

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION**

**Committee Meeting
May 12, 2025 - 6:30 PM
Riley Upper Elementary School
15555 Henry Ruff Rd
Livonia, MI 48154**

AGENDA

- I. AUDIENCE COMMUNICATIONS**
- II. COMMITTEE OF THE WHOLE**
Bradford, Chair; Acosta; Bradford; Burton; Frank; Jarvis; Johnson;
MacFarland
 - A. WRESA BOE Election - Consider Voting Designee**
 - B. WRESA BOE Election - Consideration of Candidates** 2
 - C. Quality Assurance Review Presentation** 6
T. O'Brien, D. Urso, L. Grezak
- III. BUILDING & SITE COMMITTEE**
Burton, Chair; Johnson; MacFarland
 - A. Approval of 2025-2026 Leases** 7
P. Francis
 - B. Consideration of Sale of Property** 51
P. Francis
- IV. FINANCE COMMITTEE**
Johnson, Chair; Acosta; Jarvis
 - A. Annual Appointment of Auditor** 69
A. Smith
 - B. Wayne RESA Budget** 81
A. Smith
- V. CURRICULUM COMMITTEE**
Acosta, Chair; Frank; MacFarland
 - A. Everyday Math Journal Purchase** 102
T. O'Brien
- VI. POLICY COMMITTEE**
Frank, Chair; Burton; Jarvis
 - A. Board Policy DFF - Post-Issuance Tax Compliance** 106
A. Smith
 - B. Board Policy DID - Audit/Published Statement** 113
A. Smith
 - C. Board Policy DJD - Expense Reimbursement** 114
A. Smith
- VII. LEGISLATIVE COMMITTEE**
Jarvis, Chair; Acosta; Frank
- VIII. PERSONNEL COMMITTEE**
MacFarland, Chair; Burton; Johnson

**RESOLUTION DESIGNATING LIVONIA PUBLIC SCHOOLS’
WAYNE RESA ELECTION REPRESENTATIVE**

May 19, 2025

A _____ meeting of the Board of Education (the “Board”) of the _____ School District, Wayne County, Michigan, was held on the ____ day of _____, 2025, at ____ o’clock in the _____.

The meeting was called to order by _____, President.

Present:

Absent:

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS:

1. The biennial election of the Board of the Wayne County Regional Educational Service Agency (“WRESA”) will be held on Monday, June 2, 2025; and
2. The members of the WRESA Board will be elected by an electoral body composed of one (1) person designated by the Board of each of the constituent school districts; and
3. In accordance with Section 380.614(2) of the Revised School Code, this Board must now adopt a resolution which designates its representative to the electoral body and directs said representative to vote on behalf of this school Board for the specific candidate(s) this Board supports for each position to be filled on the WRESA Board, at least on the first ballot taken by the electoral body.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. This Board does hereby approve the designation of _____ as the representative of this Board for the electoral body, and _____ as an alternate in the event the designated representative is unable to attend, which body will elect one candidate to the vacancy on the WRESA Board on Monday, June 2, 2025.
2. The designated representative is further directed to cast a vote on the first ballot on behalf of the Board for candidate(s) _____ and _____.

3. All resolutions and parts of resolutions insofar as they conflict with the provisions of the resolution be and the same are hereby rescinded.

Ayes:

Nays:

Motion declared adopted.

Madeline Acosta
Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of _____, Michigan hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board at a _____ meeting held on _____, 2025, the original of which resolution is a part of the Board's minutes and further certifies that notice of the meeting was given to the public under the Open Meetings Act, 1976 PA 267, as amended.

Madeline Acosta
Secretary, Board of Education



Wayne RESA Biennial Election
Monday, June 2, 2025

CANDIDATE BIOGRAPHICAL DATA
(optional)

BIOGRAPHICAL INFORMATION (100 WORDS OR LESS) ON THE NOMINATED CANDIDATE

CANDIDATE NAME Lynda Jackson

BIOGRAPHICAL INFORMATION:

Mrs. Lynda S. Jackson has served on the Wayne RESA Board of Education since 2001. In addition, she served 19 years on the Ecorse Public Schools Board of Education.

Mrs. Jackson is a member of the American Red Cross Southeast Michigan Region Board of Directors and she has also served as the Chair of the Governance Commission of NABSE and on the MASB Board of Directors.

Mrs. Jackson has achieved certified MASB President’s Award of Recognition and has been the recipient of the NSBA Distinguished Service Award and the NABSE Lifetime Achievement Award.

Signature of Candidate



Wayne RESA Biennial Election
Monday, June 2, 2025

CANDIDATE BIOGRAPHICAL DATA
(optional)

BIOGRAPHICAL INFORMATION (100 WORDS OR LESS) ON THE NOMINATED CANDIDATE

CANDIDATE NAME James Beri

BIOGRAPHICAL INFORMATION:

Mr. James S. Beri has served on the Wayne RESA Board since 1995. Additionally, he served 39 years on the Melvindale – Northern Allen Park Public School Board.

Mr. Beri retired from the Ford Land Development Company, where he served as Supervisor of Site Management Operations. He also served as the Melvindale City Administrator from 2010 to 2013, and as the Commissioner of Allen Park Housing. Currently, he is Executive Director of the Allen Park Chamber of Commerce and Chairman of Finance at Seaway Boat Club.

Mr. Beri has achieved certified MASB Award of Distinction – Level 3 status.

Signature of Candidate



Livonia Public Schools

Academic Services

Date: May 12, 2025
To: Andrea Oquist, Superintendent
From: Theresa O'Brien, Chief Academic Officer
Subject: School Improvement and Quality Assurance Review

I would like to request to be placed on the Curriculum Committee agenda for the May 12, Board of Education Committee of the Whole meeting with for a presentation of our School Improvement and QAR process. DeAnn Urso and Larry Grezak, Coordinators of District Innovation lead our QAR process and will be sharing this year's visits.

Thank you for your consideration of this request.



Date: May 9, 2025

To: Andrea Oquist, Superintendent

From: Phillip Francis, Assistant Superintendent of District Services

Re: 2025-2026 Lease Renewals

I would like to present and discuss lease renewals effective July 1, 2025 through June 30, 2026 at the next Committee of the Whole meeting on Monday, May 12, 2025. Lease renewals have been sent to lessees for their approval and to sign. If the Board approves the leases, I plan to have the tenants electronically signed and returned 2025-26 leases for the Board's approval at the regular voting meeting. There are four leases for renewal: Himawari Preschool at Niji-Iro, Little Tots at Cass, Garfield Cooperative Preschool at Garfield, and Learning Tree at Jackson

Please include this item on the agenda. Thank you.

Attachments

PF/AS

C: Board of Education

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter “Lease”) is made and entered into this **first day of July 2025** (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 **HIMAWARI PRESCHOOL.**, a Michigan Japanese-English preschool, whose address is 36611 Curtis, Livonia, Michigan, 48152 (hereinafter referred to as “Tenant”).

WITNESSETH:

1. Leased Premises: In consideration of the rents, covenants and conditions contained herein, and as further defined in Paragraph 2 of this Lease, Landlord hereby leases to Tenant and Tenant leases from Landlord a portion of the school building known as Garfield Community School, located at 36611 Curtis, Livonia, Michigan, 48152 (the “Leased Premises”).

2. Non-Exclusive Use of Leased Premises: During the Lease Term, Landlord and Tenant agree to Tenant’s use of the Leased Premises, as follows:

A. Joint use with Landlord and/or other Tenants

- Lobbies
- Hallways
- Parking Lot
- Restrooms

B. Exclusive Use by Tenant

- Classrooms #18, #19 and #20 and one (1) office
- Total space consisting of approximately 2,559 square feet

3. Term: The term of this Lease shall commence on the Effective Date (July 1, 2025) and terminate on June 30, 2026 (the “Lease Term”), unless extended pursuant to Paragraph 36 or terminated pursuant to Paragraph 37 hereof.

4. Rent: Tenant shall pay Landlord as annual rent for the Leased Premises during the Lease Term the sum of **Forty-three thousand, five hundred seventy-two Dollars and 00/100 (\$43,572.00)** at the rate of **Three thousand, six hundred thirty-one Dollars and 00/100 (\$3,631.00)** per month (“Rent”). Tenant shall pay to Landlord the monthly amount specified above for each month of the Lease Term, commencing the **Effective Date (July 1, 2025)**. 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.

5. Use of Leased Premises: Tenant shall use and occupy the Leased Premises for the sole purpose of conducting a preschool and for no other purpose(s) without the prior written consent of Landlord. Tenant shall not do or permit to be done any act or thing upon the Leased Premises that will increase the cost of casualty and liability insurance above the insurance costs normally associated with Tenant's principal activities as herein described. Tenant shall not use the Leased Premises or permit the Leased 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 Leased Premises subject to all School District policies, procedures and regulations of Landlord. Tenant shall not perform any acts or carry on any practices which may injure the Leased Premises or be a nuisance and shall keep the Leased Premises under its control clean and free from rubbish and dirt at all times, and it is further agreed that in the event the Tenant shall not comply with these provisions, and Landlord has given Tenant ten (10) days prior notification of such situation, Landlord may enter upon the Leased Premises and have any said rubbish and dirt removed, in which event Tenant agrees to pay all reasonable charges that Landlord shall pay for hauling rubbish and dirt. Said charges shall be paid to Landlord by Tenant as soon as a bill is presented to Tenant and Landlord shall have the same remedy as is provided in this Lease in the event of Tenant's failure to pay.

6. Acceptance of the Leased Premises: Tenant acknowledges that it has examined the Leased Premises prior to the making of this Lease and knows the conditions thereof. Tenant further acknowledges that no representation as to the condition or state of repairs thereof have been made by Landlord or its agents which are not herein expressed. Tenant hereby accepts the Leased Premises in its present "AS IS" condition as of the Effective Date.

7. Alterations and Improvements: Tenant shall not make any alterations, additions, or improvements to the Leased Premises without Landlord's prior written consent, which consent is in Landlord's sole and absolute discretion.

8. Maintenance and Repairs: Landlord after receiving written notice from the Tenant, and having reasonable opportunity thereafter to obtain the necessary workmen therefore, agrees to keep the Leased Premises in good order and repair as reasonably required to keep the Leased Premises in its current condition, normal wear and tear excepted; provided, however, Tenant shall be responsible for all damage to the Leased Premises caused by the negligence or willful acts of the Tenant and the Tenant's agents, representatives, employees, invitees, licensees and/or students.

9. Utilities: Landlord shall pay for the cost of all utilities supplied to the Leased Premises during the Lease Term. Landlord shall not be responsible for any loss or interruption of utility services.

10. Janitorial Services: Landlord shall furnish, at its own expense, all janitorial services for the operation of the Leased Premises. However, in the event the Tenant's use of the Leased Premises shall render the Leased Premises with excessive dirt and rubbish, as determined in the sole discretion of Landlord, the Tenant hereby agrees to reimburse Landlord for the direct expense that Landlord incurs in providing janitorial services to remediate such condition, including salary

and/or hourly wage of its employees or third-party contractors as well as any overtime expenses incurred and the cost of janitorial supplies.

11. Building Insurance: Landlord shall cause the building and its improvements to be insured against loss or damage under a policy or policies of fire and extended coverage insurance, including “additional perils” in amounts acceptable to Landlord.

12. Tenant’s Personal Property Insurance: Any personal property kept on the Leased Premises by Tenant shall be insured at Tenant’s sole risk, and Tenant shall acquire such policy or policies of insurance thereon as Tenant in its best judgment shall determine.

13. Tenant’s General Liability Insurance: Tenant, at its sole cost and expense during the Lease Term, shall maintain and keep in effect commercial general liability insurance in an amount not less than Two Million and 00/100 (\$2,000,000.00) Dollars for injury to or death of one person, or not less than Three Million and 00/100 (\$3,000,000.00) Dollars for injury or death of more than one person, in any one accident or occurrence and umbrella coverage in an amount not less than Five Million and 00/100 (\$5,000,000.00) Dollars; and property damage insurance with minimum limits of One Million and 00/100 (\$1,000,000.00) Dollars. Such policy or policies shall include cross liability and severability of interests clauses, and be written on an occurrence, and not claims-made, basis. Each of these policies shall be endorsed to name Landlord as an additional insured. Any insurance carried by Landlord shall be non-contributing and Tenant’s insurance shall be primary to any such insurance carried by Landlord. Such insurance obtained by Tenant shall be carried by an insurance company or companies licensed to do business in Michigan, and be on terms approved by Landlord. Duplicate original copies of said policies shall be delivered to Landlord. Tenant shall deliver to Landlord a certificate of insurance 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.

14. Indemnification: Tenant shall indemnify, defend and hold harmless Landlord and its Board of Education, its Board members in their official and individual capacities, its administrators, employees, agents, contractors, successors and assigns, from and against any and all claims, counter-claims, suits, debts, demands, actions, judgments, liens, liabilities, injuries, losses, costs, expenses and damages, including actual attorney’s fees and actual expert witness fees, arising out of or in connection with Tenant’s its agents’, representatives’, employees’, contractors’, licensees’ and invitees’ use and occupancy of the Leased Premises, from the negligence of Tenant, its agents’, representatives’, employees’, contractors’, licensees’ and invitees’ and/or from Tenant’s its agents’, representatives’, employees’, contractors’, licensees’ and invitees’ violation of any of the terms of this Lease. The indemnity obligations contained in this Paragraph shall survive the expiration or earlier termination of this Lease and shall not be limited by Tenant’s insurance obligations contained in this Lease.

15. Damage or Destruction - Fire or Other Cause: In the event of a partial destruction of the Leased Premises, the Landlord shall, as promptly as possible, unless Landlord shall elect not to rebuild, repair the same, provided such repairs can reasonably be made within ninety (90)

days (or within such other period as Landlord and Tenant may agree upon) from said destruction or damage under normal working conditions, and pursuant to applicable laws, ordinances, and regulations. In such case, this Lease shall not be terminated, but the Rent shall be abated proportionately for such portion of said Leased Premises as are not reasonably usable during the period while repairs are being made. In the event that such repairs cannot reasonably be made within ninety (90) days' time (or such other period as Landlord and Tenant may agree upon), or in the event Landlord shall elect not to rebuild, repair the same, either party hereto at its option may terminate this Lease upon written notice to the other. In any event, the destruction of substantially all of the Leased Premises shall cause this Lease to automatically terminate, without the requirement of notice.

16. Environmental Warranty: Tenant represents, warrants and covenants to Landlord the following:

A. Tenant's use of the Leased Premises and its activities thereon shall comply with all "Environmental Laws," "Environmental Law(s)" means any federal, state or local law, statute, code, ordinance, regulation, rule, judgment, order, decree, injunction, permit or restriction or closure, post closure, or remediation plan approved by a government agency or entity, relating to the environment, waste, hazardous substances or hazardous materials and shall include without limitation, and as amended, the Asbestos Hazard Emergency Response Act, 15 USCS Sec. 2641 et seq., the Solid Waste Disposal Act, 42 U.S.C. Sec. 6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Sec. 9601 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Sec. 1801 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Sec. 1251 et seq., the Clean Air Act, 42 U.S.C. Sec. 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. Sec. 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. Sec 300 et seq., the Rivers and Harbors Act, 33 U.S.C. Sec. 401 et seq., the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. Sec. 11001 et seq., the Oil Pollution Act of 1990, 33 U.S.C. Sec. 2701 et seq., and the Michigan Natural Resources and Environmental Protection Act (MCL § 324.101 et seq.). This definition is intended by the Parties to be amended as the applicable Environmental Laws are amended or enacted during the Lease Term.

B. Tenant shall not disturb, generate, manufacture, refine, use, treat, store, handle, transport, remove, dispose, transfer, produce or process Hazardous Substances on the Leased Premises. For purposes of this Lease, "Hazardous Substances" shall mean any substance or material regulated under any Environmental Law.

C. Tenant shall immediately and promptly notify Landlord of any disturbance, release, discharge, spill or emission of Hazardous Substances on, to or from the Leased Premises, and any complaint, summons, citation, notice, directive, order, claim, litigation, judicial or administrative proceeding, inquiry or investigation judgment, letter or other communication from any governmental agency, department, bureau, office or other authority, or any third party involving violations of any Environmental Law with respect to the Leased Premises.

D. In addition to the above, Tenant shall not disturb any Asbestos or Suspect Asbestos at the Leased Premises without prior, written authorization from Landlord. The Asbestos Management Plan for the Leased Premises will be made available to Tenant, at Tenant's request,

however, Tenant is responsible for all asbestos awareness or other training required of its employees, and for the sampling and confirmation for any area of the Leased Premises that will be disturbed by Tenant to confirm that there is no asbestos in compliance with all Environmental Laws.

17. Environmental Indemnification

A. Tenant hereby agrees to indemnify, defend and hold harmless Landlord, its successors, assigns, officers and members of its Board of Education and employees, from and against any and all fines, charges, penalties, losses, costs, damages, liabilities, injuries, cleanup or response activity costs and/or expenses (including reasonable attorneys' fees and actual consultants' fees) incurred by Landlord as a result of any claims, demands, actions, causes of action, suits, proceedings, investigations, assessments and audits, whether of law or in equity (collectively "Claims") attributable to (i) any third party claim or demand in connection with any Hazardous Substances disturbed, generated, stored, leaked, spilled, discharged, emitted, or otherwise disbursed, in, on, under, above or about the Leased Premises, or violation of any Environmental Laws, from and after the date of this Lease; (ii) injuries sustained or other tort actions brought for Claims arising out of or related to any Hazardous Substances; (iii) the presence, disposal (including off-site disposal), escape, leakage, discharge, emission, release or threatened release of any Hazardous Substances in, on, under, above, from or about the Leased Premises; and (iv) compliance with, defense of, and response to any administrative notice, order, request or demand from any governmental entity or agency related to any Hazardous Substances on the Leased Premises or violation of any Environmental Laws.

B. Tenant's indemnification described above specifically includes, but is not limited to, the direct obligation of the Tenant to promptly perform any remedial or other activities required or ordered by any administrative agency or government official, or are otherwise necessary to avoid injury or liability to any person or property, to prevent the spread of any pollution and/or contamination, or to permit the continued safe use of the Leased Premises.

18. Assignment and Subletting: Tenant shall not assign, or in any manner encumber this Lease, nor any part, right, or interest thereof, nor shall Tenant let or sublet or permit any part of the Leased Premises to be used or occupied by others for any reason whatsoever, without Landlord's advance written consent, which consent is discretionary in Landlord solely. Any assignment, transfer, hypothecation, mortgage, or sub-letting without the prior written consent of Landlord shall give Landlord the right to terminate this Lease and re-enter and repossess the Leased Premises.

19. Default and Termination: If Tenant shall default in the payment of Rent when due and shall not cure such default within ten (10) days, or shall default in the performance of any other covenant of this Lease and shall not cure such default within fifteen (15) days after written notice from Landlord specifying the default complained of (or, if such other default is of a nature that it cannot be cured within a fifteen (15) day period, and thereafter proceed diligently with the cure thereof) then in any such event Landlord may terminate this Lease at any time thereafter (before such default shall be cured) by giving written notice of the termination.

Upon termination of this Lease, Landlord may without further notice re-enter the Leased Premises and dispossess Tenant or any other occupant of the Leased Premises and remove its effects and hold the Leased Premises as if this Lease had not been made, saving and reserving to Landlord any other remedies which Landlord may have for the recovery of Rent or damages due or to become due by virtue of this Lease or the breach thereof by Tenant. Should Landlord at any time permit payments of Rent to be made after the time it is due, as stipulated herein, such delays shall not be construed as any waiver by Landlord of its right to have the Rent for said Leased Premises paid monthly in advance. Any failure at any time by either of the parties hereto to enforce any of the provisions of this Lease shall not be construed as a waiver of such provisions nor of such party's right to enforce the same upon any subsequent occasion or default.

20. Bankruptcy: If Tenant shall file a petition in voluntary bankruptcy or be voluntarily or involuntarily adjudicated bankrupt or insolvent, or shall make an offer of composition to its creditors, or shall make an assignment for the benefit of creditors, or shall file a petition or answer seeking reorganization or readjustment under the federal bankruptcy laws or any other law or statute of the United States or any state thereof, or if a receiver or trustee shall be appointed for Tenant or for all or a substantial part of the property of Tenant and Tenant is not released from such receiver or trustee within thirty (30) days after appointment, or if an order shall be entered approving the reorganization of Tenant or the readjustment of Tenant's debts or obligations under the federal bankruptcy laws or any other law or statute of the United States or any state thereof, then any of such events shall be deemed to be a breach, default and anticipatory breach of this Lease. In any of such events and whenever and as often as any such failure, default, breach or anticipatory breach shall occur, the term hereof, at the option of Landlord, shall cease and determine and from thenceforth it shall be lawful for Landlord to re-enter into and repossess the Leased Premises situated thereon and Tenant and each and every occupant to remove and put out and to relet said Leased Premises for his own benefit; but reserving to Landlord all such rights as he may have for damages or otherwise because of said default, breach or anticipatory breach of Tenant.

21. Damages: In the event of the termination of this Lease under Paragraphs 19, 20 or any provisions of law by reason of Tenant's default hereunder, Tenant shall pay Landlord as damages sums equal to the Rent which would have been payable by Tenant had this Lease not so terminated, payable on the days specified in Paragraph 4, until the expiration of the full Lease Term hereby granted; provided, that Landlord shall have the duty to mitigate such damages by reletting all or any part of the Leased Premises during said period, and Landlord shall credit Tenant with the excess of the rents received from such reletting over the expenses of the termination of the Lease and of the reletting, excluding any redecoration costs.

22. Surrender of Leased Premises: Upon the expiration or earlier termination of the Lease Term, Tenant shall quit and surrender the Leased Premises to Landlord in good order and condition, ordinary wear and damage excepted; and Tenant shall remove all of its property and shall repair any damage to the Leased Premises or any of Landlord's property, real or personal, caused by such removal.

23. Mechanics' Liens: Tenant shall pay all costs for construction done by it or caused to be done by it on the Leased Premises as permitted by this Lease. Tenant shall keep the Leased Premises, its improvements, and the land of which the Leased Premises are a part, free and clear of all mechanics' liens resulting from construction done by or for Tenant.

24. Access to Leased Premises: Landlord shall have the right to enter upon the Leased Premises at all reasonable hours for the purpose of inspecting the Leased Premises, preventing waste, loss, or destruction, removing obstructions, making such repairs or obligations as are necessary to protect the Leased Premises, performing any of its duties and obligations under the terms and conditions of this Lease or to enforce any of Landlord's rights or powers under this Lease. During such entry by Landlord, the Tenant may require that its representative be present, unless such entry is necessitated by the existence of an emergency situation requiring prompt attention by Landlord, or unless Tenant shall refuse such access after reasonable notice. Except in the case of an emergency, Landlord shall give Tenant twenty-four (24) hours advance notice as to the date and time of any proposed inspections, and Tenant shall be entitled to have an officer, director, or other employee of Tenant accompany Landlord during any such inspection. The Landlord may show the Leased Premises to prospective Tenants at any time during the last six (6) months of the Lease Term and during any period of default and/or extension of the Lease Term.

25. Compliance: Tenant shall, at its own expense, under penalty of forfeiture and damages, promptly comply with all laws, orders, regulations or ordinances of all Municipal, County, State, and Federal authorities affecting use of the Leased Premises with respect to the cleanliness, safety, occupation, and use of same.

26. Challenge: Landlord, although presently unaware of any such non-compliance, does not covenant that the Leased Premises are in compliance with applicable Municipal, County, State, and Federal laws, including, but not limited to, fire, safety, handicap, barrier free, zoning and use ordinances or laws and other governmental regulations relating to the use of the facility for the purpose intended through this Lease. Tenant shall obtain any and all licenses, approvals and/or permits required for its use, occupancy and operation of the Leased Premises and shall promptly comply with all governmental orders and directives related thereto, all at its sole cost and expense.

27. Holding Over: 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 1.5 times the monthly Rent required to be paid by Tenant under Paragraph 4 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.

28. Taxes and Special Assessments: If the Leased Premises are placed on the tax assessment rolls based upon Tenant's usage, then any real estate taxes, personal property taxes

and/or special assessments assessed or levied against the Leased Premises during the Lease Term shall be borne by Tenant as additional Rent.

29. No Waiver: The failure of either party to enforce any covenant or condition of this Lease shall not be deemed a waiver thereof or of the right of either party to enforce each and every covenant and condition of this Lease. No provision of this Lease shall be deemed to have been waived unless such waiver be in writing.

30. Notices: All notices regarding this Lease are to be in writing and delivered, or mailed by first class mail postage pre-paid, by one party to the other party at the party's respective address set forth in the preface of this Lease. Notices which are mailed shall be deemed to have been given as of the second business day following the date of mailing.

31. Heirs and Assigns: The covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective successors and assigns, subject to the limitation on assignment as herein contained.

32. Vacation or Abandonment: In the event Tenant shall abandon or vacate the Leased Premises before the end of the term, Landlord shall have the right and duty to relet the Leased Premises for such rent and upon such terms as Landlord is able to obtain. In the event a sufficient sum is not realized by such reletting, to pay to Landlord the equivalent of the rents reserved to Landlord from Tenant under the provisions of this Lease, Tenant promises and agrees to pay to Landlord the amount of such deficiency each month during the balance of such term.

33. Condemnation: If any part of the Leased Premises is taken for any public or quasi-public purpose pursuant to any power of eminent domain, or by private sale in lieu of eminent domain, either the Landlord or the Tenant may terminate this Lease, effective the date the public authority takes possession. All damages for the condemnation of the Leased Premises, or damages awarded because of the taking, shall be payable to the sole property of the Landlord.

34. Quiet Enjoyment: Landlord covenants and agrees with Tenant that upon Tenant paying the Rent and observing and performing all the terms, covenants and conditions of Tenant's part to be performed and observed, Tenant may peaceably and quietly enjoy the Leased Premises for the full term hereof.

35. Policies/Regulations: Tenant, including its agents, representatives, employees, contractors, invitees, licensees and students shall at all times comply with all School District policies, procedures and regulations.

36. Extension: This Lease may be extended by mutual written consent of Landlord and Tenant for subsequent one (1) year terms. Said extension shall commence on July 1st of the year of the extension and end the immediate following year on June 30th. If Tenant wishes to extend this Lease, Tenant shall give Landlord a minimum of thirty (30) days advance written notice of Tenant's intention to extend. 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.

