other governmental agencies having jurisdiction over the Premises or as required by the Construction Acts and receive all appropriate approvals prior to commencing any construction or installation of the Facility. Additionally, any and all plans, permits or other filings with the MDE, LARA or any other governmental agency must be substantially in accordance with the Concept Plan and must be submitted to the Landlord at least three (3) business days prior to any such filing and approved by the Landlord prior to such filing. Tenant acknowledges and agrees that it shall obtain a K-12 occupancy permit from the MDE in connection with the Facility.
- C. Tenant shall cause all construction to occur lien-free and in compliance with all other applicable laws and ordinances. If any such construction liens shall attach, Tenant shall bond it off or otherwise cause it to be discharged within thirty (30) days from the date of its filing.
- D. Tenant shall, at Tenant's sole cost and expense, keep and maintain the Facility now or hereafter located on the Premises, and the Premises, in a commercially reasonable condition and repair during the Term of this Lease. Tenant agrees to comply with all applicable governmental laws, rules, statutes and regulations, as well as any applicable Landlord policies or procedures, relating to its use of the Premises and the Facility.

- E. Tenant's use of the Premises and Facility shall not interfere with Landlord's use and enjoyment of the remainder of the Property.
- F. Landlord and Tenant agree that Landlord may have access to and use of the Facility, free of charge, when it is not being used by Tenant, provided that such use does not interfere with Tenant's scheduled use of the Facility and that Landlord follows all of Tenant's standard scheduling protocol.
- G. Tenant shall not use the Premises or permit the Premises to be used for the doing of any act or thing that constitutes a violation of any valid law, order or regulation of any governmental authority. Tenant shall use and occupy the Premises subject to all Landlord policies, procedures and regulations. Tenant shall not perform any acts or carry on any practices which may injure the Premises or the Property, or be a nuisance and shall keep the Premises under its control clean and free from rubbish and dirt at all times.

V. ACCESS TO PREMISES AND PARKING

- A. As partial consideration for Rent paid under this Lease, Landlord hereby grants Tenant licenses on, under and across the Property for ingress, egress, utilities and access adequate to install and maintain utilities, including, but not limited to, the installation of power and telephone service cable, and to service the Premises and the Facility at all times during the Term of this Lease (collectively the "Licenses"). The Licenses provided hereunder shall be located as generally depicted in **Exhibit A** and have the same term as this Lease. If the Licenses referenced herein are required to be located in a location(s) different from those depicted in **Exhibit A**, such different location(s) shall be subject to the prior written approval of Landlord. The Licenses shall run concurrent with the Term of this Lease and shall automatically terminate upon the expiration or earlier termination of this Lease.
- B. Throughout the Term of this Lease, Tenant shall have twenty-four (24) hour per day, seven (7) days per week access the Premises for pedestrian and vehicular traffic over the Property via the driveways depicted on **Exhibit A** (the "Driveways"). Tenant shall comply with all of Landlord's rules , regulations, policies and procedures regarding access to the Premises.
- C. Throughout the Term of this Lease, Tenant shall have the joint right to use the parking lot depicted on **Exhibit A** (the "Parking Lot"). Such joint use shall be in conjunction with the Landlord and Landlord's other tenants, occupants, invitees, licensees or users. Tenant shall comply with all of Landlord's rules, regulations, policies and procedures regarding use of the Parking Lot.

VI. UTILITIES

- A. Tenant, at its sole cost and expense, shall be responsible for securing all necessary utilities to operate the Facility. Tenant shall secure separate meters and accounts for all such utilities. If there is any interruption of service for an extended period of time, Landlord agrees to allow Tenant to bring a temporary power source to the Facility for the duration of the interruption. Landlord shall not be responsible for interference with, or interruption or failure of, any such services or utilities.
- B. If any utility companies require easements to be granted by Landlord in order to install any

utilities for the Premises or the Facility, Landlord agrees to reasonably cooperate with Tenant, at no cost or expense to Landlord, to grant such easements, provided such easements are located substantially in the same locations as the Licenses set forth in **Exhibit A**, and further provided that such easements do not interfere with Landlord's current or future use, enjoyment or development of the Property, in the Landlord's sole and absolute discretion.

