

LEASE AGREEMENT

This Lease (hereinafter called the "Agreement"), entered into as of the 17th day of May, 2010, by and between ALLEN H. VIGNERON, ROMAN CATHOLIC ARCHBISHOP OF THE ARCHDIOCESE OF DETROIT, whose address is 1234 Washington Boulevard, Detroit, Michigan 48226, (herein called "Lessor") and ACADEMY FOR BUSINESS AND TECHNOLOGY, whose address is 19625 Wood Street, Melvindale, Michigan 48122 (herein called "Lessee"):

WITNESSETH:

THE LEASED PREMISES

The Lessor hereby does let and lease to Lessee the property known as St. Mary Magdalene Parish School Building and Gymnasium as follows: .

- Exclusive use of:
 - St. Mary Magdalene Parish School Building (including the cafeteria at room # 103 Cafeteria), located at 19625 Wood Street, Melvindale, Michigan 48122 and any Inventory as described on Exhibit B ("School Building") as well as the St. Mary Magdalene Parish Gymnasium and Lower Hall located at 19620 Wood Street, Melvindale, Michigan 48122.
- Shared use of:
 - St. Mary Magdalene Parish Parking Lot located west of the school building ("West Parking Lot")

(herein called the "leased premises").

The parties hereby acknowledge that the leased premises includes the athletic fields; however, Lessee shall pay Lessor \$1,000.00 per month for the months of September, October, November, April, May and June during each year for use of the athletic fields.

OCCUPANCY

During the term of this Agreement, Lessee shall have exclusive occupancy of the following portion of the leased premises:

- School Building
- Gymnasium and Lower Hall

During the term of this Agreement, Lessee shall have joint use with the Lessor of the following portion of the leased premises

- West Parking Lot

The pastor of St. Mary Magdalene Parish shall be provided keys for the leased premises by the Lessee and shall have the right to enter upon the leased premises at all reasonable hours for the purpose of inspecting same, however, the pastor shall not disrupt the Lessee's programs at the leased premises.

UTILITIES / MAINTENANCE

Lessee shall pay all charges of the leased premises for gas, water, sewer, electricity and heating service.

Lessee shall be responsible for maintenance of the leased premises, including custodial services, supplies, trash removal, a dumpster and disposal.

Lessor shall be responsible for contracting for maintenance of the lawn and landscaping of the leased premises.

Lessee shall be responsible for snow and ice removal from the pavement, driveways, walkways and parking lots of the leased premises.

TERM

The term of the Agreement begins July 1, 2010, and ends June 30, 2015.

USE

The leased premises are to be used and occupied for use as a public school academy as defined in Act B62 of the Public Acts of 1993 of the State of Michigan, as amended..

Provided, in case any rent shall be due and unpaid or default be made in any of the covenants herein contained, then it shall be lawful for the Lessor to re-enter into, repossess the leased premises, and the Lessee and each and every occupant to remove and put out.

1. Lessee's Obligations

The Lessee hereby hires the leased premises for the term aforesaid, and covenants:

a. Rent

To pay the Lessor, as rental for the leased premises, without demand, offset or deduction, on the first day of each and every month, in advance, the following monthly amounts:

Rent for period 07/01/2010 – 06/30/2011	\$25,500.00
Rent for period 07/01/2011 – 06/30/2012	\$25,500.00
Rent for period 07/01/2012 – 06/30/2013	\$26,500.00
Rent for period 07/01/2013 – 06/30/2014	\$27,500.00
Rent for period 07/01/2014 – 06/30/2015	\$28,500.00

With respect to the Gymnasium and Lower Hall, in addition to any monthly rental payments due above for the School Building and West Parking Lot, Lessee shall pay Lessor monthly payments of Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00) due on the first day of each and every month, in advance.

If at any time payment of the monthly rental amount reserved under this Section is more than five (5) days past due, Lessee shall pay Lessor a late fee in the amount of ten percent (10%) of the amount past due. The parties agree that such a late fee represents a fair and reasonable estimate of the costs Lessor will incur by reason of a late payment. In the event that any monthly rental payment is more than ten (10) days past due, in addition to the late fee, Lessee shall pay Lessor interest on the unpaid amount at the rate of ten percent (10%) per annum commencing on the tenth (10th) day after such payment was due, until such payment is made.

Acceptance of the late fee or interest under this Section shall in no event constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent Lessor from exercising any of his rights and remedies.