37. Termination: This Lease may be terminated by Landlord at any time and for any reason upon ninety (90) days advanced written notice to Tenant.

38. Tenants in the Building. Landlord reserves the right to lease the non-exclusive portions of the Building to other tenants.

39. Security Deposit: Landlord and Tenant acknowledge that parties had a previous relationship under a prior lease document wherein Landlord was holding Tenant's security deposit in the amount of **\$1,000.00**. Since that former lease was terminated on the Effective Date of this Lease, the parties acknowledge that Landlord has transferred such security deposit and such deposit will now be held by Landlord and applicable as the security deposit under this Lease (the "Security Deposit"), as security for the performance by Tenant under this Lease. Upon an event of default, Landlord may apply or retain the whole or any part of the Security Deposit in satisfaction of damages incurred in connection with Tenant's default, whether the same may accrue before or after any legal proceedings are instituted by Landlord. Whenever the amount of the Security Deposit is diminished by Landlord's application, Tenant shall deposit additional money with Landlord sufficient to restore the security to the original amount. Landlord shall not be obligated to keep such Security Deposit as a separate fund but may commingle such Security Deposit with Landlord's own funds. In the event that Tenant shall fully comply with all the terms, covenants, conditions and agreements of this Lease, the security or any balance thereof shall be returned to Tenant following the expiration of this Lease. Tenant shall not be entitled to any interest on the security.

40. Miscellaneous Provisions: The following miscellaneous provisions form a part of this Lease:

Time is of the essence of each provision of this Lease.

Rent and all other sums payable under this Lease must be paid in lawful money of the United States of America.

The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, illegal, or invalid.

This Lease shall be construed and interpreted in accordance with the laws of the State of Michigan

This Lease contains all of the agreements of the parties and cannot be amended or modified except by a written agreement.

The captions of this Lease shall have no effect on its interpretation.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed as of the day and year first above written.

WITNESSES:

LANDLORD:

LIVONIA PUBLIC SCHOOLS

**Asst. Superintendent
of District Services**

By: _____
Livonia Board of Education President

By: _____
Livonia Board of Education Secretary

WITNESSES:

TENANT:

HIMAWARI PRESCHOOL

By: _____
**TED DELPHIA
HIMAWARI PRESCHOOL**

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter “Lease”) is made and entered into this **first day of July 2025** (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 **LIVONIA LITTLE TOTS DAY NURSERY.**, a Michigan daycare/nursery, whose address is 34633 Munger, Livonia, MI 48154 with mailing address of 18383 Glengarry Dr., Livonia, Michigan, 48152 (hereinafter referred to as “Tenant”).

WITNESSETH:

1. Leased Premises: In consideration of the rents, covenants and conditions contained herein, and as further defined in Paragraph 2 of this Lease, Landlord hereby leases to Tenant and Tenant leases from Landlord a portion of the school building known as Livonia Little Tots Day Nursery, located at 34633 Munger, Livonia, MI 48154 (the “Leased Premises”).

2. Non-Exclusive Use of Leased Premises: During the Lease Term, Landlord and Tenant agree to Tenant’s use of the Leased Premises, as follows:

A. Joint use with Landlord and/or other Tenants

- Lobbies
- Hallways
- Parking Lot
- Restrooms
- Playground

B. Exclusive Use by Tenant

- Classrooms #12-24
- Main Office
- Teacher Lounge
- LMC (portion approximately 7,000 square feet)
- Kitchen with Storage Room
- Total lease space is 19,600 square feet

3. Term: The term of this Lease shall commence on the Effective Date (July 1, 2025) and terminate on June 30, 2026 (the “Lease Term”), unless extended pursuant to Paragraph 36 or terminated pursuant to Paragraph 37 hereof.

4. Rent: Tenant shall pay Landlord as annual rent for the Leased Premises during the Lease Term the sum of **Two hundred eighteen thousand, nine hundred twenty Dollars and 00/100 (\$218,920.00)** at the rate of **Eighteen thousand, two hundred forty-three Dollars and**

30/100 (\$18,243.30) per month (“Rent”). Tenant shall pay to Landlord the monthly amount specified above for each month of the Lease Term, commencing the **Effective Date (July 1, 2025)**. 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.

5. Use of Leased Premises: Tenant shall use and occupy the Leased Premises for the sole purpose of conducting a day nursery (daycare) and for no other purpose(s) without the prior written consent of Landlord. Tenant shall not do or permit to be done any act or thing upon the Leased Premises that will increase the cost of casualty and liability insurance above the insurance costs normally associated with Tenant’s principal activities as herein described. Tenant shall not use the Leased Premises or permit the Leased 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 Leased Premises subject to all School District policies, procedures and regulations of Landlord. Tenant shall not perform any acts or carry on any practices which may injure the Leased Premises or be a nuisance and shall keep the Leased Premises under its control clean and free from rubbish and dirt at all times, and it is further agreed that in the event the Tenant shall not comply with these provisions, and Landlord has given Tenant ten (10) days prior notification of such situation, Landlord may enter upon the Leased Premises and have any said rubbish and dirt removed, in which event Tenant agrees to pay all reasonable charges that Landlord shall pay for hauling rubbish and dirt. Said charges shall be paid to Landlord by Tenant as soon as a bill is presented to Tenant and Landlord shall have the same remedy as is provided in this Lease in the event of Tenant’s failure to pay.

6. Acceptance of the Leased Premises: Tenant acknowledges that it has examined the Leased Premises prior to the making of this Lease and knows the conditions thereof. Tenant further acknowledges that no representation as to the condition or state of repairs thereof have been made by Landlord or its agents which are not herein expressed. Tenant hereby accepts the Leased Premises in its present “AS IS” condition as of the Effective Date.

7. Alterations and Improvements: Tenant shall not make any alterations, additions, or improvements to the Leased Premises without Landlord’s prior written consent, which consent is in Landlord’s sole and absolute discretion.

8. Maintenance and Repairs: Landlord after receiving written notice from the Tenant, and having reasonable opportunity thereafter to obtain the necessary workmen therefore, agrees to keep the Leased Premises in good order and repair as reasonably required to keep the Leased Premises in its current condition, normal wear and tear excepted; provided, however, Tenant shall be responsible for all damage to the Leased Premises caused by the negligence or willful acts of the Tenant and the Tenant’s agents, representatives, employees, invitees, licensees and/or students.

9. Utilities: Landlord shall pay for the cost of all utilities supplied to the Leased Premises during the Lease Term. Landlord shall not be responsible for any loss or interruption of utility services.

10. Janitorial Services: Landlord shall furnish, at its own expense, all janitorial services for the operation of the Leased Premises. However, in the event the Tenant's use of the Leased Premises shall render the Leased Premises with excessive dirt and rubbish, as determined in the sole discretion of Landlord, the Tenant hereby agrees to reimburse Landlord for the direct expense that Landlord incurs in providing janitorial services to remediate such condition, including salary and/or hourly wage of its employees or third-party contractors as well as any overtime expenses incurred and the cost of janitorial supplies.

11. Building Insurance: Landlord shall cause the building and its improvements to be insured against loss or damage under a policy or policies of fire and extended coverage insurance, including "additional perils" in amounts acceptable to Landlord.

12. Tenant's Personal Property Insurance: Any personal property kept on the Leased Premises by Tenant shall be insured at Tenant's sole risk, and Tenant shall acquire such policy or policies of insurance thereon as Tenant in its best judgment shall determine.

13. Tenant's General Liability Insurance: Tenant, at its sole cost and expense during the Lease Term, shall maintain and keep in effect commercial general liability insurance in an amount not less than Two Million and 00/100 (\$2,000,000.00) Dollars for injury to or death of one person, or not less than Three Million and 00/100 (\$3,000,000.00) Dollars for injury or death of more than one person, in any one accident or occurrence and umbrella coverage in an amount not less than Five Million and 00/100 (\$5,000,000.00) Dollars; and property damage insurance with minimum limits of One Million and 00/100 (\$1,000,000.00) Dollars. Such policy or policies shall include cross liability and severability of interests clauses, and be written on an occurrence, and not claims-made, basis. Each of these policies shall be endorsed to name Landlord as an additional insured. Any insurance carried by Landlord shall be non-contributing and Tenant's insurance shall be primary to any such insurance carried by Landlord. Such insurance obtained by Tenant shall be carried by an insurance company or companies licensed to do business in Michigan, and be on terms approved by Landlord. Duplicate original copies of said policies shall be delivered to Landlord. Tenant shall deliver to Landlord a certificate of insurance 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.

14. Indemnification: Tenant shall indemnify, defend and hold harmless Landlord and its Board of Education, its Board members in their official and individual capacities, its administrators, employees, agents, contractors, successors and assigns, from and against any and all claims, counter-claims, suits, debts, demands, actions, judgments, liens, liabilities, injuries, losses, costs, expenses and damages, including actual attorney's fees and actual expert witness fees, arising out of or in connection with Tenant's its agents', representatives', employees', contractors', licensees' and invitees' use and occupancy of the Leased Premises, from the negligence of Tenant, its agents', representatives', employees', contractors', licensees' and invitees' and/or from Tenant's its agents', representatives', employees', contractors', licensees' and invitees' violation of any of the terms of this Lease. The indemnity obligations contained in

this Paragraph shall survive the expiration or earlier termination of this Lease and shall not be limited by Tenant's insurance obligations contained in this Lease.

15. Damage or Destruction - Fire or Other Cause: In the event of a partial destruction of the Leased Premises, the Landlord shall, as promptly as possible, unless Landlord shall elect not to rebuild, repair the same, provided such repairs can reasonably be made within ninety (90) days (or within such other period as Landlord and Tenant may agree upon) from said destruction or damage under normal working conditions, and pursuant to applicable laws, ordinances, and regulations. In such case, this Lease shall not be terminated, but the Rent shall be abated proportionately for such portion of said Leased Premises as are not reasonably usable during the period while repairs are being made. In the event that such repairs cannot reasonably be made within ninety (90) days' time (or such other period as Landlord and Tenant may agree upon), or in the event Landlord shall elect not to rebuild, repair the same, either party hereto at its option may terminate this Lease upon written notice to the other. In any event, the destruction of substantially all of the Leased Premises shall cause this Lease to automatically terminate, without the requirement of notice.

16. Environmental Warranty: Tenant represents, warrants and covenants to Landlord the following:

A. Tenant's use of the Leased Premises and its activities thereon shall comply with all "Environmental Laws," "Environmental Law(s)" means any federal, state or local law, statute, code, ordinance, regulation, rule, judgment, order, decree, injunction, permit or restriction or closure, post closure, or remediation plan approved by a government agency or entity, relating to the environment, waste, hazardous substances or hazardous materials and shall include without limitation, and as amended, the Asbestos Hazard Emergency Response Act, 15 USCS Sec. 2641 et seq., the Solid Waste Disposal Act, 42 U.S.C. Sec. 6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Sec. 9601 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Sec. 1801 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Sec. 1251 et seq., the Clean Air Act, 42 U.S.C. Sec. 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. Sec. 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. Sec 300 et seq., the Rivers and Harbors Act, 33 U.S.C. Sec. 401 et seq., the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. Sec. 11001 et seq., the Oil Pollution Act of 1990, 33 U.S.C. Sec. 2701 et seq., and the Michigan Natural Resources and Environmental Protection Act (MCL § 324.101 et seq.). This definition is intended by the Parties to be amended as the applicable Environmental Laws are amended or enacted during the Lease Term.

B. Tenant shall not disturb, generate, manufacture, refine, use, treat, store, handle, transport, remove, dispose, transfer, produce or process Hazardous Substances on the Leased Premises. For purposes of this Lease, "Hazardous Substances" shall mean any substance or material regulated under any Environmental Law.

C. Tenant shall immediately and promptly notify Landlord of any disturbance, release, discharge, spill or emission of Hazardous Substances on, to or from the Leased Premises, and any complaint, summons, citation, notice, directive, order, claim, litigation, judicial or administrative proceeding, inquiry or investigation judgment, letter or other communication from

any governmental agency, department, bureau, office or other authority, or any third party involving violations of any Environmental Law with respect to the Leased Premises.

D. In addition to the above, Tenant shall not disturb any Asbestos or Suspect Asbestos at the Leased Premises without prior, written authorization from Landlord. The Asbestos Management Plan for the Leased Premises will be made available to Tenant, at Tenant's request, however, Tenant is responsible for all asbestos awareness or other training required of its employees, and for the sampling and confirmation for any area of the Leased Premises that will be disturbed by Tenant to confirm that there is no asbestos in compliance with all Environmental Laws.

17. Environmental Indemnification

A. Tenant hereby agrees to indemnify, defend and hold harmless Landlord, its successors, assigns, officers and members of its Board of Education and employees, from and against any and all fines, charges, penalties, losses, costs, damages, liabilities, injuries, cleanup or response activity costs and/or expenses (including reasonable attorneys' fees and actual consultants' fees) incurred by Landlord as a result of any claims, demands, actions, causes of action, suits, proceedings, investigations, assessments and audits, whether of law or in equity (collectively "Claims") attributable to (i) any third party claim or demand in connection with any Hazardous Substances disturbed, generated, stored, leaked, spilled, discharged, emitted, or otherwise disbursed, in, on, under, above or about the Leased Premises, or violation of any Environmental Laws, from and after the date of this Lease; (ii) injuries sustained or other tort actions brought for Claims arising out of or related to any Hazardous Substances; (iii) the presence, disposal (including off-site disposal), escape, leakage, discharge, emission, release or threatened release of any Hazardous Substances in, on, under, above, from or about the Leased Premises; and (iv) compliance with, defense of, and response to any administrative notice, order, request or demand from any governmental entity or agency related to any Hazardous Substances on the Leased Premises or violation of any Environmental Laws.

B. Tenant's indemnification described above specifically includes, but is not limited to, the direct obligation of the Tenant to promptly perform any remedial or other activities required or ordered by any administrative agency or government official, or are otherwise necessary to avoid injury or liability to any person or property, to prevent the spread of any pollution and/or contamination, or to permit the continued safe use of the Leased Premises.

18. Assignment and Subletting: Tenant shall not assign, or in any manner encumber this Lease, nor any part, right, or interest thereof, nor shall Tenant let or sublet or permit any part of the Leased Premises to be used or occupied by others for any reason whatsoever, without Landlord's advance written consent, which consent is discretionary in Landlord solely. Any assignment, transfer, hypothecation, mortgage, or sub-letting without the prior written consent of Landlord shall give Landlord the right to terminate this Lease and re-enter and repossess the Leased Premises.

19. Default and Termination: If Tenant shall default in the payment of Rent when due and shall not cure such default within ten (10) days, or shall default in the performance of any other covenant of this Lease and shall not cure such default within fifteen (15) days after written notice from Landlord specifying the default complained of (or, if such other default is of a nature that it cannot be cured within a fifteen (15) day period, and thereafter proceed diligently with the cure thereof) then in any such event Landlord may terminate this Lease at any time thereafter (before such default shall be cured) by giving written notice of the termination.

Upon termination of this Lease, Landlord may without further notice re-enter the Leased Premises and dispossess Tenant or any other occupant of the Leased Premises and remove its effects and hold the Leased Premises as if this Lease had not been made, saving and reserving to Landlord any other remedies which Landlord may have for the recovery of Rent or damages due or to become due by virtue of this Lease or the breach thereof by Tenant. Should Landlord at any time permit payments of Rent to be made after the time it is due, as stipulated herein, such delays shall not be construed as any waiver by Landlord of its right to have the Rent for said Leased Premises paid monthly in advance. Any failure at any time by either of the parties hereto to enforce any of the provisions of this Lease shall not be construed as a waiver of such provisions nor of such party's right to enforce the same upon any subsequent occasion or default.

20. Bankruptcy: If Tenant shall file a petition in voluntary bankruptcy or be voluntarily or involuntarily adjudicated bankrupt or insolvent, or shall make an offer of composition to its creditors, or shall make an assignment for the benefit of creditors, or shall file a petition or answer seeking reorganization or readjustment under the federal bankruptcy laws or any other law or statute of the United States or any state thereof, or if a receiver or trustee shall be appointed for Tenant or for all or a substantial part of the property of Tenant and Tenant is not released from such receiver or trustee within thirty (30) days after appointment, or if an order shall be entered approving the reorganization of Tenant or the readjustment of Tenant's debts or obligations under the federal bankruptcy laws or any other law or statute of the United States or any state thereof, then any of such events shall be deemed to be a breach, default and anticipatory breach of this Lease. In any of such events and whenever and as often as any such failure, default, breach or anticipatory breach shall occur, the term hereof, at the option of Landlord, shall cease and determine and from thenceforth it shall be lawful for Landlord to re-enter into and repossess the Leased Premises situated thereon and Tenant and each and every occupant to remove and put out and to relet said Leased Premises for his own benefit; but reserving to Landlord all such rights as he may have for damages or otherwise because of said default, breach or anticipatory breach of Tenant.

21. Damages: In the event of the termination of this Lease under Paragraphs 19, 20 or any provisions of law by reason of Tenant's default hereunder, Tenant shall pay Landlord as damages sums equal to the Rent which would have been payable by Tenant had this Lease not so terminated, payable on the days specified in Paragraph 4, until the expiration of the full Lease Term hereby granted; provided, that Landlord shall have the duty to mitigate such damages by reletting all or any part of the Leased Premises during said period, and Landlord shall credit Tenant with the excess of the rents received from such reletting over the expenses of the termination of the Lease and of the reletting, excluding any redecoration costs.

22. Surrender of Leased Premises: Upon the expiration or earlier termination of the Lease Term, Tenant shall quit and surrender the Leased Premises to Landlord in good order and condition, ordinary wear and damage excepted; and Tenant shall remove all of its property and shall repair any damage to the Leased Premises or any of Landlord's property, real or personal, caused by such removal.

23. Mechanics' Liens: Tenant shall pay all costs for construction done by it or caused to be done by it on the Leased Premises as permitted by this Lease. Tenant shall keep the Leased Premises, its improvements, and the land of which the Leased Premises are a part, free and clear of all mechanics' liens resulting from construction done by or for Tenant.

24. Access to Leased Premises: Landlord shall have the right to enter upon the Leased Premises at all reasonable hours for the purpose of inspecting the Leased Premises, preventing waste, loss, or destruction, removing obstructions, making such repairs or obligations as are necessary to protect the Leased Premises, performing any of its duties and obligations under the terms and conditions of this Lease or to enforce any of Landlord's rights or powers under this Lease. During such entry by Landlord, the Tenant may require that its representative be present, unless such entry is necessitated by the existence of an emergency situation requiring prompt attention by Landlord, or unless Tenant shall refuse such access after reasonable notice. Except in the case of an emergency, Landlord shall give Tenant twenty-four (24) hours advance notice as to the date and time of any proposed inspections, and Tenant shall be entitled to have an officer, director, or other employee of Tenant accompany Landlord during any such inspection. The Landlord may show the Leased Premises to prospective Tenants at any time during the last six (6) months of the Lease Term and during any period of default and/or extension of the Lease Term.

25. Compliance: Tenant shall, at its own expense, under penalty of forfeiture and damages, promptly comply with all laws, orders, regulations or ordinances of all Municipal, County, State, and Federal authorities affecting use of the Leased Premises with respect to the cleanliness, safety, occupation, and use of same.

26. Challenge: Landlord, although presently unaware of any such non-compliance, does not covenant that the Leased Premises are in compliance with applicable Municipal, County, State, and Federal laws, including, but not limited to, fire, safety, handicap, barrier free, zoning and use ordinances or laws and other governmental regulations relating to the use of the facility for the purpose intended through this Lease. Tenant shall obtain any and all licenses, approvals and/or permits required for its use, occupancy and operation of the Leased Premises and shall promptly comply with all governmental orders and directives related thereto, all at its sole cost and expense.

27. Holding Over: 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 1.5 times the monthly Rent required to be paid by Tenant under Paragraph 4 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.

28. Taxes and Special Assessments: If the Leased Premises are placed on the tax assessment rolls based upon Tenant's usage, then any real estate taxes, personal property taxes and/or special assessments assessed or levied against the Leased Premises during the Lease Term shall be borne by Tenant as additional Rent.

29. No Waiver: The failure of either party to enforce any covenant or condition of this Lease shall not be deemed a waiver thereof or of the right of either party to enforce each and every covenant and condition of this Lease. No provision of this Lease shall be deemed to have been waived unless such waiver be in writing.

30. Notices: All notices regarding this Lease are to be in writing and delivered, or mailed by first class mail postage pre-paid, by one party to the other party at the party's respective address set forth in the preface of this Lease. Notices which are mailed shall be deemed to have been given as of the second business day following the date of mailing.

31. Heirs and Assigns: The covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective successors and assigns, subject to the limitation on assignment as herein contained.

32. Vacation or Abandonment: In the event Tenant shall abandon or vacate the Leased Premises before the end of the term, Landlord shall have the right and duty to relet the Leased Premises for such rent and upon such terms as Landlord is able to obtain. In the event a sufficient sum is not realized by such reletting, to pay to Landlord the equivalent of the rents reserved to Landlord from Tenant under the provisions of this Lease, Tenant promises and agrees to pay to Landlord the amount of such deficiency each month during the balance of such term.

33. Condemnation: If any part of the Leased Premises is taken for any public or quasi-public purpose pursuant to any power of eminent domain, or by private sale in lieu of eminent domain, either the Landlord or the Tenant may terminate this Lease, effective the date the public authority takes possession. All damages for the condemnation of the Leased Premises, or damages awarded because of the taking, shall be payable to the sole property of the Landlord.

34. Quiet Enjoyment: Landlord covenants and agrees with Tenant that upon Tenant paying the Rent and observing and performing all the terms, covenants and conditions of Tenant's part to be performed and observed, Tenant may peaceably and quietly enjoy the Leased Premises for the full term hereof.

35. Policies/Regulations: Tenant, including its agents, representatives, employees, contractors, invitees, licensees and students shall at all times comply with all School District policies, procedures and regulations.

36. Extension: This Lease may be extended by mutual written consent of Landlord and Tenant for subsequent one (1) year terms. Said extension shall commence on July 1st of the year

of the extension and end the immediate following year on June 30th . If Tenant wishes to extend this Lease, Tenant shall give Landlord a minimum of thirty (30) days advance written notice of Tenant's intention to extend. 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.

37. Termination: This Lease may be terminated by Landlord at any time and for any reason upon ninety (90) days advanced written notice to Tenant.

38. Tenants in the Building. Landlord reserves the right to lease the non-exclusive portions of the Building to other tenants.

39. Security Deposit: Landlord and Tenant acknowledge that parties had a previous relationship under a prior lease document wherein Landlord was holding Tenant's security deposit in the amount of **\$1,557.80**. Since that former lease was terminated on the Effective Date of this Lease, the parties acknowledge that Landlord has transferred such security deposit and such deposit will now be held by Landlord and applicable as the security deposit under this Lease (the "Security Deposit"), as security for the performance by Tenant under this Lease. Upon an event of default, Landlord may apply or retain the whole or any part of the Security Deposit in satisfaction of damages incurred in connection with Tenant's default, whether the same may accrue before or after any legal proceedings are instituted by Landlord. Whenever the amount of the Security Deposit is diminished by Landlord's application, Tenant shall deposit additional money with Landlord sufficient to restore the security to the original amount. Landlord shall not be obligated to keep such Security Deposit as a separate fund but may commingle such Security Deposit with Landlord's own funds. In the event that Tenant shall fully comply with all the terms, covenants, conditions and agreements of this Lease, the security or any balance thereof shall be returned to Tenant following the expiration of this Lease. Tenant shall not be entitled to any interest on the security.

40. Miscellaneous Provisions: The following miscellaneous provisions form a part of this Lease:

Time is of the essence of each provision of this Lease.

Rent and all other sums payable under this Lease must be paid in lawful money of the United States of America.

The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, illegal, or invalid.

This Lease shall be construed and interpreted in accordance with the laws of the State of Michigan

This Lease contains all of the agreements of the parties and cannot be amended or modified except by a written agreement.

The captions of this Lease shall have no effect on its interpretation.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed as of the day and year first above written.

WITNESSES:

**Asst. Superintendent
of District Services**

WITNESSES:

LANDLORD:

LIVONIA PUBLIC SCHOOLS

By:

Livonia Board of Education President

By:

Livonia Board of Education Secretary

TENANT:

LIVONIA LITTLE TOTS DAY NURSERY

By:

Elizabeth Cinque, Director

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter “Lease”) is made and entered into this **first day of July 2025** (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 **GARFIELD COOPERATIVE PRESCHOOL, INC.**, a Michigan preschool run as a cooperative, whose address is 10218 Arthur, Livonia, Michigan, 48150 (hereinafter referred to as “Tenant”).

WITNESSETH:

1. Leased Premises: In consideration of the rents, covenants and conditions contained herein, and as further defined in Paragraph 2 of this Lease, Landlord hereby leases to Tenant and Tenant leases from Landlord a portion of the school building known as Garfield Community School, located at 10218 Arthur, Livonia, Michigan 48150 (the “Leased Premises”).

2. Non-Exclusive Use of Leased Premises: During the Lease Term, Landlord and Tenant agree to Tenant’s use of the Leased Premises, as follows:

A. Joint use with Landlord and/or other Tenants

- Lobbies
- Hallways
- Parking Lot
- Restrooms
- Playground

B. Exclusive Use by Tenant

- Classrooms #36 and #37 – Consisting of approximately 1,700 square feet
- The lockers in the hall outside rooms #36 and #37
- Access to the play structure on premises

3. Term: The term of this Lease shall commence on the Effective Date (July 1, 2025) and terminate on June 30, 2026 (the “Lease Term”), unless extended pursuant to Paragraph 36 or terminated pursuant to Paragraph 37 hereof.

4. Rent: Tenant shall pay Landlord as annual rent for the Leased Premises during the Lease Term the sum of **Eighteen thousand, five hundred ninety-four Dollars and 00/100 (\$18,594.00)** at the rate of **One thousand, five hundred forty-nine Dollars and 50/100 (\$1,549.50)** per month (“Rent”). Tenant shall pay to Landlord the monthly amount specified

above for each month of the Lease Term, commencing the **Effective Date (July 1, 2025)**. 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.

