



Monday, March 9, 2020 REGULAR MEETING

**YCS Board of Education Meeting | YCS Central Office | 1885 Packard Road | Ypsilanti, MI 48197
| 734.221.1230
6:30 p.m.**

1. CALL TO ORDER & PLEDGE OF ALLEGIANCE: Dr. Celeste Hawkins, Board President

Subject	A. PLEDGE OF ALLEGIANCE: Washtenaw International Middle Academy (WIMA) Students & Jessica Garcia, Associate Principal
Meeting	Mar 9, 2020 - REGULAR MEETING
Category	1. CALL TO ORDER & PLEDGE OF ALLEGIANCE: Dr. Celeste Hawkins, Board President
Access	Public
Type	Procedural
Goals	<ul style="list-style-type: none"> 1. Student Achievement & Growth 2. Positive Culture & Climate

2. ACHIEVEMENTS, AWARDS & RECOGNITION

Subject	A. WIMA Points of Pride
Meeting	Mar 9, 2020 - REGULAR MEETING
Category	2. ACHIEVEMENTS, AWARDS & RECOGNITION
Access	Public
Type	Information, Recognition
Goals	<ul style="list-style-type: none"> 1. Student Achievement & Growth 2. Positive Culture & Climate

File Attachments
Points of Pride.docx (17 KB)

3. ACCEPTANCE OF AGENDA

Subject	A. Acceptance of Agenda
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Meeting Mar 9, 2020 - REGULAR MEETING

Category 3. ACCEPTANCE OF AGENDA

Access Public

Type Action (Consent)

Recommended Action ... MOVE THAT the Board of Education accept the agenda, as presented.

Executive Content

4. PRESENTATIONS

Subject **A. Read by Grade 3, An Overview of the Law: Dr. Carlos Lopez, Assistant Superintendent**

Meeting Mar 9, 2020 - REGULAR MEETING

Category 4. PRESENTATIONS

Access Public

Type Presentation

Goals

1. Student Achievement & Growth
2. Positive Culture & Climate

In 2016, the Michigan Legislature passed a law that requires schools to identify learners who are struggling with reading and writing and to provide additional help. The law states that third graders may repeat third grade if they are more than one grade level behind beginning with the 2019-2020 school year.

This presentation will include an overview of the Read by Grade 3 law, and, the five main components of the law.

File Attachments

RBG3 Intro.pdf (1,105 KB)

READ BY GRADE 3 BoE Presentation.pdf (806 KB)

RBG3 M-Step Criteria.pdf (33 KB)

RBG3 Facts for Families.pdf (189 KB)

RGB3 Facts. Good Cause Exemption.pdf (94 KB)

Subject **B. Request for Proposal (RFP): Energy Management System: Aaron Rose, Director of District Operations**

Meeting Mar 9, 2020 - REGULAR MEETING

Category 4. PRESENTATIONS

Access Public

Type Presentation

Goals 3. Consistent & Reliable Core District Processes & Systems

File Attachments
RFP BID Info.pdf (248 KB)

5. PUBLIC COMMENTS #1

Subject A. Guidelines for Public Comment

Meeting Mar 9, 2020 - REGULAR MEETING

Category 5. PUBLIC COMMENTS #1

Access Public

Type Information

Goals 2. Positive Culture & Climate
4. Proactive Organizational Structures for Community Partnerships

Public Comment Protocol | Pursuant to Board of Education Policy 0167.3

*The Board recognizes the value of public comment on educational issues and the importance of allowing members of the public to express their view.

*Please limit statements to three (3) minutes duration.

*Participants shall direct all comments to the Board and not to staff or other participants; no person may address or question Board members individually.

*Remarks shall be made in a respectful and professional manner.

6. CONSENT AGENDA

Subject A. Consent Agenda Approval

Meeting Mar 9, 2020 - REGULAR MEETING

Category 6. CONSENT AGENDA

Access Public

Type Action (Consent)

Recommended Action " ... MOVE THAT the Board of Education approve the:
1) February 17, 2020 Regular Meeting Minutes,
2) February 17, 2020 Closed Session Meeting Minutes, and ...
3) personnel matters as per the attached list dated March 2, 2020: Retirees, New Hires & Resignations.

Goals 3. Consistent & Reliable Core District Processes & Systems

File Attachments
 MINUTES 2020 2.17 RM.pdf (381 KB)
 HR List. Public View.pdf (89 KB)

7. ACTION ITEMS: Student Affairs

Subject	A. Grant Award: College Football Playoff Foundation MAC 2019/20 School Grants
Meeting	Mar 9, 2020 - REGULAR MEETING
Category	7. ACTION ITEMS: Student Affairs
Access	Public
Type	Action, Recognition
Recommended Action	... MOVE THAT the Board of Education accept a \$5,000 2019/20 school grant award from the College Football Playoff Foundation Mid American Conference.
Goals	<ol style="list-style-type: none"> 1. Student Achievement & Growth 2. Positive Culture & Climate 4. Proactive Organizational Structures for Community Partnerships

Grant Award from: College Football Playoff Foundation | Mid-American Conference, 2019/20 School Grants

Seeking Board approval for a \$5,000 school grant to the District. Monies will be used for the annual YCS Back to School Bash in August. This event provides backpacks and school supplies to PreK - Grade 12 students. Last year, over 1,600 backpacks were distributed. The backpacks were either purchased or donated. The criteria for the use of the grant funds: funds must be directed to elementary and/or middle schools to assist in providing supplies, equipment or technology enhancements.

Subject **B. Donation: District, Donor - Unite Church**

Meeting Mar 9, 2020 - REGULAR MEETING

Category 7. ACTION ITEMS: Student Affairs

Access Public

Type Action (Consent), Recognition

Recommended Action ... MOVE THAT the Board of Education accept an anticipated \$2,000 cash donation from Unite Church on behalf of the District for the 2020 Family and Community Empowerment (F.A.C.E.) Conference.

Goals 1. Student Achievement & Growth
 2. Positive Culture & Climate
 4. Proactive Organizational Structures for Community Partnerships

Donor: Unite Church

Seeking Board approval for an anticipated \$2,000 cash donation to the District. Per Marketing/Communications Coordinator Taryn Willis, this is not a sponsorship, but a donation for the Family and Community Empowerment (F.A.C.E.) Conference to be held on Saturday, March 14, 2020.

Subject **C. Donation: District, Donor - NAMI**

Meeting Mar 9, 2020 - REGULAR MEETING

Category 7. ACTION ITEMS: Student Affairs

Access Public

Type Action (Consent), Recognition

Recommended Action ... MOVE THAT the Board of Education accept an anticipated \$1,000 cash donation from the National Alliance on Mental Illness on behalf of the District for the 2020 Family and Community Empowerment (F.A.C.E.) Conference.

Goals 1. Student Achievement & Growth
 2. Positive Culture & Climate
 4. Proactive Organizational Structures for Community Partnerships

Donor: National Alliance on Mental Illness (NAMI)

Seeking Board approval for an anticipated \$1,000 cash donation to the District. Per Communications/Marketing Coordinator Taryn Willis, this is not a sponsorship, but a donation for the Family and Community Empowerment

(F.A.C.E.) Conference to be held on Saturday, March 14, 2020.

Subject	D. Donation: District, Chartwells Schools Dining Services
Meeting	Mar 9, 2020 - REGULAR MEETING
Category	7. ACTION ITEMS: Student Affairs
Access	Public
Type	Action (Consent), Recognition
Recommended Action	... MOVE THAT the Board of Education accept an anticipated \$2,000 donation from Chartwells Schools Dining Services on behalf of the District for the 2020 Family and Community Empowerment (F.A.C.E.) Conference.
Goals	<ol style="list-style-type: none"> 1. Student Achievement & Growth 2. Positive Culture & Climate 4. Proactive Organizational Structures for Community Partnerships

Donor: Chartwells Schools Dining Services

Seeking Board approval for an anticipated \$2,000 donation to the District. Superintendent Zachery-Ross has brought this donation forward.

8. ACTION ITEMS: Business/Finance

Subject	A. RFP Recommendation: Energy Management System
Meeting	Mar 9, 2020 - REGULAR MEETING
Category	8. ACTION ITEMS: Business/Finance
Access	Public
Type	Action
Recommended Action	... MOVE THAT the Board of Education approve the bid award to Trane Inc. to serve as the District's Energy Management System Contractor.
Goals	3. Consistent & Reliable Core District Processes & Systems

The administrative recommendation is for the Board of Education to award Trane Inc. A performance contract for Phase 2 in the amount of \$1,997,861 for a guaranteed annual savings of \$77,673 and a one-time utility rebate savings of \$68,500.

Subject **B. Lease: Hope Community Church**

Meeting Mar 9, 2020 - REGULAR MEETING

Category 8. ACTION ITEMS: Business/Finance

Access Public

Type Action

Recommended Action ... MOVE THAT the Board of Education approve the lease with Landlord Hope Community Church, 2100 Ellsworth - Ypsilanti, MI 48197, and YCS as Tenant at this building for a lease period of October 11, 2020 - October 10, 2021.

- Goals
- 1. Student Achievement & Growth
 - 2. Positive Culture & Climate
 - 4. Proactive Organizational Structures for Community Partnerships

Lease for YCS as Tenant; YCS school use including CTE Culinary Arts program. Hope Community Church is Landlord.

File Attachments
 LEASE Hope Comm Church. YCS Tenant.pdf (2,377 KB)

Subject **C. Lease: Frank Norton #1 of 2, Chapelle Rooms 146 & 148**

Meeting Mar 9, 2020 - REGULAR MEETING

Category 8. ACTION ITEMS: Business/Finance

Access Public

Type Action

Recommended Action ... MOVE THAT the Board of Education approve the lease with Frank Norton III, for room rentals at Chapelle Business Center, for a lease period of February 1, 2020 - January 31, 2021.

- Goals**
- 1. Student Achievement & Growth
 - 2. Positive Culture & Climate
 - 4. Proactive Organizational Structures for Community Partnerships

Lease Building: Chapelle Business Center located at 111 S. Wallace, Ypsilanti, MI 48197
Lease Premises: Rooms #146 & 148

File Attachments
LEASE #1 Frank Norton. UniteSTEM.pdf (537 KB)

Executive Content

Subject **D. Lease: Frank Norton #2 of 2, Room #116**

Meeting Mar 9, 2020 - REGULAR MEETING

Category 8. ACTION ITEMS: Business/Finance

Access Public

Type Action

Recommended Action ... MOVE THAT the Board of Education approve the Chapelle Business Center lease with Frank Norton III, for a lease period of January 1, 2020 - December 31, 2020.

- Goals**
- 1. Student Achievement & Growth
 - 2. Positive Culture & Climate
 - 4. Proactive Organizational Structures for Community Partnerships

Lease Building: Chapelle Business Center located at 111 S. Wallace, Ypsilanti, MI 48197
Lease Premises: Room #116

File Attachments
LEASE #2 Frank Norton. UniteSTEM.pdf (814 KB)

Executive Content

Subject	E. Lease: Mentor 2 Youth
Meeting	Mar 9, 2020 - REGULAR MEETING
Category	8. ACTION ITEMS: Business/Finance
Access	Public
Type	Action
Recommended Action	... MOVE THAT the Board of Education approve the lease with Mentor 2 Youth at the Chapelle Business Center, with a lease period of December 1, 2019 - November 30, 2020.
Goals	<ol style="list-style-type: none"> 1. Student Achievement & Growth 2. Positive Culture & Climate 4. Proactive Organizational Structures for Community Partnerships
Lease Building:	Chapelle Business Center 111 S. Wallace, Ypsilanti, MI 48197
Lease Premises:	"Main Office Area"

File Attachments
 LEASE Mentor2Youth.pdf (663 KB)

Executive Content

9. PUBLIC COMMENTS #2: See Public Comments #1 Above for Protocol/Guidelines

10. OTHER

11. BOARD/SUPERINTENDENT COMMENTS

12. REQUEST FOR CLOSED SESSION: Section 8(a) OMA, Employee Requested

Subject	A. Employee-Requested Session
Meeting	Mar 9, 2020 - REGULAR MEETING
Category	12. REQUEST FOR CLOSED SESSION: Section 8(a) OMA, Employee Requested
Access	Public
Type	Action

Recommended Action ... MOVE THAT the Board of Education convene in closed session under Section 8(a) of the OMA: Employee-Requested Session.

Goals 3. Consistent & Reliable Core District Processes & Systems

In accordance with Michigan's Open Meetings Act (OMA), enacted in 1976 as Public Act 267, all closed meetings must be called by a motion at a public meeting of the Board of Education followed by a roll call vote. The Board of Education needs to meet in closed session under Section 8(a) of the Open Meetings Act, Employee-Requested Session.

13. RECONVENE TO OPEN SESSION

14. ACTION ITEM: Employment Consideration

Subject	A. Potential New Hire; Approval of Employment
Meeting	Mar 9, 2020 - REGULAR MEETING
Category	14. ACTION ITEM: Employment Consideration
Access	Public
Type	Action
Fiscal Impact	Yes
Budgeted	Yes
Recommended Action	... MOVE THAT the Board of Education approve the employment of the presented food service candidate.

Goals 3. Consistent & Reliable Core District Processes & Systems

By State of Michigan law, any person being hired with a felony on their record must be approved by both the Superintendent and the Board of Education. We have a potential food service employee with a non-violent felony on their record.

15. ADJOURNMENT OF MEETING

Points of Pride, Washtenaw International Middle Academy (WIMA)

Monday, March 9th 2020

Point of Pride #1: Black History Month Celebration and Participation

Our community celebrated Black History Month together with NAAPID and WIMA/WIHI students hosting and performing at NAAPID at Night. Our Black Student Union (BSU) also coordinated a student-led learning opportunity for all students to learn more about Black History and we ended the month with a well-attended celebration dinner and performance evening, which also raised over \$400 for our BSU organization!

Point of Pride #2: EMU Mentoring Partnership

The EMU Academic Support Programs is partnering with WIHI and WIMA leaders, Sharonda Chaney, Tatiana Canyon and Bryan Nemorovski, to create an ongoing mentoring program. EMU mentors coordinate with our student support team to facilitate a student to student mentoring program between volunteer EMU students and WIHI students. Plans are to extend that for WIHI students to then mentor WIMA students in fall of 2020 and for WIMA students to then mentor elementary students in the future.

Point of Pride #3: Place Out of Time Partnership with the University of Michigan

Our 6th grade social studies classes will continue to participate in a semester-long historical simulation partnered with the University of Michigan through a program called Place Out of Time. WIMA students will take on the identity of a historical figure to debate and resolve a modern day scenario from that perspective. Students receive online support and feedback, and, end the year with a debate where they dress as characters and have the University of Michigan support team join them.

Point of Pride 4 #: WIMA and WIHI Annual Career Day

This year WIMA and WIHI held a combination Career Day where diverse careers were represented through over 40 volunteers from our parents and greater community. Students were able to choose three careers to learn about on the day and were able to learn about different journeys one can take to be successful. It was a great learning event for all of our students to focus on their career and life goals.

Point of Pride #5: WIMA field trips for all grade levels

Our students at WIMA will have the opportunity to attend a field trip at each grade level which is directly connected to their learning. The 6th grade will go to the University of Michigan Art Museum and the 7th and 8th graders will attend the Detroit Institute of Art. Students will connect language arts, social science and visual arts within these learning experiences.

Point of Pride #6: Healthy Schools Own-A-Bike Program

WIMA is working collaboratively with the Project Healthy Schools, Safe Routes to School and Ypsilanti Community Schools and is pleased to announce that their efforts will bring Own-A-Bike Program for WIMA during the 2020-2021 School Year. Participating students will learn how to build and repair bikes and will develop skills within bike maintenance, repair and safety. Students will be able to keep their bike at the end of the program.

Point of Pride: #7: Design Technology Submissions Beyond the Walls of WIMA

The Design Technology Program at WIMA is thriving. This year students entered into the Michigan Design Challenge, Samsung Solve for Tomorrow and a CSPAN national contest. We had contest submissions in all areas and have had finalists in the Design Challenge every year. This year we have one of the 5 Michigan Finalists in the Samsung Solve for Tomorrow Competition as well!



Read by Grade Three Guide October 2019

Introduction to the Read by Grade 3 Guide

The Michigan Department of Education (MDE) has compiled resources and responses to frequently asked questions regarding [MCL 380.1280f](#), referred to as the "Read by Grade Three" law. The purpose of this guide is to support district implementation of the legislation by providing current information.

As new information and resources become available, this guide will be updated. Please send any questions regarding this guide to MDE-EarlyLiteracy@michigan.gov.

NOTE: *Italics indicate new content added as of October 2019.*

How to Use the Guide

The books below are linked to the information in these sections of the guide. Click below to be directed to the topic.



Assessment

1. How is deficiency defined?

Deficiency is defined in the law as "scoring below grade level or being determined to be at-risk of reading failure based on a screening assessment, diagnostic assessment, standardized summative assessment, or progress monitoring."

2. What assessment will be used to flag for retention and what score will constitute more than one grade level behind at the end of third grade?

A unique Read by Grade Three score on the ELA M-STEP will be used to flag for retention. For detailed information please see the [Read by Grade Three Retention Guidelines memo](#).

3. Where do I find information about MDE approved assessments to include in an early literacy assessment system?

For information on Early Literacy Assessment Systems, please visit the [Read by Grade Three Assessments website](#). Please note there is an [initial assessment list](#) and an [extensive assessment list](#).

4. When do we need to begin administering assessments from the approved assessment system and to whom?

The initial component of the assessment system must be delivered within the first 30 school days of the academic year.

5. When outlining assessment accommodations on an Individual Education Plan (IEP), are the initial and extensive assessments given considered state or district assessments?

The initial and extensive assessments are district assessments. A state assessment is a required summative assessment used for accountability purposes. Student needs should be outlined in a student's IEP. The provisions in that IEP should address how those needs are being addressed. Accommodations selected for classroom, district and state assessments should mirror that which is provided during instruction, according to the needs of the student.

6. Must students who take MI-Access participate in the district assessments required in the Read by Grade Three law?

There is no exemption from the district assessments for the Read by Grade Three legislation. The IDEA at 34 CFR Section 300.320(a)(6)(ii) states, "If the IEP Team determines that the child must take an alternate assessment instead of a particular regular State or districtwide assessment of student achievement, a statement of why— (A) The child cannot participate in the regular assessment; and (B) The particular alternate assessment selected is appropriate for the child" is required. An IEP team does not have the authority to exempt any student from a statewide assessment. The IEP team can only determine that a student take an alternate assessment.

7. What is the assessment expectation for students who are severely cognitively impaired?

All students are required to be assessed in kindergarten through third grade to screen and diagnose reading difficulties, inform instruction and intervention needs, and assess progress towards a growth target under MCL 380.1280f. Students with significant cognitive impairments are instructed with alternate academic content standards. To comply with the Read by Grade Three law, districts should select an initial (screener/benchmark) reading assessment for all students in the first 30 days of school. Districts should determine which alternate initial assessment tool they think is best for assessing the reading level of this population of students. This may involve

using a commercial alternate reading screener or creating a local tool. Students for whom additional reading level information is needed beyond the initial alternate assessment tool, must be given an extensive (diagnostic) reading level assessment. The extensive alternate reading level assessment may be a commercial alternate reading tool, or districts may decide to develop their own alternate extensive reading level tool.

8. How do the Essential Instructional Practices fit in with our assessment system?

The [Essential Instructional Practices](#) are a set of practices to support what research suggests will have a positive impact on literacy development. The practices, in conjunction with the assessments, can be used to build an effective literacy program.

9. Who will determine what constitutes "deficiency" on the various assessments?

The guidelines for what constitutes a deficiency are determined at the local level. This determination should be based on the selected assessments utilized by the school district. The assessment results assist with predicting those students who are at-risk of falling one, or more, grade-levels behind on the third-grade Michigan ELA summative assessment (M-STEP).

10. How do we ensure we continue to focus on the whole child while simultaneously using predictability of the assessments administered before the third-grade state assessment?

In addition to addressing reading deficits, schools and public school academies (PSAs) will need to reflect on what they know about student learning and simultaneously address social emotional skills and mental well-being to ensure the growth needed. Schools and PSAs can utilize observational assessment, integration of literacy practices across content areas, and Essential Instructional Practices for Literacy, in addition to other methods, to help students succeed. For more information regarding Michigan's Whole Child definition please view the [MDE Whole Child one pager](#).

PORTFOLIOS

PORTFOLIOS MUST SHOW STUDENT COMPETENCIES IN ELA, SCIENCE, AND SOCIAL STUDIES STANDARDS. THIS DEMONSTRATION OF LEARNING SHOULD INCLUDE: STUDENT WORK SAMPLES ALIGNED TO THE STANDARDS, EVIDENCE OF PROFICIENCY OF STANDARDS (BENCHMARK ASSESSMENT DATA), AND EVIDENCE OF STUDENT PERFORMANCE AND COMPETENCIES (OBSERVATIONAL AND FORMATIVE ASSESSMENT).

11. Are districts still required to deliver a benchmark assessment to students in grades K-2?

Yes, districts must meet the requirements of the Read by Grade Three law (MCL 380.1280f) by selecting an initial assessment from the list of approved assessments. The Michigan Early Literacy Benchmark Assessment, as specified in the current state aid appropriations law [PA 265 of 2018, Section 104c(4)], qualifies as such an assessment. Districts must also meet the

requirements of PA 265 of 2018, Section 104c(4) by continuing to administer a benchmark assessment in mathematics in grades K – 2 in the fall and spring, as the third-grade reading law (MCL 380.1280f) does not address mathematics.

12. Will MDE provide portfolio guidelines?

The MDE will provide support around Portfolio-Based assessments, but not specific to this legislation. Districts should create standards and practices that align with their assessment systems and instructional delivery.

13. If the portfolio demonstrates proficiency in ALL subject areas, except for ELA, is that a reason for a Good Cause Exemption?

The law states that the student must demonstrate BOTH proficiency on all subject areas assessed on the grade 3 state assessment other than English language arts AND demonstrate proficiency in Science and Social Studies as shown through the pupil portfolio and as determined by the teacher who provided the grade 3 instruction to the pupil in Science and Social Studies, as applicable.

14. What is CEPI?

CEPI is the acronym for the [Center for Educational Performance and Information](#). This is the agency responsible for collecting, securely managing, and reporting education data in Michigan.

15. When will CEPI send letters notifying the parent their child has been flagged for retention?

If a third grade student is flagged for retention based on the spring 2020 ELA M-STEP assessment, CEPI will mail a notification to the parents of the student within 14 days of receiving the student assessment results.

16. What information will be in the letter that CEPI sends?

Section 5(d)(i-iv) of this legislation currently outlines what the letter should entail regarding student status. To protect student information, the letter will not include the name of the student nor their specific score. Specific details of this letter have yet to be formalized. For information purposes, MDE and CEPI will provide an example of the letter to districts.

17. Will all students receive a letter from CEPI?

Only students scoring below 1252 on the Grade 3 ELA M-STEP will receive a letter.

18. How will districts know that the letters have been mailed?

Notification that letters have been mailed will be sent from MDE to ISD and district superintendents, and building/PSA principals through the State Superintendent's Thursday communication, as well as through GovDelivery to the MDE ELA list serve.

19. What happens if CEPI does not have the correct address for a student?

The MDE will provide districts with a list of students who should expect to receive a letter. Districts are encouraged to send their own communication to parents as well.

20. What is the required timing for school officials to meet with the parent once they receive the certified letter from CEPI?

A parent may request a meeting within 30 days of receiving the letter and be notified of student placement at least 30 days prior to the start of the school year.

21. Will CEPI send letters home to parents/guardians of students with IEPs or 504s?

Beginning with the 2019-2020 school year, CEPI is required to send a letter, via certified mail, to parents whose child scored more than one grade level behind on the State Summative Assessment. This letter is sent to all identified students, regardless of disability status. The parent, teacher, or other school personnel will need to initiate the process for a good cause exemption.

FOR MORE INFORMATION REGARDING English Learners, PLEASE REVIEW THE [ENGLISH LEARNER GUIDANCE DOCUMENT](#).

22. Will the M-STEP testing window change in spring 2020?

No, the M-STEP testing window will remain the same in spring 2020. For more information regarding the testing window, please visit

https://www.michigan.gov/documents/mde/OEAA_Assessment_Calendar_638432_7.pdf.

Early Literacy Coaches

1. If a district does not have an early literacy coach, would they rely on the Intermediate School District (ISD) early literacy coach?

The legislation states that districts are expected to utilize their ISD early literacy coach at a minimum.

English Learners (EL)

1. Does 3rd grade count as one of the three years when calculating time spent in an English Learner (EL) program for the good cause exemption?

The three-year count commences on the first day of initial enrollment.

2. What are the assessment expectations for English Learners and students in Dual, Bilingual and Transitional Programs?

All students are required to be assessed in kindergarten through third grade to screen and diagnose reading difficulties, inform instruction and intervention needs, and assess progress towards a growth target under MCL 380.1280f. Students who are English Learners or students in dual, bilingual or transitional programs and who are instructed in a language other than English should be assessed in the language(s) of instruction. To comply with the third-grade reading law, districts should select an initial (screeener/benchmark) reading assessment for all students in the first 30 days of school. Districts should determine which initial assessment tool they think is best for assessing the reading level of this population of students. This may involve using a commercial reading screener in a language other than English or creating a local tool.

