

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Agreement") made as of this 1st day of July, 2023 by and between FARHA AND ASSOCIATES-ANN ARBOR, LLC, a Michigan limited liability company whose address is 2450 Woodview Lane, Ann Arbor, Michigan 48108 ("Lessor") and MULTICULTURAL ACADEMY (f/k/a Eastern Washtenaw Multicultural Academy), a Michigan nonprofit corporation and public school academy whose address is 5550 Platt Road, Ann Arbor, Michigan 48108 ("Lessee" or "Academy").

RECITALS

WHEREAS, Lessee is a public school academy and part of the Michigan public school system pursuant to Part 6A of the Michigan Revised School Code, being Sections 380.501-380.507 of the Michigan Compiled Laws;

WHEREAS, Lessor currently owns certain real property in the Township of Pittsfield, County of Washtenaw, State of Michigan and has previously constructed a school building of approximately 22,000 square feet and other improvements (collectively, the "Premises") as further described on Exhibit A attached hereto and incorporated herein by reference;

WHEREAS, Lessor desires to continue leasing to Lessee, and Lessee desires to continue from Lessor, the Premises pursuant to the terms and conditions contained herein;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

ARTICLE 1 DEMISE OF THE PREMISES

1.1 Demise of the Premises. Lessor hereby leases the Premises to Lessee, and Lessee hereby leases the Premises from Lessor, subject to Lessee's right of inspection set forth in Section 1.2 herein and contingent upon any needed approval from Lessee's authorizing body, the Bay Mills Community College Board of Regents ("Authorizer") and on Lessee board approval. Lessor agrees to any changes to this Lease required to comply with Authorizer lease policies.

1.2 Lessee's Right of Inspection. Lessee shall have the following rights of inspection:

(a) Lessee shall have the right to approve all preliminary and final site plans for any construction of the demised premises and contract documents, including plans and specifications for actual construction, for purposes of determining the appropriateness of the proposed construction for use by Lessee, such approval not to be unreasonably withheld.

(b) Lessee shall have the right to regular inspections during any construction for purposes of determining the appropriateness of actual construction in accordance with previously approved plans and specifications and the site plan.

(c) Any changes to a site plan and/or plans and specifications during any construction shall be subject to review and approval of Lessee for purposes of determining the appropriateness of the proposed changes in construction for use by Lessee, such approval not to be unreasonably withheld.

(d) Lessee shall have the right to inspect the premises at the time of completion of any construction, when a certificate of occupancy is granted by the State or State designated municipality having authority therefore, for purposes of determining completion in accordance with the plans and specifications and final site plan.

(e) All site plans, plans and specifications, actual construction, and use of the premises and school building(s) or any part thereof shall all be in accordance with any and all applicable laws, ordinances, requirements, orders, directives, rules, and regulations of all federal, state, county, and municipal governmental authorities including, but not limited to, the obligations applicable to Lessee by Authorizer, whether pursuant to Lessee's charter contract ("Contract") with Authorizer or otherwise.

ARTICLE II TERM, USE AND LOCATION

2.1 Term.

(a) Subject to and upon the terms and conditions set forth herein, the term of this Agreement ("the Term") and the obligations of Lessor and Lessee under this Agreement shall commence on July 1, 2020 (the "Commencement Date") and shall expire on the expiration date of Lessee's Contract (the "Expiration Date"), unless terminated sooner as provided in this Agreement. In no event shall the Agreement or any renewal extend beyond June 30, 2024.

(b) This Agreement may be terminated in its entirety by written notice to Lessor prior to the Commencement Date if Lessee fails to obtain funding as a public school academy as part of the Michigan public school system under Part 6A of the Michigan Revised School Code ("Code"), being Sections 380.501 to 380.507 of the Michigan Compiled Laws. This Agreement may also be terminated in its entirety by written notice to Lessor if Authorizer elects not to reauthorize, revokes or terminate the Contract with Lessee. In the event the Academy's Contract is revoked, suspended, terminated, or expires by its terms, the Lease Agreement and all obligations thereunder shall immediately terminate.

2.2 Use. During the Term, Lessee shall use the Premises as a public school academy as part of the Michigan public school system under Part 6A of the Code and as a preschool. No other use shall be permitted unless Lessee obtain Lessor's prior written consent to such other use.

**ARTICLE III
BASIC RENT**

3.1 Basic Rent.

(a) Lessee's obligation to pay rent of any kind or nature as may be specified in this Agreement shall begin on the Commencement Date and shall remain an obligation of Lessee until completely satisfied, unless terminated by Lessee as provided herein.

(b) Lessee hereby agrees and shall pay to Lessor an annual rent for the Premises ("Basic Rent"). Basic Rent shall be in the amount indicated below, payable in advance in twelve (12) monthly installments on the first day of each calendar month during the Term. Payments of Basic Rent shall be made to Lessor at the address set forth in Section 20.7 or to such other person or at such other place as Lessor shall designate in writing from time to time. Lessee and Lessor agree to review the terms of this Section 3.1(b) each school year after the State of Michigan releases its official enrollment counts.

Lessee shall pay Basic Rent as follows: Eighteen percent (18%) of the State per pupil foundation grant based on the Academy's state aid membership, as reported monthly on the Academy's State Aid Financial Status Report by the State of Michigan for the applicable school year for each year of the term, not to exceed \$342,000 per each school year (\$28,500 per each month). By way of illustration, the Academy's June 2023 State Aid Financial State Report showed a Fiscal Year 2023 per pupil foundation grant amount of \$9,150.00 and State Aid Membership at 230 pupils. The Base Rent amount owed by the Lessee for the July 1, 2023 lease payment is \$24,083.33 which is less than 18% of \$9150.00 multiplied by 230 pupils.

**ARTICLE IV
UTILITIES, REAL ESTATE TAXES**

4.1 Utilities to the Premises. Lessee shall be solely responsible for and promptly pay, as additional rent, all charges for gas, heat, electricity, water, sewer and other utilities used upon or furnished to the Premises (collectively, the "Utilities"). Lessee shall contract directly with and shall be solely responsible to the public utility companies for the payment of all charges for Lessee's usage of such Utilities. Lessor shall not be liable to Lessee for any loss, damage or expense which Lessee may sustain if the quality or character of the Utilities used upon or furnished to the Premises are no longer available or suitable for Lessee's requirements, or if the Utilities are interrupted as a result of the actions by the public utility companies or any cause other than Lessor's default.