All checks shall be payable to "St. Mary Magdalene Parish," and shall be mailed to:

St. Mary Magdalene Parish
19624 Wood Street
Melvindale, Michigan 48122-1699

- b. To use and occupy the leased premises only for the purposes for which they are let to it.
- c. To comply promptly with all lawful laws, orders, regulations, and ordinances of all municipal, county, state and federal authorities affecting the leased premises and the cleanliness, safety, occupation, and use of same, including without limitation the Americans with Disabilities Act of 1990 42U.S.C. 12101-12213 (1991), as amended.
- d. To observe all reasonable regulations and requirements of underwriters concerning the use and condition of the leased premises tending to reduce fire hazards and insurance rates, and not permit nor allow any rubbish, waste material or products to accumulate on the premises. In addition, Lessee shall not do or permit anything to be done in or about the leased premises that will in any way obstruct or interfere with the rights of other tenants, if any, or use or allow the leased premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Lessee cause, maintain or permit any nuisance in, on or about the leased premises.
- e. Except for the express obligations of Lessor set forth in Paragraph 2. b. and 2. c. below, ("Lessor's Obligations"), during the entire term of the Agreement, including any extension period, Lessee agrees, at its sole cost and expense, to maintain the entire leased premises and fixtures in good order, condition and repair (including any replacements thereof if necessary in the event such item or component of the leased premises or fixture cannot be repaired) at all times, including, but not limited to, the interior and exterior, structural and nonstructural components (including by way of example only and not as a limitation, doors, door frames, window glass, casings, and frames, or any appliances, equipment, hardware and furnishings of the leased premises), and boiler. Lessee shall keep the leased premises in a clean, sanitary and safe condition at all times. Lessee hereby acknowledges and agrees that, except for Lessor's Obligations, it is the intent of the parties that Lessor shall have no obligation whatsoever to repair, maintain or replace any portion of the leased premises.
- f. If the nature of the Lessee's business requires licensure, Lessee shall keep in effect a valid license to operate the leased premises for that purpose and provide Lessor with a current copy of the required license.

- g. Lessee will prohibit all staff, students, visitors and guests of Lessee from parking on Wood Street in front of any and all St. Mary Magdalene Properties at any time. This is to include evenings and buses.

2. **Lessor's Obligations**

The Lessor covenants that:

- a. The Lessee, on payment of the rental at the time and in the manner aforesaid and performing all the foregoing covenants, shall and may peacefully and quietly have, hold, and enjoy the leased premises for the term aforesaid.
- b. The Lessor, after receiving notice from the Lessee, agrees to keep in good order and repair the roof and four outer walls of the leased premises (excluding by way of example only and not as a limitation, doors, door frames, window glass, casings, and frames, fixtures or any appliances, equipment, hardware and furnishings of the leased premises) except the repair of outer walls which have been defaced or damaged by Lessee or anyone Lessee permits to use the leased premises, which shall be the obligation of the Lessee. Certificates of operation on all boilers will be provided to Lessee by Lessor at Lessor's expense within fourteen (14) days after execution of this Lease. Lessor shall be responsible for all maintenance, repairs and replacement of the boilers required to obtain said certificates. Anything in this Agreement to the contrary notwithstanding, in the event the boiler needs to be replaced as any time during the term of this Agreement, as determined by a engineering consultant selected by Lessor and reasonably approved by Lessee (as of the date hereof, Lessee hereby approves DiClemente Siegel Design Inc., but Lessor is not required to select DiClemente)("Consultant"), Lessor shall be responsible for the replacement of the boiler and Lessee shall reimburse Lessor for the Boiler Reimbursement Amount. Lessee shall reimburse Lessor for the Boiler Reimbursement Amount within fourteen (14) days after receipt of written notice of the amount due from Lessor.

The "Boiler Reimbursement Amount" shall be determined by dividing the actual cost to replace the boiler by the useful life of such new boiler as determined by the Consultant ("Per Year Reimbursement Amount"), times the number of years remaining on current term of this Agreement (whether the initial term or any option term) rounded to the nearest half year. In addition, in the event Lessee intends to exercise any option to renew provided for in this Agreement, if any, after the boiler is replaced by Lessor pursuant to this Paragraph, Lessee shall be required to pay to Lessor concurrent with the notice to extend any such term, and as a condition precedent to the effectiveness of such notice, an amount equal to the number of years of such option term times the Per Year Reimbursement Amount.

