

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 32
DATE: June 10, 2014

RECOMMENDATION

**LANDLORD LEASE AGREEMENT WITH
TRINITY HEALTH-MICHIGAN REGARDING CADAVER LAB**

ACTION REQUESTED

It is recommended that the Board of Regents approve the attached Landlord Lease Agreement between Trinity Health-Michigan and Eastern Michigan University dated April 1, 2015.

STAFF SUMMARY

Trinity Health-Michigan, through St. Joseph Mercy Hospital, and Eastern Michigan University have finalized negotiations for EMU's lease of a to-be-built Cadaver Laboratory at the hospital. This is an 8-year lease, running from 2015 through 2023, for the lab's use in EMU's Physician Assistant Program. Rent for the 1,745 square foot lab will be approximately \$33 per square foot, and is projected to cost between approximately \$53,000 and \$65,000 per year. Rent must be paid within 30 days of its due date or lease is subject to termination. EMU's contributions to the one-time lab construction costs are reflected in the Capital Budget. Each side may terminate the lease if the other side breaches the agreement and does not fix the problem within 30 days. The hospital may also terminate the agreement in the unlikely event that EMU abandons, or fails to occupy, the premises. Insurance will be obtained through M.U.S.I.C. as normal. Each party bears the costs—including the legal costs—of its own negligence or breach of the contract.

FISCAL IMPLICATIONS

See attached.

ADMINISTRATIVE RECOMMENDATION

The proposed Board action has been reviewed and is recommended for Board approval.

University Executive Officer
Gloria Hage
General Counsel

Date

SUMMARY SHEET TO LEASE AGREEMENT
Basic Lease Provisions

The following are certain basic lease provisions which are part of, and in certain instances referred to, in subsequent provisions of the attached Lease. In the event of any discrepancy between the terms of this Summary Sheet and the terms of the Lease, the terms of the Lease shall control.

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| 1. Landlord: | Trinity Health-Michigan,
d/b/a St. Joseph Mercy Ann Arbor |
| 2. Tenant: | Eastern Michigan University |
| 3. Building Common Street Address: | 5301 E. Huron River Road
Ypsilanti, Michigan 48197 |
| 4. Suite Number (or other description)
of Demised Premises: | Area currently known as Landlord's Ambulatory
Surgery Facility |
| 5. Commencement Date: | April 1, 2015 |
| 6. Expiration Date: | April 30, 2023 |
| 7. Rent: | \$33.00 per square foot, subject to annual
increases of 2.5%, as detailed in attached
Exhibit A. |
| 8. Rentable Square Footage of Premises: | 1,745 sf |
| 9. Tenant's Permitted Use | Anatomy Cadaver Laboratory |
| 10. Security Deposit: | None |
| 11. Tenant's Address for Notices: | With a copy to:

Eastern Michigan University
900 Oakwood Street
Ypsilanti, MI 48197
Attn: General Counsel |

12. Landlord's Address for Notices:

Saint Joseph Mercy Health System
5333 McAuley Drive, Suite R-1122
Ypsilanti, MI 48197
Attn: Director, Trinity Health Real Estate

With a Copy to:

Trinity Health-Michigan
20555 Victor Parkway
Livonia, MI 48152
Attn: General Counsel

13. Landlord's Address for Delivery
of Rent Payments:

8468 Reliable Parkway
Chicago, IL 60686-0084

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LIST OF ATTACHMENTS

EXHIBIT A – RENT

EXHIBIT B – TENANT’S CONTRIBUTION

EXHIBIT C – IDENTIFICATION OF PREMISES

EXHIBIT D – BUILDING RULES AND REGULATIONS

EXHIBIT E - PARKING AREAS

LANDLORD LEASE AGREEMENT

This Landlord Lease Agreement ("**Lease**") is made and entered into as of this ____ day of _____, 2014 ("**Effective Date**"), by and between Trinity Health-Michigan, d//b/a St. Joseph Mercy Ann Arbor, a Michigan non-profit corporation, whose address is 36475 Five Mile Rd, Livonia, MI ("**Landlord**") and the Regents of Eastern Michigan University, a Michigan constitutional body corporate, whose address is 900 Oakwood Street, Ypsilanti, MI ("**Tenant**").

1. Lease of Premises.

(a) Upon the terms and conditions hereinafter set forth, Landlord leases to Tenant and Tenant leases from Landlord certain premises (the "**Premises**") containing approximately 1,745 rentable square feet on the 1st floor, of the Ambulatory Surgery Facility (the "**Building**") at the Building Common Street Address on the Summary Sheet. The Building and the Land are sometimes hereinafter collectively called the "**Property**." The Premises are identified on Exhibit C attached hereto. Tenant has had an opportunity to inspect the Premises and to renovate them at its sole cost and expense, and accepts them "AS IS," and Landlord has no obligation to provide any alterations or improvements for the Premises, except as may be expressly provided in a separate writing between Landlord and Tenant.

(b) In addition, Tenant, its agents, employees, patients and invitees, shall have the non-exclusive right to use the Common Areas (hereinafter defined) of the Building in common with Landlord and the other tenants and occupants of the Building, their agents, employees, patients and invitees. All the outside walls of the Premises, any terraces or roofs adjacent to the Premises, and any space in the Premises used for shafts, stacks, pipes, conduits, ducts, electric or other utilities, sinks, or other Building facilities, and the use thereof, as well as access thereto through the Premises for the purposes of operation, maintenance, decoration and repair, are expressly reserved to Landlord.

2. Term. This Lease shall be for a term of eight (8) years and one (1) month, commencing on April 1, 2015 (the "**Commencement Date**") and ending April 30, 2023 (the "**Expiration Date**"), unless sooner terminated or unless extended as hereinafter provided.

3. Rent.

(a) Tenant agrees to pay Landlord, during the term of this Lease, gross rent for the Premises (the "**Rent**") as shown as item 7 on page 1 of the Basic Lease Provisions.

(b) Each monthly installment of Rent shall be paid in advance, without setoff or demand, on or before the first day of each month of the Lease term. If the Commencement Date is other than the first day of a calendar month, or if the date of termination is other than the last day of a calendar month, Rent shall be prorated for such month. The term "**Lease Year**" refers to the specific time periods as set forth in the chart above.

(c) All such Rent and other charges payable to Landlord shall be delivered by Tenant to Landlord's Address for Delivery of Rent Payments as set forth in the Summary Sheet, unless Landlord directs otherwise in writing. Any Rent or other payment not paid within fifteen (15) days of its due date shall be subject to a late charge of five percent (5%). Any Rent or other payment not paid within thirty (30) days after it is due shall thereafter bear interest, until paid, at the lesser of (i) the maximum rate permitted by law or (ii) three percent (3%) in excess of the prime rate of interest established from time to time as published in the Wall Street Journal (the "**Default Rate**").

(d) Tenant's Contribution to Landlord in connection with the Landlord's construction of the improvements to the Premises on behalf of Tenant is estimated and described on attached Exhibit B; such Exhibit B will be finalized and agreed upon between Landlord and Tenant no later than thirty (30) days prior to the Commencement Date. Once Exhibit B is finalized and agreed upon, the parties shall amend this Lease to delete the attached estimated Exhibit B and substitute in its stead the finalized Exhibit B. Tenant's Contribution is not considered part of the Rent to be paid under this Lease.