5. Use of Leased Premises: Tenant shall use and occupy the Leased Premises for the sole purpose of conducting a cooperatively run preschool and for no other purpose(s) without the prior written consent of Landlord. Tenant shall not do or permit to be done any act or thing upon the Leased Premises that will increase the cost of casualty and liability insurance above the insurance costs normally associated with Tenant's principal activities as herein described. Tenant shall not use the Leased Premises or permit the Leased 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 Leased Premises subject to all School District policies, procedures and regulations of Landlord. Tenant shall not perform any acts or carry on any practices which may injure the Leased Premises or be a nuisance and shall keep the Leased Premises under its control clean and free from rubbish and dirt at all times, and it is further agreed that in the event the Tenant shall not comply with these provisions, and Landlord has given Tenant ten (10) days prior notification of such situation, Landlord may enter upon the Leased Premises and have any said rubbish and dirt removed, in which event Tenant agrees to pay all reasonable charges that Landlord shall pay for hauling rubbish and dirt. Said charges shall be paid to Landlord by Tenant as soon as a bill is presented to Tenant and Landlord shall have the same remedy as is provided in this Lease in the event of Tenant's failure to pay.

6. Acceptance of the Leased Premises: Tenant acknowledges that it has examined the Leased Premises prior to the making of this Lease and knows the conditions thereof. Tenant further acknowledges that no representation as to the condition or state of repairs thereof have been made by Landlord or its agents which are not herein expressed. Tenant hereby accepts the Leased Premises in its present "AS IS" condition as of the Effective Date.

7. Alterations and Improvements: Tenant shall not make any alterations, additions, or improvements to the Leased Premises without Landlord's prior written consent, which consent is in Landlord's sole and absolute discretion.

8. Maintenance and Repairs: Landlord after receiving written notice from the Tenant, and having reasonable opportunity thereafter to obtain the necessary workmen therefore, agrees to keep the Leased Premises in good order and repair as reasonably required to keep the Leased Premises in its current condition, normal wear and tear excepted; provided, however, Tenant shall be responsible for all damage to the Leased Premises caused by the negligence or willful acts of the Tenant and the Tenant's agents, representatives, employees, invitees, licensees and/or students.

9. Utilities: Landlord shall pay for the cost of all utilities supplied to the Leased Premises during the Lease Term. Landlord shall not be responsible for any loss or interruption of utility services.

10. Janitorial Services: Landlord shall furnish, at its own expense, all janitorial services for the operation of the Leased Premises. However, in the event the Tenant's use of the Leased Premises shall render the Leased Premises with excessive dirt and rubbish, as determined in the sole discretion of Landlord, the Tenant hereby agrees to reimburse Landlord for the direct expense that Landlord incurs in providing janitorial services to remediate such condition, including salary and/or hourly wage of its employees or third-party contractors as well as any overtime expenses incurred and the cost of janitorial supplies.

11. Building Insurance: Landlord shall cause the building and its improvements to be insured against loss or damage under a policy or policies of fire and extended coverage insurance, including "additional perils" in amounts acceptable to Landlord.

12. Tenant's Personal Property Insurance: Any personal property kept on the Leased Premises by Tenant shall be insured at Tenant's sole risk, and Tenant shall acquire such policy or policies of insurance thereon as Tenant in its best judgment shall determine.

13. Tenant's General Liability Insurance: Tenant, at its sole cost and expense during the Lease Term, shall maintain and keep in effect commercial general liability insurance in an amount not less than Two Million and 00/100 (\$2,000,000.00) Dollars for injury to or death of one person, or not less than Three Million and 00/100 (\$3,000,000.00) Dollars for injury or death of more than one person, in any one accident or occurrence and umbrella coverage in an amount not less than Five Million and 00/100 (\$5,000,000.00) Dollars; and property damage insurance with minimum limits of One Million and 00/100 (\$1,000,000.00) Dollars. Such policy or policies shall include cross liability and severability of interests clauses, and be written on an occurrence, and not claims-made, basis. Each of these policies shall be endorsed to name Landlord as an additional insured. Any insurance carried by Landlord shall be non-contributing and Tenant's insurance shall be primary to any such insurance carried by Landlord. Such insurance obtained by Tenant shall be carried by an insurance company or companies licensed to do business in Michigan, and be on terms approved by Landlord. Duplicate original copies of said policies shall be delivered to Landlord. Tenant shall deliver to Landlord a certificate of insurance 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.

14. Indemnification: Tenant shall indemnify, defend and hold harmless Landlord and its Board of Education, its Board members in their official and individual capacities, its administrators, employees, agents, contractors, successors and assigns, from and against any and all claims, counter-claims, suits, debts, demands, actions, judgments, liens, liabilities, injuries, losses, costs, expenses and damages, including actual attorney's fees and actual expert witness fees, arising out of or in connection with Tenant's its agents', representatives', employees', contractors', licensees' and invitees' use and occupancy of the Leased Premises, from the negligence of Tenant, its agents', representatives', employees', contractors', licensees' and invitees' and/or from Tenant's its agents', representatives', employees', contractors', licensees' and invitees' violation of any of the terms of this Lease. The indemnity obligations contained in

this Paragraph shall survive the expiration or earlier termination of this Lease and shall not be limited by Tenant's insurance obligations contained in this Lease.

15. Damage or Destruction - Fire or Other Cause: In the event of a partial destruction of the Leased Premises, the Landlord shall, as promptly as possible, unless Landlord shall elect not to rebuild, repair the same, provided such repairs can reasonably be made within ninety (90) days (or within such other period as Landlord and Tenant may agree upon) from said destruction or damage under normal working conditions, and pursuant to applicable laws, ordinances, and regulations. In such case, this Lease shall not be terminated, but the Rent shall be abated proportionately for such portion of said Leased Premises as are not reasonably usable during the period while repairs are being made. In the event that such repairs cannot reasonably be made within ninety (90) days' time (or such other period as Landlord and Tenant may agree upon), or in the event Landlord shall elect not to rebuild, repair the same, either party hereto at its option may terminate this Lease upon written notice to the other. In any event, the destruction of substantially all of the Leased Premises shall cause this Lease to automatically terminate, without the requirement of notice.

16. Environmental Warranty: Tenant represents, warrants and covenants to Landlord the following:

A. Tenant's use of the Leased Premises and its activities thereon shall comply with all "Environmental Laws," "Environmental Law(s)" means any federal, state or local law, statute, code, ordinance, regulation, rule, judgment, order, decree, injunction, permit or restriction or closure, post closure, or remediation plan approved by a government agency or entity, relating to the environment, waste, hazardous substances or hazardous materials and shall include without limitation, and as amended, the Asbestos Hazard Emergency Response Act, 15 USCS Sec. 2641 et seq., the Solid Waste Disposal Act, 42 U.S.C. Sec. 6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Sec. 9601 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Sec. 1801 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Sec. 1251 et seq., the Clean Air Act, 42 U.S.C. Sec. 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. Sec. 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. Sec 300 et seq., the Rivers and Harbors Act, 33 U.S.C. Sec. 401 et seq., the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. Sec. 11001 et seq., the Oil Pollution Act of 1990, 33 U.S.C. Sec. 2701 et seq., and the Michigan Natural Resources and Environmental Protection Act (MCL § 324.101 et seq.). This definition is intended by the Parties to be amended as the applicable Environmental Laws are amended or enacted during the Lease Term.

B. Tenant shall not disturb, generate, manufacture, refine, use, treat, store, handle, transport, remove, dispose, transfer, produce or process Hazardous Substances on the Leased Premises. For purposes of this Lease, "Hazardous Substances" shall mean any substance or material regulated under any Environmental Law.

C. Tenant shall immediately and promptly notify Landlord of any disturbance, release, discharge, spill or emission of Hazardous Substances on, to or from the Leased Premises, and any complaint, summons, citation, notice, directive, order, claim, litigation, judicial or administrative proceeding, inquiry or investigation judgment, letter or other communication from

any governmental agency, department, bureau, office or other authority, or any third party involving violations of any Environmental Law with respect to the Leased Premises.

D. In addition to the above, Tenant shall not disturb any Asbestos or Suspect Asbestos at the Leased Premises without prior, written authorization from Landlord. The Asbestos Management Plan for the Leased Premises will be made available to Tenant, at Tenant's request, however, Tenant is responsible for all asbestos awareness or other training required of its employees, and for the sampling and confirmation for any area of the Leased Premises that will be disturbed by Tenant to confirm that there is no asbestos in compliance with all Environmental Laws.

17. Environmental Indemnification

A. Tenant hereby agrees to indemnify, defend and hold harmless Landlord, its successors, assigns, officers and members of its Board of Education and employees, from and against any and all fines, charges, penalties, losses, costs, damages, liabilities, injuries, cleanup or response activity costs and/or expenses (including reasonable attorneys' fees and actual consultants' fees) incurred by Landlord as a result of any claims, demands, actions, causes of action, suits, proceedings, investigations, assessments and audits, whether of law or in equity (collectively "Claims") attributable to (i) any third party claim or demand in connection with any Hazardous Substances disturbed, generated, stored, leaked, spilled, discharged, emitted, or otherwise disbursed, in, on, under, above or about the Leased Premises, or violation of any Environmental Laws, from and after the date of this Lease; (ii) injuries sustained or other tort actions brought for Claims arising out of or related to any Hazardous Substances; (iii) the presence, disposal (including off-site disposal), escape, leakage, discharge, emission, release or threatened release of any Hazardous Substances in, on, under, above, from or about the Leased Premises; and (iv) compliance with, defense of, and response to any administrative notice, order, request or demand from any governmental entity or agency related to any Hazardous Substances on the Leased Premises or violation of any Environmental Laws.

B. Tenant's indemnification described above specifically includes, but is not limited to, the direct obligation of the Tenant to promptly perform any remedial or other activities required or ordered by any administrative agency or government official, or are otherwise necessary to avoid injury or liability to any person or property, to prevent the spread of any pollution and/or contamination, or to permit the continued safe use of the Leased Premises.

18. Assignment and Subletting: Tenant shall not assign, or in any manner encumber this Lease, nor any part, right, or interest thereof, nor shall Tenant let or sublet or permit any part of the Leased Premises to be used or occupied by others for any reason whatsoever, without Landlord's advance written consent, which consent is discretionary in Landlord solely. Any assignment, transfer, hypothecation, mortgage, or sub-letting without the prior written consent of Landlord shall give Landlord the right to terminate this Lease and re-enter and repossess the Leased Premises.

19. Default and Termination: If Tenant shall default in the payment of Rent when due and shall not cure such default within ten (10) days, or shall default in the performance of any other covenant of this Lease and shall not cure such default within fifteen (15) days after written notice from Landlord specifying the default complained of (or, if such other default is of a nature that it cannot be cured within a fifteen (15) day period, and thereafter proceed diligently with the cure thereof) then in any such event Landlord may terminate this Lease at any time thereafter (before such default shall be cured) by giving written notice of the termination.

Upon termination of this Lease, Landlord may without further notice re-enter the Leased Premises and dispossess Tenant or any other occupant of the Leased Premises and remove its effects and hold the Leased Premises as if this Lease had not been made, saving and reserving to Landlord any other remedies which Landlord may have for the recovery of Rent or damages due or to become due by virtue of this Lease or the breach thereof by Tenant. Should Landlord at any time permit payments of Rent to be made after the time it is due, as stipulated herein, such delays shall not be construed as any waiver by Landlord of its right to have the Rent for said Leased Premises paid monthly in advance. Any failure at any time by either of the parties hereto to enforce any of the provisions of this Lease shall not be construed as a waiver of such provisions nor of such party's right to enforce the same upon any subsequent occasion or default.

20. Bankruptcy: If Tenant shall file a petition in voluntary bankruptcy or be voluntarily or involuntarily adjudicated bankrupt or insolvent, or shall make an offer of composition to its creditors, or shall make an assignment for the benefit of creditors, or shall file a petition or answer seeking reorganization or readjustment under the federal bankruptcy laws or any other law or statute of the United States or any state thereof, or if a receiver or trustee shall be appointed for Tenant or for all or a substantial part of the property of Tenant and Tenant is not released from such receiver or trustee within thirty (30) days after appointment, or if an order shall be entered approving the reorganization of Tenant or the readjustment of Tenant's debts or obligations under the federal bankruptcy laws or any other law or statute of the United States or any state thereof, then any of such events shall be deemed to be a breach, default and anticipatory breach of this Lease. In any of such events and whenever and as often as any such failure, default, breach or anticipatory breach shall occur, the term hereof, at the option of Landlord, shall cease and determine and from thenceforth it shall be lawful for Landlord to re-enter into and repossess the Leased Premises situated thereon and Tenant and each and every occupant to remove and put out and to relet said Leased Premises for his own benefit; but reserving to Landlord all such rights as he may have for damages or otherwise because of said default, breach or anticipatory breach of Tenant.

21. Damages: In the event of the termination of this Lease under Paragraphs 19, 20 or any provisions of law by reason of Tenant's default hereunder, Tenant shall pay Landlord as damages sums equal to the Rent which would have been payable by Tenant had this Lease not so terminated, payable on the days specified in Paragraph 4, until the expiration of the full Lease Term hereby granted; provided, that Landlord shall have the duty to mitigate such damages by reletting all or any part of the Leased Premises during said period, and Landlord shall credit Tenant with the excess of the rents received from such reletting over the expenses of the termination of the Lease and of the reletting, excluding any redecoration costs.

22. Surrender of Leased Premises: Upon the expiration or earlier termination of the Lease Term, Tenant shall quit and surrender the Leased Premises to Landlord in good order and condition, ordinary wear and damage excepted; and Tenant shall remove all of its property and shall repair any damage to the Leased Premises or any of Landlord's property, real or personal, caused by such removal.

23. Mechanics' Liens: Tenant shall pay all costs for construction done by it or caused to be done by it on the Leased Premises as permitted by this Lease. Tenant shall keep the Leased Premises, its improvements, and the land of which the Leased Premises are a part, free and clear of all mechanics' liens resulting from construction done by or for Tenant.

24. Access to Leased Premises: Landlord shall have the right to enter upon the Leased Premises at all reasonable hours for the purpose of inspecting the Leased Premises, preventing waste, loss, or destruction, removing obstructions, making such repairs or obligations as are necessary to protect the Leased Premises, performing any of its duties and obligations under the terms and conditions of this Lease or to enforce any of Landlord's rights or powers under this Lease. During such entry by Landlord, the Tenant may require that its representative be present, unless such entry is necessitated by the existence of an emergency situation requiring prompt attention by Landlord, or unless Tenant shall refuse such access after reasonable notice. Except in the case of an emergency, Landlord shall give Tenant twenty-four (24) hours advance notice as to the date and time of any proposed inspections, and Tenant shall be entitled to have an officer, director, or other employee of Tenant accompany Landlord during any such inspection. The Landlord may show the Leased Premises to prospective Tenants at any time during the last six (6) months of the Lease Term and during any period of default and/or extension of the Lease Term.

25. Compliance: Tenant shall, at its own expense, under penalty of forfeiture and damages, promptly comply with all laws, orders, regulations or ordinances of all Municipal, County, State, and Federal authorities affecting use of the Leased Premises with respect to the cleanliness, safety, occupation, and use of same.

26. Challenge: Landlord, although presently unaware of any such non-compliance, does not covenant that the Leased Premises are in compliance with applicable Municipal, County, State, and Federal laws, including, but not limited to, fire, safety, handicap, barrier free, zoning and use ordinances or laws and other governmental regulations relating to the use of the facility for the purpose intended through this Lease. Tenant shall obtain any and all licenses, approvals and/or permits required for its use, occupancy and operation of the Leased Premises and shall promptly comply with all governmental orders and directives related thereto, all at its sole cost and expense.

27. Holding Over: 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 1.5 times the monthly Rent required to be paid by Tenant under Paragraph 4 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.

28. Taxes and Special Assessments: If the Leased Premises are placed on the tax assessment rolls based upon Tenant's usage, then any real estate taxes, personal property taxes and/or special assessments assessed or levied against the Leased Premises during the Lease Term shall be borne by Tenant as additional Rent.

29. No Waiver: The failure of either party to enforce any covenant or condition of this Lease shall not be deemed a waiver thereof or of the right of either party to enforce each and every covenant and condition of this Lease. No provision of this Lease shall be deemed to have been waived unless such waiver be in writing.

30. Notices: All notices regarding this Lease are to be in writing and delivered, or mailed by first class mail postage pre-paid, by one party to the other party at the party's respective address set forth in the preface of this Lease. Notices which are mailed shall be deemed to have been given as of the second business day following the date of mailing.

31. Heirs and Assigns: The covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective successors and assigns, subject to the limitation on assignment as herein contained.

32. Vacation or Abandonment: In the event Tenant shall abandon or vacate the Leased Premises before the end of the term, Landlord shall have the right and duty to relet the Leased Premises for such rent and upon such terms as Landlord is able to obtain. In the event a sufficient sum is not realized by such reletting, to pay to Landlord the equivalent of the rents reserved to Landlord from Tenant under the provisions of this Lease, Tenant promises and agrees to pay to Landlord the amount of such deficiency each month during the balance of such term.

33. Condemnation: If any part of the Leased Premises is taken for any public or quasi-public purpose pursuant to any power of eminent domain, or by private sale in lieu of eminent domain, either the Landlord or the Tenant may terminate this Lease, effective the date the public authority takes possession. All damages for the condemnation of the Leased Premises, or damages awarded because of the taking, shall be payable to the sole property of the Landlord.

34. Quiet Enjoyment: Landlord covenants and agrees with Tenant that upon Tenant paying the Rent and observing and performing all the terms, covenants and conditions of Tenant's part to be performed and observed, Tenant may peaceably and quietly enjoy the Leased Premises for the full term hereof.

35. Policies/Regulations: Tenant, including its agents, representatives, employees, contractors, invitees, licensees and students shall at all times comply with all School District policies, procedures and regulations.

36. Extension: This Lease may be extended by mutual written consent of Landlord and Tenant for subsequent one (1) year terms. Said extension shall commence on July 1st of the year

of the extension and end the immediate following year on June 30th . If Tenant wishes to extend this Lease, Tenant shall give Landlord a minimum of thirty (30) days advance written notice of Tenant's intention to extend. 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.

37. Termination: This Lease may be terminated by Landlord at any time and for any reason upon ninety (90) days advanced written notice to Tenant.

38. Tenants in the Building. Landlord reserves the right to lease the non-exclusive portions of the Building to other tenants.

39. Security Deposit: Landlord and Tenant acknowledge that parties had a previous relationship under a prior lease document wherein Landlord was holding Tenant's security deposit in the amount of **\$1,000.00**. Since that former lease was terminated on the Effective Date of this Lease, the parties acknowledge that Landlord has transferred such security deposit and such deposit will now be held by Landlord and applicable as the security deposit under this Lease (the "Security Deposit"), as security for the performance by Tenant under this Lease. Upon an event of default, Landlord may apply or retain the whole or any part of the Security Deposit in satisfaction of damages incurred in connection with Tenant's default, whether the same may accrue before or after any legal proceedings are instituted by Landlord. Whenever the amount of the Security Deposit is diminished by Landlord's application, Tenant shall deposit additional money with Landlord sufficient to restore the security to the original amount. Landlord shall not be obligated to keep such Security Deposit as a separate fund but may commingle such Security Deposit with Landlord's own funds. In the event that Tenant shall fully comply with all the terms, covenants, conditions and agreements of this Lease, the security or any balance thereof shall be returned to Tenant following the expiration of this Lease. Tenant shall not be entitled to any interest on the security.

40. Miscellaneous Provisions: The following miscellaneous provisions form a part of this Lease:

Time is of the essence of each provision of this Lease.

Rent and all other sums payable under this Lease must be paid in lawful money of the United States of America.

The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, illegal, or invalid.

This Lease shall be construed and interpreted in accordance with the laws of the State of Michigan

This Lease contains all of the agreements of the parties and cannot be amended or modified except by a written agreement.

The captions of this Lease shall have no effect on its interpretation.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed as of the day and year first above written.

WITNESSES:

**Asst. Superintendent
of District Services**

LANDLORD:

LIVONIA PUBLIC SCHOOLS

By: _____
Livonia Board of Education President

By: _____
Livonia Board of Education Secretary

WITNESSES:

TENANT:

GARFIELD CO-OP PRESCHOOL

By: _____
Garfield Co-op President

LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter “Lease”) is made and entered into this ____ day of April 2025 (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”) **LEARNING TREE CHILDCARE CENTER, INC. - NORTH**, a Michigan corporation, whose address is 23800 Industrial Park Drive, Farmington Hills, Michigan 48335 (hereinafter referred to as “Tenant”).

WITNESSETH:

1. Leased Premises: In consideration of the rents, covenants and conditions contained herein, and as further defined in Paragraph 2 of this Lease, Landlord hereby leases to Tenant and Tenant leases from Landlord a portion of the building formerly known as the Jackson Elementary/Early Childhood Center, located at 32025 Lyndon, Livonia, Michigan 48154 (the “Building”).

2. Non-Exclusive Use of Leased Premises: During the Lease Term, Landlord and Tenant agree to Tenant’s use of the Building as follows:

A. Joint use with Landlord and/or other Tenants (Exterior of Building Only):

- Parking Lots
- Sidewalks
- Playground

(the “Common Areas”)

B. Exclusive use by Tenant, as highlighted in Blue on **Exhibit A** – Building Map (being 22,802 Square Feet) (collectively the “Leased Premises”)

C. Exclusive Use by Landlord and/or other Tenants, as highlighted in Yellow on **Exhibit A** – Building Map (being 19,157 Square Feet).

3. Term: The term of this Lease shall be for approximately five (5) years commencing on the Effective Date and terminating on June 30, 2030 (the “Lease Term”), unless extended pursuant to Paragraph 36 or terminated pursuant to Paragraph 37 hereof.

4. Rent: Tenant shall pay Landlord annual rent for the Leased Premises during the Lease Term as follows:

- The Landlord and Tenant acknowledge and agree that the Building is 41,959 Square Feet and the Leased Premises is 22,802 square feet.

- **Year 1** - \$13.00/square foot/per year. This amount shall be prorated for partial months if Year 1 of the Lease is less than one (1) full year or does not start on the first of the month or shall be increased on a pro-rata basis if Year 1 of the Lease is more than one (1) year, as it is the intent of the parties to have all subsequent Lease Years, being Years 2-5, commence on July 1st and end on June 30th.
- **Year 2** - \$13.50/square foot/per year.
- **Year 3** - \$14.00/square/foot per year.
- **Year 4** – Rent will increase from Year 3 based on all items CPI for urban wage earners for the Detroit, MI Metropolitan Area.
- **Year 5** - Rent will increase from Year 4 based on all items CPI for urban wage earners for the Detroit, MI Metropolitan Area.
- Any Lease Extensions permitted under Paragraph 36 hereof, Rent shall increase from the previous year's Rent based on all items CPI for urban wage earners for the Detroit, MI Metropolitan Area.

(collectively the “Rent”).

Tenant shall pay to Landlord the annual Rent divided by twelve for each month of the Lease Term, commencing on the Effective Date. 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. Rent and/or additional rent and all other sums due and payable by Tenant hereunder shall bear interest at an annual rate equal to seven per cent (7%) per annum from the due date while the same remain unpaid if the same are not paid within five (5) days after the due date, and such interest shall be deemed Additional Rent.

5. Use of Leased Premises: Tenant shall use and occupy the Leased Premises for the sole purpose of conducting a for-profit childcare facility and for no other purpose(s) without the prior written consent of Landlord. Tenant shall not do or permit to be done any act or thing upon the Leased Premises that will increase the cost of casualty and liability insurance above the insurance costs normally associated with Tenant’s principal activities as herein described. Tenant shall not use the Leased Premises or permit the Leased 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 Leased Premises subject to all School District policies, procedures and regulations of Landlord and shall not interfere with Landlord’s or its other tenants’ use and enjoyment of the remainder of the Building. Tenant shall not perform any acts or carry on any practices which may injure the Leased Premises or be a nuisance and shall keep the Leased Premises under its control clean and free from rubbish and dirt at all times, and it is further agreed that in the event the Tenant shall not comply with these provisions, and Landlord has given Tenant ten (10) days prior notification of such situation, Landlord may enter upon the Leased Premises and have any said rubbish and dirt removed, in which event Tenant agrees to pay all reasonable charges that Landlord shall pay for hauling rubbish and dirt. Said charges shall be paid to Landlord by Tenant as soon as a bill is presented to Tenant and Landlord shall have the same remedy as is provided in this Lease in the event of Tenant’s failure to pay.

6. Acceptance of the Leased Premises: Tenant acknowledges that it has examined the Leased Premises prior to the making of this Lease and knows the conditions thereof. Tenant further acknowledges that no representation as to the condition or state of repairs thereof have been made by Landlord or its agents which are not herein expressed, except that Tenant acknowledges that Landlord has fully disclosed the existence of asbestos in the Building, and that Tenant accepts the Leased Premises knowing that it contains asbestos. Tenant hereby accepts the Leased Premises in its present "AS IS" condition as of the Effective Date.

7. Alterations and Improvements: Tenant shall not make any alterations, additions, or improvements to the Leased Premises without Landlord's prior written consent, which consent is in Landlord's sole and absolute discretion. Any and all alterations, additions, or improvements approved by the Landlord in writing and made by the Tenant, at Tenant's sole cost and expense, upon the Leased Premises shall be the property of Landlord and shall remain upon and be surrendered with the Leased Premises at the termination of this Lease, except that Landlord shall have the option, upon the expiration or sooner termination of this Lease, to require the Tenant to remove certain or all of the improvements from the Leased Premises. In that event, Tenant must do so at its sole cost and expense and complete such removal within sixty (60) days of the termination or expiration of the Lease Term. Also, upon such removal by Tenant, Tenant shall, at its sole cost and expense, restore the Leased Premises to its original condition at the beginning of this Lease. All such alterations, improvements, or physical changes shall be done at Tenant's sole expense and shall be performed in a good and workmanlike manner by a reputable contractor. Any construction projects approved by Landlord shall be done in accordance with the plans and specifications, and at the times, mutually agreed upon in writing by the parties. Tenant agrees that it shall pay for all associated costs for any future construction projects approved by Landlord, including, but not limited to, the costs and expenses for the preparation of plans, to obtain permits to issue a Request For Proposal/Project Manual ("RFP") for any such construction, and for all labor and materials. Prior to the planning or commencement of any installation or construction for the Leased Premises, the parties shall convene to discuss all necessary aspects of said installation/construction, including, but not limited to, the scope of the project, and compliance with competitive bidding requirements and applicable laws. Any future construction projects shall be done in a professional and workmanlike manner and in compliance with all applicable local, state and federal laws, rules, regulations and ordinances including, without limitation, all laws, rules, regulations and ordinances pertaining to school building construction, being the Michigan Revised School Code (MCL 380.1 et seq., including, but not limited to 380.1264, as amended), the School Building Construction Act (MCL 388.851 et seq., as amended), the Stille-Derossett-Hale Single State Construction Code Act (MCL 125.1501 et seq.), the Michigan Building Code and the prevailing wage requirements of MCL 408.1101, et seq., as amended and as applicable ("Michigan's Prevailing Wage Act"), including the maintenance of records as may be necessary to enable compliance with the reporting or inspection requirements under the Michigan's Prevailing Wage Act (collectively the "Construction Acts"). Additionally, before any construction at the Building is commenced, the Landlord shall, at a minimum, have a right to review and provide input into the RFP and proposed contract with the contractor(s) to ensure Landlord is adequately protected and that the Construction Documents, drawings and detailed specifications of the Leased Premises are consistent with Landlord's approval. Tenant shall submit the final Construction Documents, drawings and detailed specifications to the Landlord for its written approval prior to commencing construction, with those documents, drawings and

specifications to thereafter being incorporated herein by reference into this Lease. Tenant shall submit all appropriate applications to the 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 any local municipalities and any other governmental agencies having jurisdiction over the Leased Premises, as required by the Construction Acts and receive all appropriate approvals prior to commencing any construction of the Leased Premises.

