

LEASE

LEASE made this 12 day of June, 2013, between WESTERN MICHIGAN CHRISTIAN HIGH SCHOOL, a Michigan non-profit corporation, ("WMCHS") of 455 East Ellis Road, Muskegon, MI 49441, and THREE OAKS PUBLIC SCHOOL ("TOPS") of 1212 Kingsley, Muskegon, Michigan 49442.

1. General Agreement. WMCHS leases to TOPS and TOPS leases from WMCHS the areas of the former Western Michigan Christian High School building located at 1212 Kingsley Street, Muskegon, MI. The current occupant has approval from the State of Michigan to use the leased premises as a school.

2. Term. The term of this lease shall be from August 1, 2013 to July 31, 2021, unless terminated by mutual agreement, subject to the following provisions.

3. Rental. The rental for the each school year shall be based on eight per cent (8%) of the unrestricted State aid as distributed to TOPS from the Michigan Department of Education, but in no event shall be an annual rate of less than \$50,000. Rent shall be calculated based on the audited blended pupil count multiplied by the foundation allowance per pupil. Rent shall be paid within 15 days after the monthly distribution from the Michigan Department of Education. TOPS shall provide WMCHS with its reported pupil count within 10 days of it's report of the count to the State.

4. Signage. TOPS may establish signage at its own expense subject to the prior written approval of WMCHS which shall not be unreasonably withheld.

5. Parking. The Kingsley/McLaughlin Street parking lot will be designated for use by TOPS as well as a portion of the north and south lots adjacent to the leased premises. An area in the south lot will also be used by TOPS for student drop-off and pick-up.

6. Snow Removal and Grounds Maintenance. TOPS shall be responsible for the cost of the snow removal from the Kingsley/McLaughlin lot. The cost of snow removal from parking areas will be shared by TOPS and Muskegon Christian School ("MCS") at a rate of TOPS 65% and MCS 35%. Snow removal from walkways and entrances shall be TOPS's responsibility. TOPS's portion of the snow removal will be included with the Utility Service bill as described in Paragraph 10. WMCHS will procure an insured snow removal contractor.

TOPS is responsible for grounds mowing, leaf pick-up and general upkeep.

7. Joint/Concurrent Use. The parties hereto will ensure that their staff and students will not co-mingle during any such times when the parties' staff/students may be utilizing different locations within the building's central area. The administration of both parties shall set a schedule for joint/concurrent use.

8. Restricted Use. The leased premises shall be used solely for TOPS's educational purposes and as required by covenants and restrictions of records. TOPS

agrees that it will not allow use of the premises by or for any group, organization or program which WMCHS reasonably finds to be objectionable.

9. Assignment and Subletting. TOPS shall not assign this lease or sublet any part of the leased premises without the written consent of WMCHS. TOPS shall be given written notice of any assignment of the lease by WMCHS.

10. Utility Services. WMCHS covenants and agrees that it will make payment when due for any and all public utilities used or consumed on said premises during the term of this lease term, excluding therefrom TOPS's telephone service which shall be paid for by TOPS. WMCHS shall invoice TOPS on a monthly basis for 100% of the natural gas, 95% of the electricity, 33% of the area lighting and 100% of the water/sewer. These invoices are due upon receipt. A 2% late payment charge will be added to the following invoice for all amounts not received within 30 days of the invoice date.

Any changes or modifications to the existing telephone or communication service to the building shall be the sole responsibility of TOPS and shall be done only by the express written consent and approval of WMCHS.

11. Repairs and Maintenance. TOPS shall provide all janitorial services, and WMCHS shall provide all mechanical maintenance services during the term hereof. TOPS shall be responsible for all other repairs due to building usage. TOPS shall use all reasonable precautions to prevent waste, damage or injury to the leased premises. TOPS shall be responsible for any damage done to the premises outside ordinary and normal wear and tear. TOPS shall reimburse WMCHS for 100% of the cost of gymnasium resurfacing and 100% of gymnasium light replacement. Gym resurfacing is an annual maintenance item that is performed during the summer break.