Family Engagement

THE MDE SUPPORTS FAMILIES AS PARTNERS IN THEIR CHILD'S LITERACY SUCCESS. THE FOLLOWING RESOURCES HAVE BEEN DEVELOPED AND COMPILED TO SHARE WITH FAMILIES. IT IS RECOMMENDED THAT RESOURCES BE PAIRED WITH CONVERSATIONS WITH FAMILIES ABOUT LITERACY DEVELOPMENT AND EXPECTATIONS TO FULLY SUPPORT THE STUDENT AT HOME AND SCHOOL.

- [Facts for Families: What is the Read by Grade Three Law?](#)
- [Essentials for Families Poster](#)
- [Read by Grade Three Bookmarks](#)
- [Read by Grade Three Full Video](#)



- [Read by Grade Three Short Video](#)



- [Read by Grade Three Parent Tip Video](#)



- 1. Is the Read-at-Home plan required for grades K-3 or just grade 3?**
In grades K-3, tools need to be provided to parents to address the deficiency or delay at home. The legislation does not specifically address a Read-at-Home plan until grade 3. While the Read-at-Home plan is only required at grade 3, districts are encouraged to provide this plan for all students in K-3 as well as for students who are passed on to grade 4 who exhibit a reading deficiency.
- 2. Will there be standard supports for Read-at-Home plans and professional development for parents or caregivers?**
Districts and PSAs have the authority to determine the format and content of Read-at-Home plans and professional development for families.

Instruction

THE RECOMMENDED PRACTICES SHOULD OCCUR THROUGHOUT THE DAY, INCLUDING BEING INTEGRATED INTO OPPORTUNITIES FOR SCIENCE AND SOCIAL STUDIES LEARNING, NOT EXCLUSIVELY IN AN ISOLATED BLOCK IDENTIFIED AS "ENGLISH LANGUAGE ARTS" OR "LITERACY." AT THE SAME TIME, LITERACY INSTRUCTION SHOULD NOT TAKE THE PLACE OF SCIENCE AND SOCIAL STUDIES INQUIRY NOR ADDRESSING THE MICHIGAN GRADE LEVEL CONTENT EXPECTATIONS FOR SOCIAL STUDIES NOR ADDRESSING THE MICHIGAN K – 12 SCIENCE STANDARDS. IN THE LONG TERM, THAT APPROACH IS COUNTERPRODUCTIVE; LATER ACADEMIC ACHIEVEMENT IS PREDICTED NOT ONLY BY LITERACY KNOWLEDGE AND SKILLS, BUT BY MATHEMATICS LEARNING, KNOWLEDGE OF THE NATURAL AND SOCIAL WORLD, AND CERTAIN ASPECTS OF PHYSICAL, SOCIAL, AND EMOTIONAL DEVELOPMENT. FINALLY, IT IS IMPORTANT TO READ THIS DOCUMENT IN RELATION TO THE STATE OF MICHIGAN'S SPECIFIC [STANDARDS FOR LITERACY DEVELOPMENT IN KINDERGARTEN THROUGH THIRD GRADE](#).

Michigan Association of Intermediate School Administrators General Education Leadership Network Early Literacy Task Force (2016). [Essential instructional practices in early literacy: K to 3](#). Lansing, MI: Authors

1. How can we best prepare students for success on the 3rd grade summative assessment (M-STEP)?

The M-STEP is Michigan's English Language Arts (ELA) state summative assessment. As such, it is matched with the rigor and content of the Michigan state academic standards. Initially used three years ago, the M-STEP assesses in formats that may be new to some educators. All Michigan educators are encouraged to familiarize themselves with the Michigan state academic standards as well as the M-STEP assessment to understand what students will be expected to know and do at each grade level. Information on the this assessment can be found at the [M-STEP Resource Page](#).

2. What is a reading program?

A reading program is a locally determined system of assessment, instruction, curriculum and resources. This system is used to provide evidenced-based instruction on literacy for all students.

3. How do I know if my district's reading program meets the requirements in the law?

The law requires that the assessment, instruction, curriculum, and resources of a program be evidence-based; which means based in research and with proven efficacy.

4. What is evidence-based instruction as defined in the Read by Grade Three law (MCL.380.1280f)?

In this legislation, "evidence-based" means based in research and with proven efficacy. Additional guidance on this definition will be provided in the future and will be linked to the ESSA definition for continuity.

- 5. Is my district allowed to create a Young Fives or Developmental Kindergarten class with the intent of the program being planned retention in order to meet the requirements in the law of previously retained?**

The MDE is not in support of creating "young fives" or "developmental kindergarten," or extra-year placement programs at any grade level with the intent of affording students "previously retained" status as described in the Read by Grade Three law (MCL 380.1280f). Districts shall always appropriately place each student based on the strengths and needs of the Whole Child.

Intervention

- 1. If a student is retained in 3rd grade, does the reading instruction and intervention need to incorporate opportunities to master grade 4 state standards in other core academic areas?**

If applicable and appropriate for the needs of the student.

- 2. To deliver a summer camp or program, can we partner/collaborate with county library summer programs?**

Yes, the MDE strongly supports the use of appropriate partners in providing supports to students.

- 3. What state or federal funds can be used to support summer reading camps?**

Title I Funds- For a Schoolwide Program all students may participate in Title I interventions such as summers reading camps. For Targeted Assistance Programs only specific, identified students can participate in summer reading camps if funded by Title I. Section 35a(5) Additional Instructional Time grant funds can be used to support summer reading camps.

Reading Improvement Plans

- 1. What is an Individual Reading Improvement Plan (IRIP)?**

The IRIP describes the reading intervention services a pupil needs to remedy the reading deficiency.

- 2. When do I start creating IRIPs for students with reading deficiencies?**

The district should create IRIPs for students in grades K-3 within 30 calendar days of the student showing a deficit.

- 3. What if within the 30 calendar days a student goes from deficient to proficient? Does there still need to be an official IRIP?**

Need for an IRIP should be based on the full assessment system, including classroom assessments and formative practices and be provided to students as needed to support learning and literacy proficiency.

- 4. Are students in a "young fives" and developmental kindergarten program required to have an IRIP?**

Yes, if they show a deficiency.

5. Will a standard format or template to facilitate the development of IRIPs be developed?

Local education agencies will need to create a process based on their specific context and needs to support student learning needs. The identified process is then used to create each IRIP with the pupil's teacher, school, principal, and parent or legal guardian and other pertinent school personnel. The IRIP describes the reading intervention services the pupil will receive. This intensive intervention plan should be used until the pupil no longer has a reading deficiency and be modified as needed based on identified student needs.

The MDE recommends that local education agencies revise the plan as necessary according to demonstrated student needs. Teams may also want to explicitly address special education and English learners through a specific section of this plan.

6. Do parents of the students also need to be notified of the deficiency and be provided tools to support as required by the Read by Grade Three law?

Yes, the school and parents should work together to address the identified deficiency.

7. What are the options if parents dissent/opt out of signing/agreeing to an IRIP?

The law does not provide an opt-out process. Districts and PSAs are encouraged to maintain communication with parents and guardians about their student's reading progress and plan. Districts and PSAs are required to document efforts by the student's school to engage the parent or legal guardian and whether those efforts were successful. They are also required to document any dissenting opinions expressed by school personnel or a parent or guardian concerning the individual reading improvement plan.

Promotion and Retention

1. Which score will be used to initially flag students for retention?

A unique Read by Grade Three score on the ELA M-STEP will be used to flag for retention. For detailed information please see the [Read by Grade Three Retention Guidelines memo](#).

2. When will students be retained?

Based on the spring 2020 ELA M-STEP, 3rd grade students flagged for retention, may be retained in the 2020-2021 school year.

3. If an end of Grade 3 assessment indicates retention, but services over the summer provide sufficient acceleration as demonstrated at end of summer or beginning of the next school year, can a student be moved at that time?

Districts and PSAs are encouraged to develop placement policies to provide evidence of competency in grade 3 ELA standards through a pupil portfolio with multiple work

samples. Students must demonstrate a grade 3 reading level before being promoted to fourth grade.

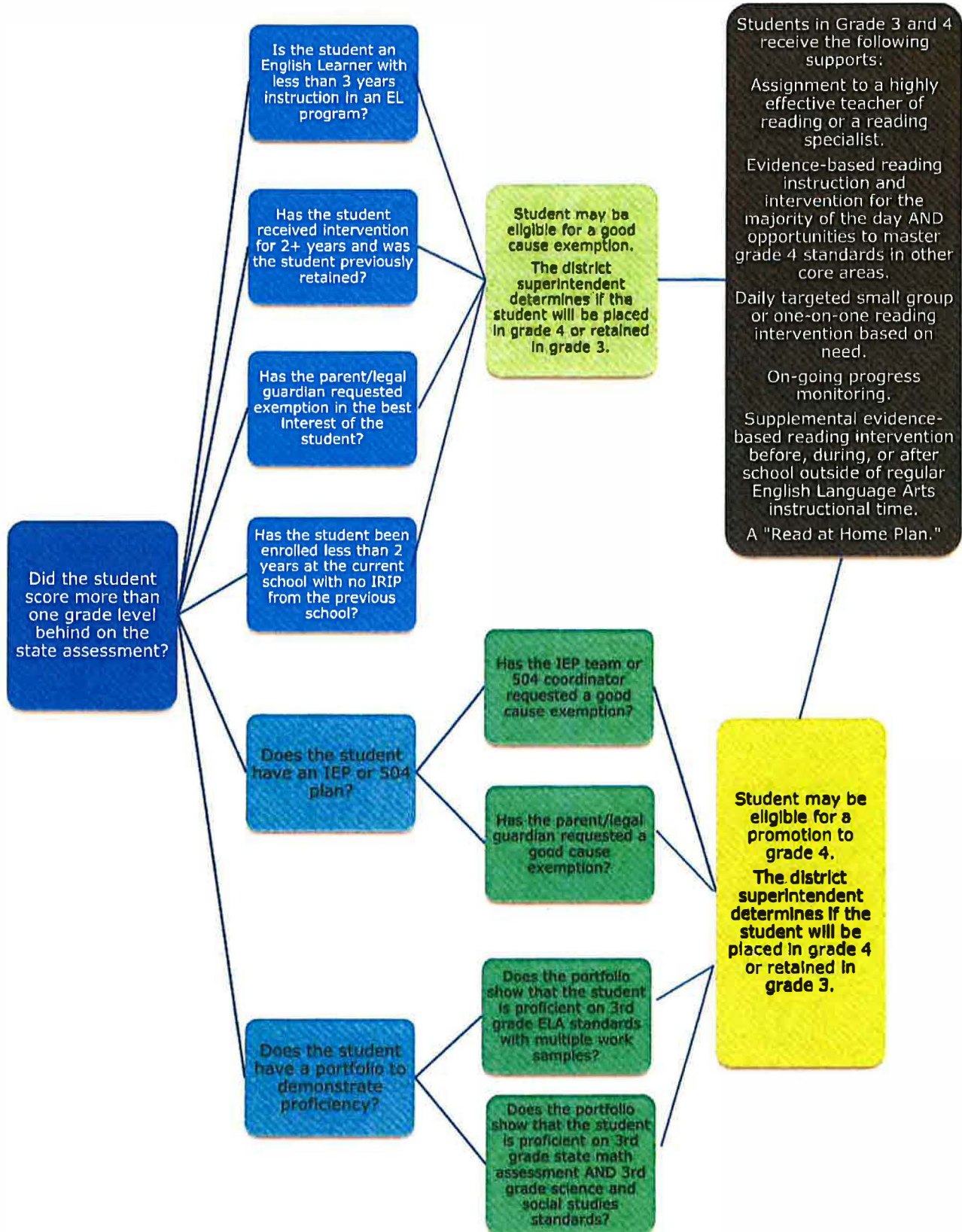
4. Can a teacher other than the student's assigned homeroom teacher advocate for a Good Cause Exemption?

A parent or guardian, any third-grade teacher, the Section 504 coordinator, or any member of the student's Individualized Education Plan (IEP) team can request a Good Cause Exemption. The district superintendent will make a determination in writing of the requested exemption.

5. Can schools submit an exemption for their entire special needs population?

No. Having an Individual Education Plan can be cause for an exemption, but each individual circumstance needs to be considered.

Is a Student Eligible for a Good Cause Exemption and/or Promotion to Grade 4?



6. If a student is promoted based on a Good Cause Exemption, what needs to be done for the student in 4th grade?

The pupil remains eligible for reading intervention services designed to enable the pupil to achieve proficiency in reading and would be similar to those provided for a student who was retained in grade 3.

7. If there is language regarding student caseload or student placement within classrooms that conflicts with the placement requirement for students with highly effective teachers, what recommendations are there? (i.e., if there are 1 highly effective and 3 effective teachers at a grade level)

Students who have been retained can be assigned to 1 or more of the following:

- A highly effective teacher
- The highest evaluated grade three teacher
- A teacher with a reading specialist endorsement

If a district or PSA cannot furnish the number of teachers needed to satisfy the criteria required in the law, the district or PSA develops a staffing plan for providing services. The plan must be posted on the district or PSA website.

8. What is the process for exempting students from this legislation?

No student is exempt from the law. Districts and PSAs are encouraged to develop processes and procedures in accordance with the law.

9. What is the process for opting out of the retention portion of the Read by Grade Three law?

There is not an opt-out option in the Read by Grade Three Law. There is, however, a procedure for promotion for grade three students who may initially be flagged for retention. Please see the Promotion and Retention section of the [Read by Grade Three Guide](#).

It is important that districts clearly communicate their policy and procedure for promotion and retention to all stakeholders. Regardless of promotion or retention practices, districts should communicate how students will be supported within a Multi-Tiered System of Supports (MTSS). For example, all students should receive high-quality, research supported, literacy instruction that is differentiated for the needs of the student. Some students may need to receive additional targeted research supported instruction with embedded formative assessment. This high-quality instruction should be coupled with coaching and job-embedded professional learning.

Special Education

1. Are students with Individual Education Plans (IEPs) exempt from the IRIP?

No, students with IEPs are not exempt from the IRIP.

2. Can the student’s Individualized Education Program (IEP) be considered a student’s Individual Reading Intervention Plan (IRIP)?

An IEP is the district’s offer of a Free Appropriate Public Education which includes special education programs and services to address the unique needs of the student that result from the student’s disability. The IEP should not reference an IRIP, however, **for students with significant cognitive impairments, the IRIP may reference appropriate reading supports, communication and language goals, etc., specified in student’s IEP.**

An IRIP does not meet the IDEA requirements for students with an IEP.

An IRIP must address interventions that are available to all students with a reading deficiency who may or may not have an IEP. The IRIP cannot substitute services of an IEP, but provides additional support to improve reading proficiency.

3. Is it reasonable and appropriate for the IRIP to be delivered by the special education teacher as part of special education service time?

Yes, but the IEP should address the reading goals that the special education teacher will be working on. The IRIP is not a legal document for IDEA requirements. The IRIP may reference an IEP, if appropriate.

4. Will the MI-Access ELA assessment be appropriate for the determination of need for an Individual Reading Improvement Plan?

MI-Access ELA assessment is a state level summative assessment and should never be used as a screener or individualized achievement test.

Staffing

The Michigan Read By Grade Three legislation ([MCL 380.1280f](#)) requires districts to complete a staffing plan if they are unable to meet staffing requirements as outlined in the law. **Although this requirement is only for schools who cannot meet the staffing requirements as outlined in the law**, a local district may choose to provide annual updates to support transparency. The visual below provides guidance on what should be included in a staffing plan.

Student Assignment

- Explain how students are prioritized for assignment to teachers
- Explain how teacher skill is being measured in reading and being matched to student need

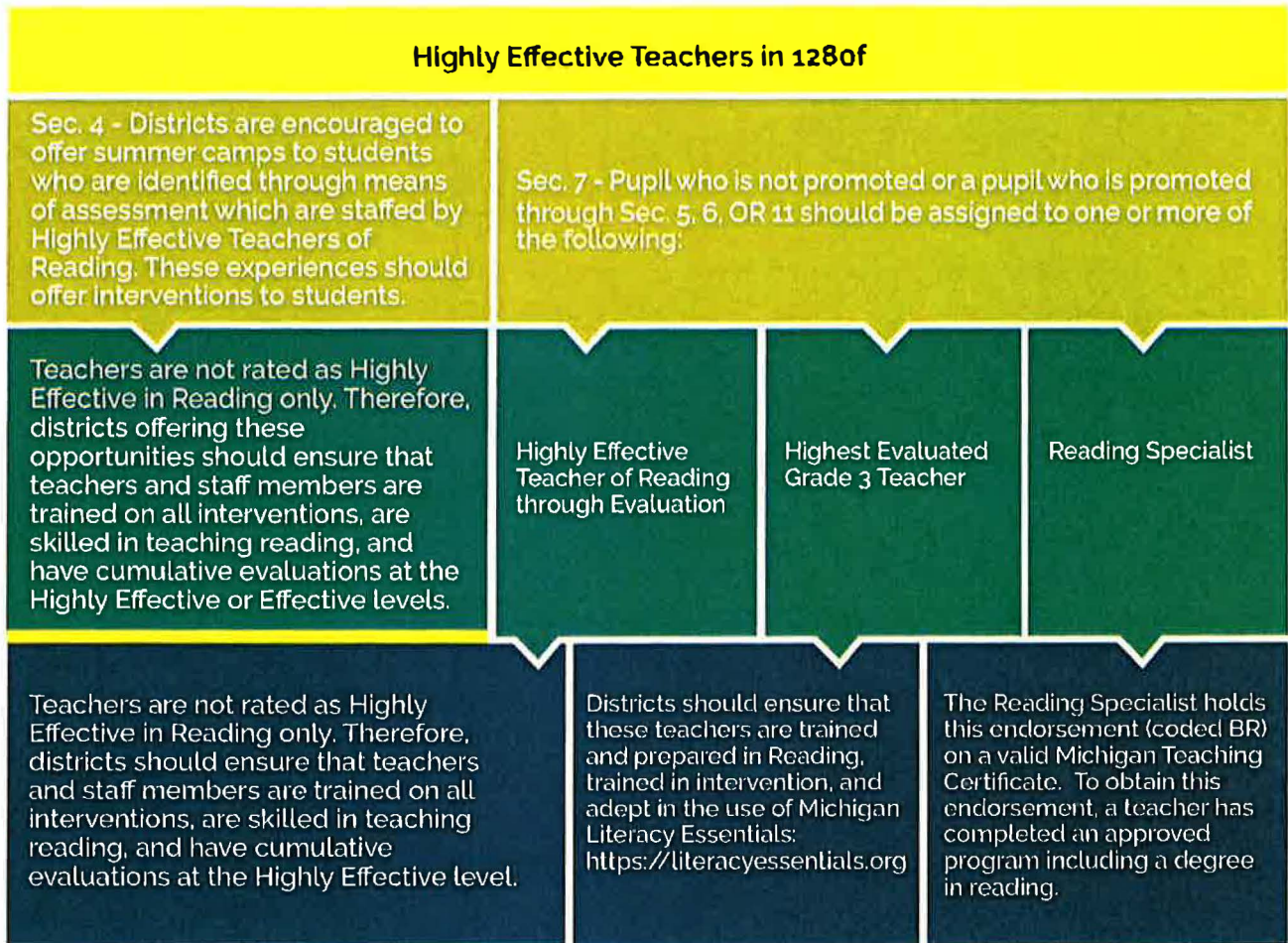
Teacher Credentials and Training

- Describe the credentials for teachers who are providing classroom instruction and those providing Interventions
- Share the professional learning plan for teachers; highlight efforts to improve literacy instruction

Meeting the Legislation

- Explain district staffing and student assignment practices
- Explain ongoing district processes to meet legislative requirements along with needs of all students

The Michigan Read By Grade Three legislation (MCL 380.1280f) informs districts on the assignment of students to effectively prepared teachers in two difference subsections. The following flowchart may assist districts with understanding how this could impact their practice and staffing. For additional assistance, please contact the Office of Educator Excellence at 517-241-5000.



Other

1. How does the new reading law interplay with ESSA/Title I requirements?

There is not a direct correlation between the Michigan law and the ESSA/Title I requirements, but they are not in opposition to each other either. ESSA does not directly address early literacy - it is much broader. Title I services are based on a comprehensive needs assessment, so if there is a need for reading/literacy interventions, Title I funds could support that work.

2. Do the existing Title I supports in districts and schools already, in effect, meet the added instructional time and interventions for students demonstrated deficiencies in reading?

Currently, Title I funds may be used to support instructional time, if this need is documented in the comprehensive needs assessment. Not all districts may have data that would lead to providing added instructional time or interventions for students demonstrating reading deficiencies. If Title I funds are currently being used for these interventions and the student performance is not showing improvement, then the current initiatives supported by these funds should be reevaluated. It is not recommended to continue implementing initiatives that are not improving student achievement.

3. If there are more students demonstrating deficiencies than there are resources to intervene, does a school/district prioritize to serve those with greatest needs first?

The Read by Grade Three legislation states that any student who exhibits a reading deficiency at any time must be provided with an Individual Reading Improvement Plan within 30 days. This language clarifies that all students demonstrating deficiencies must be served.



Read by Grade Three:

An Overview of the Law

YPSILANTI COMMUNITY SCHOOLS
MARCH 9, 2020



Objectives:

School Board will...

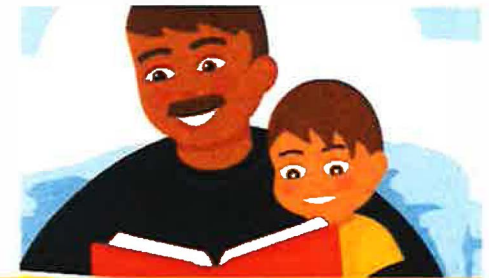
- Learn about the Read by Grade Three Law.
- Get familiarize with the five components of the Read by Grade Three Law.





Read by Grade Three Overview

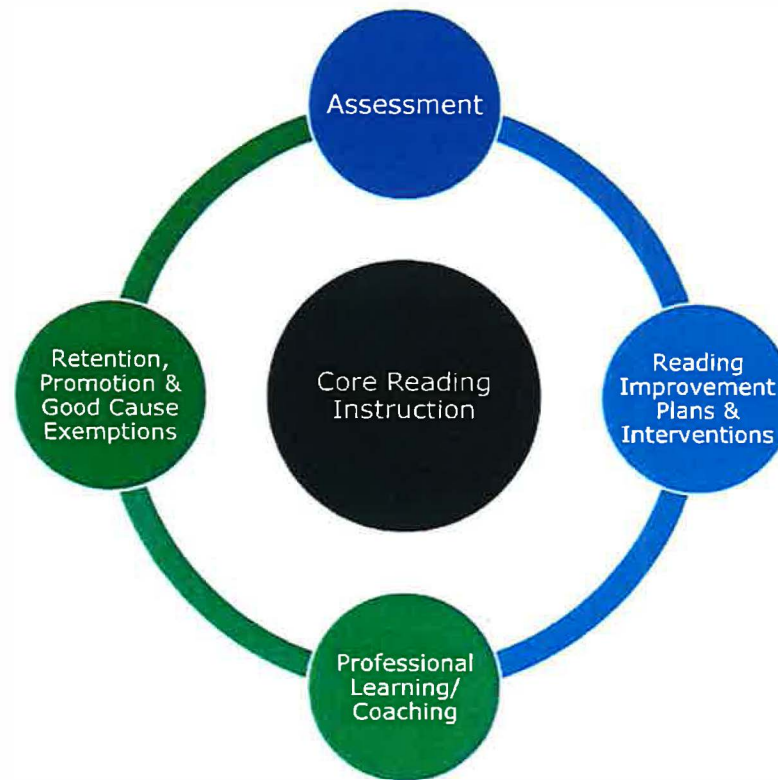
THE 5 MAIN COMPONENTS OF THE RBG3 LAW.



Components of the Law:



3/3/2020



WWW.MI.GOV/EARLYLITERACY



What Is An IRIP?

Individual Reading Improvement Plan



3/3/2020

A plan created for any student exhibiting a reading deficiency.

The plan:

- Is created within 30 days of identifying the deficiency
- Outlines reading interventions to support the student
- Is a collaboration between parent/guardian, teacher, Principal and other pertinent school personnel



WWW.MI.GOV/EARLYLITERACY

5

Read at Home Plans



3/3/2020

A Read at Home Plan may be a support necessary for parents to help their child improve literacy at home.

WWW.MI.GOV/EARLYLITERACY



6



What is the YCS Retention/Promotion Process?





What is Promotion?



Promotion to Grade 4

For all 3rd grade students, the district must ensure **ONE** of the following before students move onto the next grade:

- Has a reading score that is less than one grade level behind on the Grade 3 M-Step ELA test
- Demonstrates Grade 3 reading level through performance on an alternative standardized reading test approved by the Superintendent of Public Instruction
- Demonstrates a Grade 3 reading level through a portfolio demonstrating competency in all Grade 3 state ELA standards





What is Retention?