8. Maintenance and Repairs: Landlord after receiving written notice from the Tenant, and having reasonable opportunity thereafter to obtain the necessary workmen therefore, agrees to keep the Leased Premises and Common Areas in good order and repair as reasonably required to keep the Leased Premises and Common Areas in its current condition, normal wear and tear excepted; provided, however, Tenant shall be responsible for all damage to the Leased Premises and Common Areas caused by the negligence or willful acts of the Tenant and the Tenant's agents, representatives, employees, invitees, contractors, licensees and/or students. Tenant shall be responsible for all maintenance of and repairs to the Leased Premises, including any approved improvements. The Tenant must repair and maintain the Leased Premises at Tenant's sole cost and expense. The Leased Premises shall be kept in a good and safe condition. All charges and other costs of every kind and nature in connection with the maintenance, upkeep and preservation of the Leased Premises shall be borne and paid for by the Tenant. Additionally, Tenant shall be responsible for any and all damages to the Leased Premises or Common Areas caused by the negligence or willful acts of the Tenant and the Tenant's agents, representatives, employees, invitees and/or licensees. Also, Tenant shall furnish, at its own expense, all necessary services for the operation of the Leased Premises including janitorial services, supplies and snow removal.

9. Utilities: Landlord shall pay for the cost of the following utilities supplied to the Leased Premises during the Lease Term: electricity, gas, water, sewer, lawn, grounds and landscaping care, and rubbish removal. Tenant shall arrange for the installation of any telecommunication, wireless, cable or internet services, at its sole cost and expense, and shall be responsible for any and all charges associated therewith. Tenant shall also be responsible for all snow removal related to the Building including shoveling walkways and plowing driveways and parking lots. Tenant shall have the right to use the utility services which presently exist on the Leased Premises, but Landlord shall not be liable to Tenant for any loss or interruption of utility services.

10. Janitorial Services: Tenant shall furnish, at its own expense, all janitorial services and supplies, including, but not limited to, toilet paper and paper towels, for the operation of the Leased Premises. However, in the event the Tenant's use of the Leased Premises shall render the Leased Premises with excessive dirt and rubbish, as determined in the sole discretion of Landlord, the Tenant hereby agrees to reimburse Landlord for the direct expense that Landlord incurs in providing janitorial services to remediate such condition, including salary and/or hourly wage of its employees or third-party contractors as well as any overtime expenses incurred and the cost of janitorial supplies. Tenant shall furnish, at its own expense, all custodial/janitorial custodial services for the operation of the Leased Premises, including any and all additional cleaning requirements stemming from orders, regulations or ordinances of all Municipal, County, State, and Federal authorities affecting use of the Leased Premises with respect to the cleanliness, safety, occupation, and use of same.

11. Building Insurance: Landlord shall cause the building and its improvements to be insured against loss or damage under a policy or policies of fire and extended coverage insurance, including “additional perils” in amounts acceptable to Landlord.

12. Tenant’s Personal Property Insurance: Any personal property kept on the Leased Premises by Tenant shall be insured at Tenant’s sole risk, and Tenant shall acquire such policy or policies of insurance thereon as Tenant in its best judgment shall determine. Tenant shall pay when due any personal property taxes levied against the property of Tenant located at the Leased Premises.

13. Tenant’s General Liability Insurance: Tenant, at its sole cost and expense during the Lease Term, shall maintain and keep in effect commercial general liability insurance in an amount not less than Two Million and 00/100 (\$2,000,000.00) Dollars for injury to or death of one person, or not less than Three Million and 00/100 (\$3,000,000.00) Dollars for injury or death of more than one person, in any one accident or occurrence and umbrella coverage in an amount not less than Five Million and 00/100 (\$5,000,000.00) Dollars; and property damage insurance with minimum limits of One Million and 00/100 (\$1,000,000.00) Dollars. Such policy or policies shall include cross liability and severability of interests’ clauses, and be written on an occurrence, and not claims-made, basis. Each of these policies shall be endorsed to name Landlord as an additional insured. Any insurance carried by Landlord shall be non-contributing and Tenant’s insurance shall be primary to any such insurance carried by Landlord. Such insurance obtained by Tenant shall be carried by an insurance company or companies licensed to do business in Michigan and be on terms approved by Landlord. Duplicate original copies of said policies shall be delivered to Landlord. Tenant shall deliver to Landlord a certificate of insurance 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.

14. Indemnification: Tenant shall indemnify, defend and hold harmless Landlord and its Board of Education, its Board members in their official and individual capacities, its administrators, employees, agents, contractors, successors and assigns, from and against any and all claims, counter-claims, suits, debts, demands, actions, judgments, liens, liabilities, injuries, losses, costs, expenses and damages, including actual attorney’s fees and actual expert witness fees, arising out of or in connection with Tenant’s its agents’, representatives’, employees’, contractors’, licensees’ and invitees’ use and occupancy of the Leased Premises, from the negligence of Tenant, its agents’, representatives’, employees’, contractors’, licensees’ and invitees’ and/or from Tenant’s its agents’, representatives’, employees’, contractors’, licensees’ and invitees’ violation of any of the terms of this Lease. The indemnity obligations contained in this Paragraph shall survive the expiration or earlier termination of this Lease and shall not be limited by Tenant’s insurance obligations contained in this Lease.

15. Damage or Destruction - Fire or Other Cause: In the event of a partial destruction of the Leased Premises, the Landlord shall, as promptly as possible, unless Landlord shall elect not to rebuild, repair the same, provided such repairs can reasonably be made within ninety (90) days (or within such other period as Landlord and Tenant may agree upon) from said destruction

or damage under normal working conditions, and pursuant to applicable laws, ordinances, and regulations. In such case, this Lease shall not be terminated, but the Rent shall be abated proportionately for such portion of said Leased Premises as are not reasonably usable during the period while repairs are being made. In the event that such repairs cannot reasonably be made within ninety (90) days' time (or such other period as Landlord and Tenant may agree upon), or in the event Landlord shall elect not to rebuild, repair the same, either party hereto at its option may terminate this Lease upon written notice to the other. In any event, the destruction of substantially all of the Leased Premises shall cause this Lease to automatically terminate, without the requirement of notice.

16. Environmental Warranty: Tenant represents, warrants and covenants to Landlord the following:

A. Tenant's use of the Leased Premises and its activities thereon shall comply with all "Environmental Laws," "Environmental Law(s)" means any federal, state or local law, statute, code, ordinance, regulation, rule, judgment, order, decree, injunction, permit or restriction or closure, post closure, or remediation plan approved by a government agency or entity, relating to the environment, waste, hazardous substances or hazardous materials and shall include without limitation, and as amended, the Asbestos Hazard Emergency Response Act, 15 USCS Sec. 2641 et seq., the Solid Waste Disposal Act, 42 U.S.C. Sec. 6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Sec. 9601 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Sec. 1801 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Sec. 1251 et seq., the Clean Air Act, 42 U.S.C. Sec. 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. Sec. 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. Sec 300 et seq., the Rivers and Harbors Act, 33 U.S.C. Sec. 401 et seq., the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. Sec. 11001 et seq., the Oil Pollution Act of 1990, 33 U.S.C. Sec. 2701 et seq., and the Michigan Natural Resources and Environmental Protection Act (MCL § 324.101 et seq.). This definition is intended by the parties to be amended as the applicable Environmental Laws are amended or enacted during the Lease Term.

B. Tenant shall not disturb, generate, manufacture, refine, use, treat, store, handle, transport, remove, dispose, transfer, produce or process Hazardous Substances on the Leased Premises. For purposes of this Lease, "Hazardous Substances" shall mean any substance or material regulated under any Environmental Law.

C. Tenant shall immediately and promptly notify Landlord of any disturbance, release, discharge, spill or emission of Hazardous Substances on, to or from the Leased Premises, and any complaint, summons, citation, notice, directive, order, claim, litigation, judicial or administrative proceeding, inquiry or investigation judgment, letter or other communication from any governmental agency, department, bureau, office or other authority, or any third party involving violations of any Environmental Law with respect to the Leased Premises.

D. In addition to the above, Tenant shall not disturb any Asbestos or Suspect Asbestos at the Leased Premises without prior, written authorization from Landlord. The Asbestos Management Plan for the Leased Premises will be made available to Tenant, at Tenant's request, however, Tenant is responsible for all asbestos awareness or other training required of its

employees, and for the sampling and confirmation for any area of the Leased Premises that will be disturbed by Tenant to confirm that there is no asbestos in compliance with all Environmental Laws.

17. Environmental Indemnification

A. Tenant hereby agrees to indemnify, defend and hold harmless Landlord, its successors, assigns, officers and members of its Board of Education and employees, from and against any and all fines, charges, penalties, losses, costs, damages, liabilities, injuries, cleanup or response activity costs and/or expenses (including reasonable attorneys' fees and actual consultants' fees) incurred by Landlord as a result of any claims, demands, actions, causes of action, suits, proceedings, investigations, assessments and audits, whether of law or in equity (collectively "Claims") attributable to (i) any third party claim or demand in connection with any Hazardous Substances disturbed, generated, stored, leaked, spilled, discharged, emitted, or otherwise disbursed, in, on, under, above or about the Leased Premises, or violation of any Environmental Laws, from and after the date of this Lease; (ii) injuries sustained or other tort actions brought for Claims arising out of or related to any Hazardous Substances; (iii) the presence, disposal (including off-site disposal), escape, leakage, discharge, emission, release or threatened release of any Hazardous Substances in, on, under, above, from or about the Leased Premises; and (iv) compliance with, defense of, and response to any administrative notice, order, request or demand from any governmental entity or agency related to any Hazardous Substances on the Leased Premises or violation of any Environmental Laws.

B. Tenant's indemnification described above specifically includes, but is not limited to, the direct obligation of the Tenant to promptly perform any remedial or other activities required or ordered by any administrative agency or government official, or are otherwise necessary to avoid injury or liability to any person or property, to prevent the spread of any pollution and/or contamination, or to permit the continued safe use of the Leased Premises.

18. Assignment and Subletting: Tenant shall not assign, or in any manner encumber this Lease, nor any part, right, or interest thereof, nor shall Tenant let or sublet or permit any part of the Leased Premises or Common Areas to be used or occupied by others for any reason whatsoever, without Landlord's advance written consent, which consent is discretionary in Landlord solely. However, Landlord and Tenant acknowledge that the Common Areas may also be utilized by Landlord and/or other tenants in the Building. Any assignment, transfer, hypothecation, mortgage, or sub-letting without the prior written consent of Landlord shall give Landlord the right to terminate this Lease and re-enter and repossess the Leased Premises.

19. Default and Termination: If Tenant shall default in the payment of Rent or Additional Rent when due and shall not cure such default within ten (10) days, or shall default in the performance of any other covenant of this Lease and shall not cure such default within fifteen (15) days after written notice from Landlord specifying the default complained of (or, if such other default is of a nature that it cannot be cured within a fifteen (15) day period, and thereafter proceed diligently with the cure thereof) then in any such event Landlord may terminate this Lease at any time thereafter (before such default shall be cured) by giving written notice of the termination.

Upon termination of this Lease, Landlord may without further notice re-enter the Leased Premises and dispossess Tenant or any other occupant of the Leased Premises and remove its effects and hold the Leased Premises as if this Lease had not been made, saving and reserving to Landlord any other remedies which Landlord may have for the recovery of Rent or damages due or to become due by virtue of this Lease or the breach thereof by Tenant. Should Landlord at any time permit payments of Rent or Additional Rent to be made after the time it is due, as stipulated herein, such delays shall not be construed as any waiver by Landlord of its right to have the Rent for said Leased Premises paid monthly in advance. Any failure at any time by either of the parties hereto to enforce any of the provisions of this Lease shall not be construed as a waiver of such provisions nor of such party's right to enforce the same upon any subsequent occasion or default.

20. Bankruptcy: If Tenant shall file a petition in voluntary bankruptcy or be voluntarily or involuntarily adjudicated bankrupt or insolvent, or shall make an offer of composition to its creditors, or shall make an assignment for the benefit of creditors, or shall file a petition or answer seeking reorganization or readjustment under the federal bankruptcy laws or any other law or statute of the United States or any state thereof, or if a receiver or trustee shall be appointed for Tenant or for all or a substantial part of the property of Tenant and Tenant is not released from such receiver or trustee within thirty (30) days after appointment, or if an order shall be entered approving the reorganization of Tenant or the readjustment of Tenant's debts or obligations under the federal bankruptcy laws or any other law or statute of the United States or any state thereof, then any of such events shall be deemed to be a breach, default and anticipatory breach of this Lease. In any of such events and whenever and as often as any such failure, default, breach or anticipatory breach shall occur, the term hereof, at the option of Landlord, shall cease and terminate and from thenceforth it shall be lawful for Landlord to re-enter into and repossess the Leased Premises situated thereon and Tenant and each and every occupant to remove and put out and to relet said Leased Premises for his own benefit; but reserving to Landlord all such rights as he may have for damages or otherwise because of said default, breach or anticipatory breach of Tenant.

21. Damages: In the event of the termination of this Lease under Paragraphs 19, 20 or any provisions of law by reason of Tenant's default hereunder, Tenant shall pay Landlord as damages sums equal to the Rent which would have been payable by Tenant had this Lease not so terminated, payable on the days specified in Paragraph 4, until the expiration of the full Lease Term hereby granted; provided, that Landlord shall have the duty to mitigate such damages by reletting all or any part of the Leased Premises during said period, and Landlord shall credit Tenant with the excess of the rents received from such reletting over the expenses of the termination of the Lease and of the reletting, excluding any redecoration costs.

22. Surrender of Leased Premises: Upon the expiration or earlier termination of the Lease Term, Tenant shall quit and surrender the Leased Premises to Landlord in good order and condition, ordinary wear and damage excepted; and subject to Paragraph 7 hereof Tenant shall remove all of its property and shall repair any damage to the Leased Premises or any of Landlord's property, real or personal, caused by such removal.

23. Mechanics' Liens: Tenant shall pay all costs for construction done by it or caused to be done by it on the Leased Premises as permitted by this Lease. Tenant shall cause all approved 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 fifteen (15) days from the date of its filing.

24. Access to Leased Premises: Landlord shall have the right to enter upon the Leased Premises at all reasonable hours for the purpose of inspecting the Leased Premises, preventing waste, loss, or destruction, removing obstructions, making such repairs or obligations as are necessary to protect the Leased Premises, performing any of its duties and obligations under the terms and conditions of this Lease or to enforce any of Landlord's rights or powers under this Lease. During such entry by Landlord, the Tenant may require that its representative be present, unless such entry is necessitated by the existence of an emergency situation requiring prompt attention by Landlord, or unless Tenant shall refuse such access after reasonable notice. Except in the case of an emergency, Landlord shall give Tenant twenty-four (24) hours advance notice as to the date and time of any proposed inspections, and Tenant shall be entitled to have an officer, director, or other employee of Tenant accompany Landlord during any such inspection. The Landlord may show the Leased Premises to prospective tenants at any time during the last six (6) months of the Lease Term and during any period of default and/or extension of the Lease Term.

25. Compliance: Tenant shall, at its own expense, under penalty of forfeiture and damages, promptly comply with all laws, orders, regulations or ordinances of all Municipal, County, State, and Federal authorities affecting use of the Leased Premises with respect to the cleanliness, safety, occupation, and use of same.

26. Challenge: Landlord, although presently unaware of any such non-compliance, does not covenant that the Leased Premises are in compliance with applicable Municipal, County, State, and Federal laws, including, but not limited to, fire, safety, handicap, barrier free, zoning and use ordinances or laws and other governmental regulations relating to the use of the facility for the purpose intended through this Lease. Tenant shall obtain any and all licenses, approvals and/or permits required for its use, occupancy and operation of the Leased Premises and shall promptly comply with all governmental orders and directives related thereto, all at its sole cost and expense.

27. Holding Over: 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 1.5 times the monthly Rent required to be paid by Tenant under Paragraph 4 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.

28. Taxes and Special Assessments: If the Leased Premises are placed on the tax assessment rolls based upon Tenant's usage, then any real estate taxes, personal property taxes and/or special assessments assessed or levied against the real property, the Building, the Common

Areas or Leased Premises during the Lease Term or extension thereof shall be borne by Tenant as Additional Rent.

29. No Waiver: The failure of either party to enforce any covenant or condition of this Lease shall not be deemed a waiver thereof or of the right of either party to enforce each and every covenant and condition of this Lease. No provision of this Lease shall be deemed to have been waived unless such waiver is in writing.

30. Notices: All notices regarding this Lease are to be in writing and delivered, or mailed by first class mail postage pre-paid, by one party to the other party at the party's respective address set forth in the preface of this Lease. Notices which are mailed shall be deemed to have been given as of the second business day following the date of mailing.

31. Heirs and Assigns: The covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective successors and assigns, subject to the limitation on assignment as herein contained.

32. Vacation or Abandonment: In the event Tenant shall abandon or vacate the Leased Premises before the end of the Lease Term, Landlord shall have the right and duty to relet the Leased Premises for such rent and upon such terms as Landlord is able to obtain. In the event a sufficient sum is not realized by such reletting, to pay to Landlord the equivalent of the rents reserved to Landlord from Tenant under the provisions of this Lease, Tenant promises and agrees to pay to Landlord the amount of such deficiency each month during the balance of such Lease Term.

33. Condemnation: If any part of the Leased Premises is taken for any public or quasi-public purpose pursuant to any power of eminent domain, or by private sale in lieu of eminent domain, either the Landlord or the Tenant may terminate this Lease, effective the date the public authority takes possession. All damages for the condemnation of the Leased Premises, or damages awarded because of the taking, shall be payable to the sole property of the Landlord.

34. Quiet Enjoyment: Landlord covenants and agrees with Tenant that upon Tenant paying the Rent and observing and performing all the terms, covenants and conditions of Tenant's part to be performed and observed, Tenant may peaceably and quietly enjoy the Leased Premises for the full term hereof.

35. Policies/Regulations: Tenant, including its agents, representatives, employees, contractors, invitees, licensees and students shall at all times comply with all School District policies, procedures and regulations.

36. Extension: This Lease may be extended by mutual written consent of Landlord and Tenant for subsequent one (1) year terms. Said extension shall commence on July 1st of the year of the extension and end the immediately following year on June 30th. If Tenant wishes to extend this Lease, Tenant shall give Landlord a minimum of ninety (90) days advance written notice of Tenant's intention to extend.

37. Termination: This Lease may be terminated by Landlord at any time and for any reason upon ninety (90) days advanced written notice to Tenant.

38. Tenants in the Building: Landlord reserves the right to lease the non-exclusive portions of the Building to other tenants.

39. Signage: Landlord shall permit Tenant to erect a sign at the Building in order to indicate the presence of Tenant at the Building and in the Leased Premises in order to indicate the location of Tenant within the Building; provided that, Tenant's proposed sign is approved in advance and in writing by Landlord prior to erection of said sign and further, provided that said sign meets all municipal, local, code or ordinance regulations, as required. Tenant shall be solely responsible for the cost of installing, operating, maintaining and removing its sign. Notwithstanding the foregoing, at the expiration or early termination of this Lease any such sign(s) must be removed by Tenant at its sole cost and expense.

40. Security Deposit: Landlord and Tenant acknowledge that parties had a previous relationship under a separate lease wherein Landlord was holding Tenant's security deposit in the amount of \$1,190.00. Since that former lease was terminated on the Effective Date of this Lease, the parties acknowledge that Landlord has transferred such security deposit and such deposit will now be held by Landlord and applicable as the security deposit under this Lease (the "Security Deposit"), as security for the performance by Tenant under this Lease. Upon an event of default, Landlord may apply or retain the whole or any part of the Security Deposit in satisfaction of damages incurred in connection with Tenant's default, whether the same may accrue before or after any legal proceedings are instituted by Landlord. Whenever the amount of the Security Deposit is diminished by Landlord's application, Tenant shall deposit additional money with Landlord sufficient to restore the security to the original amount. Landlord shall not be obligated to keep such Security Deposit as a separate fund but may commingle such Security Deposit with Landlord's own funds. In the event that Tenant shall fully comply with all the terms, covenants, conditions and agreements of this Lease, the security or any balance thereof shall be returned to Tenant following the expiration of this Lease. Tenant shall not be entitled to any interest on the security.

41. Miscellaneous Provisions: The following miscellaneous provisions form a part of this Lease:

Time is of the essence of each provision of this Lease.

Rent and all other sums payable under this Lease must be paid in lawful money of the United States of America.

The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, illegal, or invalid.

This Lease shall be construed and interpreted in accordance with the laws of the State of Michigan.

This Lease contains all of the agreements of the parties and cannot be amended or modified except by a written agreement.

The captions of this Lease shall have no effect on its interpretation.

The parties have caused this Lease to be executed as of the day and year first above written.

LANDLORD:

LIVONIA PUBLIC SCHOOLS

By: _____

Its: _____

TENANT:

LEARNING TREE CHILDCARE CENTER, INC. - NORTH

By: _____

Its: _____

EXHIBIT A
BUILDING MAP

(see attached)



Date: May 9, 2025

To: Andrea Oquist, Superintendent

From: Phillip Francis, Assistant Superintendent of District Services

Re: Consideration of Sale of Property

I would like to discuss with the Board at the upcoming Committee of the Whole a proposal for the sale of property. This 10.33 acre wooded property is located on Ann Arbor Trail, north of Edward Hines Drive, west of Merriman Road, and across the street from the former Ford Skill Center property. It is a parcel of land that is owned by the district but is not used for any specific purpose by the district. It has been determined this property would not be suitable for a school building, but the district has been approached with an offer to purchase by a developer who would like to build family homes on the property

Please add this agenda item to the May 9, 2025 Board of Education Committee of the Whole Meeting. Thank you.

Attachments

PF

C: Board of Education

OFFER TO PURCHASE REAL ESTATE

1. THE UNDERSIGNED purchaser, Infinity Homes & Co., LLC ("Purchaser"), hereby offers and agrees to purchase from Livonia Public Schools ("Seller") the following vacant real property situated in the City of Westland, Wayne County, Michigan, described as follows:

10.33 +/- acres of vacant land located on the South side of Ann Arbor Trail, West of N. Merriman Road, Westland Michigan, Sidwell Number 56-012-99-0017-001, more particularly described on Exhibit A attached hereto, subject to Survey (the "Premises"),

together with all improvements and appurtenances, if any, now on the Premises, subject to existing building and use restrictions, and easements, if any, and zoning ordinances upon the following conditions:

THE SALE TO BE CONSUMMATED BY CASH SALE: Delivery of the Warranty Deed attached hereto and marked as Exhibit B conveying marketable title at Closing to the Premises. The purchase price for the Premises shall be the sum of Two Hundred Thirty Five Thousand Dollars and 00/100 (\$235,000.00) (the "Purchase Price") payable by Purchaser at Closing in cash, certified check, or direct wire transfer at the option of Seller.

2. As evidence of title, Purchaser agrees to furnish Seller within fifteen (15) business days of the Date of this Offer with a Commitment for Title Insurance with the standard exceptions (the "Commitment"), issued by First Centennial Title Agency, Inc. of Mid-America (the "Title Company") in an amount not less than the Purchase Price bearing date later than the acceptance hereof with policy pursuant thereto to be issued insuring Purchaser. If Purchaser desires a Commitment "without the standard survey exceptions;" Purchaser shall be responsible to obtain an ALTA survey, at its sole cost and expense, which accurately describes and reflects the Premises ("Survey") within ninety (90) days of the Date of this Offer and verify that said Survey is sufficient to allow the Title Company to issue a Commitment without said standard exceptions. Once said Survey is obtained by Purchaser and reviewed and accepted by Seller, the legal description in the Survey shall update Exhibit A. The Survey shall be certified to the Seller, the Purchaser and the Title Company. Upon Closing, Seller shall pay for and order a title insurance policy consistent with the Commitment which Seller shall have updated to the date of Closing.
3. In the event of default of the terms and conditions of this Offer by the Purchaser hereunder, the Seller may, at its option, elect to enforce the terms hereof by specific performance or declare a breach hereunder, terminate this Offer and retain the Earnest Money Deposit as liquidated damages. To the extent the Earnest Money Deposit is held in escrow by the Title Company, the Seller shall be entitled to an immediate release of such funds from escrow.
4. In the event of default of the terms and conditions of this Offer by the Seller hereunder, the Purchaser may, at its option, elect to enforce the terms hereof by specific performance or demand, and be entitled to, an immediate refund of its entire Earnest Money Deposit in full termination of this Offer.