4. Security Deposit. Reserved.

5. Use of Premises. The Premises shall be occupied and used exclusively as an anatomy cadaver laboratory for the purpose of the education of students in Tenant's health professions programs through the art of human cadaver dissection (the "**Permitted Use**") and for no other purpose. Tenant shall not use, nor suffer nor permit the Premises or any part thereof to be used for the purpose of providing ancillary or support services, such as, by way of example and not limitation, radiology, laboratory, respiratory therapy, physical therapy or other outpatient hospital services; provided, however, that this shall not prohibit Tenant from providing such ancillary or support services as are integral to the Permitted Use, defined herein. In no event, however, may any portion of Tenant's activities in the Premises be licensed or held out to be a sleep laboratory, outpatient surgery center or to provide other outpatient diagnostic or surgical hospital services. The Tenant shall not accept referrals for the sole purpose of providing ancillary or support services, nor shall Tenant enter into any sharing arrangement with other tenants for the purpose of providing such services.

(a) Licensing. If Tenant is an entity, Tenant agrees, warrants and represents that all faculty members working within the Premises who are medical practitioners are licensed by the State Board of Michigan and that the revocation or termination of all such licenses shall constitute a default hereunder. Notwithstanding anything to the contrary contained in this Lease, if a default arises under this paragraph due to a revocation of or refusal to renew the licenses of Tenant's professionals by the appropriate State Board and if the balance of the term of this Lease from the date Tenant re-delivers possession of the Premises to Landlord exceeds six (6) months, then the balance of the term of this Lease will be construed to be six (6) months from the date Tenant re-delivers possession of the Premises to Landlord.

(b) Membership in Profession. If Tenant is an entity and the Permitted Use at the Premises is performed by members of a profession, no such professional who is not a member in good standing of the licensed profession shall teach at the Premises. This provision

is in no way intended to preclude any professional identified above from obtaining and maintaining additional medical staff membership at other hospitals or facilities.

(c) Ethical Directives. Tenant agrees not to engage in any activity at the Premises, Common Areas or Building in any manner which is in contravention of federal, state or local laws or the Ethical and Religious Directives for Catholic Health Care Services as interpreted in the Roman Catholic tradition, and as the same may be subsequently revised from time to time. Tenant agrees to carry out only those procedures which Landlord agrees, in advance, may appropriately be performed in the Premises consistent with applicable law, this Lease, and the operations of the hospital with which Landlord is affiliated, and its medical staff bylaws, rules and regulations.

(d) Observance of Laws. No use shall be made or permitted to be made by Tenant of the Premises, or acts done, which cause a violation of any then-existing law, regulation, ordinance, rule and/or requirement of the Federal, State, County or City Governments, or any department, bureau, board commission and/or officials thereof with respect to the Premises, Building or Property, or which will cause a cancellation of any insurance policy covering the Property, or any part thereof, nor shall Tenant sell or permit to be kept, used or sold in or about the Premises, any article which may be prohibited by the standard form of fire insurance policies. Tenant shall, at its sole cost, comply with all reasonable requirements, pertaining to the Property, of any insurance organization or company providing insurance covering the Property and appurtenances at any time located in and around the Property. In the event that, due to Tenant's activities, there shall be an increase in the rate of any insurance coverage applicable to the Premises, Building, or Property, Tenant agrees to bear the costs of such increase during the term of this Lease. Tenant shall not commit, nor suffer to be permitted, waste, nor allow any nuisance or illegal act to occur upon the Premises or in the Property.

(e) Environmental.

(i) For purposes of this Lease hazardous materials ("**Hazardous Materials**") shall include, but shall not be limited to, any substances, materials or wastes that are regulated by any local governmental authority, the State in which the Property is located, or the United States of America because of toxic, flammable, explosive, corrosive, reactive, radioactive or other properties that may be hazardous to human health or the environment. Hazardous Materials also include, without limitation, any materials or substances that are listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) as amended from time to time.

(ii) Tenant agrees that Tenant will not use, handle, generate, treat, store nor dispose of, nor permit the use, handling, generation, treatment, storage or disposal of any Hazardous Materials in, on, under, around or above the Premises or Property, now or at any future time in any manner outside the ordinary course of Tenant's business, and will indemnify and save Landlord harmless from any and all actions, proceedings, claims and losses of any kind, including but not limited to those arising from injury to any person, including, without limitation, death, damage to or loss of use or value of real or personal

property, and costs of investigation and cleanup or other environmental remedial work, which may arise in connection with Hazardous Materials introduced to the Premises or Property by Tenant or any of Tenant's agents, contractors or employees.

(iii) If at any time during the term of this Lease it is determined that there are any Hazardous Materials located in, on, under, around, or above the Premises or Property which are introduced to the Premises or Property by Tenant or any of Tenant's agents, contractors, or employees or anyone holding under Tenant, which are subject to any federal, state or local environmental law, statute, ordinance or regulation, court or administrative order or decree, or private agreement ("**Environmental Requirements**"), including Environmental Requirements requiring special handling of Hazardous Materials in their use, handling, collection, storage, treatment or disposal, Tenant shall promptly notify Landlord and Tenant shall commence with diligence, but in any event within thirty (30) days after receipt of notice of the presence of the Hazardous Materials, and shall continue to diligently take all appropriate action, at Tenant's sole expense, to comply with all such Environmental Requirements. At Landlord's request, Tenant shall promptly and properly remove such Hazardous Materials from the Premises or Property and properly dispose of them. Failure of Tenant to comply with all Environmental Requirements or failure of Tenant to promptly and properly remove and dispose of such Hazardous Materials at the request of Landlord shall constitute an Event of Default under this Lease.

(iv) If required by Landlord, Tenant, at its sole cost and expense, shall register as a medical waste generating facility with the State in which the Property is located as required by applicable law, and shall prepare a written medical waste management plan as described by applicable law which description, shall include, but not be limited to, the location of all medical waste to be stored on the Premises, if any. The plan, and any revisions, modifications and amendments and updates thereto, shall be provided to Landlord as they are provided to the governmental and/or regulatory agencies mentioned above. All medical waste produced or stored on the Premises or Property (including, but not limited to soiled laundry) may not be incinerated or otherwise disposed of on the site and must be per applicable law: (A) packaged to protect the waste from being released; (B) segregated by category; (C) not be compacted or mixed with other waste; and (D) stored accordingly. Tenant shall arrange for the disposal of medical waste without relying on any janitorial or other personnel employed by Landlord. Tenant, and its professional staff, and not Landlord, are responsible for the management, handling and transportation of all of Tenant's medical waste from the Premises or Property to the point of disposal. Any service selected by Tenant to manage its medical waste facilities shall be subject to Landlord's prior written approval, such approval not to be unreasonably withheld. Tenant acknowledges and agrees that Landlord, from time to time, may review and revise Tenant's janitorial and/or medical waste service qualifications and operations and if Landlord disapproves of the same, Landlord may require that Tenant modify the procedures, hire a new or additional service or otherwise comply with any

directions provided by Landlord or its consultants. Tenant shall take all action necessary and appropriate, or otherwise required by Landlord and applicable law, in order to minimize the exposure of any persons including, but not limited, to blood or other infectious materials. Tenant agrees to indemnify, defend and hold Landlord harmless from any and all liability which may be incurred as a result of Tenant's breach of the provisions of this Section.

(f) Tenant Covenants. Tenant covenants and agrees:

(i) To use the Premises in a safe, careful and lawful manner.

(ii) To report in writing to Landlord any defective condition which Landlord is required to repair.

(iii) To conform to all the Rules and Regulations set forth in **Exhibit D** attached hereto and made a part hereof, as such Rules and Regulations may be changed by Landlord from time to time.