3. **Insurance**

a. **Indemnification/Liability:**

(i) Lessee shall indemnify, defend (using counsel satisfactory to Lessor in its sole discretion) and hold harmless Lessor, the Archdiocese of Detroit, the Archbishop of Detroit, St. Mary Magdalene Parish, the pastor of St. Mary Magdalene Parish, and their employees, managers, partners, officers, directors, contractors and agents from and against all claims, demands, liabilities, obligations, damages, penalties, causes of action, suits, judgments, and expenses (including attorneys' fees) arising from or related to (i) the occupancy, condition, operation or use of the leased premises, (ii) any accident, occurrence, injury to or death of persons, or loss of or damage to property occurring on or about the leased premises, (iii) use or misuse of any portions of the leased premises by a Lessee or any of Lessee's respective agents, contractors, employees, visitors, and invitees, or (iv) Lessee's failure to perform its obligations under this Agreement. The obligations of Lessee under this paragraph arising by reason of any occurrence taking place during the term of this Agreement shall survive any termination of this Agreement.

(ii) The Lessee will procure and keep in effect during the term hereof commercial general liability insurance on an occurrence basis with limits of at least Two Million Dollars (\$2,000,000.00) per occurrence, with a Two Million Dollar (\$2,000,000.00) annual general aggregate. Such policy shall include coverage for bodily injury, property damage, premises and operations, personal and advertising injury and contractual liability insurance that covers the indemnification obligations of this Agreement. Not more frequently than every three (3) years, if, in the reasonable opinion of Lessor, the amount of liability insurance required hereunder is not adequate, Lessee shall promptly increase said insurance coverage as reasonably required by Lessor.

In addition, such policy shall name the Lessor, the Archdiocese of Detroit, the Archbishop of Detroit, St. Mary Magdalene Parish and the pastor of St. Mary Magdalene Parish) as additional named insureds on a primary and noncontributory basis and shall contain a provision that it may not be canceled without at least thirty (30) days prior written notice being given by the insurer to Lessor. Lessee agrees to deliver certificates of all insurance required under this paragraph to Lessor prior to any entry upon the leased premises, and not less than thirty (30) days before the expiration of any such policy. Further, Lessee agrees to provide complete copies of all policies to the Lessor upon receipt of the same; provided, however, the receipt by Lessor of such policies shall not be deemed by Lessor to be an acceptance of such coverage to the extent it conflicts with the requirements of this Agreement.

Upon Lessee's failure to deliver a Certificate of Insurance, the Lessor may, at his option, immediately cancel this Agreement upon written notice to Lessee.

b. **Fire:**

Lessor shall provide for such standard form fire insurance on the building in which the leased premises are located as Lessor shall deem advisable, which insurance is solely for the benefit of the Lessor and is not available for the benefit of the Lessee.

c. **Contents/Lessee Improvements:**

Lessee shall be responsible for securing any insurance it deems advisable on contents and Lessee improvements or for business interruption and Lessor shall have no liability with respect to any loss which might have been covered by such insurance.

4. **Alterations**

Lessee may make no alterations, additions, or improvements to the leased premises without the Lessor's prior written consent. All such alterations, additions and improvements shall be at the expense of the Lessee and Lessee hereby indemnifies and holds Lessor harmless from all costs, liability and loss of any kind and all claims of loss or liability, in any way arising out of or by reason of any such alterations, additions or improvements. Upon vacation of the leased premises, said improvements, additions and alterations shall, at Lessor's option, become the property of the Lessor. Lessee shall promptly remove all such alterations, additions and improvements required by Lessor to be removed and Lessee shall restore the premises after such removal to substantially their condition prior to the time such alteration, addition or improvement was made. All furnishings and equipment which are not attached or affixed to the leased premises made or placed by Lessee upon the leased premises shall be the property of the Lessee, and the Lessee shall be permitted to remove the same at the end of the term of this Agreement, but only if such removal causes no molestation or injury to the leased premises or the building in which the leased premises are located.

If Lessor consents to Lessee's performance of any alteration or addition to the leased premises ("Work"), Lessee shall ensure that the Work shall be made in accordance with the Plans and Drawings (as defined below) and all applicable laws, regulations and building codes, in a good and workmanlike manner and in quality satisfactory to Lessor. In addition, prior to commencement of any Work, Lessee must submit to Lessor for approval, which approval Lessor may withhold in its sole and absolute discretion:

- (i) a complete set of plans and specifications ("Plans") prepared and sealed by a registered architect or engineer,
- (ii) a complete set of drawings and specifications for mechanical, electrical and plumbing systems ("Drawings"); and
- (iii) a list of the contractors and subcontractors ("Contractors") who will perform the Work, together with proof of insurance and performance and labor bonds, in such amounts and with such carriers or sureties as Lessor may require in its sole and absolute discretion.