Retention

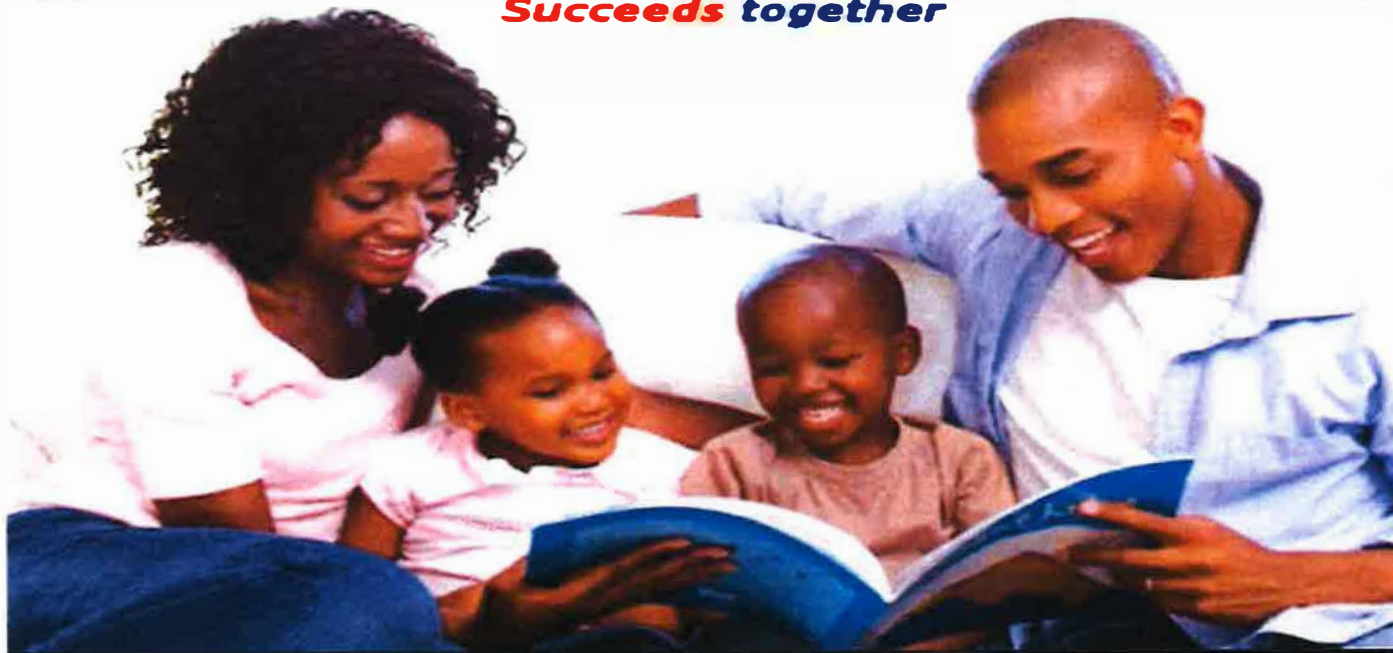
Beginning with the 2019/2020 school year, students enrolled in Grade 3 who are determined to be one or more years behind or received an M-STEP score of 1252 or below based on the Spring 2020 ELA State Summative Assessment **may** *be eligible to be retained.*



What is a Good Cause Exemption?



*The Family that **Reads** together
Succeeds together*





What is a Good Cause Exemption?



Good Cause Exemptions

A student **may** qualify for a Good Cause Exemption if they:

- Have an Individualized Education Program (IEP) or 504 Plan
- Are an English Learner with less than three years instruction in an English Learner Program
- Have been previously retained, received intensive reading intervention for two or more years and still exhibit a reading deficiency
- Have been enrolled in their current school for less than two years and did not have an IRIP in their previous school

OR

- The student's parent or legal guardian has requested, in the appropriate timeframe, the student not be retained, and the superintendent, chief administrator, or his or her designee has determined that promotion is in the best interest of the student



Other Ways to be Promoted

Proficiency on the Math portion of the State Summative Assessment

And

Proficiency in Science and Social Studies as demonstrated through a pupil portfolio, as determined by the teacher that provided instruction in Grade 3 Social Studies and Science.



Retention & Good Cause Exemption Steps

Grade 3 student takes
ELA M-Step, Spring
2020.

Parents/Guardians of
Grade 3 students
scoring at a 1252 or
lower ELA M-Step
receive notification.

Parents/Guardians not
wanting their child
retained request Good
Cause Exemption from
school/district within
**30 days of
notification.**

District/School officials
meet with
parents/guardians to
share decision on
Good Cause
Exemption request **30
days prior** to start of
school.





Resources






PROMOTING LITERACY AT HOME



The Michigan eLibrary: Supporting Early Literacy



3/3/2020

Age	eResource	Description
PreK – 2 nd grade		Play and read to learn letters, numbers, shapes and more.
PreK – 3 rd grade		Follow Trek and Taffy the cat around the world. Share their love of colors, numbers and other fun things. Read along stories and pictures help teach students basic concepts.
K – 5 th grade		Easy-to-read content for elementary school learners. Hundreds of activities science projects and experiments.
3 rd – 5 th grade		Homework help resources for grades 3-5. Find information on countries, animals, people, maps, photos and articles.
K – 8 th grade		Titles that support K-8 students across all subject areas. Full-text access of available from your computer or download titles to the most popular portable devices.

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M-Step Criteria Read by Grade Three

Category	Cut Score Range	Response
1	1252 or lower	Subject to the retention policy and will be given the resources and supports
2	1253- 1271	Additional reading supports are recommended, not required (not subject to retention policy)
3	1272 or higher	Meets the Grade 3 reading requirement (not subject to retention policy and additional needs or supports can be determined at the local level)

Facts for Families: What is the Read by Grade Three Law?

In 2016, the Michigan Legislature passed a law that requires schools to identify learners who are struggling with reading and writing and to provide additional help. The law states that third graders may repeat third grade if they are more than one grade level behind beginning with the 2019-2020 school year. These *Facts for Families* help families understand the Read by Grade Three Law so they can support their child.



How is my child identified as having a reading concern?

Assessments are given to all children who are in Kindergarten through Third grade **within 30 days of the first day of school**. An Individualized Reading Improvement Plan (IRIP) will be written for all learners who have been identified through these assessments as having a reading concern.

When is an Individualized Reading Improvement Plan (IRIP) developed?

An IRIP is developed following identification of a reading concern **within 30 days** of the screening assessment. The IRIP is developed with the help of teachers, the principal, parent or legal guardian, and anyone else that the team agrees needs to be involved. Your child will remain on an IRIP as long as there is a reading concern. Your child will be assessed several times through the year to check on their progress. IRIPs should be updated to reflect the needs of your child.

What is the "Read at Home" plan?

A "Read at Home" plan is developed between the school and family to develop efforts you will take to support your child at home. Resources and activities are provided to families.

What if my child's reading does not improve?

Your child will take the M-STEP in the spring of their third-grade year. The M-STEP is the Michigan Student Test of Educational Progress. The M-STEP measures what your child should be able to know and do. If your child scores one or more grade level behind the third-grade reading level, then a notification will be generated for you and your child's school that your child **may** be retained.

Facts for Families: What is the Read by Grade Three Law?

When do I get notification that my child may be retained?

If your child's reading score on the English Language Arts M-STEP is more than one year below grade level, you and your child's school will be notified by **June 1** of that school year.

When do I need to talk to the school if I don't agree with the decision to retain my child?

If you do not agree with the decision, you should request a meeting with your child's school and file a **Good Cause Exemption within 30 days** of receiving a notice regarding potential retention. Your child's school must make themselves available to discuss your child's progress.

When will I find out if my child is being retained after I ask for a Good Cause Exemption?

Your child's school needs to have a decision on retaining your child **30 days before the first day of school**. This decision is made by the school principal and/or superintendent and is a final decision.

What support will my child get if they are retained in 3rd Grade?

The school will provide a reading program that is designed to improve your child's specific reading concern. This program includes teaching strategies to help your child be a successful reader. Your child may also be assigned to a highly effective teacher of reading, a reading specialist, an evidence-based reading program, daily small group instruction, ongoing assessments, or specialized reading help.



Facts for Families: What is a Good Cause Exemption Process?

What is a Good Cause Exemption?

A specific reason within the law for a child to be promoted to 4th grade.

In 2016, the Michigan Legislature passed the Read by Grade Three Law that requires schools to identify and support students in grades Kindergarten through third grade who are struggling with reading and writing. The law states that third graders may be retained if they are more than one grade level behind at the end of the 2019-20 school year. This document explains what the law calls a **Good Cause Exemption**.

Who can ask for a Good Cause Exemption?

- A parent or guardian of a third grader.
- The third grade teacher.
- The Individualized Education Program (IEP) or 504 Coordinator.

When do I apply for a Good Cause Exemption?

Within 30 days of being notified that your child may be retained.

What does the law offer as a Good Cause Exemption?

If a child has:

- An Individualized Education Program (IEP)
- A Section 504 Plan
- Limited English with less than three years of instruction in an English Language Learner (EL) Program.
- Received intensive reading intervention for 2 or more years, and was retained in kindergarten, 1st, or 2nd grade.
- Been enrolled in their current school for less than two years and there is evidence that your child was not provided with an appropriate individual reading improvement plan (IRIP).

Or the child's parent or legal guardian has requested, in the appropriate timeframe:

- The child not be retained, and the superintendent, chief administrator, or his or her designee has determined that promotion is in the best interest of the child.

How do I request a Good Cause Exemption?

Contact the school where your child will be attending 4th grade and ask about their Good Cause Exemption Process.

What happens when I request a Good Cause Exemption?

The superintendent, or their designee, will review the request and make the final decision **at least 30 days** before the first day of school. This decision is final.



What support will my child get if they are retained in 3rd grade? AND What support will my child get if they are promoted to the 4th grade?

- Your child will receive appropriate reading support at school.
- You and your child may be provided with a "Read at Home" plan with activities to help your child at home.

Detailed cost and savings for base bid (Trane Server) and additional scope items recommended by Trane. Followed by associated full \$2M cash flow

ECM #	Building or Facility	ECM Description	Exclude	Price of ECM	Annual KWH Savings	Annual Elec \$ Savings	Annual Therms Savings	Annual Gas \$ Savings	Annual Water (KG) Savings	Annual Water \$ Savings	Annual Energy \$ Saving	Simple Payback	One Time Utility Rebate (2)	M&V Option
H1.0	HS	Controls Integration		\$ 41,091	49,542	\$ 2,975	2,890	\$ 1,694			\$ 4,669	4.3	\$ 21,000	A
H2.1	HS	HW Pump VFDs		\$ 30,075	65,424	\$ 3,929					\$ 3,929	6.6	\$ 4,000	A
H8.0	HS	Water Conservation		\$ 84,826			1,179	\$ 691	453	\$ 5,041	\$ 5,733	14.8		A
H10.0	HS	Building Envelope		\$ 87,290	7,204	\$ 433	8,902	\$ 5,219			\$ 5,651	15.4		M
EMS1.0	East MS	Controls Integration		\$ 23,908	56,490	\$ 5,033	5,721	\$ 2,908			\$ 7,941	2.8	\$ 1,500	A
EMS2.1	East MS	HW Pump VFDs		\$ 21,619	22,304	\$ 1,987					\$ 1,987	10.9		A
EMS8.0	East MS	Water Conservation		\$ 17,150			126	\$ 64	86	962	\$ 1,026	16.7		A
WMS1.0	West MS	Controls Integration		\$ 24,088	29,321	\$ 2,612	3,272	\$ 1,663			\$ 4,275	5.3	\$ 1,500	A
WMS2.1	West MS	HW Pump VFDs		\$ 20,026	22,304	\$ 1,987					\$ 1,987	9.3	\$ 1,500	A
WMS2.2	West MS	Piping Modification		\$ 3,105			1,900	\$ 966			\$ 966	3.2		M
WMS8.0	West MS	Water Conservation		\$ 3,410			135	\$ 69	95	1,052	\$ 1,121	3.0		A
WMS10.0	West MS	Building Envelope		\$ 21,123	2,426	\$ 216	1,867	\$ 949			\$ 1,165	18.1		M
A1.0	Admin	Controls Integration		\$ 18,034	3,117	\$ 278	187	\$ 95			\$ 373	47.1	\$ 500	A
A8.0	Admin	Water Conservation		\$ 467			18	\$ 9	4	40	\$ 49	9.5		A
FES1.2	Ford	Controls Retrofit		\$ 190,831	9,100	\$ 811	1,086	\$ 625			\$ 1,436	132.0	\$ 1,250	A
FES2.1	Ford	HW Pump VFDs		\$ 8,683	11,152	\$ 994					\$ 994	7.2	\$ 1,500	A
FES2.3	Ford	Piping insulation		\$ 810			441	\$ 254			\$ 254	3.2		M
FES3.0	Ford	CHW Pump VFDs		\$ 8,683	5,924	\$ 528					\$ 528	13.6	\$ 1,500	A
FES9.0	Ford	Cooling Tower VFD		\$ 3,699	4,407	\$ 393					\$ 393	8.8	\$ 250	A
PES1.2	Perry	Controls Retrofit		\$ 286,657	4,288	\$ 382	372	\$ 214			\$ 596	478.7	\$ 1,250	A
PES2.1	Perry	HW Pump VFDs		\$ 8,683	13,522	\$ 1,205					\$ 1,205	6.0	\$ 1,500	A
PES8.0	Perry	Water Conservation		\$ 30,390			261	\$ 150	186	\$ 2,075	\$ 2,225	13.7		A
WES1.0	YIES (WISE)	Controls Integration		\$ 34,452	11,902	\$ 1,060	674	\$ 388			\$ 1,448	23.3	\$ 750	A
WES2.3	YIES (WISE)	Piping insulation		\$ 1,215			661	\$ 381			\$ 381	3.2		M
WES8.0	YIES (WISE)	Water Conservation		\$ 22,002			189	\$ 109	223	\$ 2,486	\$ 2,594	8.5		A
EES1.0	Erickson	Controls Integration		\$ 17,153	4,191	\$ 373	279	\$ 161			\$ 534	30.7	\$ 750	A
EES2.3	Erickson	Piping insulation		\$ 1,215			176	\$ 101			\$ 101	12.0		M
HES1.2	Holmes	Controls Retrofit		\$ 160,101	3,611	\$ 322	318	\$ 183			\$ 505	314.8	\$ 1,250	A
HES2.1	Holmes	HW Pump VFDs		\$ 8,683	14,869	\$ 1,325					\$ 1,325	5.4	\$ 1,500	A
HES2.3	Holmes	Piping insulation		\$ 338			176	\$ 101			\$ 101	3.3		M
EKES1.2	Estabrook	Controls Retrofit		\$ 358,340	5,049	\$ 450	359	\$ 182			\$ 632	564.8	\$ 1,250	A
EKES2.1	Estabrook	HW Pump VFDs		\$ 8,683	7,435	\$ 662					\$ 662	10.8	\$ 1,500	A
EKES8.0	Estabrook	Water Conservation		\$ 27,695			198	\$ 101	184	\$ 2,045	\$ 2,145	12.9		A
FES2.1	Forest/George	HW Pump VFDs		\$ 8,683	11,152	\$ 994					\$ 994	7.7	\$ 1,000	A
FES8.0	Forest/George	Water Conservation		\$ 1,565			108	\$ 55	27	\$ 214	\$ 269	5.8		A
CES10.0	Chapelle	Building Envelope		\$ 7,898	1,045	\$ 93	804	\$ 409			\$ 502	15.7		M
WR1.0	Willow Run MS/HS	Controls Integration		\$ 47,274	33,924	\$ 2,037	2,291	\$ 1,343			\$ 3,380	8.3	\$ 19,250	A
WR2.1	Willow Run MS/HS	HW Pump VFDs		\$ 40,929	47,581	\$ 2,857					\$ 2,857	12.9	\$ 4,000	A
WR8.0	Willow Run MS/HS	Water Conservation		\$ 57,708			1,008	\$ 591	758	\$ 6,018	\$ 6,609	8.7		A
WR10.0	Willow Run MS/HS	Building Envelope		\$ 57,919	14,895	\$ 894	5,522	\$ 3,237			\$ 4,131	14.0		M
SVR1.1	District	Server - Trane		\$ 201,361							\$ -			-
Totals				\$ 1,997,861	462,178	\$ 34,831	41,118	\$ 22,909	2,015	\$ 19,933	\$ 77,673	24.8	\$ 68,500	

Cash Flow Projection

NOTES:

Financing Type: Energy Bonds

Capital Cost

ESCO Project Sale Price	\$	1,997,861	
Ancillary Project Cost	\$	-	
Total Project Cost	\$	1,997,861	
District Bond Issuance/Legal Costs			
Total Financed	\$	-	\$ 2,000,000 Cash Contribution

Other Costs

Measurement & Verification Cost	\$	10,000	/Yr
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Savings

Annual Guaranteed Energy Savings	\$	77,673	/Yr
Annual Guaranteed Operational Savings	\$	-	/Yr
Utility Rebates (Estd.)	\$	68,500	

Project Sale Price Adjustments	Annual Energy Savings Adjustments
Project Sale Price	Annual Energy Savings
Total	\$ -

Key Terms/Information

Guarantee Term	5	Years
Finance Term	15	Years
Interest Rate	2.50%	/Yr
Escalation Factor - Aggregate ECMs	0.00%	/Yr

Fiscal Year	Contract Year	Principal & Interest	Meas. & Verification	Total Annual Cost	Savings			Cash Flow		
					Guaranteed Energy Savings	Operational Savings	Utility Rebates	Total Annual Savings	Net Annual Cash flow	Net Cumulative Cash Flow
*4/2020-12/2020	Constr.			\$ -	\$ 38,837	\$ -	\$ 68,500	\$ 107,337	\$ 107,337	\$ 107,337
2021	1	\$ -	\$ (10,000)	\$ (10,000)	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 67,673	\$ 175,010
2022	2	\$ -	\$ (10,000)	\$ (10,000)	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 67,673	\$ 242,683
2023	3	\$ -	\$ (10,000)	\$ (10,000)	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 67,673	\$ 310,356
2024	4	\$ -	\$ (10,000)	\$ (10,000)	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 67,673	\$ 378,029
2025	5	\$ -	\$ (10,000)	\$ (10,000)	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 67,673	\$ 445,702
2026	6	\$ -	\$ -	\$ -	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 77,673	\$ 523,376
2027	7	\$ -	\$ -	\$ -	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 77,673	\$ 601,049
2028	8	\$ -	\$ -	\$ -	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 77,673	\$ 678,722
2029	9	\$ -	\$ -	\$ -	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 77,673	\$ 756,395
2030	10	\$ -	\$ -	\$ -	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 77,673	\$ 834,068
2031	11	\$ -	\$ -	\$ -	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 77,673	\$ 911,741
2032	12	\$ -	\$ -	\$ -	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 77,673	\$ 989,415
2033	13	\$ -	\$ -	\$ -	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 77,673	\$ 1,067,088
2034	14	\$ -	\$ -	\$ -	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 77,673	\$ 1,144,761
2035	15	\$ -	\$ -	\$ -	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 77,673	\$ 1,222,434
2036	16	\$ -	\$ -	\$ -	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 77,673	\$ 1,300,107
2037	17	\$ -	\$ -	\$ -	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 77,673	\$ 1,377,780
2038	18	\$ -	\$ -	\$ -	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 77,673	\$ 1,455,454
2039	19	\$ -	\$ -	\$ -	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 77,673	\$ 1,533,127
2040	20	\$ -	\$ -	\$ -	\$ 77,673	\$ -	\$ -	\$ 77,673	\$ 77,673	\$ 1,610,800
		\$ -	\$ (50,000)	\$ (50,000)	\$ 1,592,300	\$ -	\$ 68,500	\$ 1,660,800	\$ 1,610,800	\$ 1,610,800

BID Tabulation Results for the YCS Energy Performance Contracting Phase 2

	Energy Management Cost	Energy Management Savings	Simple Payback
Honeywell	\$ 1,998,000	\$ 78,363	25.5%
Sneider	\$ 2,007,876	\$ 66,339	30.3%
Trane	\$ 1,997,861	\$ 77,673	25.7%

YPSILANTI COMMUNITY SCHOOLS

Administration Building, Professional Development Room * 1885 Packard Rd.; Ypsilanti, MI 48197

MINUTES: REGULAR MEETING OF THE BOARD OF EDUCATION

Monday, February 17, 2020

The meeting was called to order by President Dr. Celeste Hawkins at 6:34 p.m. The Pledge of Allegiance was recited, led by Dr. Hawkins. Students were not scheduled to lead the Pledge of Allegiance; it was a no-school day.

MEMBERS OF THE BOARD OF EDUCATION PRESENT

President Dr. Celeste Hawkins, Vice-President Brenda Meadows, Secretary Sharon Lee, Treasurer Gillian Ream Gainsley, Trustee Ellen Champagne

MEMBERS OF THE BOARD OF EDUCATION ABSENT

Trustee Maria Sheker-Edwards, Trustee Meredith Schindler

ACCEPTANCE OF "AMENDED" AGENDA, and, RECOGNITION: Accepted as amended, with two additions. **#1: Introduction of New Varsity Football Head Coach, Daniel Brown**, who was introduced and recognized by YCHS Principal Cory Gildersleeve. Gildersleeve also recognized Athletic Director Lawrence Reeves for the search process and results. Reeves stated the search was nationwide, and spoke of Brown's history with YCS, acknowledging he is well-respected. Brown shared comments, including of "coming back home". **#2: Presentation of National African American Parent Involvement Day (NAAPID) at Night 2020 video.** Technology Resource Specialist Jerilyn Lynn shared this video - in recognition of Black History month - which was also presented at the NAAPID at Night event. Superintendent Alena Zachery-Ross presented a NAAPID plaque she received on behalf of the District: A Dedicated Spirit Award.

Motion by Lee, supported by Ream Gainsley

Action Recorded: 5/Yes; 0/No

PRESENTATIONS

Sex Education Advisory Board (SEAB): SEAB Committee Member Bonnie Wessler presented an annual update. Presentation included: 1) What SEAB Is/What It Does; 2) Metrics and Tracking; 3) Curriculum Recommendations/Status; 4) Teacher Certification & Certification Tracking/Reporting; 5) Administrative Support, and; 6) Looking Forward, 2020/21. Requests for Board approval on curriculum items are presented to the Board after agreement from the committee. Items come to the committee after they have been vetted through the Washtenaw ISD.

Budget Update: Director of Business/Finance Priya Nayak presented a budget update, sharing year-to-date information. Dialogue on the Budget to Actual report. This report includes the support staff ratification.

Goal Progress Update: Assistant Superintendent Dr. Carlos Lopez presented an update on where we are currently with District Goals: 1) Student Achievement; 2) Culture and Climate; 3) Community Involvement; 4) Academic Programs, and; 5) Facilities. This was a snapshot of information.

PUBLIC COMMENTS #1

~~Gilda Myles~~ shared comments on Ypsilanti Community Middle School, and, shared history of Ypsilanti schools/NAAPID.

CONSENT AGENDA

MOTION TO approve the: 1) February 3, 2020 Special Meeting Minutes; 2) February 3, 2020 Regular Meeting Minutes; 3) February 3, 2020 Closed Session #1 Meeting Minutes; 4) February 3, 2020 Closed Session #2 Meeting Minutes, and ... 5) personnel matters as per the attached list dated February 10, 2020: New Hires & Resignations.

Motion by Lee, supported by Ream Gainsley

Action Recorded: 5/Yes; 0/No

ACTION ITEMS, Student Affairs

Donation, District Donor – Chain Drug Marketing Association | Quality Choice

MOTION TO accept a donation of approximately 2,496 2-ounce bottles of hand sanitizer from Chain Drug Marketing Association on behalf of the District.

Motion by Meadows, supported by Lee

Action Recorded: 5/Yes; 0/No

Donation, Ford ELC: Donor – David Sadler

MOTION TO accept a piano donation from David Sadler on behalf of Ford Early Learning Center, with an estimated value in excess of \$1,000.

Motion by Meadows, supported by Lee

Action Recorded: 5/Yes; 0/No

Donation, District Donor – Toyota

MOTION TO accept donations of tables and chairs from Toyota on behalf of the District, with an estimated value in excess of \$1,000.

Motion by Meadows, supported by Ream Gainsley

Action Recorded: 5/Yes; 0/No

Donation, Beatty ELC: Donor – Washtenaw Promise

MOTION TO accept a donation of funds from Washtenaw Promise to aid in student support at YCS/Beatty Early Learning Center to provide additional behavior support for students; funds for the donation are estimated at \$4,698.24.

Motion by Meadows, supported by Lee

Action Recorded: 5/Yes; 0/No

Notes: Hawkins made note the motion was cut off in the packet.

ACTION ITEMS, Business/Finance

Bond Ratification Resolution: 2020 Refunding Bonds

MOTION TO adopt the Bond Ratification Resolution.

Motion by Meadows, supported by Ream Gainsley

Roll Call Vote: 5/0 Yes

Yes: Meadows, Ream Gainsley, Champagne, Lee, Hawkins

Notes: Attending this meeting were Attorney Mike Gresens, Bill Roche - Managing Director/Public Finance at Hutchinson, Shockey, Erley & Co. and RJ Naughton - Director of PFM Financial Advisors. There was dialogue and Board question-and-answer time regarding the bonds. This process began in November and went to market last week. The Bonds are being issued for the purpose of refunding certain outstanding indebtedness of the former Willow Run Community Schools 2011 Refunding Bonds dated September 2011, which are due and payable May 1 in the years 2022 through and including 2031. The savings, to "Willow Run taxpayers", is expected to be approximately \$2.7 million. (Additional details are available in the Resolution, found in the Board packet attachments.)

ACTION ITEMS, Human Resources

Administrative Contract: Principal, Ypsilanti Community Middle School

MOTION TO approve the administrative contract with Turquoise Neal to serve as Principal of Ypsilanti Community Middle School with a start date of February 24, 2020 and a contract expiration date of June 26, 2020. (Ms. Neal was also introduced.)