(iv) To keep and maintain the Premises in good order and condition, to make and pay for all repairs to the Premises not required to be made by Landlord under this Lease and to pay the cost of all remodeling, redecorating, painting, alterations or additions required of or by Tenant during the term of this Lease.

(v) To not cause nor permit to be caused any interference whatsoever with the operation of or access to wireless, data, or telephone transmission equipment, facilities, or services, by Landlord or other tenants or occupants of the Building or Property, or its or their agents, employees, contractors or invitees.

(vi) To make and pay for any repairs to the Building which Tenant is required to make under this Lease.

(vii) Tenant shall, at its own expense, promptly repair any damage done to the Building or the Premises by Tenant or its agents, officers, employees, licensees or invitees, including without limitation, the repair or replacement of any broken glass in or upon the Premises. Landlord may, at its option, make such repairs or replacements and Tenant shall pay the cost thereof to Landlord on demand, except to the extent that Landlord receives reimbursement for the cost of any such repair or replacement pursuant to any policy or policies of insurance pertaining to the Premises or the Building.

(viii) Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry or which is allowed by law; provided, however, the placement of Tenant's equipment within the Premises as of the Effective Date is acceptable to Landlord. Landlord reserves the right to prescribe the weight and position of all safes and heavy installations which Tenant wishes to place in the Premises so as properly to distribute the weight thereof.

(ix) At its option, Tenant shall either (A) pay Landlord for the cost of two deep, surgical type cleanings of the Premises to be conducted annually during the Term hereof or (B) itself conduct such cleanings at its sole cost, and in either event, such deep cleaning shall occur prior to the return of the Premises to Landlord upon expiration of the Term.

6. Services Furnished.

(a) Landlord agrees to furnish and make payment for (some or all of which may be reimbursed to Landlord as Operating Expenses) the following services to the extent required for comfortable occupancy and use of Premises during reasonable and customary business hours:

(i) Electricity for lighting and the operation of ordinary office appliances.

(ii) Air conditioning; heat; water and sewer; elevator service (if the Building contains elevators); and janitorial service in only the front office portion of the Premises and in the Common Areas (excluding removal of medical waste and excluding the deep cleanings mentioned in **Section 5(f)(x)** above).

(iii) Such repairs to the Building as shall include exterior walls, exterior doors, corridors and public areas, necessary to keep such portions of the Building in a safe, clean, neat and attractive condition.

(iv) Necessary repairs to keep Building equipment, such as plumbing, heating, air conditioning and similar equipment, in good operating condition.

(v) Such parking as is specified by the Landlord, from time to time, to be used in common with other tenants in the Building; provided, however, Tenant agrees that Tenant will only utilize the parking space allocated to it by Landlord; Tenant further agrees that Tenant will inform and direct anyone utilizing the Premises to only use such assigned parking locations. Landlord may, at any time, substitute such parking space upon notice to Tenant identifying the substituted location for parking. As of the Effective Date, Tenant shall use the parking spaces in Lot U for students and in Lot O for faculty, as such areas are depicted on attached **Exhibit E**.

(b) Landlord shall have the right to enter upon the Premises at all reasonable times and to the extent reasonably possible, with minimal interference to Tenant's business, and at all times in case of emergency, for the purpose of inspecting the Premises, preventing waste, loss or destruction, removing obstructions, providing maintenance or making repairs as it may deem necessary or convenient, or to enforce any of Landlord's rights under this Lease.

(c) Landlord shall not be liable directly or indirectly for any damage or inconvenience caused by the installation, use or interruption of use, or reduction in amount furnished of electricity, air conditioning, heating, ventilation, plumbing, water, sewer, janitorial

service, data, telecommunications, wireless or internet service, or parking, occasioned by fire, accident, strikes, labor troubles, necessary maintenance, alterations, repairs, replacements, or occasional failure of the operative equipment to function according to specified criteria, or causes beyond Landlord's control. No such failure, delay, or reduction will be deemed an act of eviction against Tenant or in any way operate to release Tenant from the prompt and punctual performance of its obligations under this Lease. Likewise, Tenant shall not be liable directly or indirectly for its failure to perform any obligation of this Lease occasioned by any causes beyond Tenant's reasonable control.

(d) Landlord shall not be responsible or liable to Tenant for any loss or damage to property or injury to persons caused by the acts of other persons occupying or otherwise utilizing the building or Property, and Landlord shall not be liable to Tenant for any loss or damage of any kind or character to any of Tenant's files, goods, personal property, trade fixtures or equipment at the Premises caused by anyone other than Landlord.

(e) The cost of any maintenance or repairs made necessary by the negligence, misuse or default of Tenant, its employees, agents, customers or invitees shall be borne by Tenant, who shall be separately billed and shall reimburse Landlord for the same as additional rent.

(f) Tenant shall advise Landlord in writing of Tenant's proposed schedule of hours and days of operation, such schedule to be mutually agreed upon between Landlord and Tenant; Tenant acknowledges that Landlord must coordinate Tenant's schedule with utility and security services provided to the Building. It is expressly agreed by and between the parties that should any local, state or federal government, governmental body, agency or public utility restrict or reduce the amount of fuel or energy which may be utilized to provide the utilities and services specified hereinabove, then such reduction or restriction and the reduction in the quantity or quality of such services which may result therefrom shall in no way create or constitute a default on the part of Landlord under this Lease and there shall be no reduction in rental for the period such services are reduced nor shall Tenant have the right to cancel or terminate this Lease.

(g) If Tenant requests any other utilities or building services in addition to those identified above or any of the above utilities or building services in frequency, scope, quality or quantities substantially greater than that which Landlord determines are normally required by other tenants of the Building, then Landlord shall use reasonable efforts to attempt to furnish Tenant with such additional utilities or building services. In the event Landlord is able to and does furnish such additional utilities or building services, the cost thereof, and the cost of any meters or other equipment necessary to measure such utilities or services shall be borne by Tenant who shall reimburse Landlord for the same as additional rent.

(h) Landlord reserves the right to place a separate meter on any utility service to the Premises. The cost of such meter shall be due and payable by Tenant within ten (10) days after billing. Tenant shall promptly pay, directly to the utility provider, all charges for all separately metered utility services.

(i) If Tenant does not complete the two deep surgical type cleanings as described in **Section 5(f)(x)** above, the Landlord shall complete such cleanings and charge Tenant the Support Services Usage Fee set forth on attached **Exhibit A** per year for each year of the Term.

7. **Relocation of Tenant.** Reserved.

8. **Signs.** All Tenant identification signs shall be of such order, size and color as approved by Landlord and shall be installed by Landlord at such places as designated by Landlord and at Tenant's expense. Tenant signs shall be limited to the identification of Tenant only unless otherwise agreed by Landlord. Tenant shall maintain no signs within the Premises which are generally visible outside of the Premises.

9. **Landlord's Lien.** To the extent permitted by applicable laws, it is agreed that all the goods, chattels, fixtures and other personal property belonging to the Tenant which are or may be put into the Premises during the term of this Lease, whether exempt or not from sale under execution or attachment, shall at all times be subject to a security interest in favor of the Landlord as security for performance by Tenant under this Lease, which security interest shall be subject and subordinate to any and all purchase money financing liens which may be imposed on such property. Tenant hereby authorizes Landlord to perfect any such security interest. In the event that Tenant shall have abandoned any of said property or in the event of any default of the Tenant hereunder, the Landlord shall have the right to sell any or all of said property at public or private sale without giving any notice to the Tenant or any other notice of sale, all notices required by statute or otherwise being hereby expressly waived, and to apply the proceeds of such sale, first, to the payment of all costs and expenses of conducting the sale or caring for or storing said property, second, toward the payment of any indebtedness which may be or may become due from the Tenant to the Landlord, and third, to pay to the Tenant on demand in writing any surplus remaining after all indebtedness of the Tenant to the Landlord has been fully paid.