Lessor's approval of the Plans and Drawings for Lessee's alterations shall create no responsibility or liability on the part of Lessor for their completeness, design sufficiency or compliance with all laws, rules and regulations of governmental agencies or authorities.

No person shall be entitled to any lien on the leased premises because of any labor or material furnished to Lessee in connection with any alterations or improvements by Lessee, and nothing in this Agreement shall be construed to constitute a consent by Lessor to the creation of any lien. If any lien is filed against the leased premises as a result of a claim against Lessee for labor or material furnished to Lessee, Lessee shall cause the lien to be discharged of record within fifteen days after filing. If Lessee fails to cause the lien to be discharged within such time, Lessor may, without the obligation to do so, payoff the lien and Lessee shall reimburse Lessor for all costs and expenses incurred by Lessor to pay and discharge such lien, including, but not limited to, reasonable attorney fees ("Lien Expense"). Lessee shall indemnify Lessor from any costs, including, but not limited to, reasonable attorney fees, in connection with any such lien.

In the event Lessee fails to reimburse Lessor within thirty (30) days after receipt of Lessor's demand for reimbursement for any Lien Expense incurred by Lessor with respect to any lien ("Delinquency Date"), Lessee shall be required to pay to Lessor, on the Delinquency Date and every thirty (30) days thereafter until Lessor receives such reimbursement, in addition to the amount of such Lien Expense, a late fee in the amount of ten percent (10%) of the outstanding amount of the Lien Expense. Acceptance of the late fee or interest under this Section shall in no event constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent Lessor from exercising any of his rights and remedies.

5. **Eminent Domain**

In the event of a taking of the leased premises during the term of this Agreement by a proceeding in eminent domain which results in the eviction of the Lessee, this Agreement shall terminate upon the date of such eviction. All awards shall be the sole property of Lessor, except for Lessee's award for relocation expense or loss of business, if any.

6. **Taxes**

Any real property taxes assessed against the leased premises or any property of which they are a part, at any time, shall be paid by the Lessee where such taxes have resulted because of rental of the leased premises by Lessee.

Payment of all such taxes, assessments and charges shall be made on or before the last day when payment may be made without interest or penalty. Lessee may, when permitted by appropriate governmental authority, pay any tax, assessment or charge over a period of time.

Lessee agrees to exhibit to Lessor on demand any time following such date for payment of taxes, assessments or charges, receipts evidencing payments of all such taxes, assessments or charges so payable.

7. **Assignment and Subletting**

Lessee covenants that it will not assign, sell, mortgage or in any manner transfer or encumber this Agreement or any interest herein, or sublet the leased premises or any part or parts thereof or grant any concession or license or otherwise permit occupancy of all or any part thereof by others without in each case first obtaining the prior written consent of Lessor. The consent by Lessor to an assignment or subletting shall not in any way be construed to release Lessee from obtaining the express consent of the Lessor to any further assignment or subletting of any part of the leased premises nor shall the collection of rent by Lessor from any assignee, sub-lessee or other occupant be deemed a waiver of this covenant or the acceptance of the assignee, sub-lessee or occupant as a lessee hereunder or a release of Lessee from the further performance by Lessee of the covenants in this Agreement on Lessee's part to be performed.

8. **Default**

The occurrence of any one or more of the following events (hereinafter referred to as "Events of Default") shall constitute a breach of this Agreement by Lessee:

- a. if Lessee shall fail to pay rent or any other sum when and as the same becomes due and payable;
- b. if Lessee shall fail to perform or observe any other term hereof to be performed or observed by Lessee under this Agreement;
- c. if Lessee shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due or shall file a petition in bankruptcy, or shall be adjudicated as insolvent or shall file a petition in any proceeding seeking any reorganization, arrangements, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file an answer admitting or fail timely to contest or acquiesce in the appointment of any trustee, receiver or liquidator of Lessee or any material part of its properties;
- d. if this Agreement or any estate of Lessee hereunder shall be levied upon under any attachment or execution and such attachment or execution is not vacated within ten (10) days;
- e. if Lessee vacates, abandons or deserts the leased premises or Lessee fails to occupy the leased premises for more than thirty (30) consecutive days; or
- f. if there is a revocation, termination or other invalidation of any permit, license or authorization with respect to Lessee's use and/or occupancy of the leased premises, including, but not limited to, certificates of occupancy, business licenses or charters.