4.2 Real Estate Taxes for the Premises.

(a) Commencing on the Commencement Date and thereafter throughout the Term, Lessee shall pay as additional rent and discharge, as and when the same shall become due and payable, all real estate taxes and assessments, both general and special, as imposed by federal, state or local governmental authorities, or any other taxing authority having jurisdiction over the Premises against the land, building and all other improvements to the Premises (collectively, "Taxes"). Taxes also

shall include any and all expenses incurred by Lessor in negotiating, appealing or contesting such Taxes. Lessor shall cooperate with any effort to remove the premises from the tax rolls or to exempt the premises from taxes.

(b) Lessee shall be deemed to have complied with this Article IV if payment of such Taxes shall have been made either within any period allowed by law or by the governmental authority imposing the same during which payment is permitted without penalty or interest or before the same shall become a lien upon the Premises. Lessee shall produce and exhibit to Lessor satisfactory evidence of such payment as soon as practical. Lessor shall cooperate in any tax payment plan needed by Lessee.

(c) For the calendar years in which this Agreement commences and terminates, the provisions of this Article IV shall apply, and Lessee's liability for its proportionate share of any real estate taxes for such years shall be prorated on a due date basis over a 365-day year based upon the number of calendar days in said calendar years during which the Term of this Agreement is in effect.

(d) At its own expense and with Lessor's prior written consent, the same not to be unreasonably withheld, Lessee shall have the right to contest the amount or validity, in whole or in part, of any Taxes by appropriate proceedings diligently conducted in good faith. In the event of such election and notwithstanding the provisions of this Article IV, payment of such Taxes may be postponed at Lessee's election if and so long as neither the Premises, nor any part thereof, would by reason of such postponement or deferment be, in the reasonable judgment of Lessor, in danger of being forfeited or lost. Lessee shall notify Lessor in writing of any actions proposed to be taken by it to contest any Taxes. In the event that such contest in the reasonable judgment of Lessor adversely affects or prejudices the interests of Lessor in the Premises, Lessor shall have the right to require that Lessee deposit the amount so contested and unpaid, together with all interest and penalties in connection therewith and all charges that may or might be assessed against or become a charge on the Premises or any part thereof in such proceedings, or grant such other security with respect thereto that is reasonably acceptable to Lessor.

(e) Lessor covenants and agrees that if there shall be any refunds or rebates on account of the Taxes paid by Lessee under the provisions of this Agreement, such refund or rebate shall be credited against the next installment of Taxes due from Lessee to Lessor, or credited against the next installment(s) of Basic Rent due from Lessee to Lessor if the Premises is declared exempt from Taxes for any reason and therefore no Taxes are due. If such refunds or rebates occur at or near the end of the lease term or extension hereof such that there is no opportunity for credits of such amounts, Lessor shall forthwith pay to Lessee an amount equal to such refunds or rebates.

(f) Notwithstanding the foregoing, in the event Lessor is required under any mortgage covering the Premises to escrow Taxes, then Lessee shall pay in monthly installments the Taxes into escrow on or before the first day of each calendar month in advance. If the total amount of Taxes paid by Lessee into escrow for any calendar year during the Term of this Agreement shall be less than the actual amount due from Lessee for such year, Lessee shall pay to Lessor the difference between the amount paid by Lessee and the actual amount due within ten (10) calendar days after Lessor's request for such payment. If the total amount of such escrow installments paid by Lessee hereunder with respect to any calendar year shall exceed the amount due from Lessee for such calendar year, such excess shall be credited against the next installment of Taxes due from Lessee to Lessor, or credited

against the next installment(s) of Basic Rent due from Lessee to Lessor if the Premises is declared exempt from Taxes for any reason and therefore no Taxes are due. If such escrow excess occurs at or near the end of the lease term or extension hereof such that there is no opportunity for credit of such amounts, Lessor shall forthwith pay to Lessee an amount equal to such escrow excess.

(g) During the term of this lease or any extension hereof, Lessee's obligation for payment of real estate taxes shall be limited to yearly increases of taxable value not affected by Lessor's transfer of ownership as defined by MCL 211.27a. If Lessor does make such a transfer of ownership during the term or any extension hereof, Lessor shall be responsible for and pay the difference in real estate taxes occasioned by such transfer.

(h) During the term of this lease or any extension hereof, Lessee's obligation for payment of assessments shall be limited to the amount of any installments due and payable with annual real estate taxes. Assessment installments shall be prorated in the same manner as real estate taxes.

ARTICLE V MAINTENANCE, REPAIR, ALTERATIONS, ADDITIONS AND IMPROVEMENTS

5.1 Maintenance and Repair of the Premises.

(a) Notwithstanding anything contained herein to the contrary, Lessor shall not be required to make any repairs or improvements to the Premises or to operate the Premises, except as otherwise provided herein.

(b) Except as otherwise provided herein, Lessee shall, at its sole cost and expense, perform all necessary maintenance and repairs and keep the Premises in good condition, including but not limited to snow removal, repairs, and other costs associated with the building.

(c) If Lessee fails to perform its obligation to repair or maintain the Premises as set forth in this Section 5.1, Lessor may, but shall not be obligated to, enter the Premises and make the repairs or perform the maintenance, or have the repairs made or maintenance performed. Upon Lessor's notice to Lessee of the performance and cost of any maintenance or repairs under this subsection 5.1(c), Lessee must immediately reimburse Lessor as additional rent, for any costs incurred by Lessor under this subsection 5.1(c).

(d) Lessor shall not be responsible for damages caused by roof leaks, sewer backups, flood damage, water damage or repairs occasioned by the act or negligence of Lessee, its agents, contractors, employees, servants, licensees or invitees.

(e) Structural repairs or replacement necessitated by defects to the premises, or structural replacement required by wear and tear to the premises shall be the responsibility of and shall be paid for by Lessor. If Lessor fails to make such repairs or replacement in a reasonable time after notice by Lessee of the necessity for same, Lessee may make such repairs and be credited for amounts expended therefore against rent or other amounts due hereunder. If credit is not available, such amounts shall be paid by Lessor to Lessee.

(f) Replacement of the mechanical improvements to the demised premises shall be the responsibility of Lessee unless such replacement shall become necessary during the last year of the term or any extension thereof, in which case such replacement shall be the responsibility of Lessor upon proper notice to Lessor by Lessee.