VII. MAINTENANCE AND REPAIRS

- A. Tenant shall be responsible for all maintenance and repairs to the Facility and the Premises throughout the Term of this Lease.
- B. The Landlord shall be responsible for all reasonable maintenance and repair of the Driveways and Parking Lots, except that Tenant shall be responsible for all costs and expenses associated with any such maintenance and/or repair that is due to damage caused by Tenant, its employees, contractors, agents, invitees, licensees or customers. Notwithstanding the foregoing, Tenant, at its sole cost and expense, shall be responsible for all costs to maintain the Parking Lot between November 1 and April 30, including, but not limited to, removal of snow and ice and application of any salt or ice melt as necessary. Tenant agrees that it will only apply, or cause to be applied, salt or ice melt that complies with Landlord's policies and practices.

VIII. INSURANCE AND INDEMNIFICATION

- A. Tenant, at its sole cost and expense, shall procure and maintain throughout the Term commercial general liability insurance in an amount not less than One Million and 00/100 Dollars (\$1,000,000.00) for injury to or death of one person, and not less than Two Million and 00/100 Dollars (\$2,000,000.00) for injury or death of more than one person, in any one accident or occurrence; and property damage insurance with minimum limits of One Million and 00/100 (\$1,000,000.00) Dollars. The policy or policies of such insurance shall be written so as to include Landlord within the protection thereof by naming Landlord as an additional insured. Tenant agrees to deliver to Landlord, prior to taking occupancy of the Facility and upon the receipt of a request thereafter, either a duplicate original or certificate of all policies procured by Tenant in compliance with its obligations hereunder, together with evidence of payment thereof, and including an endorsement which states that such insurance may not be cancelled except upon ten (10) days written notice to Landlord. Tenant may, at its option, bring its obligation to insure under this Section within the coverage of any so called blanket policy or policies of insurance which it may now or hereafter carry, by appropriate amendment, rider, endorsement or otherwise; provided, however, that the interest of Landlord shall thereby be as fully protected as they would otherwise if this option to Tenant to use blanket policies were not permitted. Landlord reserves the right to increase the minimum limits of such insurance throughout the Term and Tenant shall comply with Landlord's commercially reasonable request.
- B. Prior to Tenant beginning any construction on the Premises or the Facility, Tenant shall in addition to maintaining the above-referred insurance coverages also procure and maintain throughout the construction of the Facility builder's risk insurance in the amount of Three Million and 00/100 (\$3,000,000.00) Dollars per building/improvement to insure against loss or damage to said building/improvement and shall deliver the policy(s) issued to the Landlord with premiums fully paid. If default is made by the Tenant in the payment of

insurance premiums or in the delivery of insurance as above provided, Landlord may pay such premiums or procure such insurance upon providing Tenant with ten (10) calendar day notice and pay the premiums therefore, payable by Tenant to Landlord forthwith, with interest at 10% per annum, or the maximum rate permitted by applicable law.

- C. Tenant agrees that it shall be responsible for all liability that may arise out of its, or its employees, contractors, agents, invitees, licensees or customers' activities performed in connection with any aspect of the construction or operation of the Facility or use of the Premises. Accordingly, Tenant agrees that it shall indemnify, defend and hold harmless the Landlord, its employees, administrators, and Board of Education members (in their individual and official capacities) from and against any and all claims, counter claims, suits, debts, demands, actions, judgments, liens, liabilities, costs, obligations, damages, or injuries to persons or properties, environmental issues, expenses, including actual attorney's fees and actual expert witness fees, arising out of or in connection with: (i) Tenant's and its employees, contractors, agents, invitees, licensees or customers' breach of any term or condition of this Lease; (ii) Tenant's and its employees, agents, representatives, engineers, inspectors, surveyors, contractors and subcontractors access to and use of the Premises in conjunction with any portion of the construction of the Facility; and (iii) any acts or omissions of Tenant, and its employees, agents, representatives, engineers, inspectors, surveyors, contractors and subcontractors in connection with their respective activities on the Premises or in conjunction with the operation of the Facility.