9. **Remedies**

Upon the occurrence of an Event of Default, in addition to any other remedies which may be available to Lessor, Lessor may, at his option, after providing to Lessee any notice required under Michigan Law, do one or more of the following:

- a. Terminate this Agreement and, upon such termination, this Agreement shall come to an end and expire upon Lessor's termination, but Lessee shall remain liable for any damages Lessor may incur by reason of any default of the Lessee to comply with the terms and conditions of this Agreement; or
- b. Either with or without terminating this Agreement, Lessor may immediately or at any time after the Event of Default or after the date upon which this Agreement shall expire, reenter the leased premises or any part thereof, without notice, either by summary proceedings or by any other applicable action or proceeding, (without being liable to indictment, prosecution or damages therefore), and may repossess the leased premises and remove any and all of Lessee's property and effects from the leased premises; or
- c. Either with or without terminating this Agreement, Lessor may relet the whole or any part of the leased premises from time to time, either in the name of Lessor or otherwise, to such tenant or tenants, for such term or terms ending before, on or after the expiration of this Agreement, at such rental or rentals and upon such other conditions, which may include concessions and free rent periods, as Lessor, in its sole discretion, may determine. In the event of any such reletting, Lessor shall not be liable for the failure to collect any rental due upon any such reletting, and no such failure shall operate to relieve Lessee of any liability under this Agreement or otherwise to affect any such liability; and Lessor may make such repairs, replacements, alterations, additions, improvements, decorations and other physical changes in and to the leased premises as Lessor, in its sole discretion, considers advisable or necessary in connection with any such reletting or proposed reletting, without relieving Lessee of any liability under this Agreement or otherwise affecting such liability;
- d. Accelerate all rental due for the balance of the term of this Agreement and declare the same to be immediately due and payable; or
- e. Lessor shall have the right to recover all amounts payable by Lessee hereunder as they become due and all other damages incurred by Lessor as a result of an Event of Default including, without limitation, attorney's fees and costs.

10. **Controlling Law; No Other Agreement or Representatives**

This Agreement shall be governed by the laws of the State of Michigan. There are no understandings, agreements, representations, or warranties, expressed or implied, other than those set forth in a written addendum or supplement executed simultaneously herewith, or as herein set forth fully or incorporated by specific reference, respecting this Agreement or any real or personal property leased hereunder.

11. **Non-Waiver; Modifications**

No waiver of any provision of this Agreement, or a breach thereof, shall be construed as a continuing waiver, nor shall it constitute a waiver of any other provision or breach. The acceptance of part (but not all) of a rent installment(s) due Lessor hereunder shall not constitute a waiver of default hereunder for nonpayment of rent. The acceptance of all or part of a rent installment(s) due Lessor hereunder shall not constitute a waiver of any other type of default hereunder. No modification, alteration and/or amendment of this Agreement shall be binding upon the other party hereto, unless the same shall be reduced to writing and signed by the party against whom it is sought to be enforced.

12. **Notices**

Whenever under this Agreement provision is made for notice of any kind, unless otherwise expressly herein provided, it shall be in writing and shall be served personally, sent by registered or certified mail, with postage prepaid, or sent by Federal Express or other similar next business day air courier. Notice shall be deemed given upon personal delivery or one (1) business day following deposit with an air courier. to the address of Lessor or Lessee, as the case may be, as stated below, or such other address as either of the parties may subsequently designate in writing by notice to the other party in the manner required herein:

To the Lessor at:

Pastor, St. Mary Magdalene Parish
19624 Wood Street
Melvindale, MI 48122-1699

and

Allen H. Vigneron, Roman Catholic Archbishop
of the Archdiocese of Detroit
1234 Washington Boulevard
Detroit, MI 48226

To the Lessee at:

Board President
Academy for Business and Technology
19625 Wood Street
Melvindale, MI 48122

and

Gerald J. Richter
Attorney at Law
6050 Livernois
Troy, MI 48098

13. **Surrender**

The Lessee shall return said leased premises peaceably and promptly to the Lessor at the end of the term of this Agreement, or at any earlier termination thereof, in as good condition as the same are now in or may hereafter to be put in, except for ordinary wear and tear. Upon termination of this Agreement, whether by expiration of the term,

abandonment or surrender by Lessee, process of law or otherwise, any personal property belonging to Lessee and left on the leased premises shall be deemed to be abandoned and may be removed and disposed of by Lessor at Lessee's expense.