5.2 Alterations, Additions and Improvements to the Premises.

(a) Lessee shall not make any alterations, additions or improvements to the Premises without the Lessor's prior written consent, the same not to be unreasonably withheld.

(b) All alterations, additions or improvements made by Lessee will become Lessor's property when this Agreement terminates. Notwithstanding the foregoing, Lessor shall have the right, but not the obligation, to require that Lessee remove any alterations or improvements installed or made by Lessee, and any other property Lessee places on the Premises, when the Agreement terminates. If Lessor requires that Lessee remove the alterations or improvements, Lessee shall repair any damage to the Premises caused by the removal. Any additions made by Lessee with the approval of Lessor shall become the property of Academy when this Agreement terminates but Academy shall have no obligation to remove same, unless otherwise required by the Contract (including Authorizer Lease Policies) or applicable law.

**ARTICLE VI
REQUIREMENTS OF PUBLIC AUTHORITIES**

6.1 Compliance With Legal Requirements. During the Term, Lessee shall, at its own cost and expense, promptly observe and comply with all present and future laws, ordinances, requirements, orders, directives, rules and regulations of all federal, state, county and municipal governments and of all other governmental authorities affecting the Premises or any part thereof or its operation by Lessee whether the same are in force at the Commencement Date or may in the future be passed, enacted or directed including, but not limited to, the obligations applicable to Lessee by Authorizer, whether pursuant to the Contract or otherwise. Lessee shall pay all costs, expenses, liabilities, losses, damages, fines, penalties, claims and demands, including reasonable attorneys' fees, that may in any manner arise out of or be imposed because of the failure of Lessee to comply with the covenants of this Article VI.

6.2 Contesting the Validity of Legal Requirements. At its own expense and with Lessor's prior written consent, the same not to be unreasonably withheld, Lessee shall have the right to contest the validity or application of any law, ordinance, rule, regulation or requirement of the nature referred to in Section 6.1 above (collectively, the "Requirements of Public Authorities") by appropriate proceedings diligently conducted in good faith. Upon such election, compliance With the Requirements of Public Authorities may be postponed if and so long as neither the Premises, nor any part thereof, would by reason of such postponement or deferment of compliance be, in the reasonable judgment of Lessor, in danger of being forfeited or lost. Lessee shall notify Lessor in writing of any actions proposed to be taken by it to contest the Requirements of Public Authorities. In the event that such contest, in the reasonable judgment of Lessor, adversely affects or prejudices the interests of Lessor in the Premises, Lessor shall have the right to require that Lessee deposit with Lessor such amount as may be reasonably determined by Lessor, together with interest and penalties in connection therewith and all charges that may or might be assessed against or become a charge on the Premises or

any part thereof in such proceedings, or grant such other security with respect thereto that is reasonably acceptable to Lessor.

6.3 Cooperation. Lessor agrees to cooperate with Lessee in such contest; provided, however, that Lessor shall not be required to incur any cost or expense in connection with this Article VI.

6.4 Title III. Notwithstanding any other provision of this Agreement, Lessor and Lessee hereby agree that the Premises may be subject to the terms and conditions of the Americans with Disabilities Act of 1990 (hereinafter the "ADA"). Lessor and Lessee further agree and acknowledge that it shall be the sole responsibility of Lessee, after Lessee assumes possession hereunder, to comply with any and all provisions of the ADA, and such compliance may be required to operate the Premises. Lessee further agrees to indemnify and hold Lessor harmless against any claims that may arise out of Lessee's failure to comply with the ADA. Such indemnification shall include, but not necessarily be limited to reasonable attorneys' fees, court costs and judgments as a result of said claims. Anything herein to the contrary notwithstanding, it shall be Lessor's sole responsibility to complete construction of the school building and its appurtenances such that they are in complete compliance with the ADA and Michigan Handicappers Law. Lessor shall indemnify and hold Lessee harmless from any and all claims arising out of Lessor's failure to so comply, including, but not limited to, consequential, incidental, exemplary and/or punitive and future damages, costs of defense, including reasonable attorney fees (before, during and/or after litigation) as well as any judgments that might be entered against Lessee.

ARTICLE VII REPRESENTATIONS AND WARRANTIES

7.1 Lessor's Representations. Lessor represents and warrants to Lessee that:

- (a) It has good and marketable title to the Premises.
- (b) It has the power and authority to enter into this Agreement and perform its terms.
- (c) If and only if Lessee shall pay the Basic Rent and additional rent and other charges and perform all the covenants and provisions of this Agreement to be performed by Lessee, then the leasehold estate granted to Lessee hereby shall not, during the Term, be disturbed, and Lessee shall freely, peaceably and quietly enjoy and occupy the full possession of the Premises, and the tenements, hereditaments, and appurtenances thereunto belonging or in any way appertaining, without molestation or hindrance by any person lawfully or equitably claiming by, through or under Lessor.
- (d) To the best of Lessor's knowledge, there is no existing, pending or threatened litigation, administrative actions, claims or demands relating to the Premises.
- (e) The zoning laws applying to parcel will allow the use intended by Lessee without the necessity of a variance or special use permit unless the same has already been acquired by Lessor prior to the Commencement Date.

7.2 Lessee's Representations. Lessee represents and warrants to Lessor that:

- (a) It is duly organized, validly existing and good standing in Michigan.
- (b) It has the lawful power and authority to conduct its business, own its assets and execute, deliver and comply with this Agreement.
- (c) The execution and delivery of this Agreement have been duly authorized by all necessary action on the part of Lessee.
- (d) The individual executing this Agreement on behalf of Lessee has authority to do so.
- (e) The Premises only will be used for the purposes set forth in Section 2.2.

**ARTICLE VIII
COVENANTS AGAINST LIENS AND ENCUMBRANCES IN THE PREMISES**

8.1 Covenant Against Liens or Encumbrances in the Premises. Lessee shall not create or permit any encumbrances, liens or security interests against the interest of Lessor in the Premises in any manner whatsoever and nothing contained in this Agreement shall ever be construed as permitting such encumbrances, liens or security interests. If, because of any act or omission of Lessee, any mechanic's lien or other lien, security interest, charge or order for the payment money or any other encumbrance shall be against Lessor or any portion of the Premises, Lessee shall, at its own cost and expense, cause the same to be discharged of record or bonded within 30 calendar days after filing of any such encumbrance, lien, security interest charge or order. Lessee shall indemnify and save harmless Lessor from and against all actions, costs, expenses, liabilities, suits, penalties, claims and demands, including reasonable attorneys' fees, resulting therefrom.