10. **Alterations or Improvements.**

(a) Tenant shall not decorate, paint, nor in any other manner alter, and shall not install nor affix any device, fixture or attachment upon or to the exterior of, the Building, including the roof or the canopy thereof. If Tenant shall do any of the foregoing acts in contravention of this paragraph, Landlord shall have the right to remove any such decoration, paint, alteration, device, fixture or attachment and restore the Building to the condition thereof prior to such act, and the cost of such removal and restoration shall immediately be paid by Tenant to Landlord upon demand, together with interest at the Default Rate, from the respective dates of the payments made by Landlord, and such amount shall constitute additional rent payable by Tenant under this Lease.

(b) Tenant may make, or may permit to be made, alterations or improvements to the Premises (including, without limitation, telecommunications, data transmission and other wiring), but only if Tenant obtains the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion. Such alterations or improvements shall be made in

accordance with all applicable laws and building codes, in a good and workmanlike manner and in quality equal to or better than the original construction of the Premises and shall comply with such requirements as Landlord considers necessary or desirable. Tenant shall promptly pay all costs attributable to such alterations and improvements and shall indemnify Landlord against any costs or expenses which may be incurred as a result of building code violations attributable to such work. Tenant shall promptly repair any damage to the Premises or to the Building caused by any such alterations or improvements. Any alterations or improvements to the Premises, except movable furniture and equipment and trade fixtures, shall become a part of the realty and the property of Landlord, and shall not be removed by Tenant, unless Landlord requires that they be removed by Tenant, in which case, Tenant shall be required to restore the Premises to their condition prior to such alteration or improvement.

(c) Tenant shall keep the Premises and every part thereof, together with remainder of the Property, free and clear of any and all construction, materialmen's and other liens for or arising out of or in connection with work or labor done, services performed or materials, appliances, equipment, supplies or fuel used or furnished for or in connection with any alterations, improvements, repairs or additions which Tenant may make or cause to be made in or upon the Premises, or in connection with the installation and/or removal of improvements, furnishings and equipment as permitted hereunder. Tenant shall promptly and fully pay and discharge any and all claims upon which any such lien may or could be based, and shall indemnify Landlord, the Premises, Building, and all of the Property against any such liens or the claims, suits or other proceedings pertaining thereto.

(d) Tenant shall cause any construction lien to be discharged or bonded off within fifteen (15) days after Tenant becomes aware that it was filed. If Tenant fails to cause any such lien to be discharged or bonded off within the applicable time period, then, in addition to any other right or remedy, Landlord shall have the option but not the obligation of discharging the lien by payment of the amount claimed or by bonding. In such event, Landlord shall also be entitled, if it so elects, to compel the prosecution of any action for the foreclosure of the lien by the lienor and to pay the amount of any judgment rendered in favor of the lienor with interest and costs. Any amounts so paid by Landlord together with all costs and expenses incurred by Landlord in connection therewith, including reasonable attorneys' fees, shall bear interest at the Default Rate, from the respective dates of the payments made, and shall constitute additional rent payable by Tenant under this Lease, and shall be paid by Tenant to Landlord on demand.

(e) Nothing in this Lease shall be construed as constituting the consent or request of Landlord, express or implied by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any machinery, appliances, materials, supplies, or fuel for any particular alteration, addition, improvement or repair to the Premises or the Building or any part thereof or the creation or confirmation of any agency relationship between Tenant and Landlord.

11. Tenant's Insurance.

(a) Tenant shall purchase and maintain in force, at its own cost and expense, from the date Landlord first delivers possession of the Premises and at all times during Tenant's

occupancy under this Lease: (i) a policy or policies of insurance with coverage at least as broad as ISO Special Form Coverage insuring risks of physical loss or damage (commonly known as "all risk"), to the extent of one hundred percent (100%) of the insurable full replacement value thereof, all property and fixtures in the Premises owned by Tenant against fire and casualties, including extended coverage insurance, (ii) a policy or policies of commercial general liability insurance, covering bodily, personal injury, and property damage, written on an occurrence basis, or, if written on a "claims made" basis, then "tail" will be required for a period of not less than three (3) years to cover any liability resulting during the term of this Lease, in either case with respect to the Premises, and the business operated therein by Tenant, including insurance against assumed or contractual liability, with limits for liability of not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) annual aggregate, (iii) workers' compensation insurance in amounts required in accordance with applicable laws within the State where work is being performed, (iv) automobile liability insurance covering use of all owned, non-owned, leased and hired automobiles in a minimum amount of One Million Dollars (\$1,000,000) per claim and in the annual aggregate.

(b) To the extent permitted by applicable law and Tenant's insurance program, Tenant's commercial general liability policy (or policies) shall name Landlord as an additional insured with respect to the Lease.

(c) All Tenant required insurance shall be written by an insurance company or companies admitted and licensed to do business in the State where the Premises are located, with an AM Best rating of A-:VIII or higher or otherwise approved by Landlord, which approval will not unreasonably be withheld. Certificates of Tenant's insurance shall state that the insurer will endeavor to provide for not less than thirty (30) days written notification to Landlord prior to termination, cancellation, or material change to any such policies. In addition, Tenant shall deliver to Landlord Certificates of Tenant's insurance (i) on each anniversary of the Effective Date, and (ii) ten (10) days prior to the expiration of each of such policies. Client may self-insure, should it choose to do so, or may procure insurance through the Michigan Universities Self-Insurance Corporation (M.U.S.I.C.).

(d) Tenant represents to Landlord that, if Tenant is a physician or physician owned entity or other entity that is required by law or the Hospital to carry professional liability insurance, then Tenant shall, at all times during the term of this Lease, maintain such professional liability insurance.

(e) The terms of this Section shall survive the termination of this Lease.

12. Landlord's Insurance.

(a) Landlord shall purchase and maintain in force, at its own cost and expense, at all times during the term of this Lease: (i) a policy or policies of insurance with coverage at least as broad as ISO Special Form Coverage insuring risks of physical loss or damage (commonly known as "all risk") to the Building, to the extent of one hundred percent (100%) of the insurable full replacement value thereof, against fire and casualties, including extended coverage insurance, (ii) a policy or policies of commercial general liability insurance,

covering bodily, personal injury, and property damage, written on an occurrence basis, or, if written on a "claims made" basis, then "tail" will be required for a period of not less than (3) years to cover any liability resulting during the term of this Lease, in either case with respect to the Building (exclusive of the Premises) and Common Areas, including insurance against assumed or contractual liability, with limits for liability of not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) annual aggregate, (iii) workers compensation insurance in amounts required in accordance with applicable laws within the State where work is being performed, and (iv) automobile liability insurance covering use of all owned, non-owned, leased and hired automobiles in a minimum amount of One Million Dollars (\$1,000,000) per claim and in the annual aggregate.

(b) The Landlord's commercial general liability policy (or policies) shall name Tenant as additional insured with respect to this Lease.

(c) The terms of this Section shall survive the termination of this Lease.