5. If written objection to the title is made within ten (10) days of delivery of the Commitment, that the title is not in the condition required for performance hereunder, the Seller shall have thirty (30) days from the date it receives notice in writing of the particular defects claimed either to: (1) remedy the title defects set forth in said written notice, although Seller shall have no obligation to cure or to obtain insurance over such defects; or (2) terminate the Offer and refund the Earnest Money Deposit in full termination of this Offer. Notwithstanding the above, Purchaser may, at any time during the thirty (30) day cure period, waive the conditions of this Paragraph 5 and accept the title in its "As Is" condition. If the Seller is able to remedy such defects within the time specified as evidenced by written notification, a revised Commitment or endorsement to the Commitment, the Purchaser agrees to complete the sale in accordance with the Closing date set forth in Paragraph 12.
6. All special assessments which have been levied and due and payable upon the Premises as of the Date of this Offer shall be paid by the Seller. All special assessments which are levied and due and payable after the Date of this Offer shall be paid by the Purchaser. All real property taxes on the Premises shall be prorated and adjusted as of the date of Closing in accordance with DUE DATE basis of the municipality or taxing unit in which the Premises is located, under the assumptions that taxes are paid in advance and that summer and winter taxes are due and payable July 1 and December 1 respectively. Water and other utility bills shall be prorated and adjusted as of the date of Closing. The Seller shall be responsible for the payment of any applicable transfer taxes associated with this transaction and the Purchaser shall be responsible for all applicable recording fees, including, but not limited to, the fees required for recording the Warranty Deed. All other Closing fees/costs will be split equally between Purchaser and Seller and reflected on the final Closing Statement.
7. It is understood that this Offer is irrevocable for forty-five (45) days from the date hereof. If this Offer is accepted by the Seller, the Purchaser agrees to complete the purchase of the Premises within the time indicated in Paragraph 12.
8. Within three (3) business days of the Date of this Offer, Purchaser shall deposit the sum of Twelve Thousand and 00/100 (\$12,000.00) Dollars (the "Earnest Money Deposit") to be held in escrow by the Title Company, as escrow agent, pursuant to the form of Escrow Agreement attached hereto as **Exhibit E** (the "Escrow Agreement"). If the Purchaser elects to exercise the Extension Period(s) under Paragraph 10(C) below, the Purchaser agrees to increase the Earnest Money Deposit and shall deposit an additional sum of Ten Thousand and 00/100 Dollars (\$10,000.00) for each Extension Period requested (each an "Additional Deposit") with the Title Company prior to the end of the Inspection Period, or in the case of the second Extension Period, prior to the end of the first Extension Period (the "Earnest Money Deposit" and "Additional Deposit(s)", if made hereunder, shall all be collectively known as the "Earnest Money Deposit"). The Earnest Money Deposit is only refundable to the Purchaser in accordance with the terms and conditions of this Offer and the Earnest Money Deposit, shall be applied to the Purchase Price, if the sale is

consummated. Neither the Seller nor the Title Company shall be responsible to the Purchaser for any interest associated with the subject Earnest Money Deposit.

9. The covenants herein shall bind and inure to the benefit of the executors, administrators, successors and assigns of the respective parties.
10. This Offer and all of Purchaser's obligations hereunder are contingent upon all of the following:

- A. Purchaser's satisfaction with the Premises following Purchaser's testing, analysis, inspection and evaluation of the Premises ("Purchaser's Evaluations"). Purchaser shall have one hundred and eighty (180) days after the Date of this Offer ("Inspection Period") in which to conduct such investigations, evaluations and testing of the Premises (both above ground and below ground) as Purchaser deems appropriate in order to determine if the Premises are satisfactory and suitable for Purchaser's intended use and enjoyment. Purchaser's Evaluations may include, but shall not be limited to: (i) a physical inspection of all aspects of the Premises; (ii) an environmental analysis and investigation of the Premises; (iii) an analysis of the availability of any federal, state or local tax abatements or property tax reductions for the Premises; (iv) a verification that there are no existing special assessments affecting the Premises; (v) investigating the availability and condition of utility and sewage services and systems including, but not limited to, gas, water, electricity, sanitary sewer, storm sewer and telephone services and systems; (vi) making soil tests, borings and other engineering, environmental and architectural tests and evaluations; (vii) reviewing and analyzing all applicable building and use restrictions, zoning ordinances, building codes and all other federal, state and local statutes, codes, ordinances, rules and regulations relating to the ownership, development or use of the Premises; and (viii) analyzing the results of any survey. Upon completion of Purchaser's Evaluations, Purchaser shall, at its sole cost and expense, restore the Premises to a condition as good as its condition prior to such Evaluations. During the term of the Inspection Period and at all times prior to Closing, Purchaser, its employees, agents, representatives, engineers, inspectors and surveyors (collectively "Representatives"), shall have the right of access to the Premises at all times for the purposes of performing Purchaser's Evaluations provided Purchaser has executed the attached Release and marked as **Exhibit C** and obtained such a Release from its Representatives. Purchaser shall indemnify, defend and hold Seller free and harmless from and against any liability arising therefrom except as caused by the acts or omissions of Seller or Seller's agents and employees.

- B. In the event that Purchaser is dissatisfied with the results of Purchaser's Evaluations and Purchaser has notified Seller in writing prior to the expiration of said Inspection Period, Purchaser shall have the option to rescind and terminate this Offer and Seller shall return all of Purchaser's Earnest Money Deposit paid as of that time, provided that Purchaser delivers to the Seller, free



of charge, a copy of, in both electronic and hard copy formats, any and all documents, engineering plans, construction drawings, reports, assessments, surveys or site plans and any other work product prepared by, or on behalf of, Purchaser in accordance with this Paragraph 10 or for the development of the Premises (the "Documents") and shall represent and warrant to the Seller that upon delivery of the Documents that the Documents are assigned to Seller and/or the Seller has permission from any and all other preparers of the Documents, to use the same in connection with the Premises. All of Purchaser's Evaluations shall be performed at the Purchaser's sole cost and expense. At any time during the Inspection Period, Purchaser may elect to purchase the Premises for the Purchase Price, less the Earnest Money Deposit, by notifying the Seller in writing, and the Closing shall take place in accordance with Paragraph 12.

- C. At the expiration of the Inspection Period, there will be a two (2) one hundred and twenty (120) day extension periods available to Purchaser (each an "Extension Period"). At the commencement of the first Extension Period, and except as provided below, the Earnest Money Deposit, including the Additional Deposit(s) shall become non-refundable to Purchaser but shall be applied toward the Purchase Price in the event of Closing. In order to exercise the Extension Periods, prior to the expiration of the Inspection Period, or in the case of the second Extension Period, prior to the end of the first Extension Period, the Purchaser shall notify the Seller in writing and deposit an additional Ten Thousand and 00/100 Dollars (\$10,000.00) Additional Deposit with the Title Company in accordance with Paragraph 8 above. Once Purchaser elects to exercise the first Extension Period, Purchaser agrees to waive all contingencies enumerated in Paragraphs 10(A) and (B) above, except that Purchaser may solely use the first and/or second Extension Period in which to continue to pursue all necessary governmental approvals from the City of Westland or other governmental entities having jurisdiction over the Premises (hereinafter collectively referred to as the "Governmental Approvals"). Purchaser shall use its best efforts to obtain all necessary Governmental Approvals and agrees to commence the Governmental Approvals process and apply for all necessary Governmental Approvals within one hundred twenty (120) days of the Date of this Offer. As part of these Governmental Approvals, Purchaser agrees that it shall secure, at its sole cost and expense, all necessary site plans and other engineering drawings and documentation necessary for the Purchaser to submit to the City of Westland or other governmental agencies having jurisdiction over the Premises to obtain the Governmental Approvals. In the event all Governmental Approvals have not been secured prior to the expiration of the first or second Extension Period, Seller and Purchaser agree that if the Purchaser does not obtain the Governmental Approvals within the Extension Periods after working in good faith to obtain the same, Purchaser may terminate this Offer and if terminated, Purchaser shall be entitled to a return of a portion of its Earnest Money Deposit paid as of the date of termination, except that Seller may retain up to \$10,000 of the Earnest Money Deposit to cover its cost relative to this Offer, this Offer shall be deemed null and

void, and Purchaser shall provide to Seller, free of charge, the Documents referenced in Paragraph 10(B) above. Purchaser and Seller acknowledge and agree upon entering into this Offer it is the expectation that the City of Westland will provide Brownfield funding, or other applicable funding, for the demolition of the Building and Purchaser would not enter into this Offer without said expectation.

D. PURCHASER ACKNOWLEDGES THAT ONCE THE INSPECTION PERIOD AND THE EXTENSION PERIODS, IF ANY, EXPIRE PURCHASER HAS ACCEPTED THE PREMISES PURSUANT TO THIS PARAGRAPH AND PURCHASER TAKES THE PREMISES "AS IS". EXCEPT AS PROVIDED IN PARAGRAPH 11 BELOW, SELLER HAS NOT MADE ANY REPRESENTATIONS OR WARRANTIES AS TO ANY MATTER, INCLUDING BUT NOT LIMITED TO, EXTERIOR (E.G., SOIL, SURFACE WATER AND GROUNDWATER) CONDITIONS OF THE PREMISES, EASEMENTS, BUILDING AND USE RESTRICTIONS, AVAILABILITY OF UTILITIES, OR ANY OTHER MATTER CONTEMPLATED IN THIS PARAGRAPH 10, AND THAT PURCHASER ASSUMES ALL RESPONSIBILITY FOR ANY INJURIES, CONDITIONS OR DAMAGES CAUSED BY ANY SUCH MATTERS UPON TRANSFER OF TITLE. EXCEPT AS SPECIFICALLY PROVIDED IN THIS OFFER, UPON CLOSING, PURCHASER WAIVES AND RELEASES SELLER FROM ALL CLAIMS OR CAUSES OF ACTION THAT PURCHASER MAY NOW OR HEREAFTER HAVE, KNOWN OR UNKNOWN, AGAINST SELLER RELATING TO THE PREMISES, THIS OFFER OR ARISING UNDER ANY FEDERAL, STATE, OR LOCAL LAW, REGULATION, ORDINANCE, OR CODE THAT RELATES TO THE PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PREMISES. THIS AS-IS WHEREAS PARAGRAPH SHALL SURVIVE CLOSING.

11. Seller represents and warrants that to the best of its present knowledge there are no judicial or administrative proceedings pending or threatened against the Premises and Seller is not aware of any facts which might result in any action, suit or other proceedings.
12. If this Offer is accepted by Seller and if Title can be conveyed in the condition required within this Offer, Purchaser agrees to complete the sale and close within fifteen (15) days of the earlier of: 1) Purchaser's satisfaction of the conditions listed in Paragraph 10 of this Offer; or 2) Purchaser obtaining all requisite Governmental Approvals (the "Closing"). By the execution of this instrument the Purchaser acknowledges the receipt of a copy of this Offer. The Closing of this sale shall take place at the office of Clark Hill PLC, or as otherwise agreed to by the parties.
13. Purchaser shall indemnify, defend and hold Seller including its Board of Education (in their official and individual capacities), administrators, employees and agents, harmless from any claims, suits, damages, costs, injuries, losses and any expenses resulting and arising from and out of Purchaser's or its officers, directors, agents and/or employees'

occupancy, possession, use, evaluations and ownership of the Premises herein during the time this Offer is in existence except for such matters arising from the acts or negligence of Seller or Seller's agents and employees.

14. Purchaser acknowledges that it has retained the services of Rob Donovic of Platinum Real Estate in negotiating the sale of the Premises and Purchaser acknowledges its responsibility to pay Platinum Real Estate any and all fees associated with Platinum Real Estate's participation in this transaction. Purchaser further represents and warrants that no other broker or real estate agency is involved in the negotiation or consummation of this transaction. Seller warrants and represents to Purchaser that it is not obligated to pay any fee or commission to any broker or real estate agency in the negotiation or consummation of this transaction. To the extent permitted by law, each party agrees to indemnify and defend the other and hold the other harmless from any expense, claim or cause of action arising out of the breach of the foregoing warranty.
15. From and after the Date of this Offer, Purchaser shall not initiate a zoning change or other proceeding affecting the Premises or do anything else which may tend to jeopardize or lessen Seller's interest in or the condition of the Premises without first obtaining prior written consent from Seller. If Seller approves of any such zoning change or proceeding affecting the Premises, Purchaser shall keep Seller informed of the progress of any such zoning change or proceeding and supply Seller with copies of any and all relevant approvals and documents applicable to such zoning change and/or proceeding.
16. For the purposes of the transaction contemplated by this Offer, the "Date of this Offer" is the date of acknowledgment of the signature of the last party to sign this Offer. Once the Seller accepts Purchaser's Offer, this Offer To Purchase Real Estate shall hereinafter be referred to as the "Offer."
17. Whenever in this Offer it is provided that notice must be given or an act performed or payment made on a certain date, and if such date falls on a Saturday, Sunday or holiday, the date of the notice of performance or payment shall be the next following business day.
18. No waiver of any of the provisions of this Offer shall be deemed or shall constitute a waiver of any other provisions, whether or not similar, nor shall any waiver be a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.
19. This Offer shall be governed by and construed in accordance with the laws of the State of Michigan regardless of whether any party may or hereafter become domiciled in another state. Venue shall be Wayne County, Michigan.
20. Purchaser shall have the right to assign its rights hereunder to an entity to be formed; provided that, such entity to be formed shall be managed or controlled by Purchaser. In the event of such assignment, Purchaser shall notify Seller in writing and complete



such assignment no later than five (5) calendar days prior to the Closing, pursuant to the form of Assignment attached hereto as **Exhibit F**.

21. This Offer may be executed in one or more counterparts, all of which together will for all purposes constitute one agreement binding upon the parties.
22. This Offer along with all attachments constitutes the entire agreement of the parties regarding the subject matter herein and supersedes and terminates any and all prior or contemporaneous agreements, representations, understandings or dealings between the parties, either oral or written. This Offer may be amended only by a writing signed by the parties.
23. Notwithstanding anything contained herein to the contrary, Purchaser, at its sole cost and expense, shall be obligated to develop and use the Premises in accordance with the planned use and concept attached hereto and made a part hereof as **Exhibit D** (the "Concept Plan"). The Concept Plan, subject to municipal approval, is an indication of what Purchaser intends to develop and may be only altered based on municipal feedback and requirements as well as reasonable value engineering. To ensure Purchaser's development of the Premises in accordance with the Concept Plan, Purchaser shall provide Seller with copies of any and all documents that it plans to submit to the City of Westland or any other governmental agency having jurisdiction over the Premises at least ten (10) days prior to such submission to allow Seller the opportunity to review such documents for compliance with this Paragraph and this Offer. These obligations of Purchaser shall survive the Closing. If the Concept Plan is modified substantially by the Purchaser, the Seller shall have a right to approve the modified concept plan or terminate this Offer and retain the Earnest Money Deposit.
24. Seller acknowledges receipt from the Purchaser of the Earnest Money Deposit above mentioned which will be returned forthwith if the foregoing Offer is not accepted within the time above set forth.

PURCHASER:
INFINITY HOMES & CO., LLC

By: _____

Its: CEO

Date: 04/28/2005

SELLER:
LIVONIA PUBLIC SCHOOLS

By: _____

Its: _____

Date: _____



EXHIBIT A

LEGAL DESCRIPTION

Land situated in the City of Westland, Wayne County, Michigan, described as follows:

Part of the Southeast 1/4 of Section 3, Town 2 South, Range 9 East, described as: Beginning South 88 degrees 40 minutes 32 seconds West 1721.51 feet and South 02 degrees 02 minutes 40 seconds East 60 feet from East 1/4 corner of Section 3; thence South 88 degrees 40 minutes 32 seconds West 704.74 feet; thence South 01 degrees 17 minutes 18 seconds East 559.52 feet; thence South 58 degrees 18 minutes 04 seconds East 482.22 feet; thence North 20 degrees 42 minutes 32 seconds East 226.60 feet; thence North 43 degrees 18 minutes 38 seconds East 290.73 feet; thence North 29 degrees 57 minutes 20 seconds East 80 feet; thence North 02 degrees 02 minutes 40 seconds West 205 feet; thence South 88 degrees 40 minutes 32 seconds West 25 feet; thence North 02 degrees 02 minutes 40 seconds West 133 feet to point of beginning.

Sidwell No: 56-012-99-0017-001



EXHIBIT B

WARRANTY DEED

This Indenture made the _____ day of _____, 20____, between LIVONIA PUBLIC SCHOOLS (hereinafter called the "Grantor"), whose address is 15125 Farmington Road, Livonia, Michigan 48154, and INFINITY HOMES & CO., LLC., a Michigan limited liability corporation (hereinafter called "Grantee"), whose address is 42400 Grand River Avenue, Suite 112, Novi, Michigan 48375. The Grantor hereby conveys and warrants to the Grantee the following described premises situated in the City of Westland, Wayne County, Michigan, described as:

10.33 +/- acres of vacant land located on the South side of Ann Arbor Trail, West of N. Merriman Road, Westland Michigan, Sidwell Number 56-012-99-0017-001, subject to survey (the "Premises"),

Together with all tenements, hereditaments, appurtenances and improvements thereunto belonging or in any way appertaining for the sum of Two Hundred Thirty Five Thousand Dollars and 00/100 (\$235,000.00) Dollars 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

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

This property 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: _____

Date: _____

STATE OF MICHIGAN)
)SS
COUNTY OF WAYNE)

On ____ day of _____, 20 __, before me, the undersigned notary public in and for said County, personally appeared _____, _____ of Livonia Public Schools, to me known to be the same person who executed the within instrument on behalf of Livonia Public Schools, and who acknowledges the same to be the free act and deed of Livonia Public Schools.

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

This Instrument Drafted By:

Dana L. Abrahams, Esq.
CLARK HILL PLC
200 Park Street, 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 Nos: 56-012-99-0017-001

EXHIBIT C

RELEASE AND HOLD HARMLESS

The undersigned, in consideration of the permission of LIVONIA PUBLIC SCHOOLS ("Owner") to enter upon the Premises owned by the Owner for purposes of inspecting the subject Premises in the furtherance of the undersigned's relationship with any prospective purchaser of real property of the Owner, does hereby release and hold the Owner harmless from any and all damages, losses, liabilities, expenses, costs (including attorney fees) and claims incurred by the undersigned resulting in any way from the undersigned's entering upon and inspecting any real property owned by the Owner except as may arise from the acts or omissions of Owner or Owner's agents or employees.

WITNESSES:



EXHIBIT D

PURCHASER'S CONCEPT PLAN

It is the Purchaser's intention to develop the site for single family residences.



EXHIBIT E
ESCROW AGREEMENT

No.: _____

First Centennial Title Agency Inc. of Mid-America
14891 Farmington Road, Suite 100
Livonia, Michigan 48154

Re:	“Seller”:	Livonia Public Schools
	“Purchaser”:	Infinity Homes & Co., LLC
	“Property”:	See Description in Attached Offer To Purchase Real Estate - Sidwell Number 56-012-99-0017-001

Deposited with you herewith are the following:

1. Check in the amount of \$12,000.00; and
2. Offer To Purchase Real Estate (“Offer”) dated _____, 2025 between the captioned Seller and Purchaser.

The Deposit represent the Earnest Money Deposit (“Deposit”) recited in the Offer. Pursuant to Paragraph 8 of the Offer, Purchaser may deposit additional monies with you, representing Additional Deposits as recited in the Offer.

The Offer recited above is hereby incorporated by reference. The Deposit(s) are to be held by you for delivery under the following terms and conditions:

You are authorized and directed to release the Deposit(s) in accordance with the terms of the Offer or any other written instructions signed by SELLER and PURCHASER and to accept Additional Deposits required to be paid by Purchaser under the Offer. It is understood and agreed that such written instructions shall clearly indicate the payee, method of delivery and amount.

In the event of a dispute as to the disposition of the Deposit(s) you are authorized and directed to follow one of the following courses of action, which action you shall take at your sole discretion:

1. You may hold the Deposit(s) until you are in receipt of either:
 - a. Written instructions signed by the SELLER and PURCHASER which shall direct and authorize the disposition of the Deposit(s).
 - b. An Order of a Court of Competent Jurisdiction which constitutes a final determination as to the disposition of the Deposit(s).

Upon making such delivery, and performance of any other services included above, you will thereupon be released and acquitted from any further liabilities concerning the Deposit(s), it being expressly understood that such liability in any event is limited by the terms and conditions set forth herein. By acceptance of this agency, you are in no way assuming responsibility for the validity or authenticity of the subject matter of the Deposit(s).

In the event that your duties under this Escrow Agreement shall conflict with any provisions of the Offer, this Escrow Agreement shall control. The Earnest Money Deposit recited above shall be held by First Centennial Title Agency, Inc. of Mid-America.



In the event of litigation affecting your duties relating to these Deposit(s), we agree to reimburse you for any reasonable expenses incurred, including attorney fees.

Any changes in the terms or conditions hereof may be made only in writing signed by all parties or their duly authorized representatives.

**PURCHASER:
INFINITY HOMES & CO., LLC**

By: _____

Its: _____

Date: _____

**SELLER:
LIVONIA PUBLIC SCHOOLS**

By: _____

Its: _____

Date: _____

We hereby accept the above escrow Deposit(s) under the terms and conditions therein set forth.

**FIRST CENTENNIAL TITLE AGENCY, INC.
OF MID- AMERICA**

By: _____

Its: _____

Date: _____



EXHIBIT F
ASSIGNMENT AND ASSUMPTION OF PURCHASER'S INTEREST IN OFFER TO
PURCHASE REAL ESTATE

THIS ASSIGNMENT AND ASSUMPTION OF PURCHASER'S INTEREST IN OFFER TO PURCHASE REAL ESTATE ("Assignment") is made and entered into as of _____, 20____, by and between INFINITY HOMES & CO., on behalf of an entity to be formed, whose address is 42400 Grand River Ave., Suite 112, Novi, Michigan 48375 ("Assignor"), and _____, a Michigan limited liability company, a Michigan limited liability company, whose address is 42400 Grand River Ave., Suite 112, Novi, Michigan 48375 ("Assignee").

WITNESSETH:

WHEREAS, Assignor as purchaser, entered into a certain Offer To Purchase Real Estate with the Livonia Public Schools, dated _____, 20____ (the "Purchase Agreement"), to purchase a parcel of real property, as more fully described in the Purchase Agreement; and

WHEREAS, Assignor desires to assign to Assignee, and Assignee desires to accept from Assignor, all of Assignor's rights, obligations, title, interest, duties and responsibilities in and to the Purchase Agreement in accordance with the terms and conditions of this Assignment.

NOW, THEREFORE, in consideration of the foregoing, One Dollar (\$1.00) and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, Assignor does hereby convey, transfer, sell and assign to Assignee all of Assignor's rights, obligations, title, interest, duties and responsibilities in and to the Purchase Agreement, and Assignee does hereby assume from Assignor all of Assignor's rights, obligations, title, interest, duties and responsibilities in and to the Purchase Agreement, and agrees to be bound thereby.

ASSIGNOR:
INFINITY HOMES & CO., LLC

By: _____

Its: _____

Date: _____

_____, AS ASSIGNEE, HEREBY ACKNOWLEDGES AND ACCEPTS THE FOREGOING ASSIGNMENT OF THE PURCHASE AGREEMENT:

ASSIGNEE

_____,
LLC, a Michigan limited liability company

By: _____

Its: _____

Date: _____

ACKNOWLEDGMENT OF SELLER:

LIVONIA PUBLIC SCHOOLS hereby consents to the assignment by Assignor to Assignee of all of Assignor's rights, obligations, title, interest, duties and responsibilities in and to the Purchase Agreement and upon Closing, Assignor shall have no further liabilities or obligations under the Purchase Agreement.

**SELLER:
LIVONIA PUBLIC SCHOOLS**

By: _____

Its: _____

Date: _____



Date: May 7, 2025

To: Andrea L. Oquist, Superintendent

From: Alison Smith, Chief Financial Officer

Re: Appointment of Auditor

I would like to discuss the appointment of Plante Moran as the school district's auditor of the 2024-2025 financial statements.

Plante Moran has served as the District's auditor for several years now. We recommend that we maintain Plante Moran because we have been satisfied with the quality of their work and it will provide consistency in service. When switching auditing firms, it inevitably takes a new firm a significant amount of time to familiarize themselves with our systems, processes, and staff. This wouldn't be the case if we continue with Plante Moran, as they are very familiar with our District and are considered experts in the field of K-12 accounting.

I believe the fee requested by Plante Moran to be fair and reasonable compensation for the independent audit they conduct and the expert accounting advice they provide to the school district as needed throughout the year. They are the largest and most experienced auditing firm of public schools in Michigan, and they provide a significant depth of knowledge to their work and to our District.

There is no board policy or law that requires the Board to formally vote on auditing services, as this is under the category of a professional service, but we have done so in the past and believe this action provides transparency to the community on our financial practices.

Attached is the engagement letter that outlines their fee and scope of service. I will plan to review this with the Board at the next Finance Committee meeting on Monday, May 12, 2025. Please let me know if there are any questions.

c: Board of Education

May 6, 2025

Mrs. Allison Smith
Livonia Public Schools
15125 Farmington Road
Livonia, MI 48154

Dear Mrs. Allison Smith:

Thank you for selecting Plante & Moran, PLLC ("PM") to assist you. We are sending this letter and the accompanying Professional Services Agreement, the terms of which are incorporated into this engagement letter, to confirm the nature, limitations, and terms of the services we will provide to Livonia Public Schools ("Client").

Scope of Services

We will audit Client's financial statements as of and for the year ended June 30, 2025 and Client's compliance with certain federal award requirements during the year ended June 30, 2025 for those programs identified as "major programs". In addition, the supplemental information accompanying the financial statements, consisting of the Schedule of Expenditures of Federal Awards ("SEFA"), will be subjected to the auditing procedures applied in our audit of the financial statements.

In connection with our audit engagement, we will assist you in drafting your financial statements and related notes including preparation of adjustments to present governmental activities on a full accrual basis. We will also assist you in drafting the Data Collection Form ("DCF") This assistance is considered a non-audit service and you agree to the contemporaneous provision of these audit and non-audit services.

At the conclusion of the engagement, we will upload the reporting package (including financial statements, SEFA, summary schedule of prior audit findings, auditor's reports, and corrective action plan), complete the appropriate sections of the DCF that summarize our audit findings, and coordinate with you our electronic certification. It is Client's responsibility to timely review, approve and electronically submit the DCF (including the reporting package) to the Federal Audit Clearinghouse.

Lisa Vargo is the engagement partner for the services specified in this letter and is responsible for supervising PM's services performed as part of this engagement.

If you determine that you need additional services, including accounting, consulting, or tax assistance, PM may be available to provide them under the terms of separate engagement letters and for additional fees.

Timing of Services

We expect to begin fieldwork for this engagement in June 2025. We anticipate that our work will end in September 2025 and that our report will be issued by October 31, 2025.