14. **Right to Terminate**

- a. If the leased premises become wholly untenable through damage or destruction, this Agreement shall be void; if partially untenable, Lessor shall have the option of canceling this Agreement at anytime within thirty (30) days after such casualty. If Lessor does not cancel this Agreement, the Lessor shall repair the leased premises with all convenient speed. The obligation of the Lessee to pay the monthly rental shall be abated during the time the leased premises are untenable and shall be partially abated during the time the leased premises are partially untenable.
- b. In case the leased premises and/or the entrance(s), passageways, hallways and/or lavatories shall be sufficiently damaged so as to unreasonably impede Lessee's use of the leased premises for a period likely to exceed sixty (60) days, Lessee may, at its option, terminate this Agreement forthwith by written notice to the Lessor, in which event any unabsorbed advance rental forthwith upon Lessee's surrendering the leased premises shall be repaid to Lessee.

15. **Successors and Assigns**

This Agreement and each of the covenants, conditions, and agreements contained herein shall be binding upon each of the parties and upon their respective successors, representatives and assigns, and the benefits shall inure to each of the parties and to their respective permitted successors, representatives and assigns.

16. **No Representations**

Lessee acknowledges that no representation, verbal or written, has been made by any broker, agent or employee of Lessor regarding the condition of the improvements on the premises. This Agreement is not made in reliance upon any representation whatsoever.

17. **Security Deposit**

The Lessor herewith acknowledges the receipt of Twenty Thousand and 00/100 Dollars (\$20,000.00), which Lessor is to retain as security for the faithful performance of all of the covenants, conditions, and agreements of this Agreement, but in no event shall the Lessor be obliged to apply the same upon rents or other charges in arrears or upon damages for the Lessee's failure to perform said covenants, conditions, and agreements; the Lessor may so apply the security at his option; and the Lessor's right to the possessions of the premises for non-payment of rent or for any other reason shall not in any event be affected by reason of the fact that the Lessor holds this security. The said sum, if not applied toward payment of rent in arrears or toward the payment of damages suffered by the Lessor by reason of the Lessee's breach of the covenants, conditions, and agreements of this Agreement, is to be returned to the Lessee when this Agreement is terminated, according to the terms, but in no event is the said security to be returned until

the Lessee has vacated the premises and delivered possession to the Lessor. In the event that the Lessor repossesses himself of the leased premises because of the Lessee's default or because of the Lessee's failure to carry out the covenant, conditions, and agreements of this Agreement, the Lessor may apply the said security upon all damages suffered to the date of said repossession and may retain the said security to apply upon such damages as may be suffered or shall accrue thereafter by reason of the Lessee's default or breach. The Lessor shall not be obliged to keep the said security as a separate fund, but may mix the said security with its own funds nor shall Lessor be required to obtain or account for any interest on said funds.

18. **Hold Over**

It is hereby agreed that in the event the Lessee herein holds over after the termination of this Agreement, that thereafter the tenancy will be from month-to-month in the absence of a written agreement to the contrary. All terms of the previous Agreement will remain the same, except that the rent amount shall be increased to 150% of the previous rent amount.

19. **Options to Renew**

Provided Lessee is not in default of any of the provisions of this Agreement, Lessee shall have two (2) successive options to extend the term of this Agreement for an additional one (1) year period from and after the expiration of the original term Lessee shall exercise each option by giving Lessor written notice of the intention to extend, no later than four months prior to the expiration of the original term

(February 28, 2015) or the current option term.

Within sixty (60) days following Lessee's notice to Lessor of the exercise of such right to extend the term, Lessor shall notify Lessee of Lessor's determination of the rental to be charged by Lessor during such option term with respect to the leased premises. If Lessee finds such rental to be unacceptable, Lessee shall have thirty (30) days following receipt of Lessor's determination in which to withdraw its election of option to extend by written notice to such effect to Lessor.

In the event that Lessee does not withdraw its election of option to extend, as herein provided, the term of the Agreement shall be extended and the rental shall be that specified by the Lessor.

20. **Headings**

The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provisions of this Agreement.