IX. ENVIRONMENTAL ISSUES

- A. Tenant and any of its employees, agents or contractors shall not use, generate, manufacture, transport, treat, store, process, dispose, discharge, emit, or release any Hazardous Materials at, on, under or from the Property or the Premises. Tenant also shall handle, transfer and dispose of any solid waste generated by Tenant or its agents or contractors on the Property or Premises in strict compliance with applicable Environmental Laws. "Hazardous Materials" shall mean (i) any hazardous or regulated substance as defined by Environmental Laws (ii) any other pollutant, contaminant, hazardous substance, solid waste, hazardous material, radioactive substance, toxic substance, noxious substance, hazardous waste, particulate matter, airborne or otherwise, chemical waste, medical waste, crude oil or any fraction thereof, radioactive waste, petroleum or petroleum-derived substance or waste, asbestos, PCBs, radon gas, all forms of natural gas, or any hazardous or toxic constituent of any of the foregoing, whether such substance is in liquid, solid or gaseous form, or (iii) any such substance the release, discharge or spill of which requires activity to achieve compliance with applicable law. "Environmental Laws" shall mean all federal, state and local environmental laws, including, but not limited to, The Hazardous Materials Transportation Act, (47 USC §§ 1801 et seq.), Federal Water Pollution Control Act (33 U.S.C. §§ 1251 et seq.) ("Clean Water Act"), the Resource Conservation & Recovery Act (42 U.S.C. §§ 6901 et seq.) ("RCRA"), Safe Drinking Water Act (42 U.S.C. §§ 300f-j-26), Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.), Clean Air Act (42 U.S.C. §§ 7401 et seq.), the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §§ 9601 et seq.) ("CERCLA"), the Emergency Planning and Community Right to Know Act, 42 U.S.C. §§ 11001 et seq. ("EPCRA"), the Michigan Natural Resources and Environmental Protection Act, MCL 324.101 et seq., the administrative rules and regulations promulgated under such statutes, or any other similar federal, state or local law or administrative rule or regulation of similar effect, each as amended or

supplemented. Tenant agrees as to the period from and after the Effective Date to defend, indemnify, and hold Landlord harmless at all times from (i) all fines, penalties, costs and/or expenses (including reasonable attorneys' fees and costs) incurred by Landlord as a result of claims, demands, causes of action and actions, suits, rights and damages, whether in law or in equity ("Claim(s)"), made by any party in connection with any Hazardous Materials used, generated, manufactured, transported, treated, stored, processed, disposed, discharged, emitted, or released, at, on, under, or from the Premises, from and after the Effective Date, and (ii) for injuries sustained or other tort actions brought for claims arising out of Tenant's failure to remove or remediate such Hazardous Materials. Such indemnification shall include all costs of removal or remediation of such Hazardous Materials. Tenant shall comply with all Environmental Laws relating to the Premises. Tenant shall immediately inform Landlord of any federal or state investigation or notice relating to a release of any Hazardous Materials at, on, under or from the Premises into the environment. Tenant shall immediately inform Landlord of any violation or notice of an alleged violation of any Environmental Laws relating to the Premises. Tenant shall be strictly liable to the Landlord for any release of Hazardous Materials at, on, under, or from the Premises after the Effective Date caused by Tenant or its agents and the indemnity provided by this Lease shall be continuing. This liability shall be a separate obligation of the Tenant and shall not be barred or extinguished by any default or termination of this Lease. Notwithstanding anything contained herein to the contrary, Tenant acknowledges that it has been provided with a copy of the Due Care Plan for the Property dated July 25, 2011 (NTH Project No. 62-090202-05), which Due Care Plan is incorporated herein by reference. Tenant represents and warrants that it has reviewed and will comply with the requirements and obligations contained in the Due Care Plan.