Motion by Lee, supported by Ream Gainsley

Roll Call Vote: 5/0 Yes

Yes: Meadows, Ream Gainsley, Champagne, Lee, Hawkins

PUBLIC COMMENTS #2: *None*

OTHER: *None*

BOARD/SUPERINTENDENT COMMENTS

- *Meadows* attended NAAPID at Night. Great event, and she is proud of the students.
- *Hawkins* echoed *Meadows* comments.
- *Ream Gainsley* echoed *Meadows* comments. Expressed appreciation to those who were engaged in the project, which is a national movement that started in Ypsilanti. Also, there are raffle tickets available for purchase for the YIES PTO | Blooming YIES Event.
- *Hawkins* shared her daughter was an emcee at NAAPID, and she did a wonderful job.
- *Zachery-Ross* commented on NAAPID, thanking the staff and committee who participated in the event. Acknowledgement of the refunding bonds. Thanks to those who put time in on the refunding/approval of the refunding: Priya Nayak, the Board of Education and to those who prepared us: Attorney Mike Gresens, Bill Roche of Hutchinson, Shockey, Erley & Co. and RJ Naughton of PFM Financial Advisors. This will be impactful to the community. This demonstrates the work of the Sinking Fund being done behind-the-scenes. Lastly, comments on Turquoise Neal and her time spent in the buildings, and days spent with Board members; she comes with confidence as principal to the YCMS staff/students.
- *Taryn Willis* (Communication/Marketing Coordinator) gave a brief update on the upcoming March F.A.C.E. Conference. Currently, we are at 80% capacity. Encouraged those who plan to attend to register, sooner than later. Registration can be completed on our website.
- *Zachery-Ross* recognized Director of District Operations Aaron Rose and his staff for the recent deep cleaning of surfaces/classrooms for the health and well-being of our students/staff.
- *Hawkins* commented on a WIHI event with Mr. Fox. Comments on the upcoming February Equity Challenge Summit. Acknowledgement of Black Lives Matters (ie, resolution, flag) and other events that have been incorporated into curriculum.

RECESS: Approximately 8:00 – 8:04 p.m.

RECESS TO CLOSED SESSION – Section 8(a) OMA, Employee Requested

MOTION TO convene in closed session under Section 8(a) of the OMA: Employee- Requested session.

Motion by Lee, supported by Ream Gainsley

Roll Call Vote: 5/0 Yes

Yes: Meadows, Ream Gainsley, Champagne, Lee, Hawkins

The meeting was called to closed session at 8:04 p.m. The meeting reconvened to open session at 8:25 p.m.

ACTION ITEM/Employment Consideration

MOTION TO approve the employment of the presented paraeducator candidate.

Motion by Meadows, supported by Champagne

Roll Call Vote: 5/0 Yes

Yes: Meadows, Ream Gainsley, Champagne, Lee, Hawkins

Meeting Adjourned: 8:26 p.m.

Minutes Prepared by: Paula Gutzman

Date Approved: _____

Sharon Lee, Secretary
Board of Education
Ypsilanti Community Schools

DRAFT

Expense Escalation Lease, Multitenant Building

This Lease is made between Landlord and Tenant, who agree as follows:

1. **Basic Definitions.** The following defined terms will be used throughout this Lease:

- a. Lease Date means October 11, 2020.
- b. Landlord means Hope Community Church.
- c. Landlord Notice Address is 2100 Ellsworth Road, Ypsilanti MI 48197
- d. Tenant means Ypsilanti Community Schools.
- e. Tenant Notice Address is. 1885 Packard Road, Ypsilanti, MI 48197
- f. Premises means [cross-hatched area on floor plan attached], attached as Exhibit A.
- g. Building means Hope Community Church, located at 2100 Ellsworth Road, Ypsilanti, MI 48197
- h. Property means the Premises, the Building, and all related land.
- i. Rentable Floor Area of Premises means approximately 4,267 rentable square feet, which does not include an allocated percentage of the common areas.
- j. Term means one Lease Year(s).
- k. Lease Year means the period beginning on 10/11/2020, and ending on 10/10/2021.
- l. Commencement Date means 10/11/2020.
- m. Expiration Date means 10/10/2021.
- n. Rent means Annual Base Rent and Additional Rent.
- o. Annual Base Rent means \$0.00.
- p. Monthly Installment of Base Rent means \$0. Monthly installment of calculated utilities = \$0 per month. Total rent plus utilities per month is \$0.

q. Additional Rent means the reimbursement of all expenses paid or incurred by Landlord in connection with the leased space identified on Exhibit 1, including the following:

q1. Maintenance Expenses (e.g. HVAC units, doors, windows, walls, electrical switches and outlets, light fixtures, bulbs, and required fire and other inspections.)

q2. Utilities (50% of the average of electric, gas, sewer and water costs, i.e. 50% annually or 50% monthly).

q3. Replacement of the roof, boiler and chiller will be Landlord's responsibility. Additionally, if a leak causes the need for any other repairs to the building, Landlord will assume the expense of repair. Landlord's liability will not extend to Tenant's contents, which should be separately insured by Tenant. The parking lot will be repaired at Landlord's discretion and will be Landlord's sole responsibility.

and all other charges that may become due under the terms of this Lease.

r. Proportionate Share means 50%.

s. Base Year means 10/11/2020- 10/10/2021.

t. Operating Expenses means all expenses of every kind paid or incurred by Landlord in connection with the Property. Unless stated otherwise in this agreement.

u. Security Deposit means \$0.

v. Designated Use means YCS school use, including culinary arts CTE program.

w. Applicable Laws means all statutes, codes, ordinances, administrative rules, regulations, and orders or directives of any governmental authority.

2. **PREMISES:** Landlord leases the Premises to Tenant. Tenant has inspected the Premises and is satisfied with the condition of the Premises and the Property. Landlord must make reasonable efforts to deliver possession of the Premises on the Commencement Date. Landlord is not liable for damages for failure to deliver possession on the Commencement Date, and the validity of the Lease will not be impaired by such a failure.
3. **TERM:** The Term means four years, beginning on the Commencement Date and ending on the Expiration Date, unless otherwise terminated or extended as provided in this Lease. If the closing on Landlord's purchase of the Property is delayed, the Commencement Date and the closing date and the Expiration Date will be adjusted accordingly.
4. **RENT:** Tenant will pay Base Rent of zero dollars (\$0) as long it provides Outdoor Maintenance. If Tenant becomes obligated to pay Modified Rent or Holdover Rent, Tenant must pay each monthly payment of Rent to the order of Landlord, in advance, on the first day of each month, at Landlord's office or any other place that Landlord designates in writing. If the Obligation Date is other than the first day of a month, Base Rent for the partial month will be prorated on a daily basis and paid on the first day of the next month.
5. **SECURITY DEPOSIT AND SURCHARGE:** Tenant has not paid Landlord a security deposit. Instead, if Tenant fails to restore the Premises to their original condition to Landlord's sole satisfaction upon termination of this Lease for any reason, including the end of the Lease Term, Tenant must pay Landlord the cost of such restoration plus a surcharge of 20 percent.
6. **USE OF PREMISES:** The Premises will be used for the Designated Use and for no other purpose. Tenant will not use the Premises in any manner which violates Building Rules or Applicable Laws. The Building Rules may be amended by Landlord in its sole discretion.
 - A. Tenant will use the Premises only on weekdays during the regular school year (September – June), according to the Tenant's published school schedule.
 - B. Tenant will be provided with one set of all the keys needed to access the Premises. Additional keys and lockout services may be requested at an additional cost. Tenant must not make copies of any keys without Landlord's prior written consent.
7. **TENANT TAXES:** Tenant must pay Tenant Taxes as they become due and provide Landlord written evidence of payment within 10 days of Landlord's demand. Landlord may but is not obligated to pay any Tenant Taxes due but not paid by Tenant.
8. **REAL ESTATE TAXES:** If at any time Real Estate Taxes are imposed, levied, or assessed against the Property, Tenant must pay as Additional Rent a percentage of the Real Estate Taxes based on the Square Footage of the Premises.
9. **INSURANCE:** Tenant must maintain in effect a commercial general liability insurance policy providing coverage for the Premises, including without limitation all common areas, with policy limits of not less than \$1,000,000, exclusive of defense costs and without any provision for a deductible or self-insured retention.

Tenant must maintain in effect a property insurance policy on a special cause of loss form covering Tenant's personal property, trade fixtures, inventory, contents, equipment, improvements, and any other property on or around the Premises to their full replacement cost, without deduction for depreciation. The insurance must include coverage for loss of profits or business income and reimbursement for extra expenses incurred as the result of damage or destruction to all or a part of the Premises.

Tenant must maintain any other insurance required by Applicable Laws for the Designated Use, included but not limited to worker compensation and unemployment insurance.

All insurance policies that Tenant is required to maintain must be written by carriers who are authorized to write insurance in Michigan and have an AM Best Company rating of not less than A-VIII. Any commercial general liability policy that Tenant is required to maintain will: (a) name Landlord as an additional insured using ISO form CG 20 26 11 85 without modification; (b) be endorsed to provide that it will not be canceled or materially changed for any reason except on 30 days' prior written notice to Landlord; (c) provide coverage to Landlord whether or not the event giving rise to the claim is alleged to have been caused in whole or in part by the acts, omissions, or negligence of Landlord; (d) all policies must be primary, with the policies of Landlord and Landlord's mortgagees being excess, secondary, and noncontributing; and (e) Tenant shall reinstate any aggregate limit that is reduced because of losses paid to below 75 percent of the limit required by this Lease. Landlord and Tenant will require their property insurance policies to include a clause or an endorsement allowing Landlord and Tenant to release each other from any liability to each other or anyone claiming through or under them by way of subrogation or otherwise, for any loss resulting from risks insured against. If any policy that Tenant is required to maintain is written on a claims-made insurance form, each policy must have a retroactive date that is not later than the Commencement Date. Furthermore, if insurance coverage is written on a claims-made basis, Tenant's obligation to provide insurance will be extended for an additional period equal to the statute of limitations for such claims on the Expiration Date, plus one year. Insurance may be provided in the form of blanket insurance policies covering properties in addition to the Premises or entities in addition to Tenant. All blanket policies must provide that the overall aggregate limit of liability that applies to Landlord or the Premises is independent from any overall or annual aggregate that applies to other entities or properties.

At Landlord's option, Tenant must deliver either certificates of insurance or the original policies to Landlord before the Commencement Date, together with receipts evidencing payment of the premiums. Tenant must deliver certificates of renewal for the policies to Landlord not less than 30 days before their expiration dates.

This Lease requires Tenant to obtain insurance to cover any claim for loss resulting from fire or other casualty. Landlord and Tenant will each look to its own insurance for the recovery of insured claims. Landlord and Tenant release one another from insured claims. Landlord and Tenant waive any right of recovery of insured claims by anyone claiming through them, by way of subrogation or otherwise, including their respective insurers. This release and waiver remains effective despite either party's failure to obtain insurance in accord with this Lease. If either party fails to obtain insurance, it bears the full risk of its own loss.

10. UTILITIES: Tenant must pay as Additional Rent its share of the cost of gas, electric, water, and alarm (with dedicated phone line) service, calculated as follows:

- A. GAS: Both parties recognize that installing a separate meter to monitor Tenant's gas usage may be cost prohibitive. Therefore, Tenant must pay a monthly gas estimate based on two tests, conducted to Landlord's sole satisfaction at Landlord's expense, to measure the volume of gas used on the Premises for the Designated Use. The first test will be conducted on or about September 30, 2016 (Fall Test) and the second one on or about January 30, 2017 (Winter Test). Each test will measure the volume of gas in cubic feet used by Tenant over a one-hour period. Tenant will pay a preliminary estimated gas amount based on the results of the Fall Test and expected use of the Premises. This estimate will be adjusted based on the results of the Winter Test, including any retroactive adjustment needed. Landlord reserves the right to further testing no more than twice a year during the Term of this Lease. Landlord also reserves the right to install at its own expense meters to monitor Tenant's gas usage. If separate meters are installed, Tenant will pay its proportionate share of gas costs, calculated for one billing cycle according to the Utilities formulas contained in section 10.B.
- B. ELECTRIC AND WATER: Landlord will install at its own expense meters to monitor Tenant's use of electric and water (Utilities). Tenant must pay as Additional Rent its proportionate share of Utilities costs, calculated for one billing cycle according to the formulas below.

Landlord's utility cost:	$B_L = \text{Landlord's utility cost, in dollars}$
$B_L = \frac{U_L}{U_E} \times B_E$	$B_T = \text{Tenant's utility cost, in dollars}$
	$B_E = \text{Entire utility cost, in dollars, billed to the Property}$
Tenant's utility cost:	$U_L = \text{Amount of utility, in units, used by Landlord}$
$B_T = \frac{U_T}{U_E} \times B_E$	$U_T = \text{Amount of utility, in units, used by Tenant}$
	$U_E = \text{Entire amount of utility, in units, used by the Property}$

If Landlord in its sole discretion determines that installation of separate meters is cost prohibitive or not feasible, Tenant must pay its proportionate share of electric and/or water costs based on Landlord's calculations after professional consultation.

- C. ALARM WITH DEDICATED PHONE LINE: Landlord will install at its own cost a separate keypad inside the Premises. The parties will share equally the cost of alarm service, including any dedicated phone line required for said service. Landlord intends to use the existing alarm service and phone line but reserves the right to change either service in its sole discretion. Tenant must not use the dedicated phone line for voice calls, faxes, internet, or any other non-alarm system use.

Tenant must provide and pay for any additional phone, cable, internet, and waste removal services needed for the Designated Use.

11. OUTDOOR MAINTENANCE: Tenant must maintain, to Landlord's sole satisfaction and at Tenant's sole expense, the drive, parking lot, and sidewalks identified by the diagram attached as Exhibit B (Outdoor Maintenance). Tenant must keep Outdoor Maintenance areas free of debris, snow, and ice (including application of salt as needed) weekday mornings, whether or

not these areas are utilized for the Designated Use. Landlord will be responsible for debris, snow, and ice removal weekend mornings. Landlord reserves the right to object to any Outdoor Maintenance services not performed to its sole satisfaction and to pay for such services if Tenant doesn't address Landlord's concerns in a timely fashion. Tenant must reimburse Landlord within 10 days of receipt of written notice for any costs incurred pursuant to this section.

12. **TENANT MAINTENANCE, REPAIRS, AND LIENS:** Tenant must maintain the Premises in good repair, in a clean, sanitary, and safe condition to the Landlord's sole satisfaction, and in accordance with Applicable Laws (Tenant Maintenance Obligations). Tenant Maintenance Obligations include but without limitation to the following:
- A. Tenant is responsible for garbage removal, housekeeping, bathrooms, and the kitchen grease trap. Tenant must properly dispose of food, grease, and other cooking byproducts so as not to cause harm to persons or property or to attract unwanted pests or animals. Tenant must remove any unwanted, spoiled, or debilitated inventory immediately upon Landlord's demand and remedy any resulting contamination.
 - B. Tenant must properly maintain the hoods and fire suppression system. Tenant must have the hoods and fire suppression system inspected on a regular basis as required by Applicable Laws, but not less than once per year. The first inspection must be conducted prior to the Commencement Date. The last inspection must be conducted within 30 days of the end of the Designated Use or the Lease Term, whichever is earlier. Tenant must give Landlord copies of all inspection results. Tenant is responsible for the cost of all inspections and any required changes, repairs, or improvements.
 - C. Tenant must properly maintain the kitchen equipment. Tenant must have the kitchen inspected on a regular basis as required by Applicable Laws, but not less than once per year. The first inspection must be conducted prior to the Commencement Date. The last inspection must be conducted within 30 days of the end of the Designated Use or the Lease Term, whichever is earlier. Tenant must give Landlord copies of all inspection results. Tenant is responsible for the cost of all inspections and any required changes, repairs, or improvements.
 - D. Tenant must not put coffee grounds, eggshells, grease, fat, cooking oil, shortening, butter, margarine, food scraps, baking goods, sauces, dairy products, produce stickers, paper products (even if biodegradable), wipes (even if flushable), feminine hygiene products, or conventional cleaning products (Forbidden Items) into sinks, toilets, or drains. Tenant must install baskets/strainers in sink drains to catch food scraps and other solids, and empty the drain baskets/strainers into the trash. Tenant must dispose of all Forbidden Items properly at its own expense. Tenant is responsible for the cost of any inspections, repairs, etc. caused by failure to dispose of Forbidden Items properly.
 - E. To minimize the occurrence and growth of mold on the Premises, Tenant must (1) have a humidity gauge or sensor and keep humidity between 30 and 60 percent, (2) immediately remove any visible condensation or moisture accumulation and address the source of the condensation or moisture, (3) maintain proper ventilation and air flow, (4) notify Landlord immediately of any water leak, standing water, or any other occurrence that could elevate mold levels, and (5) notify Landlord immediately of the existence of visible mold or anything that looks like mold.

- F. Tenant may grow a garden on the Property only in areas designated in advance by the Landlord. Landlord may restrict in its sole discretion the use of the land and/or the type of plants Tenant may grow in order to ensure that the Property does not become infested with unwanted pests or animals or for any other reason the Landlord may deem reasonable.
- G. Tenant must not have pets, animals, fish, reptiles, birds, insects, etc. on the Premises without prior written permission from Landlord.
- H. Tenant may make alterations (modifications or improvements) to the Premises only with Landlord's prior written permission, which Landlord may withhold for any reason. Tenant must submit plans for any alterations prior to commencement of such alterations. Landlord will have 30 days in which to respond to Tenant regarding submitted plans. Before Tenant signs a contract, Landlord reserves the right to approve to Landlord's sole satisfaction any prospective contractor who will provide alteration services. Tenant must provide Landlord with a copy of the signed contract at least 10 days before the contractor begins. If Landlord objects to the terms of the contract, Tenant must address any objections to Landlord's sole satisfaction. Landlord must provide written approval of the contract before alterations begin.
- I. Tenant must obtain all required permits or inspections. Tenant must pay any and all costs associated with any inspections, maintenance, repairs, or alterations.
- J. All maintenance, repairs, or alterations must be approved by government authorities as required by Applicable Laws and completed to Landlord's satisfaction. This includes any alterations required for the Premises and the Designated Use to comply with the Americans with Disabilities Act of 1990.

Landlord approves Randy Bowman or his agents or contractors (Bowman) to perform Tenant Maintenance Obligations on the Premises at Tenant's request and sole expense. Landlord in its sole discretion may revoke this approval at any time. Tenant must notify Landlord in advance of any other agents or contractors hired to perform Tenant Maintenance Obligations and provide Landlord with all applicable signed contracts. Landlord reserves the right to object to any Tenant Maintenance Obligations not performed to its sole satisfaction and to pay for such services if Tenant doesn't address Landlord's concerns in a timely fashion. Tenant must reimburse Landlord within 10 days of receipt of written notice for any costs incurred pursuant to this section.

With the exception of the Tenant Maintenance Obligations, Landlord will make all repairs to the building; its heating, ventilating, air-conditioning, plumbing, and electrical systems; and the common areas, including parking lots. Landlord will also make all structural repairs to the Premises. Landlord's obligation to make repairs is conditioned on prior notice from Tenant. Tenant must promptly notify Landlord of the need for a repair.

Tenant must keep the Premises free of construction or other liens. Tenant will hold Landlord harmless against any liens placed against the Premises, except those attributable to the acts of Landlord. If a lien is filed against the Premises as the result of any action undertaken by Tenant, its agents or contractors. Tenant must discharge the lien within 10 days after receiving notice of the lien. If Tenant fails to discharge the lien, Landlord may procure a discharge at Tenant's expense, which Tenant must pay immediately upon demand from Landlord.

13. **SIGNS:** Tenant must obtain prior written approval from Landlord for all signs displayed in and about the Premises. Signs may only advertise the Designated Use and must be approved by government authorities as required by Applicable Laws.
14. **EQUIPMENT AND FIXTURES:** Tenant must provide Landlord with a list of all fixtures, equipment, and personal property owned by Tenant. All such fixtures, equipment, and other personal property shall be maintained at tenant's expense, to Landlord's sole satisfaction.
15. **PARKING:** Landlord will provide Tenant ample parking every day that school is in session. Tenant acknowledges that there may be other tenants occupying other parts of the building. All parties agree to compromise whenever possible to ensure a safe and beneficial parking arrangement.
16. **LANDLORD SERVICES:** Landlord will furnish heat, air-conditioning, electricity, and water. Any service Landlord is required to furnish may be furnished by Landlord's agent or by one or more independent contractors.

Landlord is not liable for interruption in services caused by riots, strikes, labor disputes, wars, terrorist acts, accidents, or any other cause beyond the control of Landlord. Landlord may interrupt services to make repairs or improvements. Interruption in services does not constitute an act of eviction; nor does any interruption in services release Tenant from any obligation under this Lease, including payment of Rent.

17. **HOLDING OVER:** If Tenant remains in possession of the Premises after the Expiration Date with the consent of Landlord, it will occupy the Premises as a holdover tenant on a month-to-month basis and pay Holdover Rent. Landlord may in its sole discretion, withhold its consent to holdover. Whether or not Landlord consents to the holdover, Tenant is subject to all the covenants of this Lease to the extent they can be applied to a month-to-month tenancy. This covenant does not preclude Landlord from recovering damages if Tenant fails to timely deliver possession of the Premises after termination of the holdover, nor does it establish any right to extend or renew the Term. Unless the parties agree otherwise in writing, Tenant must vacate the Premises on or before the end of this lease or within 30 days of notice if the tenancy is month-to-month. If Tenant holds over after the expiration of the Term without Landlord's consent, Tenant is liable for Holdover Rent plus all damages resulting from the holdover. It is expressly within the contemplation of the parties that such damages may include (a) the difference between Holdover Rent and the reasonable rental value of the Premises; (b) any damages arising from the loss of any sale, lease, or refinancing of the Property; (c) any lost profits incurred by Landlord; and (d) any treble, double, or statutory damages allowed under the Applicable Laws.
18. **QUIET ENJOYMENT:** Tenant must not cause or permit any excess noise or any nuisance whatsoever on the Premises. Unless this Lease is terminated or Tenant is evicted in accordance with Michigan law, Landlord will not disturb Tenant's quiet enjoyment or unreasonably interfere with Tenant's Designated Use of the Premises. Landlord and its agents may enter the Premises at any reasonable time without notice for the purpose of inspection or to show the Premises to prospective purchasers, mortgagees, and tenants.

19. **COMPLIANCE:** Tenant must, at Tenant's sole cost and expense, comply and insure compliance with all Applicable Laws, including, without limitation, those pertaining to the Designated Use.
20. **ENVIRONMENT AND HAZARDOUS MATERIALS:** Tenant must not sell, use, or store at, upon, under, within or around the Premises any hazardous materials, except if stored, properly packaged and labeled, disposed of and/or used in accordance with Applicable Laws governing the environment and hazardous materials. Tenant (a) must not cause or suffer to occur, the release, discharge, escape, or emission of any hazardous materials at, upon, under, or within the Premises or any contiguous or adjacent premises; (b) must not engage in activities at the Premises that could result in, give rise to, or lead to the imposition of liability upon Tenant or Landlord or the creation of a lien upon the building or land upon which the Premises is located; (c) must notify Landlord and the proper authorities immediately upon receipt of any knowledge regarding any actual release, discharge, escape, emission, or remediation (whether past or present) of any hazardous materials at, upon, under, or within the Premises; (d) must immediately forward to Landlord copies of all orders, notices, permits, applications, and other communications and reports in connection with any release, discharge, escape, remission, or remediation of any hazardous materials at, upon, under, or within the Premises or any contiguous or adjacent premises; and (e) must remediate to Landlord's satisfaction any portion at, upon, under, or within the Premises that is affected by any actual release, discharge, escape, or emission of hazardous materials as a result of actions caused or permitted by Tenant or its agents, contractors, or invitees.

If at any time, Landlord has actual notice or reasonable cause to believe that Tenant has violated, or permitted violations of any Applicable Laws governing the environment and hazardous materials, Landlord will be entitled to perform an environmental inspection, assessment, or audit at any time. Tenant must reimburse as Additional Rent, Landlord for the cost or fees incurred for such inspection, assessment, or audit.

Tenant must indemnify, defend, protect, and hold harmless Landlord from and against any liability, obligation, damage, or costs, including without limitation, attorneys' fees and costs, resulting directly or indirectly from any use, presence, removal, or disposal of any hazardous materials or breach of any provision of this section, to the extent such liability, obligation, damage, or costs was a result of actions caused or permitted by Tenant or its agents, contractors, or invitees.

21. **ASSIGNMENT AND SUBLETTING:** Tenant must not sublet the Premises or any part thereof, or assign, hypothecate or mortgage this Lease without Landlord's written consent.
22. **MUTUAL INDEMNIFICATION:** Tenant will indemnify and defend Landlord against all claims for bodily injury or property damage relating to the Premises. The claims covered by this indemnification include all claims for bodily injury or property damage relating to (a) the condition of the Premises; (b) the use or misuse of the Premises by Tenant or its agents, contractors, or invitees; (c) any event on the Premises, whatever the cause. Tenant's indemnification does not extend to liability for damages resulting from the sole or gross negligence of Landlord or for Landlord's intentional misconduct. Landlord will indemnify

and defend Tenant against all claims for bodily injury or property damage relating to the common areas of the Property. The claims covered by this indemnification include all claims for bodily injury or property damage relating to (a) the condition of the common areas; (b) the use or misuse of the common areas by Landlord or its agents, contractors, or invitees; or (c) any event on or within the common areas, whatever the cause. Landlord's indemnification does not extend to liability for damages resulting from the sole or gross negligence of Tenant, for Tenant's intentional misconduct, or for Tenant's failure to perform its Outdoor Maintenance or Tenant Maintenance Obligations.