13. Mutual Waiver of Subrogation. Landlord and Tenant hereby waive their rights of recovery against each other for any loss, damage or injury resulting from insured perils to person or property under policies required to be carried hereunder by such party, occurring in, on and around the Premises, Building, and the Property. Landlord and Tenant shall give written notice to their insurers of this mutual waiver of subrogation and obtain endorsements to their respective policies of insurance evidencing that the insurers waive subrogation in furtherance of this provision and said endorsements shall be provided to the opposite party. The terms of this Section shall survive the termination of this Lease.

14. Minimum Coverage Requirements. The amounts of insurance required to be carried by each party under this Lease shall not be deemed or construed to so limit the liability of such party. The terms of this Section shall survive the termination of this Lease.

15. Indemnities.

(a) Indemnification by Tenant. Tenant shall indemnify, defend, protect, and hold harmless Landlord and all of its Ministry Organizations, and its and their affiliates, employees, agents, directors, officers, successors and assigns, from and against any and all losses, liability, claims, suits, proceedings, damages, claims and allegations of any kind, brought by any third party, including, but not limited to, reasonable attorneys' fees, costs and expenses, arising out of Tenant's (including Tenant's affiliates, employees, servants, agents, directors, officers, successors and assigns) failure to comply with the terms or conditions of this Lease or arising in connection with Tenant's use of the Premises, except those which shall result, in whole or in part, directly or indirectly, from the default or negligence of Landlord, or its Ministry Organizations, agents, employees, successors or assigns. The terms of this Section shall survive the termination of this Lease.

(b) Indemnification by Landlord. Landlord shall indemnify, defend, protect, and hold harmless Tenant and all of its affiliates, employees, agents, directors, officers, successors and assigns, from and against any and all losses, liability, claims, suits, proceedings,

damages, claims and allegations of any kind, brought by any third party, including, but not limited to, reasonable attorneys' fees, costs and expenses, arising out of Landlord's (including Landlord's Ministry Organizations, affiliates, employees, servants, agents, directors, officers, successors and assigns) failure to comply with the terms or conditions of this Lease or arising in connection with the use of the Building (exclusive of the Premises) and Common Areas, except those which shall result, in whole or in part, directly or indirectly, from the default or negligence of Tenant, its agents, employees, successors or assigns. The terms of this Section shall survive the termination of this Lease.

(c) Where Both Parties Have Responsibility. If both parties have an obligation to the other under the foregoing provisions, tort comparative fault principles shall be applied to allocate payment between the parties. The terms of this Section shall survive the termination of this Lease.

(d) Notifications and Survival Regarding Indemnities. Both Landlord and Tenant agree to give the other party notice of any claim or liability which may give rise to indemnification under this **Section 15**, and do so within a commercially reasonable time following such party's receipt of notice of intent or notice of claim. The terms of this provision shall survive the termination of this Lease.

16. Damage and Destruction.

(a) If either the Building or the Premises should be substantially destroyed or damaged (which, as used herein, means destruction or material damage to at least fifty percent (50%) of the Building or the Premises) by fire or other casualty ("**Substantial Casualty**"), then either party hereto may, at its option, terminate this Lease by giving written notice thereof to the other party within thirty (30) days after the date of such casualty. In such event, Rent shall be apportioned to and shall cease as of the date of such casualty.

(b) If either (i) neither party exercises the option to terminate this Lease pursuant to **Section 16(a)**, or (ii) the Building or Premises are destroyed or damaged by fire or other casualty that does not constitute a Substantial Casualty (defined above), then the premises shall be reconstructed and restored, at Landlord's expense, to substantially the same condition as they were prior to the casualty; provided, however, that Landlord's obligation hereunder shall be limited to the reconstruction of such of the tenant interior improvements as are required under this Lease to be provided by Landlord at the date hereof, prior to Tenant taking possession of the Premises. At Landlord's election, Landlord may also reconstruct any improvements to the Premises either made by Tenant in connection with its initial occupancy of the Premises or made thereafter by Tenant pursuant to **Section 10** (each a "**Tenant Constructed Improvement**"); provided, however, that Tenant shall reimburse Landlord for the cost of reconstructing the same on terms satisfactory to Landlord in its sole discretion, and do so within fifteen (15) days following Landlord's demand therefor accompanied by commercially reasonable backup information. In the event of such reconstruction, Rent shall be abated for any period during which the Premises are untenable (or be abated on a pro rata basis if only a portion of the Premises is untenable), between the date of the casualty and substantial completion of the

reconstruction repairs by Landlord and this Lease shall continue in full force and effect for the balance of the term hereof.

(c) Notwithstanding anything to the contrary contained in this **Section 16**, Landlord shall have no obligation to pay, for restoration of the Premises or Building, more than the net amount of the insurance proceeds payable for the benefit of Landlord by reason of such damage or destruction, after deduction of Landlord's cost of obtaining such proceeds and after deduction of any amount any lender to Landlord requires to be applied to such loan. If such net proceeds, plus (i) any amount Landlord voluntarily contributes in its sole discretion, and (ii) Tenant's reimbursement for the cost of reconstructing those improvements made by Tenant pursuant to **Section 10**, are insufficient to restore the Premises substantially to the condition they were in prior to such casualty, Landlord shall have the right to terminate this Lease by written notice to Tenant delivered within thirty (30) days after Landlord first becomes aware that such insufficiency exists.

17. Eminent Domain. If the whole or any part of the Premises shall be taken for public or quasi-public use by a governmental or other authority having the power of eminent domain or shall be conveyed to such authority in lieu of such taking, and if such taking or conveyance shall cause the remaining part of the Premises not so taken to be untenable and inadequate for use by Tenant for its then current Permitted Use, this Lease shall terminate as of the date of such taking. If a part of the Premises shall be taken or conveyed but this Lease is not terminated as provided for in this **Section 17**, then this Lease shall be terminated as to the part taken or conveyed as of the date Tenant surrenders possession, and Landlord shall make such repairs, alterations and improvements as may be necessary to render the part not taken or conveyed tenantable; provided, however, Landlord shall have no obligation to pay, for such repairs, alterations and improvements, more than the amount of such award allocable to the Premises and payable for the benefit of Landlord for such taking or due to damage to the Property not taken (excluding any amount required to be paid on any loan to Landlord), and the Rent shall be reduced in proportion to the reduction in square feet of the Premises. If Landlord fails to render the part not taken or conveyed tenantable within a reasonable time, Tenant may terminate this Lease upon prompt written notice to Landlord, as its sole remedy. All compensation awarded for such taking or conveyance shall be the property of Landlord without any deduction therefrom for any present or future estate of Tenant, and Tenant hereby assigns to Landlord all of its right, title and interest in and to any such award. However, Tenant shall have the right to recover from such authority, but not from Landlord, such compensation as may be awarded to Tenant on account of moving and relocation expenses, so long as it does not reduce the award to Landlord.

18. Assignment and Subletting. Tenant will not assign, transfer, mortgage or otherwise encumber this Lease or the Premises, or sublet or rent (or permit occupancy or use of) the Premises, or any part thereof, without obtaining the prior written consent of Landlord, which consent shall be at the sole and absolute discretion of Landlord. Nor shall any assignment or transfer of this Lease or the right of occupancy hereunder be effectuated by operation of law or otherwise (including, without limitation, by merger or transfer of a controlling interest in any Tenant which is a corporation or other entity) without the prior written consent of Landlord, which consent shall be at the sole and absolute discretion of Landlord. The consent by Landlord

to any assignment or subletting shall not be construed as a waiver or release of Tenant from the terms of any covenant or obligation under this Lease, nor shall the collection or acceptance of rent from any such assignee, subtenant or occupant constitute a waiver or release of Tenant of any covenant or obligation contained in this Lease, nor shall any assignment or subletting be construed to relieve any Tenant hereunder from obtaining the consent in writing of Landlord to any further assignment or subletting. Tenant hereby assigns to Landlord the rent due from any subtenant of Tenant and hereby authorizes each such subtenant to pay said rent directly to Landlord.