**ARTICLE IX
ACCESS TO THE PREMISES, SIGNS**

9.1 Access to the Premises by Lessor. Lessor or Lessor's agents and designees shall have the right, but not the obligation, to enter upon the Premises at all reasonable times to exercise its rights and remedies hereunder, to examine and inspect the Premises, to make any repairs or restoration that Lessor elects to perform, to cure any defaults by Lessee, and to exhibit the Premises to prospective lessees. Lessor may post signs on or about the Premises during the last 6 months of the Term or any extension of this agreement to advertise the Premises for lease unless Lessee has exercised its option to purchase as set forth in Article XVII hereof. Access by Lessor shall not disrupt Lessee's operation.

9.2 Signs. Any signs erected by Lessee on the Premises shall be erected and maintained in accordance with all applicable governmental regulations and ordinances.

ARTICLE X ASSIGNMENT

10.1 Assignment by Lessor.

(a) Lessor may, without notice to Lessee, assign this Agreement and all of Lessor's rights, remedies and title to the Basic Rent, Premises and this Agreement subject to the real estate tax provisions of Section 4.2(g) herein.

(b) Any such transfer or assignment by Lessor shall be free from all defenses, setoffs or counterclaims of any kind which Lessee may be entitled to assert under this Agreement except as provided in Section 4.2(g) herein.

(c) Any assignee of Lessor shall not assume any obligations of Lessor, except to the extent expressed in writing or contained herein. Notwithstanding such assignment, Lessee shall continue making future Basic Rent and other payments under this Agreement to Lessor until Lessee shall have received written instructions from Lessor to make such payments to the assignee and at the address specified in such instructions, whereupon Lessee shall comply with such instructions.

10.2 Prohibition on Assignment or Subletting by Lessee.

(a) Lessee may not assign, directly or indirectly, or by operation of law, this Agreement or sublet, in whole or in part, any interest or rights in or with respect to the Premises without the written consent of Lessor, the same not to be unreasonably withheld.

(b) A change of ownership or control of Lessee shall be deemed as an assignment of this Agreement. However, a change of membership on the Lessee's Board of Directors shall not be considered a change of ownership or control for purposes of this Section.

ARTICLE XI INSURANCE

11.1 Insurance Related to the Premises. Lessor shall not be liable for any damage of any kind or for any damage to property, or injury or death to persons, from any cause whatsoever by reason of the use and occupancy of the Premises by Lessee, and Lessee shall keep in full force and effect during the Term a policy of comprehensive general liability and property damage insurance as presently insured. Coverage Certificate is available to the parties and the public upon request.

ARTICLE XII INDEMNIFICATION

12.1 From Lessee to Lessor. Lessee covenants, to the extent permitted by law, to indemnify and promptly defend Lessor, his agents and employees and save them harmless from and against any and all claims, actions, damages, liabilities and reasonable expenses, including reasonable attorneys' fees, in connection with or arising from or out of:

- (a) Any occurrence in, upon or at the Premises.
- (b) The condition, occupancy, operation or use by Lessee of the Premises or any part thereof.
- (c) Any act or omission of Lessee, its agents, contractors, employees, servants, licensees or invitees.
- (d) Any Hazardous Materials (as defined in Section 15.2) installed or introduced into the Premises by Lessee, its agents, contractors, employees, servants, licensees or invitees in whole or in part.
- (e) Any claim as to Lessee's authority to enter into this Agreement.
- (f) The falsity of any representation or warranty of Lessee set forth herein.

12.2 From Lessee to Lessor. In case Lessor shall, without fault on its part, be made a party to any litigation commenced by or against Lessee, then Lessee shall protect and hold Lessor harmless and shall pay all reasonable costs, expenses and reasonable attorneys' fees incurred in connection with such litigation. Lessee shall determine choice of legal counsel for all such claims.

12.3 From Lessor to Lessee. Lessor covenants to indemnify, promptly defend and hold Lessee harmless from and against any loss, damage, judgment, cost or expense, including reasonable attorneys' fees, in connection with or arising from or out of:

- (a) Any claim of a lien, judgment, security interest, mortgage or claim of title with respect to the Premises, which arises at any time through no fault of Lessee.
- (b) Any claim as to Lessor's authority to enter into this Agreement.
- (c) The falsity or inaccuracy of any representation or warranty of Lessor set forth herein.
- (d) Any claim with respect to Lessor's use or prior use of Hazardous Materials on the Premises prior to Lessee occupying the Premises.

12.4 Remediation of Hazardous Materials. Notwithstanding anything in the Agreement to the contrary, the Lessor shall be solely responsible for any liability or obligation to investigate, clean, remove, remediate, or otherwise deal with Hazardous Materials present at the property prior to Lessee occupying the Premises.

12.5 Survival. This Article XII shall survive the Expiration Date or other termination of this Agreement.

**ARTICLE XIII
DESTRUCTION, DAMAGE OR CONDEMNATION OF THE PREMISES**

13.1 Destruction or Damage to the Premises by Fire or Other Casualty.

(a) In the event that at any time during the term of this Agreement, the building or other improvements upon the Premises (hereinafter referred to as the "improvements") shall be destroyed or damaged in whole or in part by fire or other cause, then Lessee shall cause the same to be repaired, replaced or rebuilt in accordance with the plans and specifications prepared by Lessee, subject to Lessor's approval. Lessor shall not unreasonably withhold, condition or delay such approval, and Lessor shall not have the right to make any revisions to such plans specifications to accommodate future uses or tenants of the Premises. Such restoration shall be completed within a period of time, which, under prevailing circumstances, shall be reasonable. This obligation is only to the extent funds are available to fulfill it.

(b) There shall be an abatement in Basic Rent provided in this Agreement as a result of damage or destruction to the Premises from any cause whatsoever until the premises is restored and capable of being occupied.

(c) Lessor shall not be responsible to Lessee for damage to or destruction of any furniture, equipment, improvements or other changes made by Lessee in or about the Premises regardless of the cause of the damage or destruction.