Fees and Payment Terms

Our fee for this engagement will be based on the value of the services provided, which is primarily a function of the time that PM staff expend at our current hourly rates. We estimate that our fee for this engagement will be approximately \$58,000, plus all reasonable and necessary travel and out-of-pocket costs incurred. Payments are due as follows:

June 30, 2025	\$15,000
August 31, 2025	\$30,000
Upon issuance of report	Remaining balance, plus any necessary final adjustments

The fees for the federal program audit are based on testing one major program under Uniform Guidance Rules. If any additional major program is required to be tested, our fees would increase by approximately \$9,000 for each additional major program.

The fee for the engagement does not include first time cost related to the implementation of GASB 101. Our fee estimate for the implementation and first time audit of the implementation will be approximately \$4,000- \$6,000, as needed.

Invoices for audit services will be rendered to reflect this payment schedule. Invoices for other services and out-of-pocket costs will be rendered as services are provided and are due when received. In the event an invoice is not paid timely, a late charge in the amount of 1.25 percent per month will be added, beginning 30 days after the date of the invoice. Our invoices are generally sent from plantemoran@myworkday.com. Please ensure that the appropriate parties have added plantemoran@myworkday.com to their safe senders listing to facilitate proper delivery of our invoices. In the event you are unable to accept electronic delivery of our invoices, please notify a member of the engagement team as soon as possible.

Thank you for the opportunity to serve you.

Very truly yours,

Plante & Moran, PLLC



Lisa Vargo, CPA
Partner

Agreed and Accepted

We accept this engagement letter and the accompanying Professional Services Agreement (collectively, "Agreement"), which set forth the entire agreement between Livonia Public Schools and Plante & Moran, PLLC with respect to the services specified in the Scope of Services section of this engagement letter.

Livonia Public Schools

Mrs. Allison Smith

Date

Title

Professional Services Agreement – Audit Services Addendum to Plante & Moran, PLLC Engagement Letter

The terms of this Professional Services Agreement are incorporated into the accompanying engagement letter, (collectively, the Professional Services Agreement and the accompanying engagement letter are referred to herein as “Agreement”) for audit services dated May 6, 2025 between Plante & Moran, PLLC (referred to herein and in such letter as “PM”) and Livonia Public Schools (referred to as “Client”). Any work performed in connection with the engagement before the date of this letter will also be governed by the terms and conditions of this Agreement.

- 1. Financial Statements** – The financial statements of Client being audited by PM are to be presented in accordance with accounting principles generally accepted in the United States of America (GAAP).

PM has determined, based on representations Client has made to PM, that the applicable independence rules for the services contemplated hereunder are those specified by the American Institute of Public Accountants (AICPA) Code of Professional Conduct as well as those specified by the Government Accountability Office within the Government Auditing Standards. Client represents and warrants that it agrees with that determination.

- 2. Management Responsibilities** – Client management is responsible for the preparation and fair presentation of these financial statements, in accordance with the applicable financial reporting framework, including compliance with the requirements of accounting principles generally accepted in the United States of America and the completeness and accuracy of the information presented and disclosed therein. Management is responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for preparation of the Schedule of Expenditures of Federal Awards (including notes and noncash assistance received) in conformity with Single Audit Act Amendments of 1996 and Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Management is also responsible for the capability and integrity of Client personnel responsible for Client’s underlying accounting and financial records.

Client personnel will provide PM, in a timely and orderly manner, with access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, the Schedule of Expenditures of Federal Awards, and the data collection form, such as records, documentation, and other matters and additional information that PM may request from management for the purpose of the audit.

This includes providing assistance and information PM requests during the course of its audit, including retrieval of records and preparation of schedules, analyses of accounts, and confirmations. A written request for information to be provided will be submitted under separate cover and supplemented by additional written and oral requests as necessary during the course of PM’s audit. In addition, Client will provide PM with all information in its possession that has a material impact on any material transaction and that information will be complete, truthful, and accurate. Client will allow PM unrestricted access to personnel within Client from whom PM determines it necessary to obtain audit evidence.

Client represents and warrants that any and all information that it transmits, or otherwise makes available, to PM will be done so in full compliance with all applicable federal, state, local, and foreign privacy and data protection laws, as well as all other applicable regulations and directives, as may be amended from time to time (collectively, “Data Privacy Laws”). Client shall not disclose personal data of data subjects (“Personal Data”) who are entitled to certain rights and protections afforded by Data Privacy Laws to PM without prior notification to PM. Client shall make reasonable efforts to limit the disclosure of Personal Data to PM to the minimum necessary to accomplish the intended purpose of the disclosure to PM.

Management is responsible for making all management decisions and performing all management functions relating to the financial statements, full accrual (GASB 34) entries, supplementary financial information, related notes, Schedule of Expenditures of Federal Awards, and the data collection form. Management accepts full responsibility for such decisions, even if PM provides advice as to the application of accounting principles or assists in drafting the financial statements, full accrual (GASB 34) entries, supplementary financial information, related notes, Schedule of Expenditures of Federal Awards, or data collection form. Management is also responsible for the submission of the data collection form to the Federal Audit Clearinghouse. Client has designated Mrs. Allison Smith to oversee financial statement and compliance related services PM provides. Management will be required to acknowledge in the management representation letter that it has reviewed and approved the financial statements, Schedule of Expenditures of Federal Awards, data collection form, full accrual (GASB 34) entries, supplementary financial information, and related notes prior to their issuance and have accepted responsibility for the adequacy of their adequacy, as well as representations regarding compliance with applicable compliance requirements.

Professional Services Agreement – Audit Services

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing PM about all known or suspected fraud affecting Client involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Management's responsibilities include informing PM of its knowledge of any allegations of fraud or suspected fraud affecting Client received in communications from employees, former employees, regulators, or others. In addition, management is responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Management is responsible for the design and implementation of effective controls that provide reasonable assurance that Client administers federal awards programs in compliance with compliance requirements. Additionally, management is responsible for evaluating and monitoring compliance with compliance requirements, taking corrective action when instances of noncompliance are identified including noncompliance identified in audit findings, preparing a summary of prior audit findings and a separate corrective action plan, and for informing PM about known or suspected noncompliance that could have a material effect on its major federal awards programs ("major programs").

Management is responsible for providing PM with complete, accurate, and timely information that could bear on PM's independence under applicable professional standards, including, but not limited to, information and representations regarding affiliates of Client, business or personal relationships between Client and PM, and business, personal and employment relationships between those in a financial reporting oversight role, including members of governance, and PM (collectively, Independence Information). Client represents and warrants (a) that it has provided PM any and all Independence Information existing as of the date of this Agreement; (b) that such Independence Information is accurate and complete as of the date of this Agreement; (c) that it will notify PM of any changes to Independence Information that has been provided as of the date of this Agreement; and (d) that, after the date of this Agreement, it will provide any new Independence Information to PM as soon as it becomes known to Client.

- 3. Objective of an Audit of Financial Statements** – The objective of PM's audit is the expression of an opinion on the Client's financial statements specified in the accompanying engagement letter, and express an opinion and report at the level specified in the Uniform Guidance about whether Client complied in all material respects with applicable compliance requirements identified by the Office of Management and Budget as subject to audit with respect to its major programs or, if not identified by the Office of Management and Budget, applicable direct and material compliance requirements identified in conjunction with the audit ("compliance requirements subject to audit").

PM offers no guarantee, express or implied, that its opinions will be unmodified or that it will be able to form an opinion about these financial statements or on compliance in the event that Client's internal controls or accounting, or other relevant financial records prove to be unreliable or otherwise not auditable. If PM's opinion is to be modified, PM will discuss the reasons with Client management in advance of the issuance of its audit report. If, for any reason, PM is prevented from completing its audit or is unable to form an opinion on these financial statements or the report on compliance, PM may terminate the engagement and decline to issue a report.

- 4. Supplementary Information** – In any document that contains supplementary information to the financial statements that indicates that the auditor has reported on such supplementary information, management agrees to include the auditor's report on that supplementary information. In addition, management agrees to present the supplementary information with the audited financial statements or to make the audited financial statements readily available no later than the date of issuance by Client of the supplementary information and the auditor's report thereon.
- 5. Internal Controls** – Client is responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including controls established for the purpose of preventing or detecting errors in financial reporting, preventing fraud or misappropriation of assets, and identifying and complying with applicable laws and regulations, including those applicable to federal awards, and with the provisions of contracts and grant agreements. PM, in making its risk assessments, will consider internal control relevant to Client's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances.

PM will make assessments of Client's compliance with the compliance requirements subject to audit, as defined above. While those assessments will not be sufficient to identify all noncompliance with applicable laws, regulations, and contract provisions, PM will communicate noncompliance conditions that come to PM's attention in accordance with Uniform Guidance and/or Generally Accepted Government Auditing Standards. PM will also perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that PM considers relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of Client's major programs.

However, PM's tests will be less in scope than would be necessary to render an opinion on those controls and accordingly, no opinion will be expressed in PM's report on internal control issued pursuant to the Uniform Guidance.

PM's audit will not be designed to provide assurance on the design or operating effectiveness of Client's internal controls or to identify all conditions that represent significant deficiencies in those internal controls. PM will communicate all significant deficiencies and material weaknesses in internal controls relevant to the audit of the financial statements, instances of fraud, or misappropriation of assets that come to PM's attention, and related matters required to be communicated under the Uniform Guidance.

6. Audit Procedures and Limitations – PM's audit will be conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include examination, on a test basis, of evidence supporting the amounts and disclosures in the Client financial statements specified in this engagement letter. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. An audit in accordance with GAAS involves judgment about the number of transactions to be tested and the overall approach to testing in each area. As a result, PM's audit can only be designed to provide reasonable rather than absolute assurance that these financial statements are free from material misstatement and that noncompliance which could have a direct and material effect on the major programs is detected and reported. In addition, an audit in accordance with GAAS is not designed to detect errors, fraud, or noncompliance that are immaterial to the financial statements or federal programs. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected always exists, even in an audit properly planned and performed in accordance with GAAS. In recognition of these limitations, Client acknowledges that PM's audit cannot guarantee that all instances of error, fraud or noncompliance will be identified.

7. Auditor Communications – PM is obligated to communicate certain matters related to the audit to those responsible for governance of Client, including instances of error or fraud and significant deficiencies and material weaknesses in internal control that PM identifies during its audit. PM will communicate these matters to the members of Client's governing board, and Client acknowledges and agrees that communication in this manner is sufficient for Client's purposes.

Under *Government Auditing Standards* PM is obligated to communicate instances of fraud, noncompliance or abuse that is material to the financial statements to those responsible for governance of Client. In certain situations, *Government Auditing Standards* require disclosure of instances of known or likely fraud, noncompliance, or abuse directly to applicable governmental agencies. If such acts are detected during PM's audit, PM will make required disclosures regarding these acts to applicable government agencies.

In accordance with *Government Auditing Standards*, a copy of PM's most recent peer review report is included as an attachment to this Agreement.

8. Communication to Group Auditor – In instances where PM has been engaged as a component auditor for the purposes of a Group Audit, the terms of the engagement may include communication of certain matters related to the audit to the Group Auditor. Client permits such communication. PM will discuss matters being communicated with those responsible for governance of Client.

9. Accounting, Financial and Compliance Records – Client agrees that it is responsible for providing PM with accounting and financial records that are closed, complete, accurate, and in conformity with the requirements of GAAP, for providing schedules and analyses of accounts that PM requests, and for making all Client financial and compliance records and related information available to PM for purposes of PM's audit, whether obtained from within or outside of the general ledger and subsidiary ledgers. Where PM has provided estimates of the timing of its work and completion of PM's engagement and issuance of PM's report, those estimates are dependent on Client providing PM with all such accounting, financial and compliance records, schedules, and analyses on the date PM's work commences. PM will assess the condition of Client's accounting, financial and compliance records, schedules, and analyses of accounts prior to commencing its work. In the event that such records, schedules, and analyses are not closed, complete, accurate, or in conformity with GAAP, PM may have to reschedule its work, including the dates on which PM expects to complete its on-site procedures and issue its audit report.

In any circumstance where PM's work is rescheduled due to Client's failure to provide information as described in the preceding paragraph, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadlines related to the completion of the audit work or issuance of its audit report. Because rescheduling audit work imposes additional costs on PM, in any circumstance where PM has provided estimated fees, those estimated fees may be adjusted for the additional time PM incurs as a result of rescheduling its work. These fee adjustments will be determined in accordance with the Fee Adjustments provision of this Agreement.

10. Audit Adjustments – PM will recommend adjustments to Client's accounting records that PM believes are appropriate. Client management is responsible for adjusting Client accounting records and financial statements to correct material misstatements and for affirming to PM in writing that the effects of any unrecorded adjustments identified during PM's audit are immaterial, both individually and in the aggregate, to the Client's financial statements specified in this Agreement.

11. Management Representations – Client is responsible for the financial statements being audited and the implicit and explicit representations and assertions regarding the recognition, measurement, presentation, and disclosure of information therein. Client is also responsible for compliance with applicable compliance requirements of federal awards programs and the implicit and explicit representations and assertions regarding compliance. During the course of the audit, PM will request information and explanations from Client officers, management, and other personnel regarding accounting, financial and compliance matters, including information regarding internal controls, operations, future plans, and the nature and purpose of specific transactions. PM will also require that management make certain representations to PM in writing as a precondition to issuance of PM's report.

PM's audit procedures will be significantly affected by the representations and assertions PM receives from management and, accordingly, false representations could cause material error, fraud or noncompliance to go undetected by PM's procedures. Accordingly, Client acknowledges and agrees that it will instruct each person providing information, explanations, or representations to an auditor to provide true and complete information, to the best of his or her knowledge and belief. It is also agreed that any deliberate misrepresentation by any director, officer, or member of management, or any other person acting under the direction thereof ("Client Personnel"), intended to influence, coerce, manipulate, or mislead PM in the conduct of its audit will be considered a material breach of this Agreement. In addition, as a condition of its audit engagement, Client agrees to indemnify and hold PM and its partners, affiliates, and employees harmless from any and all claims, including associated attorneys' fees and costs, based on PM's failure to detect material misstatements in Client's financial statements or material noncompliance resulting in whole or in part from deliberate false or misleading representations, whether oral or written, made to PM by Client Personnel. This indemnity will be inoperative only if, and to the extent that, a court having competent jurisdiction has determined that PM failed to conduct its audit in accordance with generally accepted auditing standards and such failure resulted in PM not determining such misrepresentation by Client Personnel was false.

12. Use of Report – PM's report on the financial statements must be associated only with the financial statements that were the subject of PM's audit engagement. Client may make copies of the audit report, but only if the entire financial statements (including related footnotes and supplemental information, as appropriate) are reproduced and distributed with that report. Client agrees not to reproduce or associate PM's audit report with any other financial statements, or portions thereof, that are not the subject of this engagement.

If PM's report on the financial statements being audited is to be published in any manner or if Client intends to make reference to PM in a publication of any type, Client agrees to submit proofs of the publication to PM for review prior to such publication and cooperate with PM in PM's performance of any additional audit procedures PM deems necessary in the circumstances, the nature and extent of which will be at PM's sole discretion. Client acknowledges and agrees that additional fees for such work will be determined in accordance with the Fee Adjustments provision of this Agreement. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on Client's Internet website, Client understands that electronic sites are a means to distribute information and, therefore, PM is not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

13. Securities Offerings – PM's audit does not contemplate, and does not include, any services in connection with any offering of securities, whether registered or exempt from registration. In the event Client elects to incorporate or make reference to PM's report in connection with any offering of debt or equity securities and requests PM's consent to such incorporation or reference, Client understands that additional procedures will need to be performed. In the event PM agrees in writing to perform such additional procedures, the nature and extent of which will be at PM's sole discretion, it is agreed and acknowledged that PM's performance of such additional procedures will be subject to all of the terms and conditions of this Agreement. Additional fees for such work will be determined based on the actual time that PM staff expend at current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and that payment for all such additional fees will be made in accordance with the payment terms provided in this Agreement.

If Client incorporates or makes reference to PM's report in connection with any offering of debt or equity securities without obtaining consent from PM as described above, Client agrees to include the following provision in the offering document:

Professional Services Agreement – Audit Services

Plante & Moran, PLLC, our independent auditor, has not performed or been engaged to perform any services in connection with the offering of securities. Nor has Plante & Moran, PLLC performed or been engaged to perform any procedures on the financial statements of Client since the date of the Plante & Moran, PLLC report included herein. Plante & Moran, PLLC also has not performed any procedures relating to this offering document.

- 14. Tax Return Preparation** – This engagement does not include preparation of any tax returns or filings. If Client requires tax services, including tax consulting or preparation of tax returns, those services will be detailed in a separate engagement letter.
- 15. Confidentiality, Ownership, and Retention of Workpapers** – During the course of this engagement, PM and PM staff may have access to Client's confidential, proprietary information, including, but not limited to, information regarding general ledger balances, financial transactions, trade secrets, business methods, plans, or projects. PM acknowledges that such information, regardless of its form, is confidential and proprietary to Client. PM will comply with all applicable ethical standards, laws, and regulations as to the retention, protection, use and distribution of such confidential client information. Except to the extent set forth herein, PM will not disclose such information to any third party without the prior written consent of Client.

In the interest of facilitating PM's services to Client, PM may communicate or exchange data by internet, e-mail, facsimile transmission, or other electronic methods. While PM will use its best efforts to keep such communications and transmissions secure in accordance with PM's obligations under applicable laws and professional standards, Client recognizes and accepts that PM has no control over the unauthorized interception of these communications or transmissions once they have been sent, and consents to PM's use of these electronic devices during this engagement.

Professional standards require that PM create and retain certain workpapers for engagements of this nature. All workpapers created in the course of this engagement are and shall remain the property of PM. PM will maintain the confidentiality of all such workpapers as long as they remain in PM's possession.

Both Client and PM acknowledge, however, that PM may be required to make its workpapers available to regulatory authorities or by court order or subpoena in a legal, administrative, arbitration, or similar proceeding in which PM is not a party. Further, in compliance with *Government Auditing Standards* and the Uniform Guidance, PM's working papers will be made available to federal award program representatives at PM offices during normal business hours during the audit and for a period of three years after the issuance of the report. Disclosure of confidential information in accordance with requirements of regulatory authorities or pursuant to court order or subpoena shall not constitute a breach of the provisions of this Agreement. In the event that a request for any confidential information or workpapers covered by this Agreement is made by regulatory authorities or pursuant to a court order or subpoena, PM agrees to inform Client in a timely manner of such request and to cooperate with Client should Client attempt, at Client's cost, to limit such access. This provision will survive the termination of this Agreement. PM's efforts in complying with such requests will be deemed billable to Client as a separate engagement. PM shall be entitled to compensation for its time and reasonable reimbursement of its expenses (including legal fees) in complying with the request.

Both Client and PM acknowledge that upon completion of the audit PM is required to send an electronic copy of Client's financial report, single audit report, corrective action plan (if applicable) and report to the board of education, directly to the State of Michigan Department of Education. Client authorizes and directs PM to provide such information and disclosure of such information shall not constitute a breach of the provisions of this Agreement.

PM reserves the right to destroy, and it is understood that PM will destroy, workpapers created in the course of this engagement in accordance with PM's record retention and destruction policies, which are designed to meet all relevant regulatory requirements for retention of workpapers. PM has no obligation to maintain workpapers other than for its own purposes or to meet those regulatory requirements.

Upon Client's written request, PM may, at its sole discretion, allow others to view any workpapers remaining in its possession if there is a specific business purpose for such a review. PM will evaluate each written request independently. Client acknowledges and agrees that PM will have no obligation to provide such access or to provide copies of PM's workpapers, without regard to whether access had been granted with respect to any prior requests.

- 16. Data Access Management and Consent** – PM has operations both in and outside the United States and may, from time to time and at its reasonable discretion, use third-party service providers both in and outside the United States in support of its operations and the services for Client (individually and collectively "Third-Party Provider(s)"). Third-Party Providers may include, for example and without limitation, PM's international affiliates that support PM's domestic operations, cloud service providers that support PM's infrastructure in general, or independent contractors that serve to supplement a particular engagement team's services for specific engagements.

Professional Services Agreement – Audit Services

In such circumstances, PM will be solely responsible for the provision of any services by such Third-Party Providers and, where such Third-Party Providers' services involve the accessing or processing of Client data, PM will require Third-Party Providers to maintain the confidentiality of any such data and not use such data for any purpose unrelated to assisting with PM's services for Client. In turn, Client, by its duly authorized signature on the accompanying engagement letter, consents to PM disclosing or otherwise allowing access to Client's data to such Third-Party Providers for such purposes. Client further acknowledges that, from time to time, PM representatives may have occasion to access Client data from outside the United States, for example and without limitation, when such PM representative(s) reside in or travel to another country. In such instances, PM agrees to use data access and storage protocols designed to reasonably safeguard data and Client consents to PM accessing Client data from outside of the United States under such circumstances.

17. Fee Quotes – In any circumstance where PM has provided estimated fees, fixed fees, or not-to-exceed fees ("Fee Quotes"), these Fee Quotes are based on information provided by Client regarding the nature and condition of its accounting, financial, and tax records; the nature and character of transactions reflected in those records; and the design and operating effectiveness of its internal controls. Client acknowledges that the following circumstances may result in an increase in fees:

- Client's failure to prepare for the audit as evidenced by accounts and records that have not been subject to normal year-end closing and reconciliation procedures;
- Client's failure to complete the audit preparation work by the applicable due dates;
- Significant unanticipated or undisclosed transactions, audit issues, or other such unforeseeable circumstances;
- Delays by Client causing scheduling changes or disruption of fieldwork;
- After audit or post fieldwork circumstances requiring revisions to work previously completed or delays in resolution of issues that extend the period of time necessary to complete the audit;
- Issues with the prior audit firm, prior year account balances, or report disclosures that impact the current year engagement;
- An excessive number of audit adjustments.

PM will use best efforts to advise Client in the event these circumstances occur; however, it is acknowledged that the exact impact on the Fee Quotes may not be determinable until the conclusion of the engagement. Such fee adjustments will be determined in accordance with the Fee Adjustments provision of this Agreement.

18. Payment Terms – PM's invoices for professional services are due upon receipt unless otherwise specified in the engagement letter. In the event any of PM's invoices are not paid in accordance with the terms of this Agreement, PM may elect, at PM's sole discretion, to suspend work until PM receives payment in full for all amounts due or terminate this engagement. In the event that work is suspended, for nonpayment or other reasons, and subsequently resumed, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadlines related to the completion of PM's services or issuance of PM's report upon resumption of PM's work, whether imposed by agreement or by law. Client agrees that in the event PM stops work or terminates this engagement as a result of Client's failure to pay fees on a timely basis for services rendered by PM as provided in this Agreement, or if PM terminates this engagement for any other reason, PM shall not be liable for any damages that occur as a result of PM ceasing to render services.

19. Fee Adjustments – Any fee adjustments for reasons described in this Agreement will be determined based on the actual time expended by PM staff at PM's current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and included as an adjustment to PM's invoices related to this engagement. Client acknowledges and agrees that payment for all such fee adjustments will be made in accordance with the payment terms provided in this Agreement.

20. Conditions of PM Visit to Client Facilities – Client agrees that some or all of PM's services may be provided remotely. In order to facilitate the provision of services remotely, Client agrees to provide documentation and other information reasonably required by PM for PM's performance of the engaged services electronically to the extent possible throughout the course of the engagement. In the event in-person visits to Client's facility(ies) are requested by Client or otherwise determined by PM to be necessary for the performance of the engaged services, Client agrees, upon PM's request, to provide to PM Client's policies and procedures that Client has implemented relating to workplace safety and the prevention of the transmission of disease at its facility(ies). In addition, Client affirms that it is in compliance with applicable Centers for Disease Control and Prevention and OSHA guidance pertaining to the prevention of the transmission of disease (collectively, "Applicable Preventative Guidance") and agrees that it shall continue to comply with Applicable Preventative Guidance throughout any in-person visits by PM to Client's facility(ies).

Professional Services Agreement – Audit Services

Notwithstanding the foregoing, PM reserves the right to suspend or refrain from any in-person visit by PM to Client's facility(ies) or impose further conditions on any such in-person visit if and as PM deems necessary. Client agrees and acknowledges that any determination by PM to visit Client's facility(ies) is not and shall not be construed to be or relied on by Client as a determination by PM of Client's compliance with Applicable Preventative Guidance.

- 21. Release for Biological Agent Liability** – Client acknowledges that there is an inherent risk of exposure to infectious diseases associated with any in-person interaction or in-person visit to property. Accordingly, Client, for itself and its successors and assigns, hereby releases PM and each of PM's officers, directors, partners, members, managers, employees, affiliated, parent or subsidiary entities, and approved third-party service providers (collectively, "PM Persons") from any and all claims or causes of action that the Client has, or hereafter may or shall have, against any of them in connection with, related to, or arising out of infectious diseases or the transmission thereof associated with a visit by one or more of the PM Persons to any Client facility(ies) or other in-person interaction with Client personnel.
- 22. Exclusion of Certain Damages** – In no event shall either party be liable to the other, whether a claim be in tort, contract, or otherwise, for any indirect, consequential, punitive, exemplary, lost profits, or similar damages in claims relating to PM's services provided under this engagement.
- 23. Receipt of Legal Process** – In the event PM is required to respond to a subpoena, court order, or other legal process (in a matter involving Client but not PM) for the production of documents and/or testimony relative to information PM obtained and/or prepared during the course of this engagement, Client agrees to compensate PM for the affected PM staff's time at such staff's current hourly rates, and to reimburse PM for all of PM's out-of-pocket costs incurred associated with PM's response unless otherwise reimbursed by a third party.
- 24. Subsequent Discovery of Facts** – After the date of PM's report on the financial statements, PM has no obligation to make any further or continuing inquiry or perform any other auditing procedures with respect to the audited financial statements or major programs covered by PM's report, unless new information that may affect the report comes to PM's attention. If PM becomes aware of information that relates to these financial statements or major programs but was not known to PM at the date of its report, and that is of such a nature and from such a source that PM would have investigated it had it come to PM's attention during the course of the audit, PM will, as soon as practicable, undertake to determine whether the information is reliable and whether the facts existed at the date of PM's report. In this connection, PM will discuss the matter with Client and request cooperation in whatever investigation and modification of the financial statements or schedules that may be necessary. Additional fees for such work will be determined based on the actual time that PM staff expend at PM's current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and Client acknowledges and agrees that payment for all such additional fees will be made in accordance with the payment terms provided in this Agreement.
- 25. Termination of Engagement** – This engagement may be terminated by either party upon written notice. Upon notification of termination of this engagement, PM will cease providing services under the engagement. Client shall compensate PM for all time expended and reimburse PM for all out-of-pocket expenditures incurred by PM through the date of termination of this engagement.
- 26. Entire Agreement** – This Agreement is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this Agreement supersede any prior oral or written representations or commitments by or between the parties regarding the subject matter hereof. Any material changes or additions to the terms set forth in this Agreement will only become effective if evidenced by a written amendment to this Agreement, signed by all of the parties.
- 27. Severability** – If any provision of this Agreement (in whole or part) is held to be invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
- 28. Force Majeure** – Neither party shall be deemed to be in breach of this Agreement as a result of any delays or nonperformance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, acts of God, war, other violence, epidemic, pandemic or other public health emergency or government mandated shut down (each individually a "Force Majeure Event"). A Force Majeure Event shall not excuse any payment obligation relating to fees or costs incurred prior to any such Force Majeure Event.
- 29. Electronic Signatures** – The parties intend that any electronic signature shall be given full legal effect as if it were a handwritten signature.
- 30. Governing Law** – This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, and jurisdiction over any action to enforce this Agreement, or any dispute arising from or relating to this Agreement shall reside exclusively within the State of Michigan.