X. DEFAULT AND TERMINATION

A. The following will be deemed a default by Tenant and a breach of this Lease: (i) non-payment of Rent if such Rent remains unpaid for more than ten (10) days after receipt of written notice from Landlord of such failure to pay; or (ii) Tenant's failure to secure any necessary permits or approvals required by the Construction Acts, other applicable Federal or State laws, rules, regulations or ordinances, or this Lease; or (iii) Tenant's failure to perform any other term or condition under this Lease within thirty (30) days after receipt of written notice from Landlord specifying the failure. No such failure, however, will be deemed to exist if Tenant has commenced to cure such default within such period and provided that such efforts are prosecuted to completion with reasonable diligence. If Tenant remains in default beyond any applicable cure period, Landlord will have the right to terminate this Lease in accordance with Section X.B. herein, or exercise any and all rights and remedies available to it under law and equity, including the right to cure Tenant's default and Tenant shall be liable to reimburse Landlord for any such costs and expenses, as additional Rent.

B. This Lease may be terminated, without penalty or further liability, as follows:

1. by Landlord on thirty (30) days prior written notice to Tenant, if the Tenant remains in default under Section X.A. of this Lease after the applicable cure periods; or

2. by Landlord, immediately upon written notice to Tenant, if Tenant does not submit the necessary applications for Governmental Approvals, or if at any time, Tenant becomes insolvent or seeks protection of any U.S. Bankruptcy Court.

XI. STATUS OF FACILITY DURING TERM AND UPON TERMINATION

- A. After completion of construction of the Facility, all portions of the Facility will be and remain Tenant's personal property. Landlord covenants and agrees that no part of the Facility constructed, erected or placed on the Premises by Tenant will become, or be considered as being affixed to or a part of, the Property, it being the specific intention of Landlord that all improvements of every kind and nature constructed, erected or placed by Tenant on the Premises will be and remain the property of Tenant. Notwithstanding the foregoing, if Tenant defaults under this Lease and Landlord elects to terminate this Lease in accordance with the provisions of Section X, the Facility shall be forfeited and remain on the Premises and become the property of the Landlord at no cost to Landlord. Tenant agrees that it will cooperate with Landlord and execute any and all necessary documents to transfer ownership to Landlord.
- B. At the expiration of the thirty (30) year Term, provided that Tenant has paid all Rent due under this Lease and is otherwise not in default under this Lease, Tenant shall be eligible to purchase the Premises, including the Facility, in their then current AS-IS condition for the sum of One Hundred and 00/100 Dollars (\$100.00), subject to the following conditions:
 1. Tenant, at its sole cost and expense, shall secure an appropriate land division to split the Premises from the Property, which is being retained by the Landlord for its own use and/or future conveyance to third parties. Tenant shall also provide, at its sole cost and expense, a survey which accurately describes and reflects the Premises and the remaining portion of the Property and is certified to Landlord and Tenant. Once said survey is obtained and accepted by Landlord and Tenant, the legal description in the survey for the Premises shall become the legal description of the Premises.
 2. Tenant takes the Premises in its "AS IS" condition and Landlord has not made any representations or warranties whatsoever as to the condition of the Premises, including but not limited to, soil conditions of the Premises or the Facility, easements, building and use restrictions, availability of utilities, or any other matter contemplated in this Section. Upon closing, Tenant waives and releases Landlord from all claims or causes of action that Tenant may then have or thereafter have against Landlord relating to the condition of the Premises and the Facility.
 3. Tenant secures, at its sole cost and expense, all necessary approvals from any governmental agencies having jurisdiction over the Premises prior to Landlord executing any deed to transfer title to the Premises.
 4. Tenant and Landlord enter into a mutually agreeable "Use and Maintenance Lease" regarding the repair and maintenance of the Driveway and Parking Lot, prior to Landlord executing any deed to transfer title to the Premises.
 5. Landlord shall execute the Warranty Deed in the form attached hereto and made apart

hereof as **Exhibit D.**

XII. CONDEMNATION

- A. In the event Landlord receives notification of any condemnation proceedings affecting the Premises, Landlord will provide notice of the proceeding to Tenant within forty-eight (48) hours. If a condemning authority takes all of the Premises, or a portion sufficient, in Tenant's sole determination, to render the Premises unsuitable for Tenant, this Lease will terminate as of the date the title vests in the condemning authority. The parties will each be entitled to pursue their own separate awards in the condemnation proceeds, which for Tenant will include, where applicable, the value of its Facility, moving expenses, prepaid Rent, and business dislocation expenses. Tenant will be entitled to reimbursement for any prepaid Rent on a pro-rata basis.