12. Improvements by Lessee. All alterations, modifications, or improvements made to the leased premises above shall be at TOPS's expense and only on the prior written consent of the WMCHS, and all improvements placed on or in the leased premises, whether heretofore or hereafter, by TOPS and affixed to the leased premises shall become the property of WMCHS and remain on the leased premises at the termination of the lease. On surrender of the premises, or upon termination of the terms of the lease, whichever shall occur earlier, TOPS shall repair all damages to floors, walls, ceilings, and other parts of the premises occasioned by the installation or removal of fixtures installed by TOPS, shall remove all debris, rubbish and waste materials therefrom and shall restore the premises to the same condition as when taken except with respect to improvements made thereto with WMCHS's consent and except for normal wear and tear.

Notwithstanding the foregoing, in the event any governmental agency or authority, other than a party hereto, requires any repairs, alterations, modifications or improvements to the premises because of or resulting from TOPS's use of the premises, such repairs, alterations, modifications or improvements shall be made by TOPS with WMCHS's prior consent at the expense of TOPS. TOPS takes the leased premises "as is" in its present condition.

13. Eminent Domain.

(a) In the event that any part of the leased premises shall be taken by exercise of the power of eminent domain (including governmental purchase in lieu of completion of bona fide condemnation or eminent domain proceedings theretofore actually threatened or instituted) the rent payable thereafter shall be decreased in proportion to the amount or portion of the said premises as shall be taken under such proceedings; provided, if all such premises shall be so taken, or if the taking shall preclude TOPS from utilizing reasonably the leased premises as contemplated in Paragraph 1 hereof, this lease shall terminate at the time possession must be surrendered and TOPS shall be relieved of all future rental payments provided for herein; provided, further, WMCHS shall not voluntarily sell the leased premises or any part thereof in connection with any such proceeding that may be threatened or instituted without giving TOPS the opportunity to resist such condemnation at the latter's expense, in which case WMCHS shall resist such proceeding (if requested so to do by TOPS) at TOPS's expense in the court or forum having jurisdiction thereof.

(b) In no event shall TOPS have the right to compensation for the value of the term, its rights being solely those of reduced rent or termination as set forth in subparagraph (a) of this Paragraph 13.

14. Public Liability and Indemnity. TOPS shall indemnify, defend and save harmless the WMCHS from any liability for loss, damage, injury or other casualty to persons or property caused or occasioned by or arising from any act, use or occupancy or negligence by or of the TOPS or any of its agents, servants, visitors, licenses, or employees occurring during the leased term or any extended term; and in case any action or proceeding be brought against WMCHS by reasons of any such claim, TOPS on timely notice from WMCHS shall resist or defend such action or proceedings by counsel employed by TOPS, which shall include the taking of all permissible appeals, unless full release of WMCHS is obtained by way of settlement or compromise at the expense of TOPS or its insurance carrier.

TOPS shall provide and keep in force comprehensive general public liability insurance against claims for personal injury, death or property damage occurring on, in, or about the premises and on, in or about the adjoining streets, property and passageways, such insurance to afford minimum protection during the term of this lease of not less than Five Hundred Thousand and 00/100 Dollars (\$500,000.00) with respect to personal injury or death to any one person and is not less than One Million and 00/100 Dollars (\$1,000,000.00) with respect to any occurrence and of not less than Five Hundred Thousand and 00/100 (\$500,000.00) with respect to any one occurrence and of not less than One Million Dollars (\$1,000,000.00) for property damage. Said policy shall name WMCHS as an additional insured, and TOPS shall pay all premiums thereon and furnish evidence of such payment to WMCHS on an annual basis.

15. Subrogation. Each party hereto does hereby remise, release, and discharge the other party and any officer, agent, employee or representative of such party, of and from any liability whatsoever hereafter arising from loss, damage or injury caused by fire or other casualty for which insurance (permitting waiver of liability containing a waiver of subrogation) is carried by the injured party at the time of such loss, damage or injury, to the extent of any recovery by the injured party under such insurance.