23. **SUCCESSORS AND LIABILITY LIMITATIONS:** Landlord, as defined in this Lease, includes successors in interest. The term is intended to refer to the owner of the Premises at the time in question. If the Premises are sold, the new owner will automatically be substituted as the Landlord.

If Landlord fails to perform this Lease and as a result Tenant recovers a money judgment against Landlord, the judgment will be satisfied out of the execution and sale of Landlord's interest in the Property or by garnishment against the rents or other income from the Property. Landlord is not liable for any deficiency. This section constitutes Tenant's sole and exclusive remedy for breach.

Conditioned solely on the sale of the Property, Tenant agrees to the following release in favor of its then former landlord. Effective on the first anniversary of the date on which Tenant is given notice of the sale, Tenant releases its former landlord from all claims except those expressly preserved in this section. This release is intended to be broadly construed for the benefit of the former landlord and includes (a) all claims regarding the performance of this Lease; (b) all claims for bodily injury or property damage relating to the Premises; and (c) all claims in any other way relating to the Lease, the Premises, or the landlord-tenant relationship. However, this release does not extend to any claim filed in a court of appropriate jurisdiction within one year of the date of sale or to any claim for bodily injury or property damage resulting from the former landlord's gross negligence.

24. **FIRE OR OTHER CASUALTY:** Tenant must give Landlord notice of fire or other casualty on the Premises. In addition to written notice, Tenant must immediately and with all diligence attempt to contact Landlord by all means available, including telephone, pager, fax, and e-mail, to inform Landlord of the casualty. If the Premises are damaged in whole or in part by the casualty, Landlord may in its sole discretion terminate this Lease by notice to Tenant. Notice of termination must be given within 10 days after the occurrence of the casualty. If notice of termination is not given within the designated period, this termination option will lapse and no longer be effective. Within 20 days after notice of termination has been given, Tenant must surrender the Premises to Landlord. After the surrender, each party is released from any further obligations under this Lease except all Rent accruing through the surrender date must be paid in full. Tenant has no obligation to pay any Rent accruing after the surrender date. If Landlord does not exercise this option within the designated period, Landlord must diligently proceed to repair and restore the Premises to its condition before the casualty.

Rent shall abate entirely if the whole Premises is untenable and pro rata for the portion rendered untenable until the Premises are restored to a tenantable condition. If Tenant fails to adjust its insurance or remove its damaged goods, wares, equipment, or property within a reasonable time, resulting in a delay of repair and restoration, there shall be no abatement during the period of delay. There shall be no abatement if the casualty results from the negligence or willful act of Tenant or its agents, contractors, or invitees. If Tenant uses any part of the Premises for storage during the period of repair, it must pay a reasonable storage fee. Landlord may at its sole option terminate this Lease by written notice to Tenant if the Premises or the building of which they are a part is destroyed to the extent of more the one-half of its value. Tenant must pay any costs, fines, or penalties caused by improper use, whether accidental or purposeful, of the manual pull fire alert system by Tenant, its agents, contractors, or invitees.

25. **EMINENT DOMAIN:** If the whole or any portion of the Premises is taken by any public authority under the power of eminent domain, including a conveyance in lieu of a taking, the term of this Lease and Rent will end on the portion so taken, from the date possession of that portion is required for any public purpose. From that date, Tenant shall continue in possession of the remainder of the Premises under the terms of this Lease, except that Rent shall be reduced in proportion to the amount of the Premises taken.

If any portion of the Premises is taken through eminent domain, including a conveyance in lieu of a taking, Landlord and Tenant agree that all compensation paid for the Premises, including any value of Tenant's leasehold interest in the Premises, will be paid to and be the property of Landlord. Tenant may seek compensation from the public authority for its trade fixtures, business interruption, going concern, moving expenses, and other items, provided that Tenant's compensation does not reduce Landlord's compensation for the Premises. Tenant will have no claim against Landlord for the value of any unexpired term of this Lease.

26. **SUBORDINATION AND ESTOPPEL CERTIFICATES.** At Landlord's mortgagee's option, (a) any mortgage or mortgages now or later placed on Landlord's interest in the Premises may be subordinated to this Lease or (b) this Lease may be subordinated to any mortgage or mortgages now or later placed on Landlord's interest in the Premises. The mortgagee's option must be exercised by notice to Tenant. Tenant must execute and deliver, within 10 days after a request, any further instruments, in a form acceptable to the mortgagee, confirming subordination as requested by Landlord or Landlord's mortgagee.

In the event of foreclosure or any conveyance by deed in lieu of foreclosure, Tenant must attorn to Landlord's successor in interest, provided that the successor agrees in writing to recognize Tenant's rights under this Lease. Tenant must execute and deliver, within 10 days after a request, any further instruments, in a form acceptable to Landlord's successor in interest, attorning to the successor in interest and recognizing it as Landlord under this Lease.

Within 10 days after a demand by Landlord, Tenant must execute and deliver to Landlord an estoppel certificate, in a form acceptable to Landlord, certifying (a) the Commencement Date; (b) the Expiration Date; (c) that this Lease is unmodified and in full force and effect, or

is in full force and effect as modified, stating the modifications; (d) that the Lease is not in default, or a list of any defaults; (e) that Tenant does not claim any rights of setoff, or a list of rights of setoff; (f) the amount of Rent due as of the date of the certificate, or the date to which the Rent has been paid in advance; and (g) other matters requested by Landlord.

Landlord and any prospective purchaser or mortgagee of the Premises may rely on this certificate. It is within the contemplation of the parties that Tenant's failure to provide the estoppel certificate could result in the loss of a prospective sale or loan and that Tenant is liable for all damages resulting from such a loss.

27. **WAIVER:** Landlord's failure to enforce any terms of this Lease will not be deemed a waiver of the enforcement of that or any other term.

28. **REMEDIES:** Default means (a) Tenant's failure to pay all Rent on the due date, whether or not Landlord has accepted partial payment; (b) Tenant's failure to perform any covenant or condition of the Lease for 10 days following a demand by Landlord, plus any additional time that is necessary to cure the Default, as long as Tenant commences a cure within the 10 day period and diligently pursues the cure; (c) Tenant's filing of a petition for bankruptcy, reorganization, liquidation, dissolution, or similar relief; (d) any proceeding filed against Tenant seeking bankruptcy, reorganization, liquidation, dissolution, or similar relief that is not dismissed within 30 days after filing; (e) the appointment of a trustee, receiver, or liquidator for Tenant or a substantial part of Tenant's property; or (f) Tenant's abandonment of the Premises, which means being absent from the Premises for 20 consecutive days without notice to or contact with Landlord.

Landlord has the power to terminate this Lease and evict Tenant upon the occurrence of a Default. Landlord will exercise this power by the delivery of a notice of termination. The termination is effective on the fifth day following delivery of the notice to Tenant, at which time Landlord may in its sole discretion reenter and repossess the premises, removing Tenant and its possessions, without court order. If Landlord terminates this Lease, Landlord is entitled to recover all damages suffered as the result of the Default or any breach. It is within the contemplation of the parties that such damages include (a) all Rent accruing through the termination date; (b) the difference between the contract rent and the market rent through the remainder of the original Term; (c) the unamortized expenditures, calculated on a straight-line basis, undertaken by Landlord to fit the Premises to the needs of Tenant, including expenditures for Landlord work, interior partitions, doors, floor coverings, wall coverings, paint, plaster, cabinetry, and all other work performed on the Premises; (d) the estimated cost of restoring the Premises to their original condition; (e) any commissions paid to re-lease the Premises; and (f) any other damages identified in this Lease.

Landlord may also evict Tenant without terminating this Lease. Tenant waives any right to possession of the Premises after eviction. Despite eviction, Tenant remains fully obligated for the payment of Rent through the remainder of the Term. Landlord has no obligation to re-lease the Premises, and Landlord's failure or refusal to re-lease does not affect Tenant's obligation to pay Rent.

The remedies provided to Landlord under this Lease are cumulative, regarding both other remedies provided by the Lease and any remedies provided by law. If Landlord commences an action to enforce this Lease, Tenant agrees to pay Landlord's reasonable costs and attorney fees. Landlord and Tenant knowingly and voluntarily waive trial by jury in any action (a) to enforce this Lease; (b) to evict Tenant from the Premises; or (c) that is in any way related to the Lease, the Premises, or the relationship between Landlord and Tenant.

29. **CONDITION ON EXPIRATION:** On the Expiration Date, Tenant will promptly deliver to Landlord all keys for the Premises. Tenant will surrender the Premises broom clean and in the same condition as on the Commencement Date, reasonable wear and tear excepted. Tenant will remove its personal property and trade fixtures from the Premises immediately on termination. Any damage to the Premises resulting from the removal of Tenant's fixtures, equipment, and other Tenant's personal property will be repaired at Tenant's expense. Tenant will reimburse all expenses paid or incurred by Landlord in connection with repairing or restoring the Premises to the designated condition immediately upon demand. Tenant represents that it is Tenant's intention that all personal property and trade fixtures remaining on the Premises after termination are abandoned by Tenant. Landlord in its sole discretion may sell, discard, or keep such personal property and trade fixtures as it deems appropriate.
30. **COMMUNICATIONS:** All notices, demands, requests, consents, and communications required or provided under this Lease (Communications) must be in writing. Any Communications from Landlord to Tenant are deemed duly and sufficiently given if a copy has been: (a) personally delivered; (b) mailed by U.S. mail, postage prepaid; or (c) sent by professional delivery service to Tenant at the Tenant Notice Address or another address that Tenant has designated in writing. Any Communications from Tenant to Landlord are deemed duly and sufficiently given if delivered to Landlord in the same manner at the Landlord Notice Address or another address that Landlord has designated in writing. Communications sent by U.S. mail are deemed received on the next regular day for the delivery of mail after the day on which they were mailed.
31. **RIGHT TO SELL OR MORTGAGE:** Landlord reserves the right to sell or mortgage the Premises during this Lease or any extensions or renewals thereof, provided that any such sale or mortgage is subject to the terms and conditions of this Lease.
32. **CONSTRUCTION AND INTERPRETATION:** This Lease will be construed in accordance with Michigan law. This Lease has been negotiated at arm's length and carefully reviewed by both parties. This Lease is not to be construed against Landlord.

The use of the word *may* in describing a party's right means the party has the discretion, but not the obligation, to exercise that right. Furthermore, the exercise of the right is not an election of remedies or a waiver of any other right or claim. The use of the words *will* or *shall* in describing an obligation of a party means that the party must perform that obligation. The use of the words *include* and *including* is intended to be illustrative, not exhaustive.

The parties will rely solely on the terms of this Lease to govern their relationship. This Lease merges all proposals, negotiations, representations, agreements, and

understandings with respect to this Lease. There are no representations with respect to the condition of the Premises, Property, or any other matter in any way related to this Lease except as expressly set forth in this Lease. There are no damages within the contemplation of the parties except as expressly identified in this Lease. No rights, covenants, easements, or licenses may arise by implication. Reliance on any representation, omission, action, or inaction outside of this Lease is unreasonable and does not establish any rights or obligations on the part of either party. This Lease may only be modified or amended by a written document signed by Landlord and Tenant. There may be no oral modifications or amendments of this Lease, whether or not supported by consideration.

No endorsement or statement on any check or on any letter accompanying any check will be deemed an accord and satisfaction. Landlord may accept any check or payment without prejudice to Landlord's right to recover the balance of the amount due or to pursue any other remedy. Tenant acknowledges that the Rent is a liquidated claim. Tenant waives any requirement that Landlord tender back funds as a condition to bringing an action to collect unpaid Rent. No covenant or breach is intended to be waived unless a waiver is clearly expressed in a document (a) signed by the waiving party; (b) specifically identifying the covenant or breach; and (c) expressly stating that it is a waiver of the identified covenant or breach. The waiver of a covenant or breach is not construed as a continuing waiver of the same covenant or of any future breach. Consent by Landlord to any act requiring Landlord's consent does not constitute a waiver of the requirement of Landlord's consent with respect to any similar or subsequent act. Tenant is not entitled to surrender the Premises to avoid liability for Rent unless (a) an acceptance of the surrender is evidenced in a document signed by Landlord and (b) the document expressly states that it is the acceptance of a surrender. No action or inaction, other than as expressly provided in this section, may be construed as an acceptance of surrender by Landlord.

Time is of the essence with respect to both the definition of a default or breach and the exercise of options, if any, within the Lease.

Notwithstanding anything to the contrary, (a) Tenant's obligation to pay Rent is a material and independent covenant not subject to setoff, recoupment, or suspension and (b) Landlord has no obligation to mitigate any claim for Rent.

If any covenant of this Lease is invalid, illegal, or unenforceable, that covenant will be enforced to the fullest extent permitted by law, and the validity, legality, and enforceability of the remaining covenants will not in any way be affected or impaired.

33. **AUTHORIZED AND BINDING:** Tenant and each person executing this Lease on its behalf warrant and represent to Landlord that (a) Tenant is validly organized, existing, and authorized to do business under Michigan law; (b) Tenant has full power and lawful authority to enter into this Lease; and (c) the execution of this Lease by the individual who has signed below is legally binding on Tenant in accordance with its terms. Landlord and each person executing this Lease on its behalf warrant and represent to Tenant that (a) Landlord is validly

organized, existing, and authorized to do business under Michigan law; (b) Landlord has full power and lawful authority to enter into this Lease; and (c) the execution of this Lease by the individual who has signed below is legally binding on Landlord in accordance with its terms. This Lease is binding on successors and assigns.

LANDLORD

By _____

Its _____

Dated: _____

TENANT

By _____

Its _____

Dated: _____

4832-7709-6352, v. 1

Exhibit A:
Indoor Premises Diagram

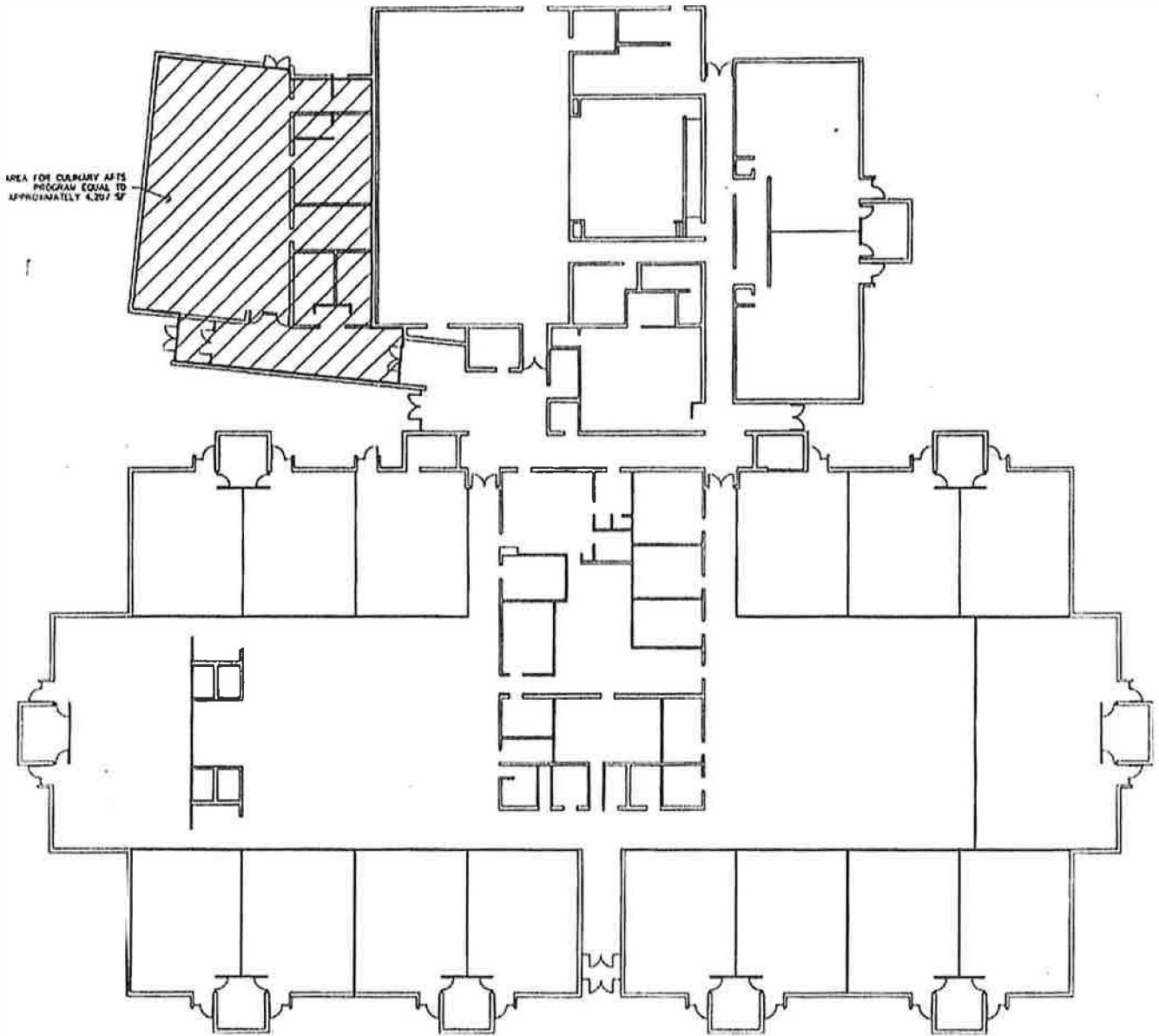
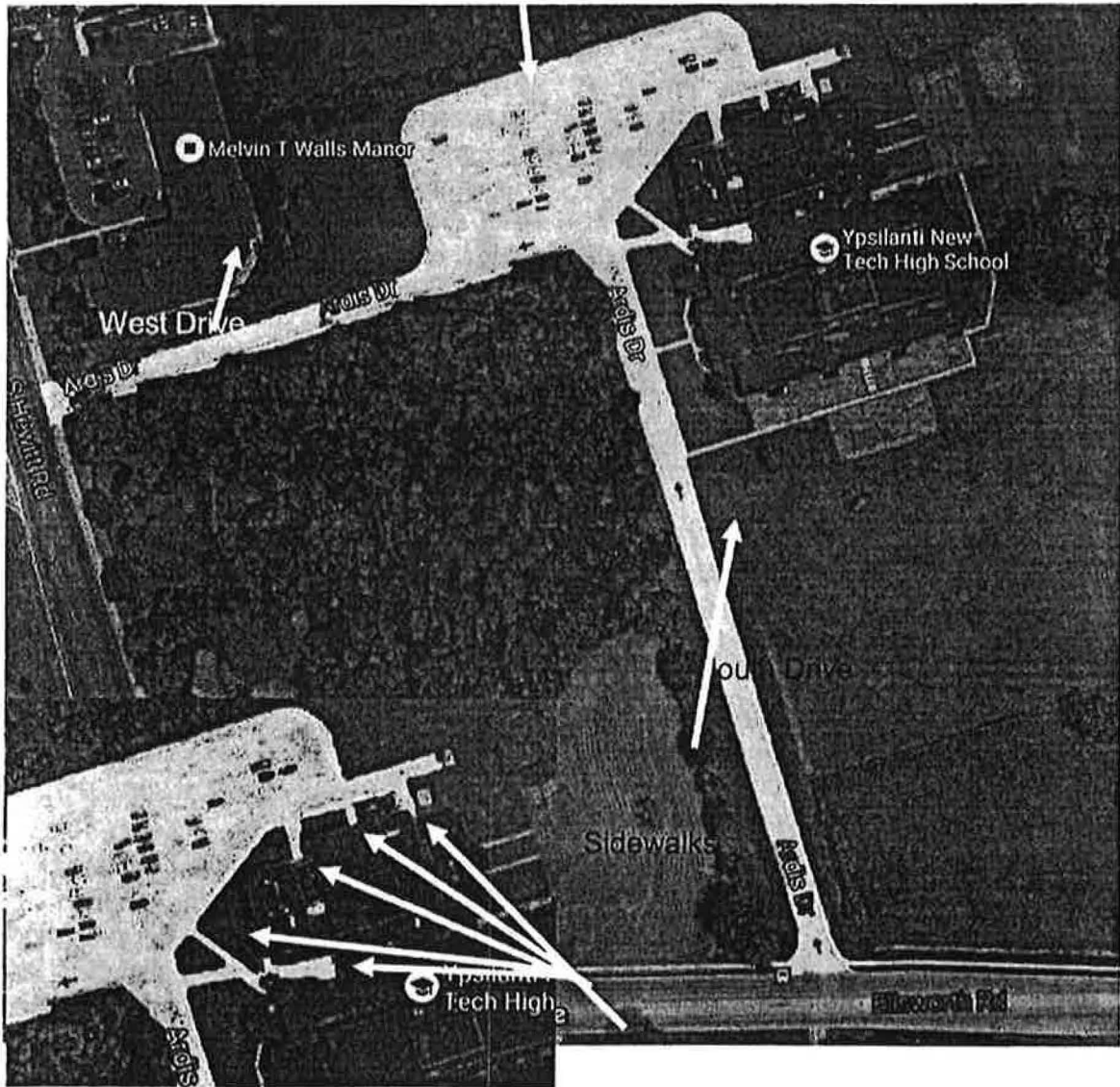


Exhibit B:
Outdoor Maintenance Diagram

Parking Lot



Expense Escalation Lease, Multitenant Building

This Lease is made between Landlord and Tenant, who agree as follows:

1. **Basic Definitions.** The following defined terms will be used throughout this Lease:
- a. Lease Date means 2/1/2020.
 - b. Landlord means Ypsilanti Community Schools (YCS) or its successors in interest.
 - c. Landlord Notice Address is 1885 Packard Road, Ypsilanti, MI 48197.
 - d. Tenant means Frank Norton III.
 - e. Tenant Notice Address is. frank@unitestem.org.
 - f. Premises means Room 146 & 148 at Chapelle Business Center, attached as Exhibit 1.
 - g. Building means Chapelle Business Center, located at 111 S. Wallace, Ypsilanti MI 48197
 - h. Property means the Premises, the Building, and all related land.
 - i. Rentable Floor Area of Premises means approximately $405 + 1057 = 1,462$ rentable square feet, which does not include an allocated percentage of the common areas.
 - j. Term means one Lease Year(s).
 - k. Lease Year means the period beginning on 2/1/2020, and ending on 1/31/2021.
 - l. Commencement Date means 2/1/2020.
 - m. Expiration Date means 1/31/2021.
 - n. Rent means Annual Base Rent and Additional Rent.
 - o. Annual Base Rent means $\$3,240 + 8,456 = 11,696$.
 - p. Monthly Installment of Base Rent means \$975. Monthly installment of calculated utilities = $\$53 + 138 = \191 per month. Total rent plus utilities per month is \$1,166.

q. Additional Rent means the reimbursement of all expenses paid or incurred by Landlord in connection with the leased space identified on Exhibit 1, including the following:

q1. Maintenance Expenses (e.g. HVAC units, doors, windows, walls, electrical switches and outlets, light fixtures, bulbs, and required fire and other inspections.)

q2. Utilities (1.8 +4.7= 6.5% of the average of electric, gas, sewer and water costs, i.e. \$635 + 1,658= \$2,293 annually or \$191 monthly).

q3. Replacement of the roof, boiler and chiller will be Landlord's responsibility. Additionally, if a leak causes the need for any other repairs to the building, Landlord will assume the expense of repair. Landlord's liability will not extend to Tenant's contents, which should be separately insured by Tenant. The parking lot will be repaired at Landlord's discretion and will be Landlord's sole responsibility.

and all other charges that may become due under the terms of this Lease.

r. Proportionate Share means 6.5%.

s. Base Year means 2/1/2020- 1/31/2021.

t. Operating Expenses means all expenses of every kind paid or incurred by Landlord in connection with the Property. Unless stated otherwise in this agreement.

u. Security Deposit means \$0.

v. Designated Use means Frank Norton III.

w. Applicable Laws means all statutes, codes, ordinances, administrative rules, regulations, and orders or directives of any governmental authority.

2. Premises. Landlord leases the Premises to Tenant. Tenant has inspected the Premises and is satisfied with the condition of the Premises and the Property. Landlord must make reasonable efforts to deliver possession of the Premises on the Commencement Date. Landlord is not liable for damages for failure to deliver possession on the Commencement Date. If Landlord fails to deliver possession tenant may terminate the lease.

Landlord reserves the right to make alterations or additions to the Property, to demolish or build improvements on the Property, and to change the name of the Building, in its sole discretion without the consent of Tenant.

3. Term. The Term means 1 Lease Year. The term commences on the Commencement Date and expires on the Expiration Date, unless otherwise terminated or extended as provided in this Lease.

4. Annual Base Rent. Beginning on the Commencement Date, Tenant will pay Landlord the Annual Base Rent. Tenant will pay the Annual Base Rent by Monthly Installment of Base Rent, to the order of Landlord, in advance, on the first day of each calendar month, at Landlord's office or any other place that Landlord designates in writing. Any Rent that is not received within 30 days after its due date will bear simple interest at 10%. If the Commencement Date is other than the first day of a calendar month, the Monthly Installment of Base Rent for the partial first calendar month of the Term will be prorated on a daily basis and paid on the Commencement Date.

5. Maintenance Expenses. Tenant will pay as Additional Rent its Proportionate Share of any Maintenance Expenses, i.e. 6.5% of maintenance expenses for HVAC equipment that services the Premises and 100% of maintenance expenses for repairs to the Premises. Cost for repairs will be due net 30 days after invoice. HVAC equipment does not include boiler or chiller replacement, but would include maintenance to those systems.