13.2 Condemnation of the Premises.

(a) If all or substantially all of the Premises shall be taken for any public or quasi-public use under any statute or by right of eminent domain or by private purchase in lieu thereof, then this Agreement shall automatically terminate as of the date that possession has been taken, and Lessee's obligation to pay Basic Rent and any additional rent shall cease. In the event 40% or more of the building and/or parking area on the Premises are so taken (or so purchased), then either Lessee or Lessor shall have the right, but not the obligation, to terminate this Agreement by giving written notice of such termination on or prior to the date 90 calendar days after the date of such taking (or purchase), and, upon the giving of such notice of termination the Term shall expire and come to an end on the last day of the school year in which such notice shall be given. In the event of such taking or purchase, if the remaining area of the demised premises, in the sold judgment of Lessee, is sufficient for use as a charter school academy, then this lease will be prorated in accordance with a square footage formula to the day of the taking (or purchase).

(b) Lessee shall not be entitled to any award or payment in lieu thereof; but Lessee may file a claim for Lessee's loss of its option and moving expenses and any award to which

Lessee may be entitled under applicable law which does not adversely affect Lessor's award, but not for the value of any leasehold interest which shall be paid in full to Lessor.

(c) In the event of a partial taking (or purchase) not resulting in the termination of this Agreement pursuant to subsection 13.2(a), the proceeds of any condemnation award shall be paid to Lessor or Lessor's mortgagee to be disbursed to Lessee for restoration pursuant to typical construction loan disbursement procedures for commercial banks.

ARTICLE XIV EVENTS OF DEFAULT AND REMEDIES

14.1 Events of Default. The happening of any one or more of the following events, each an "Event of Default," shall constitute a breach of this Agreement by Lessee:

(a) The filing by or on behalf of Lessee of any petition or pleading to declare Lessee bankrupt, or the adjudication in bankruptcy of Lessee under any bankruptcy law or act;

(b) The failure of Lessee to regularly, diligently and actively operate the business for which the Premises were leased;

(c) Lessee ceases to conduct business as a going concern;

(d) The failure of Lessee to pay any Basic Rent or any other charge payable under this Agreement;

(e) Abandonment of the Premises by Lessee for a continuous period of 30 calendar days;

(f) The failure of Lessee to fully and promptly perform any act required under this Agreement, or to otherwise comply with any term or provision hereof, such failure continuing for 30 calendar days after Lessor has given Lessee written notice of such failure;

(g) A prohibited assignment or sublease by Lessee as provided in Section 10.1.

(h) The appointment by any court or under any law, of a receiver, trustee, or other custodian of the property, assets or business of Lessee;

(i) The assignment by Lessee of all or any part of its property or assets for the benefit of creditors;

(j) The levy of execution, attachment or other taking of property, assets or the leasehold interest of Lessee by process of law or otherwise in satisfaction of any judgment, debt or claim; or

(k) Lessee attempts to sell, transfer, encumber or sublease the Premises or any portion thereof.

14.2 Remedies. Upon the happening of any Event of Default, Lessor, at its sole option, in addition to other rights or remedies it may have, may exercise one or more of the following remedies:

(a) Declare all current and unpaid Basic Rent immediately due and payable and collect any other charge hereunder as and when same become due and recover all other reasonable damages incurred by Lessor as a result of an Event of Default;

(b) Terminate this Agreement as to the Premises upon written notice to Lessee, without prejudice to any other remedies, and enter the Premises at any time, with or without legal process, and take possession thereof, subject to reasonable safety and security precautions;

(c) Proceed by appropriate action, either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Agreement and recover reasonable damages for breach thereof; and

(d) Exercise any and all rights available to Lessor under applicable law or in equity upon Lessee's default.

14.3 Lessor's Right to Cure Defaults. All covenants, terms and conditions to be performed by Lessee under this Agreement shall be at its sole cost and expense and without any abatement of Rent If Lessee shall fail to pay any sum of money, other than Basic Rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder and such failure shall continue for 30 calendar days after notice thereof by Lessor, Lessor may, but shall not be obligated so to do, and without waiving or releasing Lessee from obligations of Lessee, make any such payment or perform any such other act on Lessee's part to be made or performed as provided in this Agreement. All sums so paid by Lessor and all necessary incidental costs shall be deemed additional rent hereunder and shall be payable to Lessor on demand, 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 Basic Rent.

14.4 Effective Date of Remedy Election. In the event Lessor shall elect any of the remedies of this Article XIV, such election shall be effective as of the date of notice to Lessee.

14.5 Surrender. Upon any termination of the Term hereof, whether by lapse of time or otherwise or upon any termination of Lessee's right to possession or occupancy of the Premises, Lessee shall promptly surrender possession and vacate the Premises.

14.6 Fees Incurred in Collecting Past Due Amounts. Lessee hereby agrees to pay, in addition to past Basic Rent or additional rent or other charges, all reasonable attorneys' fees together with all court costs and expenses incurred by Lessor in the process of collecting any past due amounts under this Agreement.

14.7 Late Charge. All amounts payable by Lessee to Lessor hereunder if not paid within ten (10) days of when due, shall be subject to an administrative late charge of the Lessor of 5% of the amount due or \$50.00.

14.8 Concurrent or Separate Exercise of Remedies. Lessor's remedies may be exercised concurrently or separately, and the exercise of one remedy shall not be deemed to preclude the exercise of any other remedy. Lessee shall pay all costs, expenses and reasonable attorneys' fees incurred in connection with enforcement of these remedies.

14.9. No Penalty for Certain Contract Terminations. This lease shall be terminated, without cost or penalty to the Lessee, in the event that the Lessee is required to close the school site covered by this Lease (i) pursuant to a notice issued by the Department under Section 507 of the Code, MCL 380.507; or (ii) pursuant to a reconstitution by the Authorizer pursuant to Section 507 of the Code, MCL 380.507 and the Contract. Lessor shall have no recourse against the Lessee or Authorizer for implementing the site closure or reconstitution. Nothing in this paragraph shall prevent the Lessor from receiving lease payments owed prior to site closure or reconstitution, or relieve the Lessee from paying any costs or expenses owed under the lease prior to site closure or reconstitution.