End of Professional Services Agreement – Audit Services



Report on the Firm's System of Quality Control

December 16, 2022

To the Partners of
Plante & Moran, PLLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Plante & Moran, PLLC (the firm) applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; an audit performed under FDICIA; and examinations of service organizations (SOC 1 and SOC 2 engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Plante & Moran, PLLC applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Plante & Moran, PLLC has received a peer review rating of *pass*.

Postlethwaite & Netterville

Postlethwaite & Netterville, APAC
Baton Rouge, Louisiana



Date: May 7, 2025

To: Andrea Oquist, Superintendent

From: Alison Smith, Chief Financial Officer

Re: Wayne RESA Budget

Per Michigan Compiled Law (380.624), intermediate school boards shall have their proposed budget reviewed by its constituent districts each year. Not later than June 1 of each year, the board of each constituent district shall review the proposed intermediate school district budget, shall adopt a board resolution expressing its support for or disapproval of the proposed intermediate school district budget, and shall submit to the intermediate school board any specific objections and proposed changes the constituent district board has to the budget. If an intermediate school board receives any specific objections or proposed changes, the intermediate school board shall consider the proposed budget changes.

I would like to discuss the 2025-26 Wayne County RESA Proposed Budget at the Finance Committee meeting on Monday, May 12, 2025. Attached is the Wayne County RESA proposed budget, a Q&A, and a resolution that we will ask the Board of Education to adopt at the May 19, 2025, Regular Board meeting.

Please let me know if you have any questions. Thank you.

Attachments

c: Board of Education



WAYNE RESA

Preliminary Budget

2025-2026

WAYNE RESA
Leading... Learning for All

SERVICE
LEADERSHIP
COLLABORATION
EXCELLENCE



From Wayne RESA Superintendent, Daveda J. Colbert, Ph.D.

April 30, 2025

Dear Superintendents and Board of Education Members:

This budget package reflects the projected financial profile of the Wayne County Regional Educational Service Agency’s operations for fiscal year 2025-26. This information was presented to the Wayne RESA Board of Education on April 16, 2025, for review and discussion. A hearing for constituent districts will be held at the May 21, 2025, Wayne RESA Board of Education meeting. The budget is also being presented for formal approval at the June 11, 2025, meeting of the Board.

As one of the 56 intermediate school districts in the State of Michigan, Wayne RESA works closely with each of our 33 local school districts to ensure that our programs and services positively impact teaching and learning. We are connecting with, and directing our services, resources and leadership to Wayne County districts and schools with the goal of making these services relevant, cost effective, and focused on improving student achievement. Additionally, it is imperative that we continue to assist in targeting, maximizing, and distributing critical resources and to provide cost saving opportunities through collaboration, support, and economies of scale. Wayne RESA’s support and expertise provided to local districts leads to clean audits, quicker resolution of issues, uninterrupted local services during periods of employee transition, and process improvements that help districts’ operations run smoother, freeing up valuable time to keep the focus on improving instruction for our students.

The attached budget document provides a high level of information for your review. Additional detail is available on our website at www.resa.net under “About Us”, then “Miscellaneous Reports”. Answers to many of the questions we are asked can be found in the FAQ document also posted to the report page of our website. The Wayne RESA General Fund continues to have a positive fund balance and the Wayne RESA Board of Education has taken the position that we will manage the use of our fund balance to assure stability in our services from year to year, while optimizing vital services to support our districts.

Your questions or points of interest regarding this proposed budget are invited and should be directed to Drew McMechan, Assistant Superintendent of Financial Services at **(734) 334-1564** or at mcmecha@resa.net

Of course, you are always encouraged to contact me directly if you have any additional questions or comments about any aspect of Wayne RESA.

Sincerely,

Daveda J. Colbert, Ph.D.
Superintendent





Who We Are and What We Do

Wayne RESA is a regional educational service agency that provides a wide variety of services to children, families and communities. We coordinate many of our programs with Wayne County's 33 public school districts and 96 public school academies. We also provide services to local and intermediate school districts in other parts of the state.

The services Wayne RESA provides range from curriculum consulting, leadership and content coaching, and staff development, to helping districts maximize technology in the classroom and in their business and administrative operations. Wayne RESA's services save taxpayers millions of dollars annually and enable districts to concentrate more time, money, and energy on the direct education of students.

With a projected budget of over \$874 million, Wayne RESA's budget includes **more than \$729 million that is distributed to local districts and agencies**

to cover the costs related to special education, Medicaid, the enhancement millage, and other special projects and grant-funded initiatives.

The Preliminary Budget reflects the expected revenues and planned expenditures for the 2025-2026 fiscal year. While projections are as precise as available information will permit, it is anticipated that adjustments will be necessary during the coming year.

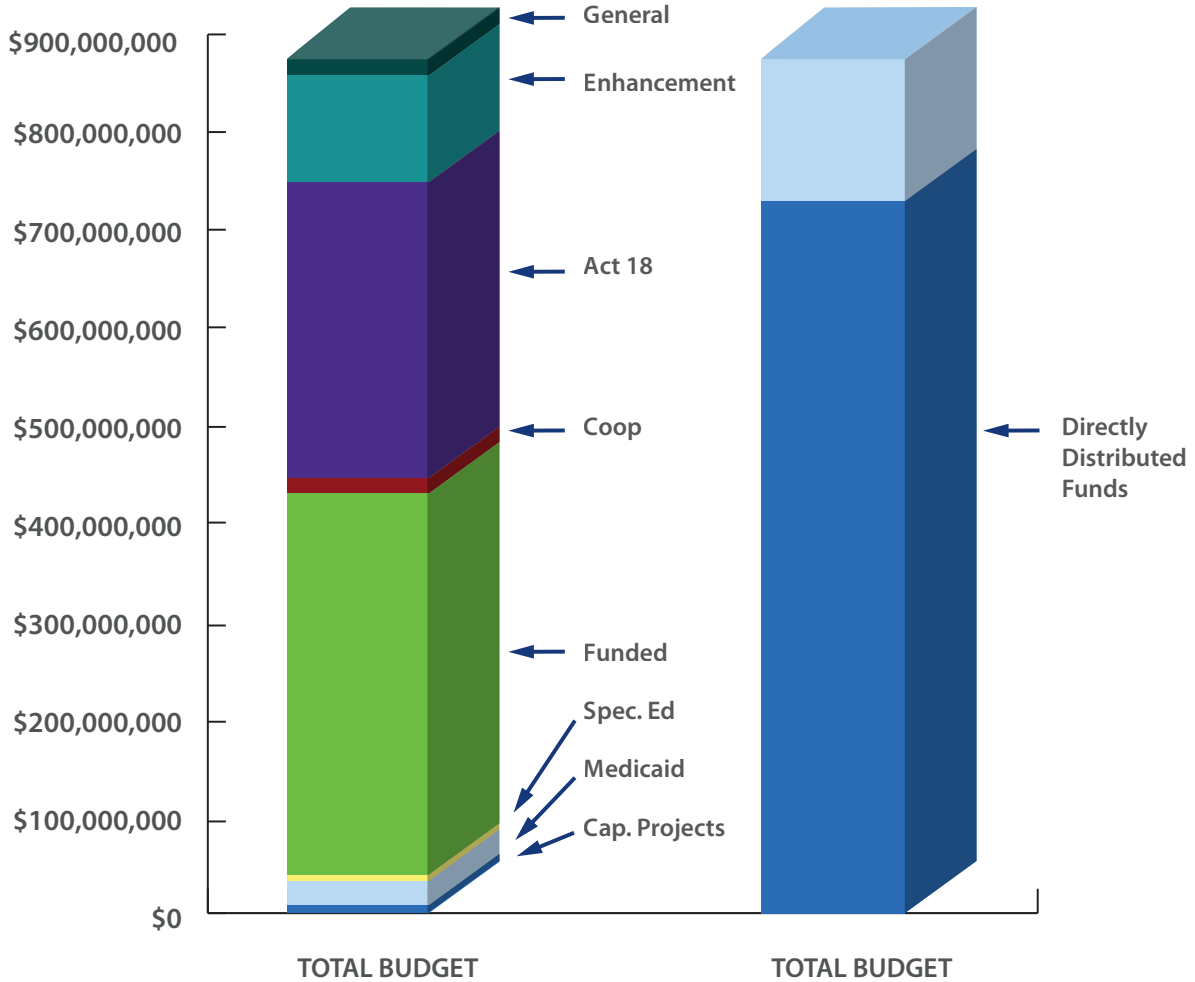
The Preliminary Budget provides a comprehensive financial profile of all of the funds of Wayne RESA, as well as supplementary information to promote a more complete understanding of WRESA's financial structure.

Each of the individual funds includes a brief description of their purpose, and in the case of the General Operating Fund and the Cooperative Fund, are followed by links to detailed budgets for each cost center.



Wayne RESA 2025-26 Budget

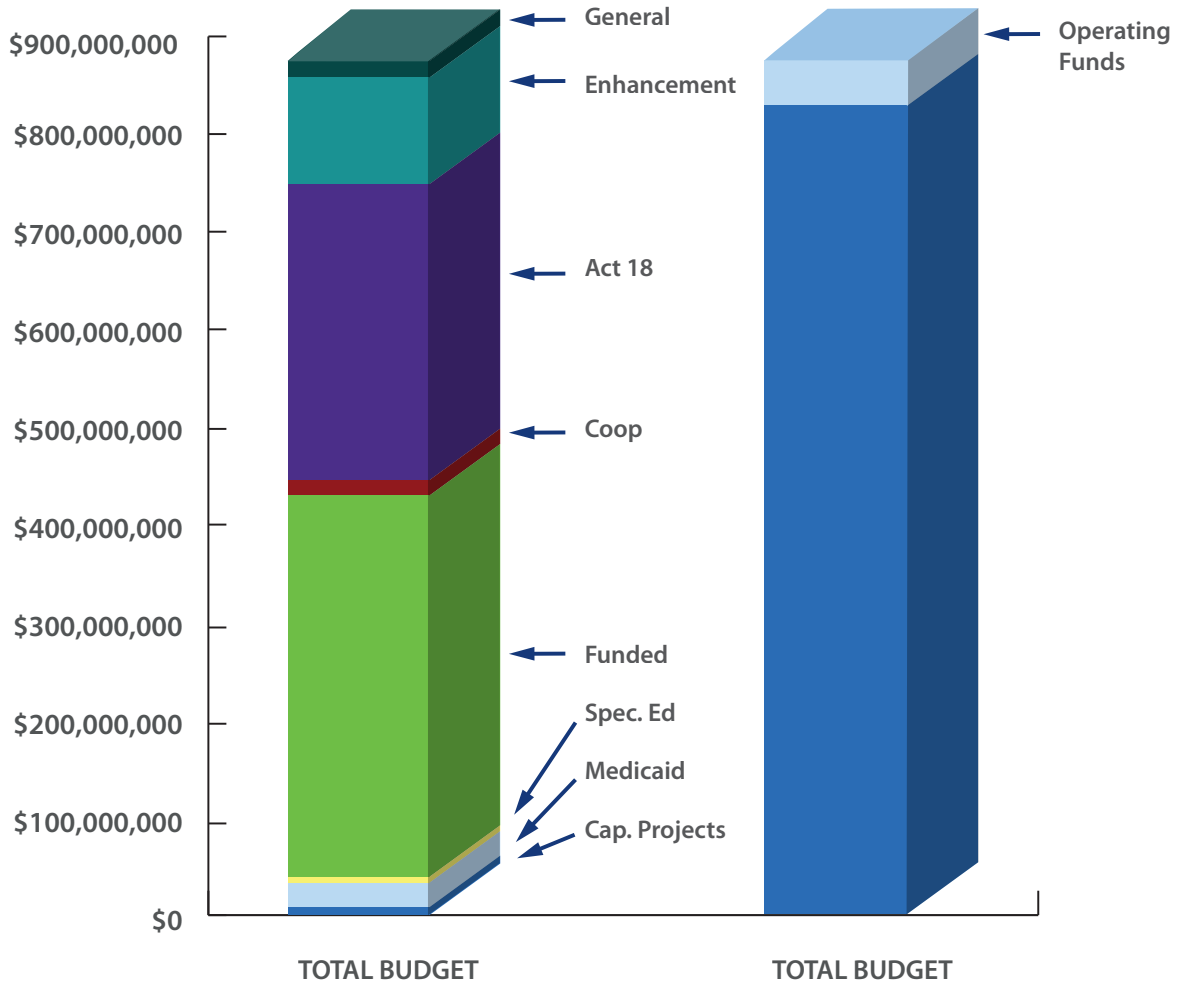
Wayne RESA's total budget across all funds is over \$874 million. Of this, \$729 million is directly distributed to schools.





Wayne RESA 2025-26 Budget

Wayne RESA's Operating Funds, the General, Cooperative, Special Education Operating, and Capital Projects Funds, represent 5.4% of all the Agency's expenditures.

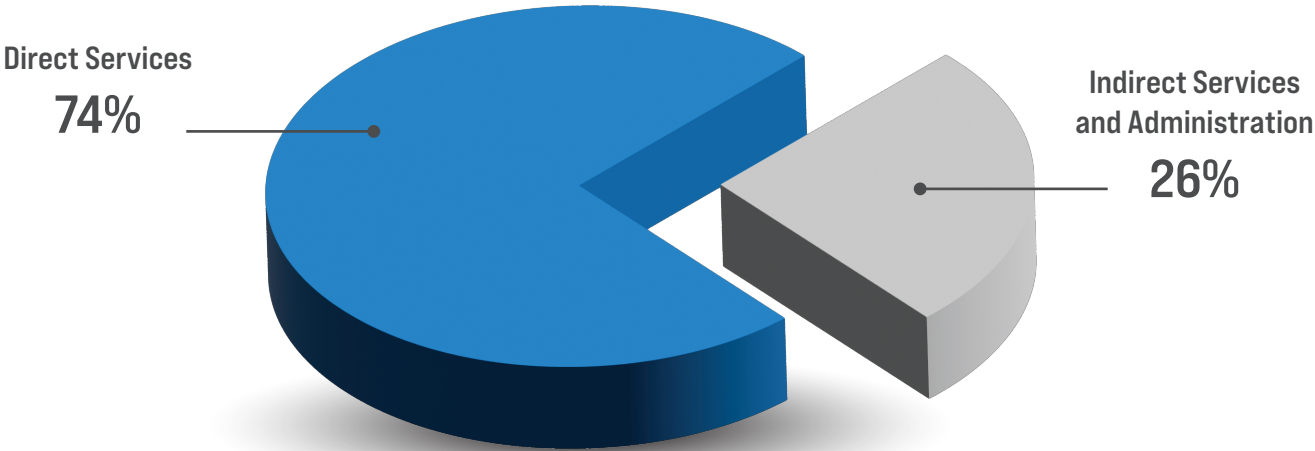




Budget by Service Area

Wayne RESA's Operating Expenditures are further divided into both indirect services and direct services to districts. Indirect services and administration costs account for approximately 26% of costs, while direct services to districts make up the remaining 74%.

Wayne RESA 2025-26 Operating Funds Budget by Service Area





General Fund

The **General Fund Operating Budget** is established to record and report all financial transactions of the Agency except those required by law to be entered in other funds.

	2024-25 Approved Budget	2025-26 Proposed Budget
Beginning Fund Balance	\$27,813,704	\$27,295,724
Revenues		
Local Sources	\$10,878,700	\$9,914,590
State Sources	16,154,720	14,557,600
Incoming Transfers – Other Governmental Agencies	343,000	343,000
Incoming Transfers – Other Funds	1,100,000	1,100,000
Total Revenues	\$28,476,420	\$25,915,190
Expenditures		
Salaries	\$7,602,200	\$7,352,200
Employee Benefits	4,772,100	4,521,300
Purchased Services	3,346,500	2,685,500
Supplies and Materials	546,800	546,800
Capital Outlay	1,236,500	1,236,500
Other Expenses	160,100	160,100
Outgoing Transfers – Other Governmental	1,552,000	452,000
Other Funds	9,778,200	9,939,200
Total Expenditures	28,994,400	26,893,600
Ending Fund Balance	\$27,295,724	\$26,317,315

See the [General Fund Program details](#).



Enhancement Millage Fund

The Wayne County schools **enhancement millage** was re-approved by voters in November of 2024 to levy approximately two mills on all properties within the school districts in Wayne County. This millage is fully distributed as collected to the 33 school districts of Wayne County and eligible Public School Academies. It can be used for all allowable school expenditures.

	2024-25 Approved Budget	2025-26 Proposed Budget
Beginning Fund Balance	\$0	\$0
Revenues		
Local Sources	\$104,960,550	\$108,017,000
State Sources	1,130,000	1,130,000
Incoming Transfers – Other Governmental Agencies	0	0
Incoming Transfers – Other Funds	0	0
Total Revenues	\$106,090,550	\$109,147,000
Expenditures		
Salaries	\$0	\$0
Employee Benefits	0	0
Purchased Services	0	0
Supplies and Materials	0	0
Capital Outlay	0	0
Other Expenses	0	0
Outgoing Transfers – Other Governmental	106,090,550	109,147,000
Other Funds	0	0
Total Expenditures	\$106,090,550	\$109,147,000
Ending Fund Balance	\$0	\$0



Act 18 Fund

Act 18 monies are collected and distributed by WRESA primarily to reimburse center program operating districts for allowable added costs. In 2002 an additional 1.5 mill was approved by voters increasing the total authorized millage to 3.5 mill. Act 18 monies are completely segregated from all other WRESA accounts and are distributed according to a county-wide plan recommended by constituent districts and approved by the WRESA Board of Education.

	2023-24 Approved Budget	2024-25 Proposed Budget
Beginning Fund Balance	\$307,212,241	\$258,831,241
Revenues		
Local Sources	\$189,290,800	\$194,407,100
State Sources	41,883,400	41,883,400
Incoming Transfers – Other Governmental Agencies	500,000	500,000
Incoming Transfers – Other Funds	7,000,000	7,000,000
Total Revenues	\$238,674,200	\$243,790,500
Expenditures		
Salaries	\$35,000	\$35,000
Employee Benefits	24,800	24,800
Purchased Services	2,412,800	1,152,800
Supplies and Materials	382,100	382,100
Capital Outlay	16,000,000	16,000,000
Other Expenses	2,500	2,500
Outgoing Transfers – Other Governmental	264,129,000	281,493,850
Other Funds	4,069,000	4,069,000
Total Expenditures	\$287,055,200	\$303,160,050
Ending Fund Balance	\$258,831,241	\$199,461,691



Cooperative Education Fund

The **Cooperative Education Fund** is established to record and report the revenues and expenditures derived from providing services to local districts, agencies and public school academies. Revenues are comprised of user fees and subsidies from the General Operating Fund. Included in this fund are the activities included in Administrative and Instructional Technology Services, Illuminate Assessment Project, Print Services, Production Services, District Field Services, and Consolidated Services.

	2024-25 Approved Budget	2025-26 Proposed Budget
Beginning Fund Balance	\$4,057,540	\$2,680,440
Revenues		
Local Sources	\$158,200	\$158,200
Incoming Transfers – Other Governmental Agencies	8,710,400	8,648,500
Incoming Transfers – Other Funds	6,794,500	6,955,500
Total Revenues	\$15,663,100	\$15,762,200
Expenditures		
Salaries	\$6,452,400	\$6,452,400
Employee Benefits	4,301,200	4,073,200
Purchased Services	5,038,800	3,988,800
Supplies and Materials	705,900	705,900
Capital Outlay	327,100	327,100
Other Expenses	211,500	211,500
Outgoing Transfers – Other Governmental	0	0
Other Funds	3,300	3,300
Total Expenditures	\$17,040,200	\$15,762,200
Ending Fund Balance	\$2,680,440	\$2,680,440

See the [Cooperative Fund details](#).



Funded Projects Fund

The **Funded Projects Fund Operating Budget** is established to record and report all financial transactions of a combination of grants and initiatives that support General Education and Special Education activities.

	2024-25 Approved Budget	2025-26 Proposed Budget
Beginning Fund Balance	\$0	\$0
Revenues		
Local Sources	\$16,864,383	\$6,477,852
State Sources	200,102,040	234,957,847
Federal Sources	138,083,686	145,971,178
Incoming Transfers – Other Governmental Agencies	1,985,915	2,002,884
Incoming Transfers – Other Funds	1,092,000	1,159,737
Total Revenues	\$358,128,024	\$390,569,498
Expenditures		
Salaries	\$15,312,508	\$17,542,471
Employee Benefits	10,231,593	11,465,547
Purchased Services	23,221,458	17,802,390
Supplies and Materials	6,302,982	5,438,809
Capital Outlay	5,000	5,000
Other Expenses	58,090	48,391
Outgoing Transfers – Other Governmental	299,285,298	330,804,045
Other Funds	3,711,095	7,462,845
Total Expenditures	\$358,128,024	\$390,569,498
Ending Fund Balance	\$0	\$0



Special Education Fund

The **Special Education Services Fund** provides consultant and staff development support for constituent districts to foster free and appropriate special education services for the eligible students with disabilities in Wayne County. The fund also includes the distribution of state and other funds to the Michigan School for the Deaf and certain other residential programs that serve Wayne County students.

	2024-25 Approved Budget	2025-26 Proposed Budget
Beginning Fund Balance	\$0	\$0
Revenues		
Local Sources	0	0
State Sources	\$1,696,340	\$1,696,340
Federal Sources	0	0
Incoming Transfers – Other Governmental Agencies	0	0
Incoming Transfers – Other Funds	4,369,000	4,369,000
Total Revenues	\$6,065,340	\$6,065,340
Expenditures		
Salaries	\$2,137,040	\$2,137,040
Employee Benefits	1,471,000	1,471,000
Purchased Services	1,396,000	1,396,000
Supplies and Materials	63,900	63,900
Capital Outlay	600,000	600,000
Other Expenses	5,800	5,800
Outgoing Transfers – Other Governmental	101,600	101,600
Other Funds	290,000	290,000
Total Expenditures	\$6,065,340	\$6,065,340
Ending Fund Balance	\$0	\$0



Medicaid Fund

The **Medicaid Fund** represents flow-through funding to the local districts of Wayne RESA for direct Medicaid-eligible services and Caring for Students programs. These programs have been made available through an agreement entered into by WRESA on behalf of the constituent districts to provide partial reimbursement for services to Medicaid-eligible special education students and eligible health and mental health services provided to general education students.

	2024-25 Approved Budget	2025-26 Proposed Budget
Beginning Fund Balance	\$0	\$0
Revenues		
Local Sources	\$25,000,000	\$25,000,000
Total Revenues	\$25,000,000	\$25,000,000
Expenditures		
Salaries	\$340,700	\$340,700
Employee Benefits	248,000	248,000
Purchased Services	43,800	43,800
Supplies and Materials	2,500	2,500
Capital Outlay	0	0
Other Expenses	900	900
Outgoing Transfers – Other Governmental	17,308,600	17,308,600
Other Funds	7,055,500	7,055,500
Total Expenditures	\$25,000,000	\$25,000,000
Ending Fund Balance	\$0	\$0

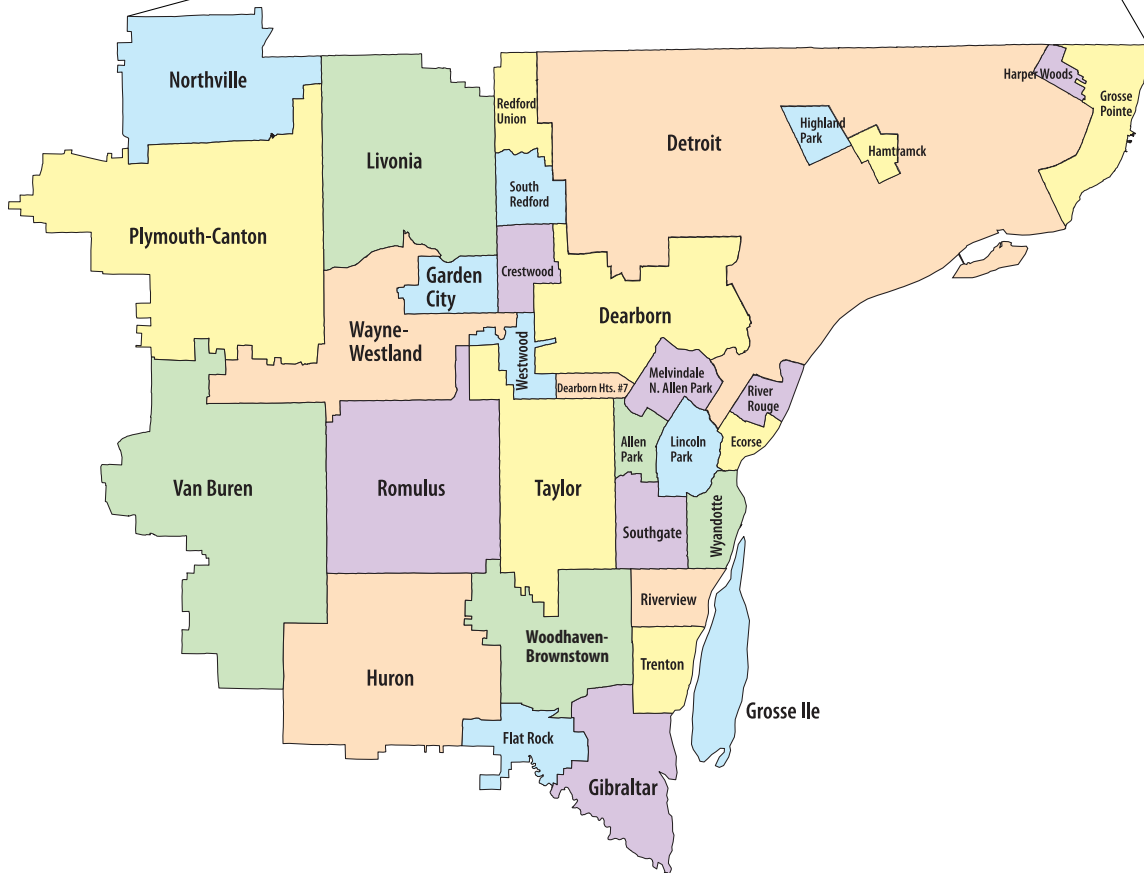


Capital Projects Fund

The **Capital Projects Fund** has been established by the Board of Education as a segregated group of accounts that are to be used for non-routine capital items. The Capital Projects Fund is funded through transfers from the General Operating Fund.