XIII. CASUALTY

- A. If any part of the Facility or Premises is damaged by casualty, fire or other harm so as to render the Facility or Premises unsuitable, in Tenant's sole determination, then Tenant shall either cause the Facility to be repaired or re-built at its sole cost and expense, or may terminate this Lease by providing written notice to the Landlord, which termination will be effective as of the date Tenant demolishes any remaining portions of the Facility and restores the Premises to the condition substantially the same as it was prior to entering into this Lease. All such demolition shall be done in accordance with all applicable Federal, State and Local laws, rules, regulations and ordinances. Upon such termination, Tenant will be entitled to collect all insurance proceeds payable to Tenant on account thereof and to be reimbursed for any prepaid Rent on a pro-rata basis.

XIV. TAXES AND SPECIAL ASSESSMENTS

- A. Tenant shall be responsible for any and all taxes levied upon the Property due to Tenant's leasehold interest in, or improvements (including Tenant's Facility and equipment) on or use of the Premises. Landlord shall provide Tenant with copies of all assessment notices on or including the Premises immediately upon receipt, along with sufficient written documentation detailing any assessment increases attributable to the leasehold improvements, but in no event later than thirty (30) days after receipt by Landlord. Tenant shall have the right to contest, in good faith, the validity or the amount of any tax or assessment levied against the Premises and/or Property by such appellate or other proceedings as may be appropriate in the jurisdiction, and may pay under protest, or take such other steps as Tenant may deem appropriate. This right shall include the ability to institute any legal, regulatory or informal action in the name of Landlord, Tenant, or both, with respect to the valuation of the Property and/or Premises. Landlord, at no cost or expense to Landlord, shall cooperate in the institution and prosecution of any such proceedings and will execute any reasonable documents required therefore. The expense of any such proceedings shall be borne by Tenant and any refunds or rebates secured as a result of Tenant's action shall belong to Tenant.
- B. Tenant shall be responsible for any other taxes (including sales and use taxes) associated with the construction of the Facility, and any use or operation of the Premises or Facility by Tenant.

XV. ASSIGNMENT AND SUBLEASE

- A. Landlord may assign this Lease to any entity who purchases the Property. Except for the foregoing, neither Landlord nor Tenant shall have the right to assign this Lease or sublease the Premises and its rights or obligations herein, in whole or in part, without the other party's prior written consent.
- B. Notwithstanding anything contained herein to the contrary, Landlord and Tenant shall have the right to assign its interest to its parent company, or any of its constituent entities or their related entities, subsidiaries or affiliates, or to a successor entity in the event of merger, consolidation, transfer, sale stock purchase of ownership interest (stock or membership) or public offering (a "Permitted Assign"). An assignment or transfer of this Lease to a Permitted Assign shall not constitute an unauthorized assignment or transfer of this Lease and shall not require the consent of the other party, provided the assignor gives the other party prior written notice.

XVI. ENCUMBRANCES AGAINST LANDLORD'S TITLE TO PROPERTY

- A. Tenant covenants and agrees that it shall not use the Facility as collateral in any financing for construction thereof and that Tenant shall never have an indebtedness outstanding against the title to the above described Premises (for example, a mortgage or lien).