ARTICLE XV HAZARDOUS MATERIALS WITH RESPECT TO THE PREMISES

15.1 Prohibition of Hazardous Materials. Lessee shall not cause or permit any Hazardous Materials (as defined below) to be used, stored, generated, or disposed of on or in the Premises by Lessee, its agents, employees, contractors, licensees or invitees. If Hazardous Materials are used, stored, generated, or disposed of on or in the Premises, or if the Premises become contaminated in any manner after the Commencement Date for which Lessee is legally liable, Lessee shall to the extent permitted by law indemnify and hold harmless Lessor from any and all claims, damages, fines, judgment, penalties, costs, liabilities, or losses (including, without limitation, a decrease in value of the Premises, damages caused by loss or restriction of rentable or usable space or any damages caused by adverse impact on marketing of the space, and any and all sums paid for settlement of claims, attorneys' fees, consultant and expert fees) arising during or after the Term and arising as a result of that contamination by Lessee. This indemnification includes, without limitation, any and all costs incurred because of any investigation of the site or any cleanup, removal or restoration mandated by a federal, state or local agency or political subdivision. Without limitation of the foregoing, if Lessee causes or permits the presence of any Hazardous Materials on the Premises that results in contamination, Lessee shall promptly, at its sole expense, take any and all necessary actions to return the Premises to the condition existing prior to the presence of any such Hazardous Materials on the Premises. Lessee shall first obtain Lessor's approval for any such remedial action the same not to be unreasonably withheld.

15.2 Definition of "Hazardous Materials." Hazardous Materials means any substance, material or waste that is or becomes regulated by any local governmental agency, the State of

Michigan, or the federal government, including, but not limited to, any material or substance that is:

(a) Designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. § 1251 et seq., or listed pursuant to Section 307 of the Clean Water Act, 33 U.S.C. § 1317;

(b) Defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.;

(c) Defined as "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.;

(d) Petroleum;

(e) Asbestos; and

(f) Polychlorinated biphenyls.

15.3 Definition of "Hazardous Materials Laws." Hazardous Materials Laws means any federal, state, or local statute, ordinance, order, rule or regulation of any type relating to the storage, handling, use, or disposal of any Hazardous Materials, the contamination of the environment or any removal of such contamination, including, without limitation, those statutes referred to in subsection 15.2 above.

15.4 Access to Premises. Lessee shall permit Lessor's representatives, agents, servants, and employees, including, but not limited to, legal counsel and environmental consultants and engineers, access to the Premises for the purpose of conducting environmental inspections and sampling at reasonable times during regular business hours, and during other hours, either by agreement of the parties or in the event of an environmental emergency. Lessor shall notify Lessee at least 24 hours in advance of all entries into the Premises pursuant to this subsection 15.4, except in the event of an environmental emergency.

15.5 Copies. Lessee shall promptly supply Lessor with copies of:

(a) All notices, reports and correspondence with, and submissions to, the Michigan Department of Environmental Quality, the United States Environmental Protection Agency, the United States Occupational Safety and Health Administration, or any other local, state or federal authority that requires submission of any information concerning environmental matters or Hazardous Materials pursuant to Hazardous Materials Laws;

(b) Lessee shall promptly notify Lessor in advance of any scheduled meeting between Lessee and any of the agencies specified in subsection 15.5(a) above; and

(c) Lessee shall promptly notify Lessor as to any liens threatened or attached against the Premises pursuant to Hazardous Materials Law as a result of Lessee's or its agents, contractors, employees, servants, licensees or invitees' use of the Premises.

15.6 Filing of an Environmental Lien. If an environmental lien is filed against the Premises as a result of Lessee's use of the Premises, Lessee must, within 30 calendar days from the date on which the lien is placed against the Premises, and, in any event, before the date on which any governmental authority begins proceedings to sell the Premises pursuant to a lien, either:

- (a) Pay the claim and remove the lien from the premises; or
- (b) Furnish either:
 - (i) A bond satisfactory to the Lessor in the amount of the claim on which the lien is based; or
 - (ii) Other security satisfactory to the Lessor in an amount sufficient to discharge the claim on which the lien is based.

15.7 Occurrences Prior to the Commencement Date. Notwithstanding anything herein to the contrary, Lessee shall not have any responsibility for the following that occurred prior to the Commencement Date:

- (i) Any violations of Hazardous Materials Laws;
- (ii) Any Hazardous Materials; or
- (iii) The cleanup, removal or remediation of any Hazardous Materials.

15.8 Indemnification with respect to Hazardous Materials. Lessee shall, to the extent permitted by law, indemnify, promptly defend, and hold harmless Lessor and its agents and employees from and against all claims, liabilities, losses, damages, and costs, foreseen or unforeseen, including without limitation reasonable counsel, engineering, and other professional or expert fees that Lessor may incur by reason of Lessee's breach of its obligations under this Article XV.

Lessor shall not cause or permit any Hazardous Materials (as defined below) to be used, stored, generated, or disposed of on or in the Premises. If Hazardous Materials were used, stored, generated, or disposed of on or in the Premises prior to the Commencement Date, or if the Premises became contaminated in any manner prior to the Commencement Date for which Lessor is legally liable, Lessor shall indemnify and hold harmless Lessee from any and all claims, damages, fines, judgment, penalties, costs, liabilities, or losses (including, without limitation, a decrease in value of the Premises, damages caused by loss or restriction of rentable or usable space or any damages caused by adverse impact on use, purchase or marketing of the space, re-location costs, temporary re-location costs and any and all sums paid for settlement of claims, attorneys' fees, consultant and expert fees) arising during or after the Term and arising as

a result of that contamination by Lessor. This indemnification includes, without limitation, any and all costs incurred because of any investigation of the site or any cleanup, removal or restoration mandated by a federal, state or local agency or political subdivision. Without limitation of the foregoing, if Lessor causes or permits or caused or permitted the presence of any Hazardous Materials on the Premises that results in contamination, Lessor shall promptly, at its sole expense, take any and all necessary actions to return the Premises to the condition existing prior to the presence of any such Hazardous Materials on the Premises. Lessor shall first obtain Lessee's approval for any such remedial action, the same not to be unreasonably withheld.

15.9 Survival. This Article XV shall survive the expiration or termination of this Agreement.

ARTICLE XVI ESTOPPEL STATEMENT, ATTORNMENT AND SUBORDINATION

16.1 Certification by Lessee. Lessee shall, without charge, at any time and from time to time, within 10 calendar days after receipt by Lessee of written request therefore from Lessor or from any mortgagee under any mortgage or proposed mortgage on the Premises, deliver in recordable form a duly executed and acknowledged certificate or statement to the party requesting said certificate or statement or to any other person or entity designated by Lessor, certifying:

(a) That this Agreement is unmodified and in full force and effect, or, if there has been any modification, that the same is in full force and effect as modified and stating any such modification.