19. Subordination and Attornment. This Lease is subject and subordinate to the lien of any and all mortgages which may now or hereafter encumber or otherwise affect all or any portion of the Property or the Premises, or Landlord's interest therein, and to all and any renewals, extensions, modifications, recastings or refinancings thereof. In confirmation of such subordination, Tenant shall, at Landlord's request, promptly execute any requisite or appropriate certificate or other document. Tenant agrees that in the event that any proceedings are brought for the foreclosure of any such mortgage, Tenant shall attorn to the purchaser at such foreclosure sale, if requested to do so by such purchaser, and to recognize such purchaser as the Landlord under this Lease.

20. Tenant's Default.

(a) The occurrence of any one or more of the following events shall be a default and breach of this Lease by Tenant:

(i) Tenant shall fail to pay any monthly installment of Rent or any other money due hereunder within thirty (30) days after the same shall be due and payable.

(ii) Tenant shall fail to perform or observe any term, condition, covenant or obligation required to be performed or observed by it under this Lease, other than one set forth in **Section 20(a)(i)** above, for a period of thirty (30) days after notice thereof from Landlord; provided, however, that if the term, condition, covenant or obligation to be performed by Tenant is of such nature that the same cannot reasonably be performed within such thirty (30) day period, no default shall be deemed to have occurred if Tenant commences such performance as soon as reasonably possible, but in any event, within said thirty (30) day period and thereafter diligently undertakes to continue such performance until the default is cured; provided, however, that in no event shall the period for curing a default exceed ninety (90) days.

(iii) Tenant shall vacate or abandon, or fail to occupy the Premises.

(b) Upon the occurrence of any event of default, Landlord shall have the following rights and remedies, in addition to those allowed by law, any one or more of which may be exercised without further notice to or demand upon Tenant:

(i) Landlord may cure any default of Tenant, with or without reentering the Premises, in which event Tenant shall reimburse Landlord as additional rent for any cost and expenses which Landlord may incur to cure such default, including reasonable attorneys' fees, together with interest thereon at the Default Rate, from the date such costs and expenses are paid by Landlord; and Landlord shall not be liable to Tenant for any loss or damage which Tenant may sustain by reason of Landlord's action, regardless of whether caused by Landlord's negligence or otherwise.

(ii) Landlord may reenter the Premises and dispossess Tenant or any other occupants of the Premises, and do so without court order to the extent permitted by applicable laws, and may remove their effects without prejudice to any other remedy which Landlord may have for possession or arrearages in Rent, in which event: (A) neither Tenant nor any person claiming under or through Tenant shall thereafter be entitled to possession of the Premises and Tenant shall immediately thereafter surrender the Premises to Landlord; (B) Landlord may terminate this Lease or not as Landlord elects in writing at any time after such default; and (C) notwithstanding the termination of this Lease (1) Landlord may declare all Rent which would have been due under this Lease for the balance of the term to be immediately due and payable, whereupon Tenant shall be obligated to pay to Landlord the present value of such Rent (such present value to be computed by discounting such amount at the discount rate of the Federal Reserve Bank then published in the Wall Street Journal plus one percent (1%) (the "**Discount Rate**")), together with all loss or damage which Landlord may sustain by reason of such termination and reentry, including, without limitation, all of the Landlord's other costs and expenses for preparing the Premises for reletting, including all repairs, tenant finish improvements, brokers' and reasonable attorneys' fees, and all loss or damage which Landlord may sustain by reason of such termination reentry and reletting (the "**Landlord's Costs**"), or (2) Landlord may relet all or any part of the Premises for a term which may be different from that which would otherwise have constituted the balance of the term of this Lease and for Rent and on terms and conditions which may be different from those contained herein, whereupon Tenant shall immediately be obligated to pay to Landlord the difference between the Rent provided for herein and that provided for in any lease covering a subsequent reletting of the Premises, for the period which would otherwise have constituted the balance of the term of this Lease, together with the Landlord's Costs.

(iii) Reserved.

(iv) The liabilities and remedies specified in this **Section 20** shall survive the termination of this Lease.

(c) No receipt of money by the Landlord from the Tenant after the termination of this Lease shall reinstate, continue or extend the term, nor affect or waive any notice given by the Landlord to the Tenant prior to such receipt of money.

(d) The Landlord's rights, remedies and benefits provided by this Lease shall be cumulative, and shall not be exclusive of any other rights, remedies and benefits allowed by law.

(e) No payment by Tenant or receipt by Landlord of a lesser amount than the full amount of the Rent then due shall be deemed to be other than on account of the earliest stipulated Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord shall accept such check or payment without prejudice to Landlord's right to recover the balance of the amount due or pursue any other remedy.

(f) Notwithstanding anything to the contrary, Tenant acknowledges and agrees that its obligation to pay Rent under this Lease is an independent covenant, and that such obligation to pay is not subject to setoff or recoupment in connection with any action for summary proceedings to recover possession of the Premises.

(g) Landlord and Tenant hereby waive trial by jury in connection with any action for summary proceedings to recover possession of the Premises. Further, Landlord and Tenant waive trial by jury in connection with any action arising out of or relating to the covenants of this Lease.

(h) In the event that Landlord is required to bring an action arising out of the covenants of this Lease, or in the event Landlord undertakes an action for summary proceedings to recover possession of the Premises, the losing party agrees to pay the prevailing party such reasonable costs and attorneys' fees as may be incurred in connection with such action.

21. Default by Landlord and Remedies of Tenant.

(a) It shall be a default and breach of this Lease by Landlord if it shall fail to perform or observe any term, condition, covenant or obligation required to be performed or observed by it under this Lease for a period of thirty (30) days after written notice thereof from Tenant; provided however, that if the term, condition, covenant or obligation to be performed by Landlord is of such nature that the same cannot reasonably be performed within such thirty (30) day period, no default shall be deemed to have occurred if Landlord commences such performances as soon as reasonably possible, but, in any event, within said thirty (30) day period and thereafter diligently undertakes to complete, and does complete, the same.

(b) In the event of a Landlord default hereunder, Tenant shall have the right to terminate this Agreement upon written notice to Landlord, and to seek damages at law or injunctive relief where available.

(c) Anything to the contrary in this Lease notwithstanding, the covenants and obligations contained in this Lease to be performed by Landlord are made for the purpose of binding only the fee simple or leasehold estate that Landlord owns in the Building, including rents, sales, condemnation, and insurance proceeds, and other profits derived from the Building.

22. **Nonwaiver of Default.** The failure or delay by either party hereto to enforce or exercise at any time any of the rights or remedies or other provisions of this Lease shall not be construed to be a waiver thereof, nor affect the validity of any part of this Lease or the right of either party thereafter to enforce each and every such right or remedy or other provision. No waiver of any default and breach of the Lease shall be held to be a waiver of any other default and breach.