21. **Hazardous Materials**

- a. Lessee shall be fully responsible, at its own expense, for compliance with all laws and/or regulations governing the handling of Hazardous Materials or other substances used or stored on the Premises in connection with Lessee's business conducted therein. All hazardous or potentially Hazardous Materials shall be stored in proper containers and shall be further protected against spills by secondary containment facilities. Lessee shall not spill, introduce, discharge or bury any Hazardous Materials, substance or contaminant of any kind in, on, or under the Premises or any portion thereof or any adjacent premises or into the ambient air. Lessee shall not permit the discharge of any Hazardous Materials into the sanitary or storm sewer or water system serving the Premises or any adjacent premises or into any municipal or other governmental water system or storm and/or sanitary sewer system. Lessee shall employ all appropriate safeguards and procedures necessary or appropriate to protect such systems from contamination. Lessee shall undertake, at its expense, any necessary and/or appropriate cleanup process in connection with any breach of the foregoing covenants, and without limiting Lessee's other indemnity or insurance obligations under this Agreement. Lessee shall indemnify and hold harmless Lessor from and against all liability whether direct, indirect, consequential or otherwise, arising from any incident or occurrence on or about the Premises or any adjacent premises pertaining to Hazardous Materials which results from the acts or omissions of Lessee, its agents, employees or invitees, during the term hereof. The obligations of Lessee under this section shall survive the termination of this Agreement.
- b. "Hazardous Materials" shall include, without limitation, any chemical or other material which is or may become injurious to the public health, safety or welfare, or to the environment, flammable explosives, petroleum fractions, pesticides, radioactive materials, Hazardous Materials, regulated substances, hazardous or toxic substances, contaminating pollutants or related or similar materials, including by way of example, substances or materials defined by any federal, state or local environmental law, ordinance, rule or regulation, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Federal Insecticide, Fungicide, and Rodenticide Act or the Michigan Environmental Response Act, and the regulations adopted and publications promulgated pursuant thereto, all as amended.

22. **Signs**

Lessee has permission to erect an exterior sign on the property of the leased premises advertising the Lessee's intended use. The size, type, design, legend, and location must be in compliance with all applicable laws, including but not limited to, all applicable City of Melvindale ordinances and must be approved by the pastor of St. Mary Magdalene Parish. Lessee hereby acknowledges and agrees to maintain, at Lessee's sole cost and expense, any sign erected by Lessee pursuant to this paragraph in good repair and working order at all times. In addition, Lessee hereby agrees to indemnify, defend and

hold Lessor harmless (using counsel of Lessor's choice) from and against any cost, expense, claim or liability, including reasonable attorneys' fees, arising from or related to any sign erected by Lessee on the leased premises or the maintenance thereof.

At the expiration or termination of this Agreement, the Lessee shall promptly remove the sign and shall restore the leased premises and/or surrounding land to substantially their condition prior to installation of the sign. If the sign is not so removed within 30 days after the termination or expiration of this Agreement, then the sign shall, at Lessor's option, be deemed to have been abandoned by Lessee and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Lessor without notice to Lessee and without any obligation to account for such sign. All costs and expenses incurred by Lessor in connection with repairing or restoring the leased premises and/or surrounding land to the condition called for herein, together with the costs, if any, of removing the sign shall be invoiced to Lessee and shall be immediately due from and payable by Lessee.

23. **Lessor's Cure**

All covenants, terms and conditions to be performed by Lessee under any of the terms of this Agreement shall be at its sole cost and expense and without any abatement of rental. If Lessee shall fail to pay any sum of money, other than the payment of rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, Lessor may, but shall not be obligated so to do, and without waiving or releasing Lessee from any obligations of Lessee, make any such payment or perform any such other act on Lessee's part to be made or performed as in this Agreement provided. Lessee shall reimburse all sums so paid by Lessor and all necessary incidental costs related thereto ("Reimbursable Expenses") within fifteen (15) days of receipt of written notice from Lessor ("Delinquency Date") of the amount due. In the event Lessee fails to reimburse Lessor after receipt of Lessor's demand for Reimbursable Expenses, Lessee shall be required to pay to Lessor, on the Delinquency Date and every thirty (30) days thereafter until Lessor receives such reimbursement, in addition to the amount of such costs, a late fee in the amount of ten percent (10%) of the outstanding amount of the cost. Acceptance of the late fee or interest under this Section shall in no event constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent Lessor from exercising any of his rights and remedies.

All Reimbursable Expenses shall be deemed additional rental, and Lessor shall have (in addition to any other right or remedy of Lessor) the same rights and remedies in the event of the nonpayment thereof by Lessee as in the case of default by Lessee in the payment of rent.