6. Liens. Tenant must maintain the Premises in good repair to the reasonable satisfaction of Landlord, in a clean and safe condition, and in accord with Applicable Laws. Landlord and Tenant will negotiate and define any substantial structural alterations prior to undertaking such changes. Any alterations to the Premises must comply with the Americans with Disabilities Act of 1990.

Tenant must keep the Premises free of construction or other liens. Tenant will hold Landlord harmless against any liens placed against the Premises, except those attributable to the acts of Landlord. If a lien is filed against the Premises as the result of any action undertaken by Tenant, Tenant must discharge the lien within 60 days after receiving notice of the lien. If Tenant fails to discharge the lien, Landlord may procure a discharge at Tenant's expense, which Tenant must pay immediately on a demand from Landlord.

7. Hours of Occupancy. Tenant shall be entitled to occupy the Premises between the hours of 5 A.M. and 10 P.M., Monday[day of week] through Sunday[day of week]. In the event Tenant wishes to occupy the Premises at other times, it shall notify Landlord in writing of its requested additional occupancy, setting forth the requested date(s) and inclusive times, no less

than five (5) business days before the proposed occupancy. Tenant agrees to reimburse Landlord in full for Landlord's actual incremental custodial and other costs associated with making the Premises available to Tenant during such additional occupancy periods.

8. Services. Landlord will furnish heat and air-conditioning during normal business hours (6:00 a.m. to 8:00p.m., Monday through Sunday); electricity; water for ordinary lavatory purposes; and use in common of the Building's common areas, rest rooms, and similar facilities. Landlord will also perform the janitorial services in all common areas. Tenant's leased area should be kept clean by tenant.

No sign may be erected by Tenant on the Premises without the prior written consent of the Landlord, which consent shall not be unreasonably withheld or delayed. If such consent is given, the size, type, design, legend, and location must be in compliance with all applicable laws and ordinances, and must be approved by Landlord. Tenant hereby acknowledges and agrees to maintain, at Tenant's sole cost and expense, any sign erected by Tenant pursuant to this paragraph in good repair and working order at all times. In addition, Tenant hereby agrees to indemnify, defend and hold Landlord harmless (using counsel of Landlord's choice) from and against any cost, expense, claim or liability, including reasonable attorneys' fees, arising from or related to any sign erected by Tenant on the Premises or the maintenance thereof. Any service the Landlord is required to furnish may be furnished by Landlord's managing agent or by one or more independent contractors.

Landlord is not liable for interruption in Utilities caused by riots, strikes, labor disputes, wars, terrorist acts, accidents, or any other cause beyond the control of Landlord. Landlord may interrupt Utilities to make repairs or improvements. Interruption in Utilities does not constitute an act of eviction; nor does any interruption in Utilities release Tenant from any obligation under this Lease, including the payment of Rent.

9. Holding Over. If Tenant remains in possession of the Premises after the Expiration Date with the consent of Landlord, it will occupy the Premises as a holdover tenant on a month-to-month basis. Landlord may withhold its consent to holdover in its sole discretion. If Landlord consents to the holdover, Tenant is subject to all the covenants of this Lease to the extent they can be applied to a month-to-month tenancy, except that the Monthly Installment of Base Rent for each month of the holdover will be one-hundred twenty-five percent of the Monthly Installment of Base Rent payable during the last month of the Term. This covenant does not preclude Landlord from recovering damages if Tenant fails to timely deliver possession of the Premises after termination of the holdover, nor does it establish any right to extend or renew the Term. If Tenant holds over after the expiration of the Term without Landlord's consent, Tenant is liable for all damages resulting from the

holdover. It is expressly within the contemplation of the parties that such damages may include (a) the reasonable rental value of the Premises; (b) any damages arising from the loss of any sale, lease, or refinancing of the Premises; (c) any lost profits incurred by Landlord; and (d) any treble, double, or statutory damages allowed under the Applicable Laws.

10. Quiet Enjoyment. Unless this Lease is terminated or Tenant is evicted in accord with Michigan law, Landlord will not disturb Tenant's quiet enjoyment of the Premises or unreasonably interfere with Tenant's Designated Use of the Premises. Landlord shall have the right from time to time, upon 24 hours prior notice to Tenant, to inspect the Premises to confirm Tenant's compliance with this Lease. Landlord's inspection shall in no way disrupt or interfere with Tenant's school operation. Tenant must permit Landlord to enter the Premises during regular business hours for the purpose of inspection or to show the Premises to prospective purchasers, mortgagees, and tenants.

11. Use of the Premises. The Premises will be used for the Designated Use and for no other purpose. Tenant will not use the Premises in any manner which violates the Building Rules or Applicable Laws. The Building Rules may be amended by Landlord in its reasonable discretion.

12. Indemnification. Tenant will indemnify and defend Landlord against all claims for bodily injury or property damage relating to the Premises. The claims covered by this indemnification include all claims for bodily injury or property damage relating to (a) the condition of the Premises; (b) the use or misuse of the Premises by Tenant or its agents, contractors, or invitees; or (c) any event on the Premises, whatever the cause. Tenant's indemnification does not extend to liability for damages resulting from the sole or gross negligence of Landlord or for Landlord's intentional misconduct.

13. Limitations on Landlord's liability. The Landlord, as defined in this Lease, includes successors in interest. The term is intended to refer to the owner of the Premises at the time in question. If the Premises are sold, the new owner will automatically be substituted as the Landlord.

Landlord shall not be responsible or liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining areas or any part of the area adjacent to or connected with the Premises or any part of the structures or improvements on the Premises for any loss or damage resulting to Tenant or its property from theft or a failure of the security systems, if any, in the Premises or structures containing the Premises, or for any damage or loss of property within the Premises from any cause other than solely by reason of the willful act of Landlord, and no such occurrence shall be deemed to be an actual or constructive eviction from the Premises or result in an abatement of rents.

If Landlord fails to perform this Lease and as a result Tenant recovers a money judgment against Landlord, the judgment will be satisfied out of the execution and sale of Landlord's interest in the Property or by garnishment against the rents or other income from the Property. Landlord is not liable for any deficiency. This section constitutes Tenant's sole and exclusive remedy for breach.

Conditioned solely on the sale of the Property, Tenant agrees to the following release in favor of its then former landlord. Effective on the first anniversary of the date on which Tenant is given notice of the sale, Tenant releases its former landlord from all claims except those expressly preserved in this section. This release is intended to be broadly construed for the benefit of the former landlord and includes (a) all claims regarding the performance of this Lease; (b) all claims for bodily injury or property damage relating to the Premises; and (c) all claims in any other way relating to the Lease, the Premises, or the landlord-tenant relationship. However, this release does not extend to any claim filed in a court of appropriate jurisdiction within one year of the date of sale or to any claim for bodily injury or property damage resulting from the former landlord's gross negligence or intentional misconduct.

14. Insurance. Tenant, at Tenant's sole expense, agrees to maintain in force, with a company or companies acceptable to Landlord, during the term of this Lease: (a) Commercial General Liability Insurance on a primary basis covering the Premises on an occurrence basis against all claims for personal injury, bodily injury, death and property damage, including contractual liability covering the indemnification provision in this Lease. Such insurance shall, at a minimum, be maintained in an amount of \$1,000,000.00 per occurrence and an additional \$10,000,000.00 in umbrella coverage for the above claims; (b) Workers' Compensation and Employers' Liability Insurance for an amount of not less than \$500,000.00, both in accordance with the State of Michigan; and (c) In the event a motor vehicle is to be used by Tenant in connection with its business operation from the Premises, Comprehensive Automobile Liability Insurance coverage with limits of not less than \$1,000,000.00 combined single limit coverage against bodily injury and liability arising out of the use by or on behalf of Tenant, its agents and employees in connection with this Lease, of any owned, non-owned or hired motor vehicles.

Each Policy referred to above shall satisfy the following requirements. Each policy shall (i) name Landlord as an additional insured (except Workers' Compensation and Employers' Liability Insurance), (ii) be issued by one or more reasonable insurance companies licensed to do business in the State of Michigan reasonably satisfactory to Landlord, (iii) where applicable, provide for deductible amounts satisfactory to Landlord, (iv) shall provide that such insurance may not be cancelled or amended without 30 days' prior written notice to Landlord, and (v) shall provide that the policy shall not be invalidated

should the insured waive in writing prior to a loss, any or all rights of recovery against any other party for losses covered by such policies. Tenant shall deliver to Landlord certificates of insurance and at Landlord's request, copies of all policies and renewals thereof to be maintained by Tenant hereunder, not less than 10 days prior to the commencement of this Lease and not less than 10 days prior to the expiration date of each policy.

15. Fire or Other Casualty. Tenant must give Landlord notice of fire or other casualty on the Premises. In addition to the written notice, Tenant must immediately and with all diligence attempt to contact Landlord by all means available, including telephone, pager, fax, and e-mail, to inform Landlord of the casualty. If the Premises are damaged or destroyed by fire or other casualty, Landlord may terminate this Lease by notice to Tenant. The notice of termination must be given within 30 days after the occurrence of the casualty. If the notice of termination is not given within that period, this termination option will lapse and no longer be effective. Within 30 days after the notice of termination has been given, Tenant must surrender the Premises to Landlord. After the surrender, each party is released from any further obligations under this Lease, with the following exceptions: (a) all Rent accruing through the surrender date must be paid in full, and (b) the Security Deposit will be retained or returned as provided in this Lease. Tenant has no obligation to pay any Rent accruing after the surrender date. If Landlord does not exercise this option within the designated period, Landlord must diligently proceed to repair and restore the Premises to its condition before the casualty.

16. Assignment and Subletting. Tenant must not assign this Lease or sublet the Premises without the prior consent of Landlord, which may be withheld in Landlord's sole discretion.

17. Subordination and Estoppel Certificates. At Landlord's mortgagee's option, (a) any mortgage or mortgages now or later placed on Landlord's interest in the Premises may be subordinated to this Lease or (b) this Lease may be subordinated to any mortgage or mortgages now or later placed on Landlord's interest in the Premises. The mortgagee's option must be exercised by notice to Tenant. Tenant must execute and deliver, within 30 days after a request, any further instruments, in a form acceptable to the mortgagee, confirming subordination as requested by Landlord or Landlord's mortgagee.

In the event of foreclosure or any conveyance by deed in lieu of foreclosure, Tenant must attorn to Landlord's successor in interest, provided that the successor agrees in writing to recognize Tenant's rights under this Lease. Tenant must execute and deliver, within 30 days after a request, any further instruments, in a form acceptable to Landlord's successor in interest,

attorning to the successor in interest and recognizing it as Landlord under this Lease.

Within 30 days after a demand by Landlord, Tenant must execute and deliver to Landlord an estoppel certificate, in a form acceptable to Landlord, certifying

- a. the Commencement Date;
- b. the Expiration Date;
- c. that this Lease is unmodified and in full force and effect, or is in full force and effect as modified, stating the modifications;
- d. that the Lease is not in default, or a list of any defaults;
- e. that Tenant does not claim any rights of setoff, or a list of rights of setoff;
- f. the amount of Rent due as of the date of the certificate, or the date to which the Rent has been paid in advance;
- g. the amount of any Security Deposit; and
- h. other matters reasonably requested by Landlord.

Landlord and any prospective purchaser of the Premises may rely on this certificate. It is within the contemplation of the parties that Tenant's failure to provide the estoppel certificate could result in the loss of a prospective sale or loan and that Tenant is liable for all damages resulting from such a loss.

18. Security Deposit. Within 1 day of the Lease Date, Tenant must deposit the Security Deposit with Landlord. The Security Deposit will be used to secure Tenant's performance of this Lease. Landlord may commingle the Security Deposit with its own funds. If Tenant fails to pay Rent or otherwise commits a Breach, Landlord may apply all or part of the Security Deposit to make the payment or cure the Breach. Landlord's rights under this section are in addition to any other rights or remedies Landlord may have under the terms of this Lease or under Michigan law. If Landlord uses all or part of the Security Deposit, within 60 days after demand by Landlord, Tenant must pay Landlord sufficient funds to restore the Security Deposit to its original amount. Any unused portion of the Security Deposit must be returned to Tenant, without interest, within 30 days of the later of (a) the termination of the Lease, (b) Tenant's surrender of the Premises, or (c) the return of the keys to Landlord. If Landlord uses the Security Deposit, within 60 days after a demand by Landlord, Tenant must pay Landlord sufficient funds to restore the

Security Deposit to its original amount. Any unused portion of the Security Deposit will be returned to Tenant, without interest, within 30 days after Tenant's surrender of the Premises in accord with this Lease.

19. Remedies. If any Rent payable by Tenant to Landlord remains unpaid for more than 5 days after the date when rent is due, or if Tenant violates or defaults in the performance of any of its non-monetary obligations in this Lease and the non-monetary violation or default continues for a period of 10 days after written notice (unless the default involves a hazardous condition, which shall be cured forthwith, or unless the failure to perform is a default for which this Lease specifies there is no cure or grace period), then Landlord may (but will not be required to) declare this Lease forfeited and the term ended, or re-enter the Premises, or may exercise all other remedies available under Michigan law. Landlord will not be liable for damages to any persons or property by reason of any legitimate re-entry or forfeiture, and Landlord will be aided and assisted by Tenant, its agents, representatives and employees. Tenant, by the execution of this Lease, waives notice of re-entry by Landlord. In the event of re-entry by Landlord without declaration of forfeiture, the liability of Tenant for the Rent provided herein will not be relinquished or extinguished for the balance of the term, and any Rent prepaid may be retained by Landlord and applied against the costs of re-entry, or as liquidated damages, or both. Tenant will pay, in addition to the Rent, and other sums agreed to be paid hereunder, reasonable attorneys' fees, costs and expenses in any suit or action instituted by involving Landlord to enforce the provisions of, or the collection of the Rent due Landlord under this Lease, including any proceeding under the Federal Bankruptcy Code.

If Tenant is adjudged bankrupt or insolvent, files or consents to the filing of a petition in bankruptcy under Federal or State law, applies for or consents to the appointment of a receiver for all or substantially all of its assets, makes a general assignment for the benefit of its creditors, fails generally to pay its debts or does anything which, under the applicable provisions of the Federal Bankruptcy Code would permit a petition to be filed by or against Tenant, then Tenant shall be in default under this Lease and to the extent from time to time permitted by applicable law, including but not limited to the Federal Bankruptcy Code, Landlord shall be entitled to exercise all remedies set forth in the preceding paragraph. In a reorganization under Chapter 11 of the Federal Bankruptcy Code, the debtor or trustee must assume this Lease or assign it within 60 days from the filing of the proceeding, or he shall be deemed to have rejected and terminated this Lease. Tenant acknowledges that its selection to be a tenant of the Building was premised in material part on Landlord's determination of Tenant's creditworthiness and ability to perform the economic terms of this Lease, and Landlord's further determination that Tenant and the character of its occupancy and use of the Premises would be compatible with the nature of the Building and other tenants thereof. Therefore, if Tenant, as debtor, or its trustee elects to

assume or assign this Lease, in addition to complying with all other requirements for assumption or assignment under the Federal Bankruptcy Code, then Tenant, as debtor, or its trustee or assignee, as the case may be, must also provide adequate assurance of future performance, including but not limited to a deposit, the amount of which shall be reasonably determined based on the duration of time remaining in the term, the physical condition of the Premises at the time the proceeding was filed, and such damages as may be reasonably anticipated after reinstatement of the Lease, taking into account rental market conditions at the time of the reinstatement. In the event of an assignment, Landlord must be reasonable assured that the financial condition of the assignee is sound, and that its use of the Premises will be compatible with the Building and its other tenants.

In the event of declaration of forfeiture at or after the time of re-entry, Landlord may re-lease the Premises or any portion(s) thereof for a term or terms and at a rent which may be less than or exceed the balance of the term of and the Rent reserved under this Lease. In such event Tenant shall pay to Landlord as liquidated damages for Tenant's default any deficiency between the total Rent reserved and the net amount, if any, of the rents collected on account of the lease or leases of the Premises which otherwise would have constituted the balance of the term of this Lease. In computing such liquidated damages, there will be added to the deficiency any expenses for which Landlord may incur in connection with re-leasing the Premises, such as legal expenses, attorneys' fees, brokerage fees and expenses, advertising and for keeping the Premises in good order or for preparing the Premises for re-leasing. Any such liquidated damages will be paid in monthly installments by Tenant on the day rent is due and any suit brought to collect the deficiency for any month will not prejudice Landlord's right to collect the deficiency for any subsequent month by a similar proceeding. In lieu of the foregoing computation of liquidated damages, Landlord may elect, at its sole option, to receive liquidated damages in one payment equal to any deficiency between the total Rent reserved hereunder and the fair and reasonable rental of the Premises.

Whether or not forfeiture has been declared, Landlord will not be responsible in any way for failure to release the Premises or, in the event that the Premises are re-leased, for failure to collect the rent under such re-leasing. The failure of Landlord to re-lease all or any part of the Premises will not release or affect Tenant's Liability for Rent or damages.

20. Condition on Expiration. On Expiration, Tenant must promptly deliver all keys for the Premises to Landlord. Tenant will surrender the Premises broom clean and in the same condition as on the Commencement Date, reasonable wear and tear excepted. Any damage to the Premises resulting from the removal of trade fixtures or other items of personal property will be repaired at Tenant's expense. Tenant will reimburse all expenses paid or incurred by

Landlord in connection with repairing or restoring the Premises to the designated condition immediately upon demand. Tenant will remove its personal property and trade fixtures from the Premises immediately on termination. Tenant represents that it is Tenant's intention that all personal property and trade fixtures remaining on the Premises after termination are abandoned by Tenant.

21. Communications. All notices, demands, requests, consents, and communications required or provided under this Lease (Communications) must be in writing. Any Communications from Landlord to Tenant are deemed duly and sufficiently given if a copy has been: (a) personally delivered; (b) mailed by U.S. mail, postage prepaid; or (c) sent by professional delivery service to Tenant at the Tenant Notice Address or another address that Tenant has designated in writing or emailed to tenant. Any Communications from Tenant to Landlord are deemed duly and sufficiently given if delivered to Landlord in the same manner at the Landlord Notice Address or another address that Landlord has designated in writing. Communications sent by U.S. mail are deemed received on the next regular day for the delivery of mail after the day on which they were mailed.

22. Construction and Interpretation. This Lease will be construed in accord with Michigan law. This Lease has been negotiated at arm's length and carefully reviewed by both parties. This Lease is not to be construed against Landlord.

The use of the word *may* in describing the right of a party means that the party has the discretion, but not the obligation, to exercise that right. Furthermore, the exercise of the right is not an election of remedies or a waiver of any other right or claim. The use of the words *will* or *shall* in describing an obligation of a party means that the party must perform that obligation. The use of the words *include* and *including* is intended to be illustrative, not exhaustive.

The parties will rely solely on the terms of this Lease to govern their relationship. This Lease merges all proposals, negotiations, representations, agreements, and understandings with respect to the Lease. There are no representations with respect to the condition of the Premises, or any other matter in any way related to the Premises or this Lease except as expressly set forth in this Lease. There are no damages within the contemplation of the parties except as expressly identified in this Lease. No rights, covenants, easements, or licenses may arise by implication. Reliance on any representation, omission, action, or inaction outside of this Lease is unreasonable and does not establish any rights or obligations on the part of either party. This Lease may only be modified or amended by a written document signed by Landlord and Tenant. There may be no oral

modifications or amendments of this Lease, whether or not supported by consideration.

No endorsement or statement on any check or on any letter accompanying any check will be deemed an accord and satisfaction. Landlord may accept any check or payment without prejudice to Landlord's right to recover the balance of the amount due or to pursue any other remedy. Tenant acknowledges that the Annual Base Rent is a liquidated claim. Tenant waives any requirement that Landlord tender back funds as a condition to bringing an action to collect unpaid Annual Base Rent. No covenant or breach is intended to be waived unless a waiver is clearly expressed in a document (a) signed by the waiving party; (b) specifically identifying the covenant or breach; and (c) expressly stating that it is a waiver of the identified covenant or breach. The waiver of a covenant or breach is not construed as a continuing waiver of the same covenant or of any future breach. Consent by Landlord to any act requiring Landlord's consent does not constitute a waiver of the requirement of Landlord's consent with respect to any similar or subsequent act. Tenant is not entitled to surrender the Premises to avoid liability for Rent unless (a) an acceptance of the surrender is evidenced in a document signed by Landlord and (b) the document expressly states that it is the acceptance of a surrender. No action or inaction, other than as expressly provided in this section, may be construed as an acceptance of surrender by Landlord.

Notwithstanding anything to the contrary, Tenant's obligation to pay Rent is a material and independent covenant and is not subject to setoff, recoupment, or suspension. Notwithstanding anything to the contrary, Landlord has no obligation to mitigate any claim for Rent.

Time is of the essence with respect to both the definition of a Material Breach and the exercise of options, if any, within the Lease.

If any covenant of this Lease is invalid, illegal, or unenforceable, that covenant will be enforced to the fullest extent permitted by law, and the validity, legality, and enforceability of the remaining covenants will not in any way be affected or impaired.

23. Arbitration. Except for any claim arising out of or relating to Tenant's default in the payment of rent, Landlord and Tenant agree to submit any and all other claims, controversies and disputes between Tenant and Landlord arising out of or relating to the Premises, this Lease, or Tenant's and Landlord's performances due hereunder, to arbitration pursuant to the Michigan Uniform Arbitration Act ("UAA"), MCL 691.1681 *et seq.* Judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction.

24. Waiver of Jury Trial. As a material inducement to Landlord to enter into this Lease, except for claims required to be settled by arbitration pursuant to this Lease, Tenant hereby waives its right to a trial by jury of any claims arising out of or relating to its obligations under this Lease or its occupancy of the Premises. Tenant acknowledges that it has read and understood the foregoing provision.

25. Authorized and binding. Tenant and each person executing this Lease on its behalf warrant and represent to Landlord that (a) Tenant is validly organized, existing, and authorized to do business under Michigan law; (b) Tenant has full power and lawful authority to enter into this Lease; and (c) the execution of this Lease by the individual who has signed below is legally binding on Tenant in accordance with its terms. Landlord and each person executing this Lease on its behalf warrant and represent to Tenant that (a) Landlord is validly organized, existing, and authorized to do business under Michigan law; (b) Landlord has full power and lawful authority to enter into this Lease; and (c) the execution of this Lease by the individual who has signed below is legally binding on Landlord in accordance with its terms. This Lease is binding on successors and assigns.

LANDLORD

By

Its

Dated:

TENANT

By



Its

CEO, _____

Dated:

1/27/2020 _____

4832-7709-6352, v. 1

1100/110

Expense Escalation Lease, Multitenant Building

This Lease is made between Landlord and Tenant, who agree as follows:

1. Basic Definitions. The following defined terms will be used throughout this Lease:

- a. Lease Date means 1/1/20.
- b. Landlord means Ypsilanti Community Schools (YCS) or its successors in interest.
- c. Landlord Notice Address is 1885 Packard Road, Ypsilanti, MI 48197.
- ✓ d. Tenant means Frank Norton III.
- e. Tenant Notice Address is. frank@unifestem.org
- f. Premises means Room 116 at Chapelle Business Center, attached as Exhibit 1.
- g. Building means Chapelle Business Center, located at 111 S. Wallace, Ypsilanti MI 48197
- h. Property means the Premises, the Building, and all related land.
- i. Rentable Floor Area of Premises means approximately 775 rentable square feet, which does not include an allocated percentage of the common areas.
- j. Term means one Lease Year(s).
- k. Lease Year means the period beginning on 1/1/2020, and ending on 12/31/2020.
- l. Commencement Date means 1/1/20.
- m. Expiration Date means 12/31/2020.
- n. Rent means Annual Base Rent and Additional Rent.
- o. Annual Base Rent means \$6,200.
- p. Monthly Installment of Base Rent means \$517. Monthly installment of calculated utilities = \$100 per month. Total rent plus utilities per month is \$617.

q. Additional Rent means the reimbursement of all expenses paid or incurred by Landlord in connection with the leased space identified on Exhibit 1, including the following:

q1. Maintenance Expenses (e.g. HVAC units, doors, windows, walls, electrical switches and outlets, light fixtures, bulbs, and required fire and other inspections.)

q2. Utilities (3.4% of the average of electric, gas, sewer and water costs, i.e. \$1200 annually or \$100 monthly).

q3. Replacement of the roof, boiler and chiller will be Landlord's responsibility. Additionally, if a leak causes the need for any other repairs to the building, Landlord will assume the expense of repair. Landlord's liability will not extend to Tenant's contents, which should be separately insured by Tenant. The parking lot will be repaired at Landlord's discretion and will be Landlord's sole responsibility.

and all other charges that may become due under the terms of this Lease.

r. Proportionate Share means 3.4%.

s. Base Year means 1/1/2020- 12/31/2020.

t. Operating Expenses means all expenses of every kind paid or incurred by Landlord in connection with the Property. Unless stated otherwise in this agreement.

u. Security Deposit means \$0.

v. Designated Use means Frank Norton- Storage.

w. Applicable Laws means all statutes, codes, ordinances, administrative rules, regulations, and orders or directives of any governmental authority.

2. **Premises.** Landlord leases the Premises to Tenant. Tenant has inspected the Premises and is satisfied with the condition of the Premises and the Property. Landlord must make reasonable efforts to deliver possession of the Premises on the Commencement Date. Landlord is not liable for damages for failure to deliver possession on the Commencement Date. If Landlord fails to deliver possession tenant may terminate the lease.