16. Holdover Tenancy. If TOPS shall remain in possession following the end of the term of this lease, or any extension thereof, is shall be a tenant from month-to-month only unless the parties otherwise agree in writing. The monthly lease rate shall be set at 11% of the total lease payments from the previous year as established in Paragraph 3. (Example: \$80,000 paid the previous year x 11% or \$8,800 per month). Lease payment shall be paid in advance on the first of the month for each month that TOPS occupies the property for one or more days. Utility service shall continue under the terms of Paragraph 10.

17. Default. This lease is made upon the condition that TOPS shall perform all covenants and agreements herein set forth to be performed by it, and if any time rent, insurance premiums or other charges and payments or any of them or any part thereof, shall become in arrears and unpaid for a period of thirty (30) days after becoming due, or if any of the covenants or agreements aforesaid shall not be performed by TOPS, within the period of thirty (30) days after notice of default in performance, WMCHS, at any time thereafter shall have full right, at its election, to enter upon the above-described premises, and to take immediate possession thereof.

In the event WMCHS shall retake possession of the premises this lease shall not terminate but WMCHS shall have the right to relet the premises or any part thereof for all or any portion of the remainder of said term to a tenant or tenants satisfactory to WMCHS, and should the rental received from such tenants be less than that agreed to be paid during any month by TOPS hereunder, then TOPS agrees to pay such deficiency to WMCHS on a yearly basis together with the costs and expenses incurred by WMCHS in such reletting, after first crediting TOPS, however, with any rentals paid in advance.

18. Bankruptcy. If TOPS shall become insolvent or make an assignment for the benefit of creditors, or file a petition in bankruptcy, or seek the benefit of any bankruptcy, composition, or insolvency law or act, or if TOPS shall be adjudged bankrupt or if a receiver or trustee of the property of TOPS shall be appointed, or this lease shall by operation of law devolve upon or pass to any person or persons other than TOPS then in each such case WMCHS shall have the right and option to terminate this lease at any time, and with or without demand or notice, and with or without legal process, enter into the demised premises and take possession thereof, and may use all force necessary to effect such entry and/or to hold such possession and/or to remove TOPS and/or any person and/or property from the demised premises.

19. Fire and Other Casualty. In the event the building on the leased premises and any other building located thereon shall be damaged by fire or by the elements or other casualty, WMCHS as soon as reasonably may be done shall reconstruct, repair, or rebuild to the extent necessary to make the same substantially similar in character and value of the building so damaged. In the event such loss shall render the buildings totally unusable to the extent that reasonable activities cannot be conducted therein by the TOPS, rent shall abate until said buildings shall have been put back in condition substantially similar to their condition immediately prior to said loss; provided, if these buildings are partially destroyed by fire or the elements or other casualty, and are not rendered totally unusable by TOPS, TOPS shall pay such proportion of the rental herein

provided as the part of the buildings that may be used for the activities of TOPS bears to the whole thereof.

Notwithstanding the foregoing, in the event said buildings shall have been rendered totally unusable to the extent that reasonable activities cannot be conducted therein by TOPS, WMCHS shall be fully relieved of its obligation to reconstruct or rebuild or repair, and this lease shall terminate forthwith and TOPS repaid all prepaid rent pro rata for any unexpired portion of the rental term.

WMCHS shall carry and pay all premiums on fire and extended insurance in an amount equal to the estimated replacement value of all buildings on the leased premises and furnish proof thereof upon request to the TOPS.

20. Right of Entry. WMCHS and its agents shall have the right to enter the leased premises at such reasonable times as will not interfere with the TOPS's normal use thereof for the purpose of inspection, repair, showing to prospective purchasers and/or tenants, posting and maintaining for sale or rental signs. Provided, however, that showing to prospective tenants and posting for sale or rental signs shall be allowed only within a period of ninety (90) days from the end of the term.