(b) The Commencement Date and Expiration Date of this Agreement.

(c) That Basic Rent is paid currently without any offset or defense thereto.

(d) The dates to which Basic Rent, additional rent and other charges payable hereunder by Lessee have been paid, and the amount of Basic Rent, additional rent and other charges, if any, paid in advance.

(e) Whether or not there is then existing any claim of Lessor's default hereunder, and, if so, specifying the nature thereof.

(f) Any other matters relating to the status of this Agreement as requested by Lessor or any such mortgagee from time to time.

16.2 Attornment. In the event of (a) any proceedings are brought for foreclosure of, (b) the conveyance by deed in lieu of foreclosure of, or (c) the exercise of the power of sale under, any mortgage and/or deed of trust made by Lessor covering the Premises, this Agreement shall remain in full force and effect. Lessee hereby attorns to, and covenants and agrees to execute an instrument in writing reasonably satisfactory to the new owner whereby Lessee attorns to such successor in interest and recognizes such successor as Lessor under this Agreement. Payment by or performance of this Agreement by any person claiming an interest in this Agreement or the

Premises by, through or under Lessee without Lessor's consent in writing shall not constitute an attornment or create any interest in this Agreement or the Premises.

16.3 Subordination. Lessee agrees that this Agreement shall be subordinate to any mortgage that may hereafter be placed upon the Premises by Lessor, provided that the mortgagee named in any mortgage hereafter placed upon the Premises shall enter into a non-disturbance and attornment agreement pursuant to which it shall agree to recognize the interest of Lessee under this Agreement in the event of foreclosure so long as Lessee is not then in default. Lessee agrees to execute any and all instruments to such mortgagees and lessons confirming such subordination.

16.4 Failure to Comply with Article XVI. Failure of Lessee to execute any statements or instruments necessary or desirable to effectuate the foregoing provisions of this Article XVI or the terms and conditions of this Agreement within 10 calendar days after written request so to do by Lessor shall constitute a breach of this Agreement. In the event of such failure, Lessee hereby irrevocably appoints Lessor as attorney-in-fact for Lessee with full power and authority to execute and deliver in the name of Lessee any such statements or instruments, which appointments shall be in addition to any other rights or remedies available to Lessor.

ARTICLE XVII OPTION TO PURCHASE

17.1 Option to Purchase. Subject to the provisions set forth in this Article, Lessor hereby grants and conveys to Lessee the exclusive option to purchase the Premises upon payment of the Total Purchase Price described in Section 17.4 below (the "Option"). The Option shall expire at 11:59 p.m. Eastern Standard Time on June 30, 2024 (the "Option Expiration Date"). If Lessee fails to exercise the Option prior to the Option Expiration Date, the Option granted to Lessee shall expire and be of no further force and effect.

17.2 Notice of Option Exercise Date. To exercise the Option, Lessee shall, at any time prior to the Option Expiration Date, provide Lessor written notice signed by Lessee at the address set forth for notices in Section 20.6 stating that Lessee is exercising the Option. The date on which Lessee exercises the Option shall be referred to herein as the "Option Exercise Date."

17.3 Closing Date. In the event that Lessee exercises the Option and the appraisal process takes no longer than 90 days, the closing shall take place within 180 calendar days of the Option Exercise Date at such time and location as the parties mutually agree (the "Closing Date").

17.4 Purchase Price. In consideration of the sale and delivery of the Premises, Lessee shall pay to Lessor on the Closing Date the fair market value of the Premises minus the total of Lessee paid improvement costs (the "Base Purchase Price") (the "Total Purchase Price") as mutually agreed by Lessor and Lessee. If the Lessor and Lessee have not agreed on the Base Purchase Price within 30 calendar days from the Option Exercise Date, the Base Purchase Price shall be determined as follows: All appraisers shall be disinterested persons who have at least 5 years of business as an appraiser of real property in the State of Michigan. Lessor and Lessee shall each appoint an appraiser and give written notice of the appraiser's name and address within 20

calendar days after the Option Exercise Date. Within 30 calendar days after their appointment, the appraisers shall then each independently and separately determine the Base Purchase Price, without consultation of any other person and meet and simultaneously disclose in writing their respective determinations of the Base Purchase Price. If these determinations are identical, said amount shall be the Base Purchase Price. If the two appraised values differ by 10% or less, the Base Purchase Price shall be the average of these two determinations. If the two appraised values differ more than 10%, the two appraisers shall select an independent appraiser who shall determine which of the two appraisals is more accurate, and such appraisal shall be the Base Purchase Price. The foregoing determination of Base Purchase Price shall in all cases be final, binding and conclusive on the parties. Each party shall pay the fees and expenses of the appraiser appointed by each party, and each party shall pay one-half of the fees and expenses of any appraiser selected by the two appointed appraisers. In the event the premises is sold to a party other than Lessee or this lease is terminated, regardless of cause, Lessor shall reimburse and pay to Lessee the total of Lessee paid improvement costs minus any set-off to which Lessor is legally entitled to from Lessee at that time.

ARTICLE XVIII HOLDING OVER OF THE PREMISES

18.1 Holdover Occupancy. Lessor and Lessee hereby agree that in the event of Lessee holding over after the termination of this Agreement, thereafter Lessee shall pay to Lessor a monthly occupancy charge equal to the basic and additional rent due hereunder. The occupancy charge shall be paid from the expiration or termination of this Agreement until the date the Premises are delivered in the condition required herein.

ARTICLE XIV RECORDING OF MEMORANDUM OF LEASE AND SECURITY INTEREST

19.1 Recording of Memorandum of Lease. Upon the written request of Lessor, Lessor and Lessee shall execute a memorandum of lease or affidavit in proper form for recordation in the appropriate office where the Premises is situated, setting forth the existence and terms of this Agreement, and Lessee shall take such further actions as may be necessary to affect such recordation.

ARTICLE XX MISCELLANEOUS

20.1 Additional Provisions Required By Authorizer. Anything to the contrary herein notwithstanding, the parties agree as follows:

(a) No party other than the Academy shall have an ongoing right to occupy the Premises without providing written notice and obtaining non-disapproval from the Authorizer's CSO Director 30-days prior to such occupancy. If another school will occupy the Academy's Premises, the Academy must provide to the Authorizer a written analysis regarding any potential security, school safety, and church-state issues.