Landlord reserves the right to make alterations or additions to the Property, to demolish or build improvements on the Property, and to change the name of the Building, in its sole discretion without the consent of Tenant.

3. **Term.** The Term means 1 Lease Year. The term commences on the Commencement Date and expires on the Expiration Date, unless otherwise terminated or extended as provided in this Lease.
4. **Annual Base Rent.** Beginning on the Commencement Date, Tenant will pay Landlord the Annual Base Rent. Tenant will pay the Annual Base Rent by Monthly Installment of Base Rent, to the order of Landlord, in advance, on the first day of each calendar month, at Landlord's office or any other place that Landlord designates in writing. Any Rent that is not received within 30 days after its due date will bear simple interest at 10%. If the Commencement Date is other than the first day of a calendar month, the Monthly Installment of Base Rent for the partial first calendar month of the Term will be prorated on a daily basis and paid on the Commencement Date.
5. **Maintenance Expenses.** Tenant will pay as Additional Rent its Proportionate Share of any Maintenance Expenses, i.e. 3.4% of maintenance expenses for HVAC equipment that services the Premises and 100% of maintenance expenses for repairs to the Premises. Cost for repairs will be due net 30 days after invoice. HVAC equipment does not include boiler or chiller replacement, but would include maintenance to those systems.
6. **Liens.** Tenant must maintain the Premises in good repair to the reasonable satisfaction of Landlord, in a clean and safe condition, and in accord with Applicable Laws. Landlord and Tenant will negotiate and define any substantial structural alterations prior to undertaking such changes. Any alterations to the Premises must comply with the Americans with Disabilities Act of 1990.

Tenant must keep the Premises free of construction or other liens. Tenant will hold Landlord harmless against any liens placed against the Premises, except those attributable to the acts of Landlord. If a lien is filed against the Premises as the result of any action undertaken by Tenant, Tenant must discharge the lien within 60 days after receiving notice of the lien. If Tenant fails to discharge the lien, Landlord may procure a discharge at Tenant's expense, which Tenant must pay immediately on a demand from Landlord.

7. **Hours of Occupancy.** Tenant shall be entitled to occupy the Premises between the hours of 5 A.M. and 10 P.M., Monday [day of week] through Sunday [day of week]. In the event Tenant wishes to occupy the Premises at other times, it shall notify Landlord in writing of its requested additional occupancy, setting forth the requested date(s) and inclusive times, no less than five (5) business days before the proposed occupancy. Tenant agrees to reimburse Landlord in full for Landlord's actual incremental custodial and other costs associated with making the Premises available to Tenant during such additional occupancy periods.
8. **Services.** Landlord will furnish heat and air-conditioning during normal business hours (6:00 a.m. to 8:00p.m., Monday through Sunday); electricity; water for ordinary

lavatory purposes; and use in common of the Building's common areas, rest rooms, and similar facilities. Landlord will also perform the janitorial services in all common areas. Tenant's leased area should be kept clean by tenant.

No sign may be erected by Tenant on the Premises without the prior written consent of the Landlord, which consent shall not be unreasonably withheld or delayed. If such consent is given, the size, type, design, legend, and location must be in compliance with all applicable laws and ordinances, and must be approved by Landlord. Tenant hereby acknowledges and agrees to maintain, at Tenant's sole cost and expense, any sign erected by Tenant pursuant to this paragraph in good repair and working order at all times. In addition, Tenant hereby agrees to indemnify, defend and hold Landlord harmless (using counsel of Landlord's choice) from and against any cost, expense, claim or liability, including reasonable attorneys' fees, arising from or related to any sign erected by Tenant on the Premises or the maintenance thereof. Any service the Landlord is required to furnish may be furnished by Landlord's managing agent or by one or more independent contractors.

Landlord is not liable for interruption in Utilities caused by riots, strikes, labor disputes, wars, terrorist acts, accidents, or any other cause beyond the control of Landlord. Landlord may interrupt Utilities to make repairs or improvements. Interruption in Utilities does not constitute an act of eviction; nor does any interruption in Utilities release Tenant from any obligation under this Lease, including the payment of Rent.

9. **Holding Over.** If Tenant remains in possession of the Premises after the Expiration Date with the consent of Landlord, it will occupy the Premises as a holdover tenant on a month-to-month basis. Landlord may withhold its consent to holdover in its sole discretion. If Landlord consents to the holdover, Tenant is subject to all the covenants of this Lease to the extent they can be applied to a month-to-month tenancy, except that the Monthly Installment of Base Rent for each month of the holdover will be one-hundred twenty-five percent of the Monthly Installment of Base Rent payable during the last month of the Term. This covenant does not preclude Landlord from recovering damages if Tenant fails to timely deliver possession of the Premises after termination of the holdover, nor does it establish any right to extend or renew the Term. If Tenant holds over after the expiration of the Term without Landlord's consent, Tenant is liable for all damages resulting from the holdover. It is expressly within the contemplation of the parties that such damages may include (a) the reasonable rental value of the Premises; (b) any damages arising from the loss of any sale, lease, or refinancing of the Premises; (c) any lost profits incurred by Landlord; and (d) any treble, double, or statutory damages allowed under the Applicable Laws.
10. **Quiet Enjoyment.** Unless this Lease is terminated or Tenant is evicted in accord with Michigan law, Landlord will not disturb Tenant's quiet enjoyment of the Premises or unreasonably interfere with Tenant's Designated Use of the Premises. Landlord shall have the right from time to time, upon 24 hours prior notice to Tenant, to inspect the

Premises to confirm Tenant's compliance with this Lease. Landlord's inspection shall in no way disrupt or interfere with Tenant's school operation. Tenant must permit Landlord to enter the Premises during regular business hours for the purpose of inspection or to show the Premises to prospective purchasers, mortgagees, and tenants.

11. **Use of the Premises.** The Premises will be used for the Designated Use and for no other purpose. Tenant will not use the Premises in any manner which violates the Building Rules or Applicable Laws. The Building Rules may be amended by Landlord in its reasonable discretion.
12. **Indemnification.** Tenant will indemnify and defend Landlord against all claims for bodily injury or property damage relating to the Premises. The claims covered by this indemnification include all claims for bodily injury or property damage relating to (a) the condition of the Premises; (b) the use or misuse of the Premises by Tenant or its agents, contractors, or invitees; or (c) any event on the Premises, whatever the cause. Tenant's indemnification does not extend to liability for damages resulting from the sole or gross negligence of Landlord or for Landlord's intentional misconduct.
13. **Limitations on Landlord's liability.** The Landlord, as defined in this Lease, includes successors in interest. The term is intended to refer to the owner of the Premises at the time in question. If the Premises are sold, the new owner will automatically be substituted as the Landlord.

Landlord shall not be responsible or liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining areas or any part of the area adjacent to or connected with the Premises or any part of the structures or improvements on the Premises for any loss or damage resulting to Tenant or its property from theft or a failure of the security systems, if any, in the Premises or structures containing the Premises, or for any damage or loss of property within the Premises from any cause other than solely by reason of the willful act of Landlord, and no such occurrence shall be deemed to be an actual or constructive eviction from the Premises or result in an abatement of rents.

If Landlord fails to perform this Lease and as a result Tenant recovers a money judgment against Landlord, the judgment will be satisfied out of the execution and sale of Landlord's interest in the Property or by garnishment against the rents or other income from the Property. Landlord is not liable for any deficiency. This section constitutes Tenant's sole and exclusive remedy for breach.

Conditioned solely on the sale of the Property, Tenant agrees to the following release in favor of its then former landlord. Effective on the first anniversary of the date on which Tenant is given notice of the sale, Tenant releases its former landlord from all claims except those expressly preserved in this section. This release is intended to be broadly construed for the benefit of the former landlord and includes (a) all claims

regarding the performance of this Lease; (b) all claims for bodily injury or property damage relating to the Premises; and (c) all claims in any other way relating to the Lease, the Premises, or the landlord-tenant relationship. However, this release does not extend to any claim filed in a court of appropriate jurisdiction within one year of the date of sale or to any claim for bodily injury or property damage resulting from the former landlord's gross negligence or intentional misconduct.

14. **Insurance.** Tenant, at Tenant's sole expense, agrees to maintain in force, with a company or companies acceptable to Landlord, during the term of this Lease: (a) Commercial General Liability Insurance on a primary basis covering the Premises on an occurrence basis against all claims for personal injury, bodily injury, death and property damage, including contractual liability covering the indemnification provision in this Lease. Such insurance shall, at a minimum, be maintained in an amount of \$1,000,000.00 per occurrence and an additional \$10,000,000.00 in umbrella coverage for the above claims; (b) Workers' Compensation and Employers' Liability Insurance for an amount of not less than \$500,000.00, both in accordance with the State of Michigan; and (c) In the event a motor vehicle is to be used by Tenant in connection with its business operation from the Premises, Comprehensive Automobile Liability Insurance coverage with limits of not less than \$1,000,000.00 combined single limit coverage against bodily injury and liability arising out of the use by or on behalf of Tenant, its agents and employees in connection with this Lease, of any owned, non-owned or hired motor vehicles.

Each Policy referred to above shall satisfy the following requirements. Each policy shall (i) name Landlord as an additional insured (except Workers' Compensation and Employers' Liability Insurance), (ii) be issued by one or more reasonable insurance companies licensed to do business in the State of Michigan reasonably satisfactory to Landlord, (iii) where applicable, provide for deductible amounts satisfactory to Landlord, (iv) shall provide that such insurance may not be cancelled or amended without 30 days' prior written notice to Landlord, and (v) shall provide that the policy shall not be invalidated should the insured waive in writing prior to a loss, any or all rights of recovery against any other party for losses covered by such policies. Tenant shall deliver to Landlord certificates of insurance and at Landlord's request, copies of all policies and renewals thereof to be maintained by Tenant hereunder, not less than 10 days prior to the commencement of this Lease and not less than 10 days prior to the expiration date of each policy.

15. **Fire or Other Casualty.** Tenant must give Landlord notice of fire or other casualty on the Premises. In addition to the written notice, Tenant must immediately and with all diligence attempt to contact Landlord by all means available, including telephone, pager, fax, and e-mail, to inform Landlord of the casualty. If the Premises are damaged or destroyed by fire or other casualty, Landlord may terminate this Lease by notice to Tenant. The notice of termination must be given within 30 days after the occurrence of the casualty. If the notice of termination is not given within that period, this termination option will lapse and no longer be effective. Within 30 days after the

notice of termination has been given, Tenant must surrender the Premises to Landlord. After the surrender, each party is released from any further obligations under this Lease, with the following exceptions: (a) all Rent accruing through the surrender date must be paid in full, and (b) the Security Deposit will be retained or returned as provided in this Lease. Tenant has no obligation to pay any Rent accruing after the surrender date. If Landlord does not exercise this option within the designated period, Landlord must diligently proceed to repair and restore the Premises to its condition before the casualty.

16. **Assignment and Subletting.** Tenant must not assign this Lease or sublet the Premises without the prior consent of Landlord, which may be withheld in Landlord's sole discretion.
17. **Subordination and Estoppel Certificates.** At Landlord's mortgagee's option, (a) any mortgage or mortgages now or later placed on Landlord's interest in the Premises may be subordinated to this Lease or (b) this Lease may be subordinated to any mortgage or mortgages now or later placed on Landlord's interest in the Premises. The mortgagee's option must be exercised by notice to Tenant. Tenant must execute and deliver, within 30 days after a request, any further instruments, in a form acceptable to the mortgagee, confirming subordination as requested by Landlord or Landlord's mortgagee.

In the event of foreclosure or any conveyance by deed in lieu of foreclosure, Tenant must attorn to Landlord's successor in interest, provided that the successor agrees in writing to recognize Tenant's rights under this Lease. Tenant must execute and deliver, within 30 days after a request, any further instruments, in a form acceptable to Landlord's successor in interest, attorning to the successor in interest and recognizing it as Landlord under this Lease.

Within 30 days after a demand by Landlord, Tenant must execute and deliver to Landlord an estoppel certificate, in a form acceptable to Landlord, certifying

- a. the Commencement Date;
- b. the Expiration Date;
- c. that this Lease is unmodified and in full force and effect, or is in full force and effect as modified, stating the modifications;
- d. that the Lease is not in default, or a list of any defaults;
- e. that Tenant does not claim any rights of setoff, or a list of rights of setoff;
- f. the amount of Rent due as of the date of the certificate, or the date to which the Rent has been paid in advance;

- g. the amount of any Security Deposit; and
- h. other matters reasonably requested by Landlord.

Landlord and any prospective purchaser of the Premises may rely on this certificate. It is within the contemplation of the parties that Tenant's failure to provide the estoppel certificate could result in the loss of a prospective sale or loan and that Tenant is liable for all damages resulting from such a loss.

18. **Security Deposit.** Within 1 day of the Lease Date, Tenant must deposit the Security Deposit with Landlord. The Security Deposit will be used to secure Tenant's performance of this Lease. Landlord may commingle the Security Deposit with its own funds. If Tenant fails to pay Rent or otherwise commits a Breach, Landlord may apply all or part of the Security Deposit to make the payment or cure the Breach. Landlord's rights under this section are in addition to any other rights or remedies Landlord may have under the terms of this Lease or under Michigan law. If Landlord uses all or part of the Security Deposit, within 60 days after demand by Landlord, Tenant must pay Landlord sufficient funds to restore the Security Deposit to its original amount. Any unused portion of the Security Deposit must be returned to Tenant, without interest, within 30 days of the later of (a) the termination of the Lease, (b) Tenant's surrender of the Premises, or (c) the return of the keys to Landlord. If Landlord uses the Security Deposit, within 60 days after a demand by Landlord, Tenant must pay Landlord sufficient funds to restore the Security Deposit to its original amount. Any unused portion of the Security Deposit will be returned to Tenant, without interest, within 30 days after Tenant's surrender of the Premises in accord with this Lease.
19. **Remedies.** If any Rent payable by Tenant to Landlord remains unpaid for more than 5 days after the date when rent is due, or if Tenant violates or defaults in the performance of any of its non-monetary obligations in this Lease and the non-monetary violation or default continues for a period of 10 days after written notice (unless the default involves a hazardous condition, which shall be cured forthwith, or unless the failure to perform is a default for which this Lease specifies there is no cure or grace period), then Landlord may (but will not be required to) declare this Lease forfeited and the term ended, or re-enter the Premises, or may exercise all other remedies available under Michigan law. Landlord will not be liable for damages to any persons or property by reason of any legitimate re-entry or forfeiture, and Landlord will be aided and assisted by Tenant, its agents, representatives and employees. Tenant, by the execution of this Lease, waives notice of re-entry by Landlord. In the event of re-entry by Landlord without declaration of forfeiture, the liability of Tenant for the Rent provided herein will not be relinquished or extinguished for the balance of the term, and any Rent prepaid may be retained by Landlord and applied against the costs of re-entry, or as liquidated damages, or both. Tenant will pay, in addition to the Rent, and other sums agreed to be paid hereunder,

reasonable attorneys' fees, costs and expenses in any suit or action instituted by involving Landlord to enforce the provisions of, or the collection of the Rent due Landlord under this Lease, including any proceeding under the Federal Bankruptcy Code.

If Tenant is adjudged bankrupt or insolvent, files or consents to the filing of a petition in bankruptcy under Federal or State law, applies for or consents to the appointment of a receiver for all or substantially all of its assets, makes a general assignment for the benefit of its creditors, fails generally to pay its debts or does anything which, under the applicable provisions of the Federal Bankruptcy Code would permit a petition to be filed by or against Tenant, then Tenant shall be in default under this Lease and to the extent from time to time permitted by applicable law, including but not limited to the Federal Bankruptcy Code, Landlord shall be entitled to exercise all remedies set forth in the preceding paragraph. In a reorganization under Chapter 11 of the Federal Bankruptcy Code, the debtor or trustee must assume this Lease or assign it within 60 days from the filing of the proceeding, or he shall be deemed to have rejected and terminated this Lease. Tenant acknowledges that its selection to be a tenant of the Building was premised in material part on Landlord's determination of Tenant's creditworthiness and ability to perform the economic terms of this Lease, and Landlord's further determination that Tenant and the character of its occupancy and use of the Premises would be compatible with the nature of the Building and other tenants thereof. Therefore, if Tenant, as debtor, or its trustee elects to assume or assign this Lease, in addition to complying with all other requirements for assumption or assignment under the Federal Bankruptcy Code, then Tenant, as debtor, or its trustee or assignee, as the case may be, must also provide adequate assurance of future performance, including but not limited to a deposit, the amount of which shall be reasonably determined based on the duration of time remaining in the term, the physical condition of the Premises at the time the proceeding was filed, and such damages as may be reasonably anticipated after reinstatement of the Lease, taking into account rental market conditions at the time of the reinstatement. In the event of an assignment, Landlord must be reasonable assured that the financial condition of the assignee is sound, and that its use of the Premises will be compatible with the Building and its other tenants.

In the event of declaration of forfeiture at or after the time of re-entry, Landlord may re-lease the Premises or any portion(s) thereof for a term or terms and at a rent which may be less than or exceed the balance of the term of and the Rent reserved under this Lease. In such event Tenant shall pay to Landlord as liquidated damages for Tenant's default any deficiency between the total Rent reserved and the net amount, if any, of the rents collected on account of the lease or leases of the Premises which otherwise would have constituted the balance of the term of this Lease. In computing such liquidated damages, there will be added to the deficiency any expenses for which Landlord may incur in connection with re-leasing the Premises, such as legal expenses, attorneys' fees, brokerage fees and expenses, advertising and for keeping the Premises in good order or for preparing the Premises for re-leasing. Any such

liquidated damages will be paid in monthly installments by Tenant on the day rent is due and any suit brought to collect the deficiency for any month will not prejudice Landlord's right to collect the deficiency for any subsequent month by a similar proceeding. In lieu of the foregoing computation of liquidated damages, Landlord may elect, at its sole option, to receive liquidated damages in one payment equal to any deficiency between the total Rent reserved hereunder and the fair and reasonable rental of the Premises.

Whether or not forfeiture has been declared, Landlord will not be responsible in any way for failure to release the Premises or, in the event that the Premises are re-leased, for failure to collect the rent under such re-leasing. The failure of Landlord to re-lease all or any part of the Premises will not release or affect Tenant's Liability for Rent or damages.

20. **Condition on Expiration.** On Expiration, Tenant must promptly deliver all keys for the Premises to Landlord. Tenant will surrender the Premises broom clean and in the same condition as on the Commencement Date, reasonable wear and tear excepted. Any damage to the Premises resulting from the removal of trade fixtures or other items of personal property will be repaired at Tenant's expense. Tenant will reimburse all expenses paid or incurred by Landlord in connection with repairing or restoring the Premises to the designated condition immediately upon demand. Tenant will remove its personal property and trade fixtures from the Premises immediately on termination. Tenant represents that it is Tenant's intention that all personal property and trade fixtures remaining on the Premises after termination are abandoned by Tenant.
21. **Communications.** All notices, demands, requests, consents, and communications required or provided under this Lease (Communications) must be in writing. Any Communications from Landlord to Tenant are deemed duly and sufficiently given if a copy has been: (a) personally delivered; (b) mailed by U.S. mail, postage prepaid; or (c) sent by professional delivery service to Tenant at the Tenant Notice Address or another address that Tenant has designated in writing or emailed to tenant. Any Communications from Tenant to Landlord are deemed duly and sufficiently given if delivered to Landlord in the same manner at the Landlord Notice Address or another address that Landlord has designated in writing. Communications sent by U.S. mail are deemed received on the next regular day for the delivery of mail after the day on which they were mailed.
22. **Construction and Interpretation.** This Lease will be construed in accord with Michigan law. This Lease has been negotiated at arm's length and carefully reviewed by both parties. This Lease is not to be construed against Landlord.

The use of the word *may* in describing the right of a party means that the party has the discretion, but not the obligation, to exercise that right. Furthermore, the exercise of the right is not an election of remedies or a waiver of any other right or claim. The

use of the words *will* or *shall* in describing an obligation of a party means that the party must perform that obligation. The use of the words *include* and *including* is intended to be illustrative, not exhaustive.

The parties will rely solely on the terms of this Lease to govern their relationship. This Lease merges all proposals, negotiations, representations, agreements, and understandings with respect to the Lease. There are no representations with respect to the condition of the Premises, or any other matter in any way related to the Premises or this Lease except as expressly set forth in this Lease. There are no damages within the contemplation of the parties except as expressly identified in this Lease. No rights, covenants, easements, or licenses may arise by implication. Reliance on any representation, omission, action, or inaction outside of this Lease is unreasonable and does not establish any rights or obligations on the part of either party. This Lease may only be modified or amended by a written document signed by Landlord and Tenant. There may be no oral modifications or amendments of this Lease, whether or not supported by consideration.

No endorsement or statement on any check or on any letter accompanying any check will be deemed an accord and satisfaction. Landlord may accept any check or payment without prejudice to Landlord's right to recover the balance of the amount due or to pursue any other remedy. Tenant acknowledges that the Annual Base Rent is a liquidated claim. Tenant waives any requirement that Landlord tender back funds as a condition to bringing an action to collect unpaid Annual Base Rent. No covenant or breach is intended to be waived unless a waiver is clearly expressed in a document (a) signed by the waiving party; (b) specifically identifying the covenant or breach; and (c) expressly stating that it is a waiver of the identified covenant or breach. The waiver of a covenant or breach is not construed as a continuing waiver of the same covenant or of any future breach. Consent by Landlord to any act requiring Landlord's consent does not constitute a waiver of the requirement of Landlord's consent with respect to any similar or subsequent act. Tenant is not entitled to surrender the Premises to avoid liability for Rent unless (a) an acceptance of the surrender is evidenced in a document signed by Landlord and (b) the document expressly states that it is the acceptance of a surrender. No action or inaction, other than as expressly provided in this section, may be construed as an acceptance of surrender by Landlord.

Notwithstanding anything to the contrary, Tenant's obligation to pay Rent is a material and independent covenant and is not subject to setoff, recoupment, or suspension. Notwithstanding anything to the contrary, Landlord has no obligation to mitigate any claim for Rent.

Time is of the essence with respect to both the definition of a Material Breach and the exercise of options, if any, within the Lease.

If any covenant of this Lease is invalid, illegal, or unenforceable, that covenant will be enforced to the fullest extent permitted by law, and the validity, legality, and enforceability of the remaining covenants will not in any way be affected or impaired.

23. **Arbitration.** Except for any claim arising out of or relating to Tenant's default in the payment of rent, Landlord and Tenant agree to submit any and all other claims, controversies and disputes between Tenant and Landlord arising out of or relating to the Premises, this Lease, or Tenant's and Landlord's performances due hereunder, to arbitration pursuant to the Michigan Uniform Arbitration Act ("UAA"), MCL 691.1681 *et seq.* Judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction.
24. **Waiver of Jury Trial.** As a material inducement to Landlord to enter into this Lease, except for claims required to be settled by arbitration pursuant to this Lease, Tenant hereby waives its right to a trial by jury of any claims arising out of or relating to its obligations under this Lease or its occupancy of the Premises. Tenant acknowledges that it has read and understood the foregoing provision.
25. **Authorized and binding.** Tenant and each person executing this Lease on its behalf warrant and represent to Landlord that (a) Tenant is validly organized, existing, and authorized to do business under Michigan law; (b) Tenant has full power and lawful authority to enter into this Lease; and (c) the execution of this Lease by the individual who has signed below is legally binding on Tenant in accordance with its terms. Landlord and each person executing this Lease on its behalf warrant and represent to Tenant that (a) Landlord is validly organized, existing, and authorized to do business under Michigan law; (b) Landlord has full power and lawful authority to enter into this Lease; and (c) the execution of this Lease by the individual who has signed below is legally binding on Landlord in accordance with its terms. This Lease is binding on successors and assigns.

LANDLORD

By _____

Its _____

Dated: _____

TENANT

By  _____

Its CEO _____

Dated: 1/27/2020 _____

Handwritten initials 1/27/2020

Expense Escalation Lease, Multitenant Building

This Lease is made between Landlord and Tenant, who agree as follows:

1. **Basic Definitions.** The following defined terms will be used throughout this Lease:

- a. Lease Date means 12/1/2019.
- b. Landlord means Ypsilanti Community Schools (YCS) or its successors in interest.
- c. Landlord Notice Address is 1885 Packard Road, Ypsilanti, MI 48197.
- d. Tenant means Mentor 2 Youth.
- e. Tenant Notice Address is P.O. Box 980270, Ypsilanti MI 48198, info@mentor2youth.com.
- f. Premises means Main Office area at Chapelle Business Center, attached as Exhibit 1.
- g. Building means Chapelle Business Center, located at 111 S. Wallace Ypsilanti, MI 48197.
- h. Property means the Premises, the Building, and all related land.
- i. Rentable Floor Area of Premises means approximately 168 rentable square feet, which does not include an allocated percentage of the common areas.
- j. Term means one Lease Year(s).
- k. Lease Year means the period beginning on 12/1/2019, and ending on 11/30/2020.
- l. Commencement Date means 12/1/2019.
- m. Expiration Date means 11/30/2020.
- n. Rent means Annual Base Rent and Additional Rent.
- o. Annual Base Rent means \$1,344.
- p. Monthly Installment of Base Rent means \$112. Monthly installment of calculated utilities = \$21 per month. Total rent plus utilities per month is \$133.

q. Additional Rent means the reimbursement of all expenses paid or incurred by Landlord in connection with the leased space identified on Exhibit 1, including the following:

q1. Maintenance Expenses (e.g. HVAC units, doors, windows, walls, electrical switches and outlets, light fixtures, bulbs, and required fire and other inspections.)

q2. Utilities (0.70% of the average of electric, gas, sewer and water costs, i.e. \$247 annually or \$21 monthly).

q3. Replacement of the roof, boiler and chiller will be Landlord's responsibility. Additionally, if a leak causes the need for any other repairs to the building, Landlord will assume the expense of repair. Landlord's liability will not extend to Tenant's contents, which should be separately insured by Tenant. The parking lot will be repaired at Landlord's discretion and will be Landlord's sole responsibility.

and all other charges that may become due under the terms of this Lease.

r. Proportionate Share means .70%.

s. Base Year means 12/1/2019- 11/30/2020.

t. Operating Expenses means all expenses of every kind paid or incurred by Landlord in connection with the Property. Unless stated otherwise in this agreement.

u. Security Deposit means \$133.

v. Designated Use means Office space for Mentor 2 Youth.

w. Applicable Laws means all statutes, codes, ordinances, administrative rules, regulations, and orders or directives of any governmental authority.