	2024-25 Approved Budget	2025-26 Proposed Budget
Beginning Fund Balance	\$1,379,184	\$144,084
Revenues		
Local Sources	\$20,000	\$20,000
Incoming Transfers – Other Funds	7,950,000	7,950,000
Total Revenues	\$7,970,000	\$7,970,000
Expenditures		
Purchased Services	\$233,900	\$233,900
Capital Outlay	8,971,200	7,871,200
Other Expenses	0	0
Total Expenditures	\$9,205,100	\$8,105,100
Ending Fund Balance	\$144,084	\$8,984





**SERVICE
LEADERSHIP
COLLABORATION
EXCELLENCE**

Wayne RESA:

33500 Van Born Road • Wayne, MI • 48184 • 734.334.1300 • 734.334.1620 FAX • www.resa.net

Board of Education:

James S. Beri • Mary E. Blackmon • Danielle Funderburg • Lynda S. Jackson • James Petrie

Daveda J. Colbert, Ph.D., Superintendent

Wayne RESA is an equal opportunity employer.

Wayne RESA

2025-2026 Proposed Budget

Frequently Asked Questions

QUESTION	RESPONSE
1. What are the Agency's assumptions regarding revenue?	Due to the uncertainty of the State School Aid Budget, no increases in State Aid have been budgeted. State Aid related to one-time payments for reimbursement of retirement costs has been removed. Although Property Tax values are not yet available from the counties, we are projecting an increase in taxable values based on current trends. Local revenue has been reduced to reflect decreased tax collections related to the close out of Inkster Public Schools.
2. What salary adjustments are included in the proposed budget?	In 2024-25, reimbursements to employees related to 3% insurance payments through the Office of Retirement Services were budgeted in salaries. The reimbursements have been removed from the proposed 2025-26 budget. No other adjustments have been made related to salaries. Current collective bargaining agreements expire on June 30, 2025.
3. What assumptions were made about retirement costs?	The budget adjusts the retirement rate down to a composite rate of 38% including passthrough revenue related to Section 147c of the state school aid budget to help offset a portion of the gross retirement expense.
4. What assumptions were made about health care costs?	The preliminary budget reflects the continued compliance with the Public Act 152 hard cap and has included the 0.2% increase for 2025 to raise the cap, as imposed by law.
5. Why are Transfers to Other Agencies decreasing by \$1.1 million?	In 2024-25, the State paid off the remainder of the debt related to Inkster Public Schools. Wayne RESA was the acting fiduciary of Inkster Schools. As part of the close out process, Wayne RESA distributed taxes received after the debt was paid off to the 4 districts who received students from Inkster after the school district was dissolved. The amount of the reduction in 2025-26 corresponds with the reduction of local revenue mentioned in question 1.

Wayne RESA

2025-2026 Proposed Budget

Frequently Asked Questions

QUESTION	RESPONSE
6. How much does the Wayne RESA General Fund contribute toward the support of the Wayne County IT Consortium and the MiStar DNA/Illuminate Project?	The General Fund is budgeted to contribute \$4,622,400 to the Wayne County IT Consortium and \$240,100 to IT field services in 2025-26. The General Fund is budgeted to contribute \$980,300 to the MiStar DNA/Illuminate Project.
7. The budget projections indicate that the Agency will have a \$978,000 operating deficit in 2025-26. Is this expected to be a continued trend?	The agency has budgeted to use fund balance in a planned way to minimize impact on services to local schools and to cover one-time costs of necessary capital projects including remodeling and updating aging facilities, as well as upgrades related to security and replacements of equipment for the conference rooms vital to providing professional development. The projected 2025-26 operational deficit is reflective of that planned use of fund balance. The Wayne RESA Board's long-term strategy has been to maintain fund balance necessary to provide stability in the delivery of operational services to constituent districts.
8. What are the revenue assumptions in the Act 18 Special Education fund?	Property tax revenues are budgeted to increase due to expected increases in taxable values across the county. Neither the State School Aid Budget nor the 2025 property values have been released at this time. Interest income is budgeted to remain stable for the upcoming year based on current market rates.
9. Why are transfers to other agencies increasing in the Act 18 Fund?	Transfers to other agencies (school districts and charter schools) are based on 2025-26 budgets submitted by Center Program Operating Districts.
10. Are one-time payments for unreimbursed special education costs included in the budget?	Yes, one-time payments related to unreimbursed special education and special education transportation costs are included in the 2025-26 budgets. Due to the diminishing level of projected fund balance available and the increase in center program budgets, the one-time payments will be reduced in the 2026-27 budget.

Wayne RESA

2025-2026 Proposed Budget
Frequently Asked Questions

QUESTION	RESPONSE
11. What is the purpose of the Capital Projects Fund?	This fund was established by the Board of Education to provide for the capital needs of the organization and has been funded through transfers from the General Fund. The 2025-26 budget will use available fund balance from projected unfinished 2025-26 projects as well as an additional allocation from the General Fund. The projects budgeted to be completed in the 2025-26 school year will focus on enhancing conference space and remodeling aging facilities.
12. How will the Enhancement Millage fund be distributed during the 2025-26 Budget year?	The Renewal of the Enhancement Millage in 2020 and changes to legislation require RESA to distribute current year collections to both local Districts and Public School Academies. An increase in total current collections is budgeted based on projected property value increases.

MODEL RESOLUTION FOR LOCAL DISTRICT VOTE ON WAYNE RESA BUDGET

Wayne County Regional Educational Service Agency (“Wayne RESA”)
2025-2026
General Fund Operating Budget
RESOLUTION

A _____ meeting of the Board of Education of the _____
School District was held at the _____ on _____, 2025 at _____.

Members present were: _____

The following preamble and resolution were offered by Member _____
and seconded by Member _____.

WHEREAS:

This Board received the Wayne RESA General Fund Operating Budget on or before May 1, 2025;
and

WHEREAS:

In accordance with Section 380.624 of the Revised School Code, this Board must now adopt a
resolution expressing its support or disapproval of the proposed Wayne RESA budget, and must
submit to the Wayne RESA Board any specific objections and/or proposed changes the Board may
have to the budget prior to June 1, 2025

THEREFORE, BE IT RESOLVED THAT:

Please check one of the following options:

The Wayne RESA General Fund Operating budget for the 2025-2026 school year be supported,
and that the Secretary of the Board is hereby directed to submit a copy of this resolution to the
Secretary of the Wayne RESA Board of Education, along with comments.

OR

The Wayne RESA General Fund Operating budget for the 2025-2026 school year be disapproved
(for reasons attached hereto), and that the Secretary of the Board is hereby directed to submit a
copy of this resolution to the Secretary of the Wayne RESA Board of Education, along with any
specific objections or proposed changes to the budget.

The undersigned duly qualified and acting Secretary of the Board of Education of
_____, Michigan hereby certifies that the foregoing is a true and complete copy of a
resolution adopted by the Board at a _____ meeting held on _____
2025, the original of which resolution is a part of the Board’s minutes, and further certifies that notice of the
meeting was given to the public under the Open Meetings Act, 1976 PA 267, as amended.

Signed:

Secretary, Board of Education



Date: May 12, 2025
To: Andrea Oquist, Superintendent
From: Theresa O'Brien, Chief Academic Officer
Subject: Purchase of Everyday Mathematics for Grades One through Four

I would like to request to be placed on the Curriculum Committee agenda for the May 12, Board of Education Committee of the Whole meeting with a recommendation to purchase Everyday Mathematics Student Essential Sets for First, Second, Third and Fourth Grade Classrooms from McGraw Hill in Columbus, Ohio for \$129,245.16. This purchase would include print and digital sets for students as well as teacher licenses. The funds for this purchase is the Elementary Textbook Budget which has been supported by the Wayne County Enhancement Milage.

Thank you for your consideration of this request.



Because learning changes everything.®

QUOTE PREPARED FOR:

Livonia Public Schs
15125 FARMINGTON RD
LIVONIA, MI 48154-5474
ACCOUNT NUMBER: 330369

SUBSCRIPTION/DIGITAL CONTACT:

CONTACT:

SALES REP INFORMATION:

Kevin Clark
kevin.clark@mheducation.com
(313) 655-6319

Section Summary	Value of All Materials	Free Materials	Product Subtotal
Everyday Mathematics ©2020 Student Essential Sets - Print and Digital	\$151,650.00	(\$25,212.00)	\$126,438.00
PRODUCT TOTAL*	\$151,650.00	(\$25,212.00)	\$126,438.00
ESTIMATED S&H**			\$2,807.16
ESTIMATED TAX**			\$0.00
GRAND TOTAL*			\$129,245.16

* Price firm for 90 days from quote date. Price quote must be attached to school purchase order to receive the quoted price and free materials.

**Shipping and handling charges shown are only estimates. Actual shipping and handling charges will be applied at time of order. Taxes shown are only estimates. If applicable, actual tax charges will be applied at time of order.

Comments:

PLEASE INCLUDE THIS PROPOSAL WITH YOUR PURCHASE ORDER

SEND ORDER TO:

McGraw Hill LLC | PO Box 182605 | Columbus, OH 43218-2605
Email: orders_mhe@mheducation.com | Phone: 1-800-338-3987 | Fax: 1-800-953-8691

QUOTE DATE: 05/02/2025

ACCOUNT NAME: Livonia Public Schs

EXPIRATION DATE: 07/31/2025

QUOTE NUMBER: KCLARK-05022025120002-001

ACCOUNT #: 330369

PAGE #: 1



Because learning changes everything.®

Product Description	ISBN	Qty	Unit Price	Free Materials	Line Subtotal
Everyday Mathematics ©2020 Student Essential Sets - Print and Digital					
EVERYDAY MATH ESSENTIAL STUDENT MATERIALS SET 1 YEAR SUBSCRIPTION BUNDLE GRADE 1	978-0-07-695001-0	640	\$32.10	\$0.00	\$20,544.00
EVERYDAY MATH ESSENTIAL STUDENT MATERIALS SET 1 YEAR SUBSCRIPTION BUNDLE GRADE 2	978-0-07-695004-1	1000	\$32.10	\$0.00	\$32,100.00
EVERYDAY MATH ESSENTIAL STUDENT MATERIALS SET 1 YEAR SUBSCRIPTION BUNDLE GRADE 3	978-0-07-695010-2	1050	\$32.10	\$0.00	\$33,705.00
EVERYDAY MATH ESSENTIAL STUDENT MATERIALS SET 1 YEAR SUBSCRIPTION BUNDLE GRADE 4	978-0-07-695019-5	1100	\$32.10	\$0.00	\$35,310.00
Teacher Licenses					
EVERYDAY MATH NATIONAL TEACHER CENTER 1 YEAR SUBSCRIPTION GRADE K	978-0-07-695375-2	50	\$95.58	\$0.00	\$4,779.00
EVERYDAY MATH NATIONAL TEACHER CENTER 1 YEAR SUBSCRIPTION GRADE 1	978-0-07-695411-7	50	\$126.06	\$6,303.00	*Free Materials
EVERYDAY MATH NATIONAL TEACHER CENTER 1 YEAR SUBSCRIPTION GRADE 2	978-0-07-695434-6	50	\$126.06	\$6,303.00	*Free Materials
EVERYDAY MATH NATIONAL TEACHER CENTER 1 YEAR SUBSCRIPTION GRADE 3	978-0-07-695572-5	50	\$126.06	\$6,303.00	*Free Materials
EVERYDAY MATH NATIONAL TEACHER CENTER 1 YEAR SUBSCRIPTION GRADE 4	978-0-07-695246-5	50	\$126.06	\$6,303.00	*Free Materials

Teacher Licenses Subtotal: \$25,212.00 \$4,779.00

Everyday Mathematics ©2020 Student Essential Sets - Print and Digital Subtotal: \$25,212.00 \$126,438.00

PLEASE INCLUDE THIS PROPOSAL WITH YOUR PURCHASE ORDER

SEND ORDER TO:

McGraw Hill LLC | PO Box 182605 | Columbus, OH 43218-2605
 Email: orders_mhe@mheducation.com | Phone: 1-800-338-3987 | Fax: 1-800-953-8691

QUOTE DATE: 05/02/2025

ACCOUNT NAME: Livonia Public Schs

EXPIRATION DATE: 07/31/2025

QUOTE NUMBER: KCLARK-05022025120002-001

ACCOUNT #: 330369

PAGE #: 2



Because learning changes everything.®

QUOTE PREPARED FOR:

Livonia Public Schs
15125 FARMINGTON RD
LIVONIA, MI 48154-5474
ACCOUNT NUMBER: 330369

CONTACT:

VALUE OF ALL MATERIALS	\$151,650.00
FREE MATERIALS	(\$25,212.00)
PRODUCT TOTAL*	\$126,438.00
ESTIMATED SHIPPING & HANDLING**	\$2,807.16
ESTIMATED TAX**	\$0.00
GRAND TOTAL	\$129,245.16

SUBSCRIPTION/DIGITAL CONTACT:

Comments:

* Price firm for 90 days from quote date. Price quote must be attached to school purchase order to receive the quoted price and free materials.

**Shipping and handling charges shown are only estimates. Actual shipping and handling charges will be applied at time of order. Taxes shown are only estimates. If applicable, actual tax charges will be applied at time of order.

Terms of Service:

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School Purchase Order Number: _____

Name of School Official (Please Print)

Signature of School Official

PLEASE INCLUDE THIS PROPOSAL WITH YOUR PURCHASE ORDER

SEND ORDER TO:

McGraw Hill LLC | PO Box 182605 | Columbus, OH 43218-2605
Email: orders_mhe@mheducation.com | Phone: 1-800-338-3987 | Fax: 1-800-953-8691

QUOTE DATE: 05/02/2025

ACCOUNT NAME: Livonia Public Schs

EXPIRATION DATE:07/31/2025

QUOTE NUMBER: KCLARK-05022025120002-001

ACCOUNT #: 330369

PAGE #: 3



Livonia Public Schools

Finance Office

Date: May 7, 2025

To: Andrea Oquist, Superintendent

From: Alison Smith, Chief Financial Officer

Re: Board Policies DIA, DIB, DJCA

I would like to continue discussions with the Board that began at our most recent Study Session on Board Policies DFF – Post-Issuance Tax Compliance, DID – Audit/Published Statements, and DJD – Expense Reimbursement.

The Board Policy language for Board Policies DFF, DID and DJD have been modified and are attached for your consideration.

Please include this item on the May 12, 2025, Policy Committee meeting agenda. As always, please let me know if you have any questions.

Attachments

c: Board of Education

BOARD POLICY

DFF

FISCAL MANAGEMENT POST-ISSUANCE TAX COMPLIANCE

SEPTEMBER 17, 2012

Debt Compliance Officer

The Director of Business Services shall serve as the Debt Compliance Officer for the District.

The Debt Compliance Officer shall implement procedures for the purpose of monitoring compliance with regard to all tax-exempt or tax-advantaged obligations. The procedures established and implemented by the Debt Compliance Officer shall encourage the timely identification of noncompliance. The Debt Compliance Officer shall ensure that the District maintains a record of such compliance. Further, the Debt Compliance Officer will ensure that this Post-Issuance Debt Compliance Policy and procedures, if any, are updated on a regular and as needed basis, as well as establish procedures designed to detect non-compliance and to address the necessary remedial steps in the event non-compliant actions or inactions are detected.

This Post-Issuance Tax Compliance Policy shall apply to all debt obligations designated as having tax-exempt or tax-credit status issued on behalf of the District. The duties of the Debt Compliance Officer shall include, but not be limited to, the following:

- 1) oversee and manage compliance with the Code and Regulations, as defined above, as well as other general requirements;
- 2) monitor the use of proceeds from debt obligations ~~and~~ ensure that such use is proper and timely, all in compliance with the Code and Regulations;
- 3) supervise timely filings of reports or forms required by state and federal agencies as applicable;
- 4) monitor arbitrage, yield restriction and rebate requirements under the Code;
- 5) develop training programs, as necessary, for the purpose of training individuals responsible for the proceeds of the tax-exempt or tax-advantaged debt;
- 6) monitor compliance with six-month, 18-month or 2-year spending exceptions, if applicable; and
- 7) establish procedures to address and remediate non-compliance with state or federal law immediately upon the discovery of such non-compliance.

External Advisors/Documentation

The District shall consult with bond counsel and other legal counsel, ~~and~~ advisors, and other professionals, as needed, ~~throughout the issuance of~~ while an Obligation is outstanding to identify requirements and to establish procedures necessary or appropriate so that the

Obligation and the District will continue to qualify for tax-exempt status or tax credit status, as applicable, including any remedial actions. -

The District also shall consult with advisors, bond counsel or other legal counsel, and other professionals as needed, following issuance of an Obligation to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with any potential changes in use of assets financed (or refinanced) with the Obligations issued. This requirement shall be documented in the tax certificate and/or other documents finalized at or before issuance of the Obligations. The District will provide such advisors with any reasonably requested and available documentation and disclosures for such purpose.

The District shall be responsible to determine (or obtain expert advice to determine) whether arbitrage rebate calculations have to be made for the Obligations. If it is determined that such calculations are or are likely to be required, the District shall engage an advisor (hereinafter "Rebate Service Provider") to assist in the calculation of arbitrage rebate payable in respect of the investment of proceeds from the issuance, or shall otherwise ensure that it has adequate financial, accounting and legal resources of its own to make such calculations.

In lieu of engaging an outside Rebate Service Provider, the District may make a determination that it has sufficient capabilities using its own personnel, supported by its regular accounting and legal advisers, to be able to make the required rebate calculations. Such determination shall be evidenced in writing with specific reference to the personnel and advisers to carry out the calculations, and such written determination shall be maintained in the records of the bond transaction.

The District shall file or cause to be filed all required IRS forms and make any rebate payments required on a timely basis. Unless otherwise provided by the indenture relating to an Obligation, unexpended proceeds shall be held by a trustee or other financial institution, and the investment of bond proceeds shall be managed by the District. The District shall prepare (or cause the trustee or other financial institution to prepare) regular, periodic statements regarding the investments and transactions involving proceeds of the Obligations.

Arbitrage Rebate and Yield

The following requirements shall apply to any Obligation issued by the District for which compliance with arbitrage rebate requirements under the Code and Regulations is required. The Debt Compliance Officer or his/her designee shall be responsible for overseeing compliance with arbitrage rebate requirements under federal tax regulations:

- 1) If at the time of issuance of any Obligation, based on reasonable expectations set forth in the Tax Certificate or other applicable document(s), it appears likely that the Obligation will qualify for an exemption from the rebate requirement, the District may defer taking any of the actions set forth in the subsection (2). As applicable, nNot later than the time of completion of construction or acquisition of the project paid for with proceeds on an Obligation, and depletion of all funds from the project fund holding the proceeds, the District in consultation with the appropriate professionals shall make a determination if expenditure of the bond proceeds qualified for exemption from the rebate requirements ~~based on spending within 6 month or 18 month period after issuance~~. If a rebate exemption is determined to be applicable, the District shall prepare

and maintain a record to support such conclusion. If the transaction does not qualify for rebate exemption, the District shall initiate the steps set forth in (2) below.

- 2) If at the time of issuance of any Obligations it appears likely that arbitrage rebate calculations will be required, or upon determination that calculations are required pursuant to (1) above, the District shall:
 - a) engage the services of a Rebate Service Provider or assign District personnel capable of preparing a rebate analysis for the Obligation and, prior to each rebate calculation date, cause the trustee or other financial institution investing bond proceeds to deliver periodic statements concerning the investment of proceeds to the Rebate Service Provider or relevant District personnel handling the rebate calculation;
 - b) provide to the Rebate Service Provider, or relevant District personnel conducting any rebate calculation, additional documents and information reasonably requested by the Rebate Service Provider or District personnel;
 - c) monitor efforts of the Rebate Service Provider or District personnel;
 - d) ~~in the case of obligations issued by the District,~~ assure payment of required rebate amounts, if any, no later than the applicable rebate payment due date for such Obligation for which rebate is due;
 - e) during the construction period of each capital project financed in whole or in part by an Obligation, monitor the investment and expenditure of bond proceeds and consult with the Rebate Service Provider or relevant District personnel handling rebate calculation to determine compliance with any applicable exceptions from the arbitrage rebate requirements ~~during each 6-month spending period up to 6 months or 18 months, as applicable, following the issue date of the Obligations;~~ and
 - f) retain copies of all arbitrage reports and trustee statements as described below under "Record Keeping Requirements."

Use of Bond Proceeds and Bond-Financed or Refinanced Assets

The Debt Compliance Officer, or his/her designee, shall be responsible for:

- 1) monitoring the use of Bond proceeds (including investment earnings and including reimbursement of expenditures made before bond issuance) and the use of the debt obligation financed or refinanced assets (e.g., facilities, furnishings or equipment) throughout the term of the Obligations to ensure compliance with covenants and restrictions set forth in the Tax Certificate or other applicable agreements relating to the Obligations;
- 2) monitoring the use of Bond proceeds (including investment earnings and including reimbursement of expenditures made before bond issuance) and the use of Bond-financed or refinanced assets (e.g., facilities, furnishings or equipment) throughout the term of the Obligations to ensure compliance with covenants and restrictions set forth in the Tax Certificate or other applicable agreements relating to the Obligations;
- 3) maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Obligations (including investment earnings and including reimbursement of expenditures made before bond issuance), including a final allocation of Bond proceeds as described below under "Record Keeping Requirements";

- 4) consulting with bond counsel or other professional advisers in the review of any change in use of Bond-financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the Tax Certificate or other applicable agreements relating to the Obligations;
- 5) conferring at least annually with personnel responsible for Bond-financed or refinanced assets to identify and discussing any existing or planned use of debt obligations financed or refinanced assets, to ensure that those uses are consistent with all covenants and restrictions set forth in the Tax Certificate or other applicable agreements relating to the Obligations;
- 6) to the extent that the District discovers that any applicable tax restrictions regarding use of proceeds will or may be violated, consulting promptly with bond counsel or other professional advisers to determine a course of action to remediate all nonqualified bonds, if such counsel advises that a remedial action is necessary;
- 7) to the extent that tax-exempt proceeds from the debt obligation were used to acquire an existing building, confirming that qualified rehabilitation expenditures in an amount equal to at least 15% of the amount of such proceeds were made no later than 24 months after the later of (1) the date of issuance of the Obligations, or (2) the date of acquisition of the building;
- 8) the District shall review the debt obligations at least annually in order to determine if this Policy and state and federal law are being adhered to; and
- 9) undertaking the following:
 - a) retain copies of all arbitrage reports and trustee statements as described below under "Record Keeping Requirements" and, upon request, providing such copies to the bond issuer;
 - b) with respect to Qualified Zone Academy Bonds (QZABs) and any other tax credit bonds, confirming that 100% of available project proceeds are spent within three years of issue date of bonds;
 - c) with respect to facilities financed by QZABs or other tax credit bonds, confirming that such facilities continue to be used for a qualified purpose for the life of the Obligations; and
 - d) with respect to other types of exempt facilities, adopting any such procedures that bond counsel or other professional advisers deem appropriate to periodically assess whether such facility continues to qualify as an exempt facility.

All relevant records and contracts shall be maintained as described below.

Record Keeping Requirement

The Debt Compliance Officer, or his/her designee, shall be responsible for maintaining the following documents for the term of each Obligation (including refunding bonds, if any) plus at least three years:

- 1) a copy of the closing transcript(s) and other relevant documentation delivered to the District at or in connection with closing of the issue of Obligation;

- 2) a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds, including a final allocation of Bond; and
- 3) a copy of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements, in connection with any investment agreements as well as copies of all bidding documents, if any.

Adopted on **September 17, 2012** to be effective on **September 17, 2012**.

Note: It is the intent of the District to ensure that all tax-exempt obligations issued by the District satisfy and will continue to satisfy all requirements of the Internal Revenue Code of 1986, as amended and regulations thereunder.

BOARD POLICY

DID

FISCAL MANAGEMENT AUDIT/PUBLISHED FINANCIAL STATEMENTS

MAY 19, 2014

The Board of Education shall appoint an independent auditing firm who shall present an annual report of its findings as well as periodic reports upon request. to conduct an annual audit of the district's financial records. The auditing firm shall present a comprehensive report of its findings to the Board and provide additional reports as requested.

The audited financial statements shall be made available to the public on the district website and at district offices as soon as practicable after it has been presented to the Board. following the presentation of the financial statements to the Board.

LEGAL REF.: MCL 380.1281(2); 14.141 *et seq.*; 388.1618(2)

BOARD POLICY

DJD

FISCAL MANAGEMENT EXPENSE REIMBURSEMENT

~~DECEMBER 18, 2017~~

The Board of Education authorizes reimbursement of authorized, reasonable and necessary expenses incurred by employees while performing official duties on behalf of the School District.

School eEmployees who are required by the School District to use their personal vehicles in the course of their employment for approved, work-related travel shall be reimbursed by the district for mileage, in accordance with IRS guidelines.

CROSS REF.: Board Policy GBRF - Expenses