XVII. MISCELLANEOUS

- A. Counterparts. This Lease may be executed in any number of counterparts, none of which has been executed by all the parties hereto, each of which shall be deemed an original, and all of which when taken together, shall constitute one and the same instrument. Copies of signatures shall be deemed as effective as original signatures.
- B. Severability. Whenever possible, each provision of this Lease and all related documents shall be interpreted in such a manner as to be valid under applicable law, but to the extent any provision is invalid or prohibited under applicable law, such provision shall be ineffective to the extent of such invalidity or prohibition without invalidating the remainder of such provision or the remaining provisions of this Lease.
- C. Binding Agreement. This Lease shall be binding upon and inure to the benefit of the heirs, legal representatives, successors and assigns of the parties hereto.
- D. Governing Law. This Lease shall be governed by the laws of the State of Michigan, with venue being Wayne County, Michigan.
- E. Notices. Any notice under this Lease must be in writing, and will be effective when delivered personally, delivered by a national overnight delivery service, or three (3) business days after being deposited in the United States mail (postage prepaid, registered or certified). In the case of a notice from the Tenant to Landlord, notice must be provided to Landlord's Superintendent at the address set forth in the preamble of this Lease. In the case of a notice from Landlord to the Tenant, notice must be provided to the Tenant's _____ at the address set forth in the preamble of this Lease.
- F. Entire Agreement. The Tenant and Landlord agree this document is the entire agreement concerning the subject matter. Accordingly, this Lease supersedes any and all other understandings or agreement, verbal or written, and may not be modified except by another written agreement executed by a legally authorized representative of the Tenant

and Landlord.

- G. Compliance with Laws. Landlord and the Tenant shall abide by and adhere to all applicable federal, state and local laws, rules, regulations and ordinances pertaining to the performance of any of their respective obligations under this Lease.
- H. Invalidity of Provision. The invalidity of any article, section, subsection, clause or provision of this Lease shall not affect the validity of the remaining sections, subsections, clauses or provisions hereof which remain valid and be enforced to the fullest extent permitted by law.
- I. Captions. The captions in this Lease are inserted only as a matter of convenience and for reference and in no way define, limit, enlarge or describe the scope or intent of this Lease nor in any way shall affect this Lease or the construction of any provision hereof.
- J. Waiver. A party may not waive any default, condition, promise, obligation or requirement applicable to the other party hereunder, unless such waiver is in writing signed by an authorized representative of such party and expressly stated to constitute such waiver. Such waiver shall only apply to the extent given and shall not be deemed or construed to waive any such or other default, condition, promise, obligation or requirement in any past or future instance. No failure by a party to insist upon strict performance of any covenant, agreement, term, or condition of this Lease, or to the exercise any right or remedy in the event of default, shall constitute a waiver of any such default of such covenant, agreement, term or condition.
- K. Authorized Signatory. Each party represents that the individual executing this Lease is duly authorized by, and has the authority to execute this Lease and bind, the respective party.
- L. Memorandum of Lease. At the request of Tenant, the parties shall execute a recordable Memorandum of Lease substantially in the form attached as **Exhibit E**.
- M. Brokers. If either party is represented by any broker or any other leasing agent, such party is responsible for all commission fees or other payments to such agent, and agrees to hold the other party harmless from all claims by such broker or anyone claiming through such broker.

[Signatures on Following Page]

IN WITNESS WHEREOF: the parties hereto on this day execute this Lease Agreement as of the Effective Date.

LIVONIA PUBLIC SCHOOLS

METRO BASKETBALL ASSOCIATION

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

Exhibit A

Depiction and Description of the Premises

Attached

Exhibit B

Lease Commencement Form

This Lease Commencement Form is attached to and made a part of the Lease Agreement entered into on _____, 201__ (the "Lease") 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 **METRO BASKETBALL ASSOCIATION**, a Michigan non-profit corporation, whose address is 411 N. Military, Dearborn, Michigan 48124 (hereinafter referred to as "Tenant").

Pursuant to Section II.A of the Lease, the parties shall execute this Lease Commencement Form to establish the Lease Commencement Date of the thirty (30) year Term of the Lease.

Now therefore, the Landlord and Tenant mutually agree that the Lease Commencement Date under the Lease shall be _____, 201__.