2. **Premises.** Landlord leases the Premises to Tenant. Tenant has inspected the Premises and is satisfied with the condition of the Premises and the Property. Landlord must make reasonable efforts to deliver possession of the Premises on the Commencement Date. Landlord is not liable for damages for failure to deliver possession on the Commencement Date. If Landlord fails to deliver possession tenant may terminate the lease.

Landlord reserves the right to make alterations or additions to the Property, to demolish or build improvements on the Property, and to change the name of the Building, in its sole discretion without the consent of Tenant.

3. **Term.** The Term means 1 Lease Year. The term commences on the Commencement Date and expires on the Expiration Date, unless otherwise terminated or extended as provided in this Lease.
4. **Annual Base Rent.** Beginning on the Commencement Date, Tenant will pay Landlord the Annual Base Rent. Tenant will pay the Annual Base Rent by Monthly Installment of Base Rent, to the order of Landlord, in advance, on the first day of each calendar month, at Landlord's office or any other place that Landlord designates in writing. Any Rent that is not received within 30 days after its due date will bear simple interest at 10%. If the Commencement Date is other than the first day of a calendar month, the Monthly Installment of Base Rent for the partial first calendar month of the Term will be prorated on a daily basis and paid on the Commencement Date.
5. **Maintenance Expenses.** Tenant will pay as Additional Rent its Proportionate Share of any Maintenance Expenses, i.e. 0.70% of maintenance expenses for HVAC equipment that services the Premises and 100% of maintenance expenses for repairs to the Premises. Cost for repairs will be due net 30 days after invoice. HVAC equipment does not include boiler or chiller replacement, but would include maintenance to those systems.
6. **Liens.** Tenant must maintain the Premises in good repair to the reasonable satisfaction of Landlord, in a clean and safe condition, and in accord with Applicable Laws. Landlord and Tenant will negotiate and define any substantial structural alterations prior to undertaking such changes. Any alterations to the Premises must comply with the Americans with Disabilities Act of 1990.

Tenant must keep the Premises free of construction or other liens. Tenant will hold Landlord harmless against any liens placed against the Premises, except those attributable to the acts of Landlord. If a lien is filed against the Premises as the result of any action undertaken by Tenant, Tenant must discharge the lien within 60 days after receiving notice of the lien. If Tenant fails to discharge the lien, Landlord may procure a discharge at Tenant's expense, which Tenant must pay immediately on a demand from Landlord.

7. **Hours of Occupancy.** Tenant shall be entitled to occupy the Premises between the hours of 6 A.M. and 8 P.M., Monday [day of week] through Sunday [day of week]. In the event Tenant wishes to occupy the Premises at other times, it shall notify Landlord in writing of its requested additional occupancy, setting forth the requested date(s) and inclusive times, no less than five (5) business days before the proposed occupancy. Tenant agrees to reimburse Landlord in full for Landlord's actual incremental custodial and other costs associated with making the Premises available to Tenant during such additional occupancy periods.
8. **Services.** Landlord will furnish heat and air-conditioning during normal business hours (6:00 a.m. to 8:00p.m., Monday through Sunday); electricity; water for ordinary

lavatory purposes; and use in common of the Building's common areas, rest rooms, and similar facilities. Landlord will also perform the janitorial services in all common areas. Tenant's leased area should be kept clean by tenant.

No sign may be erected by Tenant on the Premises without the prior written consent of the Landlord, which consent shall not be unreasonably withheld or delayed. If such consent is given, the size, type, design, legend, and location must be in compliance with all applicable laws and ordinances, and must be approved by Landlord. Tenant hereby acknowledges and agrees to maintain, at Tenant's sole cost and expense, any sign erected by Tenant pursuant to this paragraph in good repair and working order at all times. In addition, Tenant hereby agrees to indemnify, defend and hold Landlord harmless (using counsel of Landlord's choice) from and against any cost, expense, claim or liability, including reasonable attorneys' fees, arising from or related to any sign erected by Tenant on the Premises or the maintenance thereof.

Any service the Landlord is required to furnish may be furnished by Landlord's managing agent or by one or more independent contractors.

Landlord is not liable for interruption in Utilities caused by riots, strikes, labor disputes, wars, terrorist acts, accidents, or any other cause beyond the control of Landlord. Landlord may interrupt Utilities to make repairs or improvements. Interruption in Utilities does not constitute an act of eviction; nor does any interruption in Utilities release Tenant from any obligation under this Lease, including the payment of Rent.

9. **Holding Over.** If Tenant remains in possession of the Premises after the Expiration Date with the consent of Landlord, it will occupy the Premises as a holdover tenant on a month-to-month basis. Landlord may withhold its consent to holdover in its sole discretion. If Landlord consents to the holdover, Tenant is subject to all the covenants of this Lease to the extent they can be applied to a month-to-month tenancy, except that the Monthly Installment of Base Rent for each month of the holdover will be one-hundred twenty-five percent of the Monthly Installment of Base Rent payable during the last month of the Term. This covenant does not preclude Landlord from recovering damages if Tenant fails to timely deliver possession of the Premises after termination of the holdover, nor does it establish any right to extend or renew the Term. If Tenant holds over after the expiration of the Term without Landlord's consent, Tenant is liable for all damages resulting from the holdover. It is expressly within the contemplation of the parties that such damages may include (a) the reasonable rental value of the Premises; (b) any damages arising from the loss of any sale, lease, or refinancing of the Premises; (c) any lost profits incurred by Landlord; and (d) any treble, double, or statutory damages allowed under the Applicable Laws.
10. **Quiet Enjoyment.** Unless this Lease is terminated or Tenant is evicted in accord with Michigan law, Landlord will not disturb Tenant's quiet enjoyment of the Premises or unreasonably interfere with Tenant's Designated Use of the Premises. Landlord shall

have the right from time to time, upon 24 hours prior notice to Tenant, to inspect the Premises to confirm Tenant's compliance with this Lease. Landlord's inspection shall in no way disrupt or interfere with Tenant's school operation. Tenant must permit Landlord to enter the Premises during regular business hours for the purpose of inspection or to show the Premises to prospective purchasers, mortgagees, and tenants.

11. **Use of the Premises.** The Premises will be used for the Designated Use and for no other purpose. Tenant will not use the Premises in any manner which violates the Building Rules or Applicable Laws. The Building Rules may be amended by Landlord in its reasonable discretion.
12. **Indemnification.** Tenant will indemnify and defend Landlord against all claims for bodily injury or property damage relating to the Premises. The claims covered by this indemnification include all claims for bodily injury or property damage relating to (a) the condition of the Premises; (b) the use or misuse of the Premises by Tenant or its agents, contractors, or invitees; or (c) any event on the Premises, whatever the cause. Tenant's indemnification does not extend to liability for damages resulting from the sole or gross negligence of Landlord or for Landlord's intentional misconduct.
13. **Limitations on Landlord's liability.** The Landlord, as defined in this Lease, includes successors in interest. The term is intended to refer to the owner of the Premises at the time in question. If the Premises are sold, the new owner will automatically be substituted as the Landlord.

Landlord shall not be responsible or liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining areas or any part of the area adjacent to or connected with the Premises or any part of the structures or improvements on the Premises for any loss or damage resulting to Tenant or its property from theft or a failure of the security systems, if any, in the Premises or structures containing the Premises, or for any damage or loss of property within the Premises from any cause other than solely by reason of the willful act of Landlord, and no such occurrence shall be deemed to be an actual or constructive eviction from the Premises or result in an abatement of rents.

If Landlord fails to perform this Lease and as a result Tenant recovers a money judgment against Landlord, the judgment will be satisfied out of the execution and sale of Landlord's interest in the Property or by garnishment against the rents or other income from the Property. Landlord is not liable for any deficiency. This section constitutes Tenant's sole and exclusive remedy for breach.

Conditioned solely on the sale of the Property, Tenant agrees to the following release in favor of its then former landlord. Effective on the first anniversary of the date on which Tenant is given notice of the sale, Tenant releases its former landlord from all claims except those expressly preserved in this section. This release is intended to be

broadly construed for the benefit of the former landlord and includes (a) all claims regarding the performance of this Lease; (b) all claims for bodily injury or property damage relating to the Premises; and (c) all claims in any other way relating to the Lease, the Premises, or the landlord-tenant relationship. However, this release does not extend to any claim filed in a court of appropriate jurisdiction within one year of the date of sale or to any claim for bodily injury or property damage resulting from the former landlord's gross negligence or intentional misconduct.

14. **Insurance.** Tenant, at Tenant's sole expense, agrees to maintain in force, with a company or companies acceptable to Landlord, during the term of this Lease: (a) Commercial General Liability Insurance on a primary basis covering the Premises on an occurrence basis against all claims for personal injury, bodily injury, death and property damage, including contractual liability covering the indemnification provision in this Lease. Such insurance shall, at a minimum, be maintained in an amount of \$1,000,000.00 per occurrence and an additional \$10,000,000.00 in umbrella coverage for the above claims; (b) Workers' Compensation and Employers' Liability Insurance for an amount of not less than \$500,000.00, both in accordance with the State of Michigan; and (c) In the event a motor vehicle is to be used by Tenant in connection with its business operation from the Premises, Comprehensive Automobile Liability Insurance coverage with limits of not less than \$1,000,000.00 combined single limit coverage against bodily injury and liability arising out of the use by or on behalf of Tenant, its agents and employees in connection with this Lease, of any owned, non-owned or hired motor vehicles.

Each Policy referred to above shall satisfy the following requirements. Each policy shall (i) name Landlord as an additional insured (except Workers' Compensation and Employers' Liability Insurance), (ii) be issued by one or more reasonable insurance companies licensed to do business in the State of Michigan reasonably satisfactory to Landlord, (iii) where applicable, provide for deductible amounts satisfactory to Landlord, (iv) shall provide that such insurance may not be cancelled or amended without 30 days' prior written notice to Landlord, and (v) shall provide that the policy shall not be invalidated should the insured waive in writing prior to a loss, any or all rights of recovery against any other party for losses covered by such policies. Tenant shall deliver to Landlord certificates of insurance and at Landlord's request, copies of all policies and renewals thereof to be maintained by Tenant hereunder, not less than 10 days prior to the commencement of this Lease and not less than 10 days prior to the expiration date of each policy.

15. **Fire or Other Casualty.** Tenant must give Landlord notice of fire or other casualty on the Premises. In addition to the written notice, Tenant must immediately and with all diligence attempt to contact Landlord by all means available, including telephone, pager, fax, and e-mail, to inform Landlord of the casualty. If the Premises are damaged or destroyed by fire or other casualty, Landlord may terminate this Lease by notice to Tenant. The notice of termination must be given within 30 days after the occurrence of the casualty. If the notice of termination is not given within that period,

this termination option will lapse and no longer be effective. Within 30 days after the notice of termination has been given, Tenant must surrender the Premises to Landlord. After the surrender, each party is released from any further obligations under this Lease, with the following exceptions: (a) all Rent accruing through the surrender date must be paid in full, and (b) the Security Deposit will be retained or returned as provided in this Lease. Tenant has no obligation to pay any Rent accruing after the surrender date. If Landlord does not exercise this option within the designated period, Landlord must diligently proceed to repair and restore the Premises to its condition before the casualty.

16. **Assignment and Subletting.** Tenant must not assign this Lease or sublet the Premises without the prior consent of Landlord, which may be withheld in Landlord's sole discretion.
17. **Subordination and Estoppel Certificates.** At Landlord's mortgagee's option, (a) any mortgage or mortgages now or later placed on Landlord's interest in the Premises may be subordinated to this Lease or (b) this Lease may be subordinated to any mortgage or mortgages now or later placed on Landlord's interest in the Premises. The mortgagee's option must be exercised by notice to Tenant. Tenant must execute and deliver, within 30 days after a request, any further instruments, in a form acceptable to the mortgagee, confirming subordination as requested by Landlord or Landlord's mortgagee.

In the event of foreclosure or any conveyance by deed in lieu of foreclosure, Tenant must attorn to Landlord's successor in interest, provided that the successor agrees in writing to recognize Tenant's rights under this Lease. Tenant must execute and deliver, within 30 days after a request, any further instruments, in a form acceptable to Landlord's successor in interest, attorning to the successor in interest and recognizing it as Landlord under this Lease.

Within 30 days after a demand by Landlord, Tenant must execute and deliver to Landlord an estoppel certificate, in a form acceptable to Landlord, certifying

- a. the Commencement Date;
- b. the Expiration Date;
- c. that this Lease is unmodified and in full force and effect, or is in full force and effect as modified, stating the modifications;
- d. that the Lease is not in default, or a list of any defaults;
- e. that Tenant does not claim any rights of setoff, or a list of rights of setoff;

- f. the amount of Rent due as of the date of the certificate, or the date to which the Rent has been paid in advance;
- g. the amount of any Security Deposit; and
- h. other matters reasonably requested by Landlord.

Landlord and any prospective purchaser of the Premises may rely on this certificate. It is within the contemplation of the parties that Tenant's failure to provide the estoppel certificate could result in the loss of a prospective sale or loan and that Tenant is liable for all damages resulting from such a loss.

18. **Security Deposit.** Within 1 day of the Lease Date, Tenant must deposit the Security Deposit with Landlord. The Security Deposit will be used to secure Tenant's performance of this Lease. Landlord may commingle the Security Deposit with its own funds. If Tenant fails to pay Rent or otherwise commits a Breach, Landlord may apply all or part of the Security Deposit to make the payment or cure the Breach. Landlord's rights under this section are in addition to any other rights or remedies Landlord may have under the terms of this Lease or under Michigan law. If Landlord uses all or part of the Security Deposit, within 60 days after demand by Landlord, Tenant must pay Landlord sufficient funds to restore the Security Deposit to its original amount. Any unused portion of the Security Deposit must be returned to Tenant, without interest, within 30 days of the later of (a) the termination of the Lease, (b) Tenant's surrender of the Premises, or (c) the return of the keys to Landlord. If Landlord uses the Security Deposit, within 60 days after a demand by Landlord, Tenant must pay Landlord sufficient funds to restore the Security Deposit to its original amount. Any unused portion of the Security Deposit will be returned to Tenant, without interest, within 30 days after Tenant's surrender of the Premises in accord with this Lease.
19. **Remedies.** If any Rent payable by Tenant to Landlord remains unpaid for more than 5 days after the date when rent is due, or if Tenant violates or defaults in the performance of any of its non-monetary obligations in this Lease and the non-monetary violation or default continues for a period of 10 days after written notice (unless the default involves a hazardous condition, which shall be cured forthwith, or unless the failure to perform is a default for which this Lease specifies there is no cure or grace period), then Landlord may (but will not be required to) declare this Lease forfeited and the term ended, or re-enter the Premises, or may exercise all other remedies available under Michigan law. Landlord will not be liable for damages to any persons or property by reason of any legitimate re-entry or forfeiture, and Landlord will be aided and assisted by Tenant, its agents, representatives and employees. Tenant, by the execution of this Lease, waives notice of re-entry by Landlord. In the event of re-entry by Landlord without declaration of forfeiture, the liability of Tenant for the Rent provided herein will not be relinquished or extinguished for the balance of the term, and any Rent prepaid may be retained by

Landlord and applied against the costs of re-entry, or as liquidated damages, or both. Tenant will pay, in addition to the Rent, and other sums agreed to be paid hereunder, reasonable attorneys' fees, costs and expenses in any suit or action instituted by involving Landlord to enforce the provisions of, or the collection of the Rent due Landlord under this Lease, including any proceeding under the Federal Bankruptcy Code.

If Tenant is adjudged bankrupt or insolvent, files or consents to the filing of a petition in bankruptcy under Federal or State law, applies for or consents to the appointment of a receiver for all or substantially all of its assets, makes a general assignment for the benefit of its creditors, fails generally to pay its debts or does anything which, under the applicable provisions of the Federal Bankruptcy Code would permit a petition to be filed by or against Tenant, then Tenant shall be in default under this Lease and to the extent from time to time permitted by applicable law, including but not limited to the Federal Bankruptcy Code, Landlord shall be entitled to exercise all remedies set forth in the preceding paragraph. In a reorganization under Chapter 11 of the Federal Bankruptcy Code, the debtor or trustee must assume this Lease or assign it within 60 days from the filing of the proceeding, or he shall be deemed to have rejected and terminated this Lease. Tenant acknowledges that its selection to be a tenant of the Building was premised in material part on Landlord's determination of Tenant's creditworthiness and ability to perform the economic terms of this Lease, and Landlord's further determination that Tenant and the character of its occupancy and use of the Premises would be compatible with the nature of the Building and other tenants thereof. Therefore, if Tenant, as debtor, or its trustee elects to assume or assign this Lease, in addition to complying with all other requirements for assumption or assignment under the Federal Bankruptcy Code, then Tenant, as debtor, or its trustee or assignee, as the case may be, must also provide adequate assurance of future performance, including but not limited to a deposit, the amount of which shall be reasonably determined based on the duration of time remaining in the term, the physical condition of the Premises at the time the proceeding was filed, and such damages as may be reasonably anticipated after reinstatement of the Lease, taking into account rental market conditions at the time of the reinstatement. In the event of an assignment, Landlord must be reasonably assured that the financial condition of the assignee is sound, and that its use of the Premises will be compatible with the Building and its other tenants.

In the event of declaration of forfeiture at or after the time of re-entry, Landlord may re-lease the Premises or any portion(s) thereof for a term or terms and at a rent which may be less than or exceed the balance of the term of and the Rent reserved under this Lease. In such event Tenant shall pay to Landlord as liquidated damages for Tenant's default any deficiency between the total Rent reserved and the net amount, if any, of the rents collected on account of the lease or leases of the Premises which otherwise would have constituted the balance of the term of this Lease. In computing such liquidated damages, there will be added to the deficiency any expenses for which Landlord may incur in connection with re-leasing the Premises, such as legal

expenses, attorneys' fees, brokerage fees and expenses, advertising and for keeping the Premises in good order or for preparing the Premises for re-leasing. Any such liquidated damages will be paid in monthly installments by Tenant on the day rent is due and any suit brought to collect the deficiency for any month will not prejudice Landlord's right to collect the deficiency for any subsequent month by a similar proceeding. In lieu of the foregoing computation of liquidated damages, Landlord may elect, at its sole option, to receive liquidated damages in one payment equal to any deficiency between the total Rent reserved hereunder and the fair and reasonable rental of the Premises.

Whether or not forfeiture has been declared, Landlord will not be responsible in any way for failure to release the Premises or, in the event that the Premises are re-leased, for failure to collect the rent under such re-leasing. The failure of Landlord to re-lease all or any part of the Premises will not release or affect Tenant's Liability for Rent or damages.

20. **Condition on Expiration.** On Expiration, Tenant must promptly deliver all keys for the Premises to Landlord. Tenant will surrender the Premises broom clean and in the same condition as on the Commencement Date, reasonable wear and tear excepted. Any damage to the Premises resulting from the removal of trade fixtures or other items of personal property will be repaired at Tenant's expense. Tenant will reimburse all expenses paid or incurred by Landlord in connection with repairing or restoring the Premises to the designated condition immediately upon demand. Tenant will remove its personal property and trade fixtures from the Premises immediately on termination. Tenant represents that it is Tenant's intention that all personal property and trade fixtures remaining on the Premises after termination are abandoned by Tenant.
21. **Communications.** All notices, demands, requests, consents, and communications required or provided under this Lease (Communications) must be in writing. Any Communications from Landlord to Tenant are deemed duly and sufficiently given if a copy has been: (a) personally delivered; (b) mailed by U.S. mail, postage prepaid; or (c) sent by professional delivery service to Tenant at the Tenant Notice Address or another address that Tenant has designated in writing or emailed to tenant. Any Communications from Tenant to Landlord are deemed duly and sufficiently given if delivered to Landlord in the same manner at the Landlord Notice Address or another address that Landlord has designated in writing. Communications sent by U.S. mail are deemed received on the next regular day for the delivery of mail after the day on which they were mailed.
22. **Construction and Interpretation.** This Lease will be construed in accord with Michigan law. This Lease has been negotiated at arm's length and carefully reviewed by both parties. This Lease is not to be construed against Landlord.

The use of the word *may* in describing the right of a party means that the party has the discretion, but not the obligation, to exercise that right. Furthermore, the exercise of the right is not an election of remedies or a waiver of any other right or claim. The use of the words *will* or *shall* in describing an obligation of a party means that the party must perform that obligation. The use of the words *include* and *including* is intended to be illustrative, not exhaustive.

The parties will rely solely on the terms of this Lease to govern their relationship. This Lease merges all proposals, negotiations, representations, agreements, and understandings with respect to the Lease. There are no representations with respect to the condition of the Premises, or any other matter in any way related to the Premises or this Lease except as expressly set forth in this Lease. There are no damages within the contemplation of the parties except as expressly identified in this Lease. No rights, covenants, easements, or licenses may arise by implication. Reliance on any representation, omission, action, or inaction outside of this Lease is unreasonable and does not establish any rights or obligations on the part of either party. This Lease may only be modified or amended by a written document signed by Landlord and Tenant. There may be no oral modifications or amendments of this Lease, whether or not supported by consideration.

No endorsement or statement on any check or on any letter accompanying any check will be deemed an accord and satisfaction. Landlord may accept any check or payment without prejudice to Landlord's right to recover the balance of the amount due or to pursue any other remedy. Tenant acknowledges that the Annual Base Rent is a liquidated claim. Tenant waives any requirement that Landlord tender back funds as a condition to bringing an action to collect unpaid Annual Base Rent. No covenant or breach is intended to be waived unless a waiver is clearly expressed in a document (a) signed by the waiving party; (b) specifically identifying the covenant or breach; and (c) expressly stating that it is a waiver of the identified covenant or breach. The waiver of a covenant or breach is not construed as a continuing waiver of the same covenant or of any future breach. Consent by Landlord to any act requiring Landlord's consent does not constitute a waiver of the requirement of Landlord's consent with respect to any similar or subsequent act. Tenant is not entitled to surrender the Premises to avoid liability for Rent unless (a) an acceptance of the surrender is evidenced in a document signed by Landlord and (b) the document expressly states that it is the acceptance of a surrender. No action or inaction, other than as expressly provided in this section, may be construed as an acceptance of surrender by Landlord.

Notwithstanding anything to the contrary, Tenant's obligation to pay Rent is a material and independent covenant and is not subject to setoff, recoupment, or suspension. Notwithstanding anything to the contrary, Landlord has no obligation to mitigate any claim for Rent.

Time is of the essence with respect to both the definition of a Material Beach and the exercise of options, if any, within the Lease.

If any covenant of this Lease is invalid, illegal, or unenforceable, that covenant will be enforced to the fullest extent permitted by law, and the validity, legality, and enforceability of the remaining covenants will not in any way be affected or impaired.

23. **Arbitration.** Except for any claim arising out of or relating to Tenant's default in the payment of rent, Landlord and Tenant agree to submit any and all other claims, controversies and disputes between Tenant and Landlord arising out of or relating to the Premises, this Lease, or Tenant's and Landlord's performances due hereunder, to arbitration pursuant to the Michigan Uniform Arbitration Act ("UAA"), MCL 691.1681 *et seq.* Judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction.
24. **Waiver of Jury Trial.** As a material inducement to Landlord to enter into this Lease, except for claims required to be settled by arbitration pursuant to this Lease, Tenant hereby waives its right to a trial by jury of any claims arising out of or relating to its obligations under this Lease or its occupancy of the Premises. Tenant acknowledges that it has read and understood the foregoing provision.
25. **Authorized and binding.** Tenant and each person executing this Lease on its behalf warrant and represent to Landlord that (a) Tenant is validly organized, existing, and authorized to do business under Michigan law; (b) Tenant has full power and lawful authority to enter into this Lease; and (c) the execution of this Lease by the individual who has signed below is legally binding on Tenant in accordance with its terms. Landlord and each person executing this Lease on its behalf warrant and represent to Tenant that (a) Landlord is validly organized, existing, and authorized to do business under Michigan law; (b) Landlord has full power and lawful authority to enter into this Lease; and (c) the execution of this Lease by the individual who has signed below is legally binding on Landlord in accordance with its terms. This Lease is binding on successors and assigns.

LANDLORD

By _____

Its _____

Dated: _____

TENANT

By David L Johnson

Its David L Johnson

4832-7709-6352, v. 1

Dated: December 9, 2019