23. **Notices.** Any notice required or permitted to be given under this Lease or by law shall be deemed to have been given if reduced to writing and delivered (a) in person, which such notice shall be deemed delivered upon actual delivery or refusal of delivery thereof, or (b) mailed by certified mail, postage prepaid, return receipt requested, which such notice shall be deemed received three (3) business days following deposit thereof in the U.S. Mail, or (c) overnight, via nationally recognized overnight courier with tracking capabilities, such as UPS or FedEx, which such notice shall be deemed received on the next business day following deposit with such courier. Such notices to Landlord and Tenant shall be sent to their respective addresses for notices set forth in the **Summary Sheet** attached to this Lease. The address of a party may be changed by giving written notice thereof to the other party.

24. **Additional Termination Rights.**

(a) The parties intend that this Lease comply at all times with federal and state laws applicable to relationships between healthcare providers (collectively, "**Applicable Laws.**"), including without limitation, what is commonly known between the parties as the federal "Stark Law." If at any time, as a result of the issuance of new federal regulations, or otherwise, a party in good faith determines that this Lease does not comply with Applicable Laws, then the parties shall use good faith efforts to conform the Lease in such a manner so that it does comply with Applicable Laws. If after the exercise of such good faith efforts, the parties determine that the Lease cannot be so conformed, either party may terminate this Lease immediately upon written notice to the other party.

(b) In the event this Lease is terminated during the one (1) year period following the Commencement Date and Applicable Laws so require, the parties will not enter into a new lease arrangement for the Premises until the end of such one (1) year period after the Commencement Date.

(c) Tenant may affiliate with other health care delivery systems located within the Hospital's primary or secondary market, or within the primary or secondary market of the Hospital's Ministry Organizations or affiliates, which includes, without limitation, any entity owned or controlled by Landlord or the Hospital, or under common control with Landlord or the Hospital, so long as no medical or educational professional employed by or affiliated with such other health care delivery system provides any educational or other services within the Premises.

25. **No Referrals.** The parties acknowledge and agree that the amount of the Rent is consistent with fair market value, has not been determined in a manner that takes into account the volume or value of any referrals or other business generated between the parties, does not involve payment for referrals for medical services, and would be commercially reasonable irrespective of whether any referrals are ever made between the parties. No payment is made

under this Lease in return for the referral of patients or in return for the ordering, purchasing or leasing of products or services from Landlord or Tenant. Nothing in this Lease shall be construed to require Landlord to Tenant to make referral of patients to one another.

26. Miscellaneous Provisions.

(a) Estoppel Certificate. Tenant agrees, at any time and from time to time, upon not less than five (5) days prior written notice by Landlord, to execute, acknowledge and deliver to Landlord a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or if there have been modifications stating such modifications), (ii) stating the dates to which the Rent and any other charges hereunder have been paid by Tenant, (iii) stating whether or not to the best knowledge of Tenant, Landlord is in default in the performance of any covenant, agreement or condition contained in this Lease, and if so, specifying each such default of which Tenant may have knowledge, and (iv) stating the address to which notices to Tenant should be sent.

(b) No Recording. Neither Landlord nor Tenant will record this Lease or a Memorandum of this Lease.

(c) Prohibited Persons and Transactions. Tenant represents and warrants to Landlord that Tenant is currently in compliance with and shall at all times during the Term (including any extension thereof) remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking property and prohibiting Transactions with person who Commit, Threaten to Commit or Support Terrorism), or other governmental action relating thereto.

(d) Indemnification for Leasing Commissions. Each party represents and warrants to the other that there are no claims for brokerage commissions or finder's fees in connection with the execution of this Lease and each party hereto shall indemnify and hold harmless the other party from any and all liability incurred in connection with the negotiation or execution of this Lease for any real estate broker's leasing commission or finder's fee which has been claimed or earned by a real estate broker or other person on such party's behalf

(e) Governing Law. This Lease shall be construed and enforced in accordance with the laws of the State of Michigan. Legal proceedings with respect to this Lease shall be filed either in the courts of the County where the Premises subject to this Lease are located, or in such other court of competent jurisdiction for such County.

(f) Successors and Assigns. This Lease and the respective rights and obligations of the parties hereto shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto as well as the parties themselves. Notwithstanding anything herein to the contrary, in the event of a sale or transfer of the Premises, the "Landlord" named herein, or, in the case of a subsequent transfer, the transferor, shall, after the date of such transfer, be automatically released from all liability for the performance or observance of any

term, condition, covenant or obligation required to be performed or observed by Landlord hereunder and which arises subsequent to the date of transfer; and the transferees shall be deemed to have assumed all of such terms, conditions, covenants and obligations.

(g) Severability of Invalid Provisions; Survival. If any provision of this Lease shall be held to be invalid, void or unenforceable, the remaining provisions hereof shall not be affected or impaired, and such remaining provisions shall remain in full force and effect. Notwithstanding the termination of this Lease, the parties shall carry out any provisions hereof which contemplate performance subsequent to termination. The termination of this Lease shall not in any way affect any liability or other obligation of the parties which may have accrued prior to the date of termination. Upon termination of this Lease, Tenant shall promptly pay Landlord all sums due and owing hereunder.

(h) Quiet Enjoyment. If and so long as Tenant pays the prescribed Rent and performs or observes all of the terms, conditions, covenants and obligations of this Lease required to be performed or observed by it hereunder, Tenant shall at all times during the term hereof have the peaceable and quiet enjoyment, possession, occupancy and use of the Premises against the claims of anyone claiming by, through or under Landlord, subject to any mortgages, underlying leases or other matters of record to which this Lease is or may become subject.

(i) Common Areas. The term "**Common Areas**" refers to the areas of the Building, any parking area and any land within the Property which are designed for use in common by all tenants of the Building and their respective employees, agents, customers, invitees and others, and includes, by way of illustration and not limitation, entrances and exits, hallways, stairwells, elevators, public rest rooms, sidewalks, parking lots, driveways, landscaped areas and other areas as may be designated as part of the Common Areas of the Building. The lease of the Premises shall include the non-exclusive right to use the Common Areas in common with and subject to the rights of other tenants in the Building and others and subject to rules and regulations promulgated by Landlord from time to time. Landlord may modify the Common Areas at any time, and from time to time, provided that such modification does not unreasonably and adversely affect Tenant's access to the Premises.

(j) Holding Over. If Tenant remains in possession after expiration of the term hereof, without Landlord's acquiescence and without written agreement of the parties, Tenant shall be a tenant-at-will only, subject to all of the terms and provisions of this Lease, except that Base Rent shall be one hundred twenty-five percent (125%) of the Base Rent in effect immediately preceding the at-will tenancy, and there shall be no renewal of this Lease by operation of law. The foregoing notwithstanding, in no event shall any holdover continue for more than six (6) months after the termination of this Lease. Any holdover tenancy shall automatically terminate, without notice, at the latest, six (6) months after the termination of the lease term. In order to extend the lease term beyond such six (6) month period, Landlord and Tenant must execute a new lease or an amendment to this Lease which otherwise satisfies all regulatory requirements.

(k) Surrender of the Premises. Upon the expiration or earlier termination of this Lease, or upon the exercise by Landlord of its right to reenter the Premises without

terminating this Lease, Tenant shall immediately surrender the Premises to Landlord, together with all alterations, improvements and other property as provided elsewhere herein, in broom-clean condition with the deep cleaning described in **Section 5(f)(x)** completed to Landlord's satisfaction, and otherwise in good order, condition and repair, except for ordinary wear and tear and damage which Tenant is not obligated to repair, failing which Landlord may restore the Premises to such condition and Tenant shall reimburse Landlord for all such costs, including reasonable attorneys' fees, on demand. Upon such expiration or termination, Tenant shall, unless prohibited from doing so by other provisions of this Lease, have the right to remove its personal property and trade fixtures. Tenant shall promptly repair any damage caused by any such removal, and shall restore the Premises to the condition existing prior to the installation of the items so removed, failing which Landlord may restore the Premises to such condition and Tenant shall reimburse Landlord for all such costs, including reasonable attorneys' fees, on demand. Tenant shall be deemed to have abandoned any improvements, furnishings and equipment that it is entitled to remove but which it fails to remove upon expiration or termination of this Lease, and such improvements, furnishings and equipment may be sold, discarded, or kept by Landlord at its election exercised in its sole discretion, and Tenant shall reimburse Landlord for all costs incurred by Landlord in removing, selling, or discarding such property, and restoring the condition of the Premises, including, without limitation, reasonable attorneys' fees, on demand. The terms of this **Section 26(k)** shall survive the termination of this Lease.