LIVONIA PUBLIC SCHOOLS

METRO BASKETBALL ASSOCIATION

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

Exhibit C

Concept Plan for the Premises and Facility

Attached

Exhibit D

WARRANTY DEED

This Indenture, made the ____ day of _____, 20__ between **LIVONIA PUBLIC SCHOOLS**, a Michigan general powers school district, whose address is 15125 Farmington Road, Livonia, Michigan 48154 (hereinafter referred to as "Grantor") and **METRO BASKETBALL ASSOCIATION**, a Michigan non-profit corporation, whose address is 411 N. Military, Dearborn, Michigan 48124 (hereinafter referred to as "Grantee"). The Grantor hereby conveys and warrants to the Grantee the following described premises situated in the City of Westland, Wayne County, Michigan, described as:

A ____ +/- acre parcel, Sidwell Number _____, (the "Premises"),

Together with all tenements, hereditaments, appurtenances and improvements thereunto belonging or in any way appertaining for the sum of _____ and 00/100 Dollars (\$ _____ .00) paid to the Grantor.

Subject to:

1. Easements and building and use restrictions, if any;
2. Rights of the public, and any governmental authority in any part of the land taken, deeded, or used as a street, road or highway; and
3. Restrictions imposed by zoning ordinances or as part of a general plan, real property taxes and special assessments which become due at any time after the date of the Lease Agreement, dated _____, 201__ between the Grantor and Grantee, unfulfillment of which this Deed is executed and delivered, liens, charges and encumbrances which have accrued in respect of or attached to or upon the Premises through the acts or omissions of the Grantee or its assigns at any time after the date of said Lease Agreement, liens, charges and encumbrances which have accrued in respect of or attached to or upon the Premises through the acts or omissions of persons other than Grantor at any time after the date of said Lease Agreement.

Grantor grants to Grantee the right to make zero (0) divisions under Section 108 of the Michigan Land Division Act, being Act No. 288 of the Public Acts of 1967, as amended.

The Premises may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand the day and year first above written.

GRANTOR:

LIVONIA PUBLIC SCHOOLS

By: _____

Its: _____

STATE OF MICHIGAN)
)SS
COUNTY OF WAYNE)

On the ____ day of _____, 201____, before me personally appeared _____,
and acknowledged under oath that he/she is the _____ of Livonia Public Schools, and as such
was authorized to execute this instrument on behalf of the Livonia Public Schools.

_____, Notary Public
County, Michigan
Acting in _____ County
My commission expires: _____

This Instrument Drafted By:

Dana L. Abrahams, Esq.
CLARK HILL PLC
151 S. Old Woodward Ave., Suite 200
Birmingham, MI 48009

When Recorded Return to:

Grantee

Recording Fee: _____

Transfer Tax: ***Exempt pursuant to MCLA 207.505(h)(i) and 207.526(h)(i)***

Sidwell No: _____

Exhibit E

Memorandum of Lease

This Memorandum of Lease is entered into on _____, 201__ 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 **METRO BASKETBALL ASSOCIATION**, a Michigan non-profit corporation, whose address is 411 N. Military, Dearborn, Michigan 48124 (hereinafter referred to as "Tenant").

1. Landlord and Tenant entered into a certain Lease Agreement ("Lease") on the ____ day of _____, 201__, for the purpose of installing, operating and maintaining a sports and recreation facility and other improvements. All of the foregoing are set forth in the Lease.
2. The term of the Lease commenced upon _____, 201__ and extends for a term of thirty (30) years.
3. The portion of the land being leased to Tenant (the "Premises") is described in **Exhibit 1** attached hereto and incorporated herein by reference.
4. This Memorandum of Lease is not intended to amend or modify, and shall not be deemed or construed as amending or modifying, any of the terms, conditions or provisions of the Lease, all of which are hereby ratified and affirmed. In the event of a conflict between the provisions of this Memorandum of Lease and the provisions of the Lease, the provisions of the Lease shall control. The Lease shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject to the provisions of the Lease.

[Remainder of Page Left Intentionally Blank]

Notary Public:
Acting in: _____ County
My Commission Expires: _____

Exhibit 1 to Memorandum of Lease
Description of the Premises