(b) Any amendments to the Agreement must be reviewed and approved by the Authorizer, or waived by the Authorizer.

(c) This Agreement does not restrict the Academy's board from waiving its governmental immunity or require the Academy's board to assert, waive or not waive its governmental immunity.

(d) All lease and physical plant records of the Lessor related to the Academy shall be made available to the Academy's independent auditor and to the Authorizer's CSO.

(e) Fixtures purchased with the Academy's funds are owned by the Academy.

(f) This Agreement shall not interfere with the Academy's Board's exercise of its statutory, contractual and fiduciary responsibilities governing the operation of the Charter School nor shall it prohibit the Charter School Board from acting as an independent, self-governing public body or allow public decisions to be made other than in compliance with the Open Meetings Act.

(g) If Lessor procures any equipment, materials, renovations for Lessee, then Lessee will comply with competitive bidding requirements applicable to Lessee. Lessor agrees not to add-on fees or charges to such procurements.

(h) Lessee shall be permitted to recoup investments in Premises if Lessor terminates this Agreement without cause.

20.2 Successors and Assigns. Subject to the limitations set forth in Article X, this Agreement and all of the covenants and conditions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. Each provision hereof related to the Premises shall be deemed both a covenant and a condition and shall run with the land.

20.3 Headings. The headings appearing in this Agreement are for reference only and shall not be considered a part of this Agreement or in any way modify, amend or affect the provisions hereof.

20.4 Waiver. Failure of Lessor or Lessee to complain of any act or omission on the part of the other party no matter how long the same may continue, shall not be deemed to be a waiver by said party of any of its rights hereunder. No waiver by Lessor or Lessee at any time, express or implied, of any breach of any provision of this Agreement shall be deemed a waiver of a breach of any other provision of this Agreement or a consent to any subsequent breach of the same or any other provision. No acceptance by Lessor of any partial payment shall constitute an accord or satisfaction but shall only be deemed a part payment on account.

20.5 Cumulative Effect. Unless otherwise provided herein, it is agreed that each and every right, remedy and benefit provided under this Agreement shall be cumulative and shall not be exclusive of any other rights, remedies or benefits permitted by law or in equity.

20.6 Brokerage Commission. Each of the parties represents that there are no claims for brokerage commissions or finders' fees in connection with the execution of this Agreement. Each of the parties agree, to the extent permitted by law, to indemnify and hold harmless the other from liabilities arising from any such claim, including, without limitation, reasonable attorneys' fees.

20.7 Notices. Any notice, payment, report or demand herein provided for in this Agreement shall be deemed to have been sufficiently served, delivered or given if addressed as follows:

If to Lessor:

Yaser Farha
2450 Woodview Lane
Ann Arbor, MI 48108

If to Lessee:

Board President
Multicultural Academy
5550 Platt Rd.
Ann Arbor, MI 48108

With a copy to:

George P. Butler III, Esq.
500 Woodward Ave., Ste. 4000
Detroit, MI 48226

20.8 Representations. Lessee acknowledges that neither Lessor nor Lessor's agents, employees or contractors have made any representations or promises with respect to the Premises or this Agreement, except as expressly set forth herein.

20.9 Survival of Obligations. The provisions of this Agreement with respect to any rights or obligations of either party to pay any sum owing and due or to perform any act required under this Agreement shall survive the expiration or termination of this Agreement.

20.10 Applicable Law. The laws of the State of Michigan shall govern the validity, performance and enforcement of this Agreement, without regard to principles of conflict of laws.

20.11 Partial Invalidity. If any term, covenant or condition of this Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be

affected thereby and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

20.12 Complete Agreement. This Agreement, together with any exhibits, schedules or other attachments, contains the complete agreement of the parties concerning the Premises.

There are no prior covenants, promises, agreements, conditions or understanding, either oral or written, between Lessor and Lessee other than those set forth herein. Unless otherwise provided herein, this Agreement may be amended and modified only by Lessor and Lessee in a writing signed by both parties.

20.13 Limitations on Lessor's Liability. Upon any sale or transfer including any transfer by operation of law of the Premises, Lessor shall be relieved of all subsequent obligations and liabilities under this Agreement, provided the transferee agrees to assume the duties and obligations of Lessor hereunder.

22.14 Financial Statements. Upon Lessor's request, Lessee shall promptly furnish Lessor with financial statements reflecting Lessee's current financial condition, which statements shall be audited, if available.

22.15 Relationship of the Parties. Nothing contained herein shall be deemed or construed by the parties hereto, nor any third party, as creating a relationship of principal and agent or a partnership or joint venture between the parties hereto, it being understood that neither the computation of Basic Rent, nor any other provision contained herein, nor any of the acts of the parties herein, shall be deemed to create a relationship between the parties other than the relationship of Lessor and Lessee.

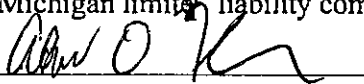
22.16 Amendments. Any amendments to the Lease Agreement must be reviewed by the Authorizer before execution; however, for certain types of non-substantive amendments to the Lease Agreement, the Authorizer may decide to waive in writing the Leasing Policies.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

LESSOR

FARHA & ASSOCIATES-ANN ARBOR,
LLC, a Michigan limited liability company

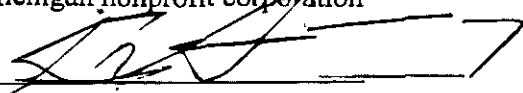
By: 

Print Name: Ahmed Farha

Its: Vice President

LESSEE

MULTICULTURAL ACADEMY
a Michigan nonprofit corporation

By: 

Print Name: Khalil Samaha

Its: Board President

EXHIBIT A
Premises

Legal Description:

Real Property in the Township of Pittsfield, County of Washtenaw, State of Michigan, and is described as follows:

Commencing at the East 1/4 corner of Section 22, T3S, R6E, thence Southerly along the East Line of said Section and the centerline of Platte Road, 131.4 feet for a place of beginning; thence continuing Southerly along said East line of said centerline 262.80 feet; thence Westerly deflecting $90^{\circ}03'$ to the right 661.78 feet; thence Northerly deflecting $89^{\circ}41'$ to the right 262.80 feet; thence Easterly deflecting $90^{\circ}19'$ to the right 663.0 feet to the place of beginning, being a part of the Southeast 1/4 of said Section.

12-22-400-002

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