24. **Lessor's Rights and Non-liability**

- Lessor shall have the right from time to time, without notice to Lessee, to inspect the leased premises to confirm Lessee's compliance with this Agreement.
- Lessor shall not be responsible or liable to Lessee 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 leased premises or any part of the structures or improvements on the leased premises; or
- any loss or damage resulting to Lessee or his property from theft or a failure of the security systems, if any, in the structures or improvements on the leased premises; or
- any damage or loss of property within the leased premises from any cause other than solely by reason of the willful act of Lessor, and no such occurrence shall be deemed to be an actual or constructive eviction from the leased premises or result in an abatement of rents.

If Lessor shall fail to perform any covenant, term or condition of this Agreement upon Lessor's part to be performed, and, if as a consequence of such default, Lessee shall recover a money judgment against Lessor, such judgment shall be satisfied only against the right, title and interest of Lessor in the leased premises and out of rents or other income from the leased premises by Lessor, or out of the consideration received by Lessor from the sale or other disposition of all or any part of Lessor's right, title and interest in the leased premises, and Lessor shall not be liable for any deficiency.

25. **"AS IS"; No Representations**

Lessee accepts the leased premises in its condition on the date of this Agreement, "AS IS" and without any representations or warranties of any kind, express or implied, by Lessor. Lessee acknowledges that no representation, verbal or written, has been made by any broker, agent or employee of Lessor regarding the condition of the improvements on the leased premises. This Agreement is not made in reliance upon any representation whatsoever.

26. **Transfer of Leased Premises by Lessor**

Lessor reserves the right to sell, assign or otherwise transfer its interest in the leased premises without Lessee's consent. In the event of any such sale, assignment or transfer, the transferor shall automatically be relieved of any obligations or liabilities on the part of Lessor accruing from and after the date of such transfer and Lessee covenants and agrees to recognize such transferee as the Lessor under this Agreement. However, notwithstanding any term or condition herein, Lessor shall give Lessee the first option to purchase the leased premises according to the same terms and conditions of any bonafide offer to purchase the leased premises received by the Lessor.

27. **Subordination**

This Agreement and the rights of the Lessee hereunder are hereby made subject to and subordinate to all mortgages now or hereafter placed upon the leased premises. Lessee covenants and agrees to execute and deliver on demand an instrument or instruments subordinating this Agreement to the lien of any such mortgage or mortgages and hereby irrevocably appoints Lessor the attorney-in-fact of Lessee to execute and deliver any such instrument or instruments in the name of Lessee. In addition, Lessee agrees that, upon the request of Lessor or any mortgagee of Lessor, Lessee shall execute an estoppel

certificate in form satisfactory to Lessor or any mortgagee of Lessor.

28. **Attorneys' Fees**

If either party uses the services of an attorney in connection with (i) any breach or default in the performance of any of the provisions of this Agreement, in order to secure compliance with such provisions or recover damages therefore, or to terminate this Agreement or evict Lessee, or (ii) any action brought by either party against the other, or (iii) any action brought against Lessee in which Lessor is made a party, the prevailing party shall reimburse the other party upon demand for any and all attorneys' fees and expenses so incurred.

29. **Additional Rent**

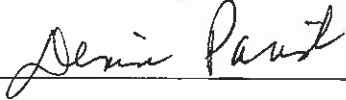
All taxes, insurance, utility charges, costs and expenses that the Lessee assumes or agrees to pay under this Agreement, together with all interest and late charges that may accrue thereon in the event of failure of Lessee to pay these items, and all other damages that Lessor may incur by reason of any default of the Lessee to comply with the terms and conditions of this Agreement shall be deemed additional rent, and in the event of non-payment, Lessor shall have all the rights as herein provided for failure to pay rent.

30. **Jury Waiver**

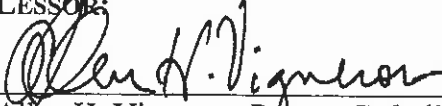
LESSOR AND LESSEE ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO THIS AGREEMENT.

In witness whereof, the parties hereto have executed this Agreement the day and year first written above.

IN THE PRESENCE OF:

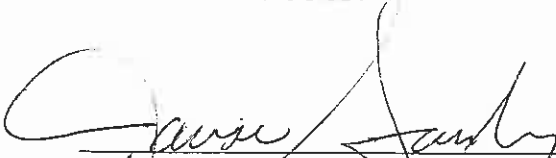


LESSOR:



Allen H. Vigneron, Roman Catholic Archbishop
of the Archdiocese of Detroit

IN THE PRESENCE OF:



Regional VP

LESSEE:

**ACADEMY FOR BUSINESS
AND TECHNOLOGY**



By: Bernard Geter, Board President