21. Non-Liability Clause.

(a) WMCHS shall not be liable for damage to any property on the leased premises or in any building located thereon from water, rain, or snow which may leak into, issue or flow from any part of the building or from pipes or plumbing or from any other place.

(b) WMCHS shall not be liable to TOPS for damages nor shall TOPS be entitled to abatement of rent by reason of interruption of activities resulting from the making or any repairs or restoration required to be made by WMCHS under Paragraph 11 hereof if WMCHS proceeds with due diligence in so doing. This subparagraph shall not transcend any express contrary provision in Paragraph 15 hereof.

(c) TOPS shall be responsible for any charges or billings from the local law enforcement or fire agencies for false burglar or fire alarms during its occupation of the premises.

22. Notice. Any notice, reports, or statements required to be given hereunder shall be sufficiently given by certified United States mail, return receipt requested, addressed to the WMCHS at 455 East Ellis Road, Muskegon, MI 49441 (or to such other address as WMCHS may direct in writing) and to TOPS at 1212 Kingsley, Muskegon, MI 49442 (or to such other address as the Lessee may direct in writing). The notice shall be effective when deposited in such mail.

23. Warranty of Supervision. TOPS warrants that while occupying the leased premises, its clientele and employees shall be supervised in a manner so as to assure a safe orderly environment for the staff and students of the Kingsley Campus. TOPS's inability to fulfill this obligation shall be cause for immediate termination of the lease.

24. Benefit. This agreement shall inure to the benefit of and be binding upon WMCHS, its successors and assigns, subject to the provisions of Paragraph 5 thereof.

25. Joint/Concurrent Use Suspension. In the event that WMCHS constructs and occupies a new gymnasium and auxillary gymnasium at it's Ellis Road site, and no longer utilize the gymnasium at the Kingsley site for athletic events, Exhibit A attached hereto, will take effect to supersede established Terms and Conditions of this agreement.

26. Existing Usage Agreement. An existing agreement between WMCHS and Muskegon Christian Schools (MCS) for the use of the gymnasium (for athletic events and scheduled assemblies) shall still apply. MCS shall have gymnasium scheduling priority with two weeks advance notice.

IN WITNESS WHEREOF, the parties have executed this agreement.

For WESTERN MICHIGAN CHRISTIAN
HIGH SCHOOL

By [Signature]
Its Administrator

Witnesses:

[Signature]
Kathleen Willie

Date 6/24/2013 LESSOR

For THREE OAKS PUBLIC SCHOOLS

By [Signature]
Its President

Witnesses:

[Signature]
Treasurer & Secretary

Date 6-12-13 LEESEE

EXHIBIT A

TO LEASE AGREEMENT BETWEEN WESTERN MICHIGAN CHRISTIAN
HIGH SCHOOL AND THREE OAKS PUBLIC SCHOOL

Joint/Concurrent Use Suspension Exception

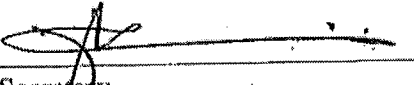
Western Michigan Christian High School reserves the right to use of the gymnasium for athletic team practice. This usage must be previously scheduled and not conflict with scheduled use by Three Oaks Public School.

Western Michigan Christian High School agrees to pay Three Oaks Public School at a rate of Twenty Dollars (\$20.00) per hour for this use.


Aye: Members Dewey, Karhoff, Fennessy, Powell, Schwalbach,
Baker, & Hoisington

Nay: None

Motion to adopt resolution ADOPTED / DEFEATED on May 13, 2013.


Secretary
Board of Education

I hereby certify that the foregoing constitutes a true and complete copy of a resolution duly adopted by the Board of Education of the Tri-County Area Schools, Sand Lake, Michigan, at regular meeting held on the 13th day of May, 2013 and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meeting Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.


Secretary, Board of Education