(l) Complete Agreement; Amendments. This Lease, including the **Summary Sheet** and all Exhibits, Schedules and Addenda, constitutes the entire agreement between the parties hereto; it supersedes all previous understandings and agreements between the parties with respect to the Premises, if any, and no oral or implied representation or understandings shall vary its terms, and it may not be amended except by written instrument executed by both parties hereto.

(m) Force Majeure. If either party is delayed or hindered in its performance under this Lease as the result of any labor dispute, strike, lockout, fire, unavailability of material or other ordinary construction delay, severe weather, acts of God, restrictive governmental laws or regulations, riots, insurrection, war or other casualty or events of a similar nature beyond its reasonable control, including, without limitation, delays caused by the other party ("**Force Majeure**"), then the period provided for such performance shall be extended by the period of delay caused by the Force Majeure.

(n) Counterparts and Signatures. This Lease may be executed in one or more counterparts by the separate parties to this Lease, each of which shall be deemed an original, and all of which, together, shall constitute one and the same document. Signatures to this Lease that are transmitted via facsimile or electronically shall be deemed to constitute original signatures.

(o) Confidentiality. Except as otherwise required or permitted by law or as provided in this Lease, during the term of this Lease and thereafter, the parties shall, and shall cause their respective directors, officers, managers, members, employees, contractors, and agents to hold Confidential Information (as defined below) in strictest confidence and in accordance with state and federal law. The parties shall refrain from using, for their own benefit or disclosing to third parties, any and all communications, actions, information, knowledge, or data

regarding the business operations of the other party which is not generally known to the public or generally known within the health care industry, including, but not limited to, information relating to patient medical records, student records, financial affairs, services, patients, clinical practice protocols, quality assurance mechanisms, employees, employees' compensation, accounting, marketing, trade secrets and other proprietary information, proposed or actual business plans or operations, parties with whom the other party has a business relationship, and the terms of this Lease ("**Confidential Information**"). This obligation of confidentiality shall survive the termination or expiration of this Lease. Upon termination of this Lease, each party shall: (i) within ten (10) days of termination, promptly return to the other party, or, at the other party's direction, promptly destroy all Confidential Information (other than patient medical records or student records), including all copies of documents, notes, or materials made by receiving party or at its direction; (ii) certify, in writing, to the other party that it has so complied; and (iii) not use Confidential Information or transact business in a manner in any way based upon or utilizing Confidential Information.

(p) Authority. Landlord and Tenant each represent and warrant to the other that it has all approvals, whether required corporately or by applicable law, to enter into this Lease and to perform its obligations hereunder; and each of Landlord and Tenant represent to the other that the person signing on its behalf is duly authorized, empowered and has full authority to execute this Lease and to bind Landlord or Tenant, respectively, to the terms and conditions hereof.

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

END OF TEXT

SIGNATURE PAGE TO LEASE AGREEMENT

BY AND BETWEEN

**TRINITY HEALTH-MICHIGAN, D/B/A ST. JOSEPH MERCY ANN ARBOR,
AS LANDLORD**

AND

**THE REGENTS OF EASTERN MICHIGAN UNIVERSITY,
AS TENANT**

TENANT:

**THE REGENTS OF EASTERN
MICHIGAN UNIVERSITY,
a Michigan public body corporate**

By: _____

Printed Name: _____

Dean: _____

Date: _____

By: _____

Printed Name: _____

Its: _____

Date: _____

By: _____

Printed Name: _____

Provost: _____

Date: _____

By: _____

Printed Name: _____

President: _____

Date: _____

SIGNATURE PAGE TO LEASE AGREEMENT

BY AND BETWEEN

**TRINITY HEALTH-MICHIGAN, D/B/A ST. JOSEPH MERCY ANN ARBOR,
AS LANDLORD**

AND

**THE REGENTS OF EASTERN MICHIGAN UNIVERSITY,
AS TENANT**

LANDLORD:

TRINITY HEALTH-MICHIGAN,
a Michigan non-profit corporation
d/b/a St. Joseph Mercy Ann Arbor

By: _____

Name: _____

Its: _____

EXHIBIT A: RENT

Long Term Anatomy Lab

Exhibit A

Long Term Operating Costs	Projected Total								
	Yr 2	Yr 3	Yr 4 (h)	Yr 5 (h)	Yr 6 (h)	Yr 7 (h)	Yr 8 (h)	Yr 9 (h)	Yr 10 (h)
Base Usage -Facility	\$ 59,024.63	\$ 60,500.24	\$ 62,012.75	\$ 63,563.07	\$ 65,152.14	\$ 66,780.95	\$ 68,450.47	\$ 70,161.73	\$ 71,915.77 a
Adjustment for low usage (ES-Ele	\$ (5,652.06)	\$ (5,793.36)	\$ (5,938.19)	\$ (6,086.65)	\$ (6,238.81)	\$ (6,394.78)	\$ (6,554.65)	\$ (6,718.52)	\$ (6,886.48) b
Staffing Cost Usage Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ - c
Existing Equipment Usage fee base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ - d
Support Services Usage Fee	\$ 354.76	\$ 363.62	\$ 372.72	\$ 382.03	\$ 391.58	\$ 401.37	\$ 411.41	\$ 421.69	\$ 432.24 e
Misc. other expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ - f
Total	\$ 53,727.33	\$ 55,070.51	\$ 56,447.27	\$ 57,858.45	\$ 59,304.91	\$ 60,787.54	\$ 62,307.23	\$ 63,864.91	\$ 65,461.53 g

Percent of EMU Usage 100%

Notes

- a-Base cost includes facility, utilities and office level daily cleaning
- b-Netting off the low usage, still need to add the cost of super cooling for 4 mths
- c-Not needed as EMU will self direct this activity
- d-None identified
- e-2 OR Cleanings at EMUs option
- f-Note no depreciation will be charged it is assumed to be covered in the usage and Contribution amounts
- g-Assumed to be prorated and billed monthly
- h-Yrs 4-10 inflated by 2.5%

EXHIBIT B: TENANT'S CONTRIBUTION

Anatomy Long Term

Exhibit - B

Exhibit B - Long Term Contribution (SJM Prepayment - Related to Capital Spend)

<u>Long Term Anatomy Lab (old ASF area)</u>	<u>Estimated Costs</u>	<u>Comments</u>
Construction	\$ 255,000.00	Estimated based on per SQFT
MEP	\$ 312,000.00	Estimated based on per SQFT
A/MEP Design Fees	\$ 60,000.00	Estimated based on per SQFT
Equipment (to also be used in temp space)	\$ -	Per estimates
Total	<u>\$ 627,000.00</u>	
 EMU Share	 \$ 627,000.00	
100%		

EXHIBIT C: IDENTIFICATION OF PREMISES

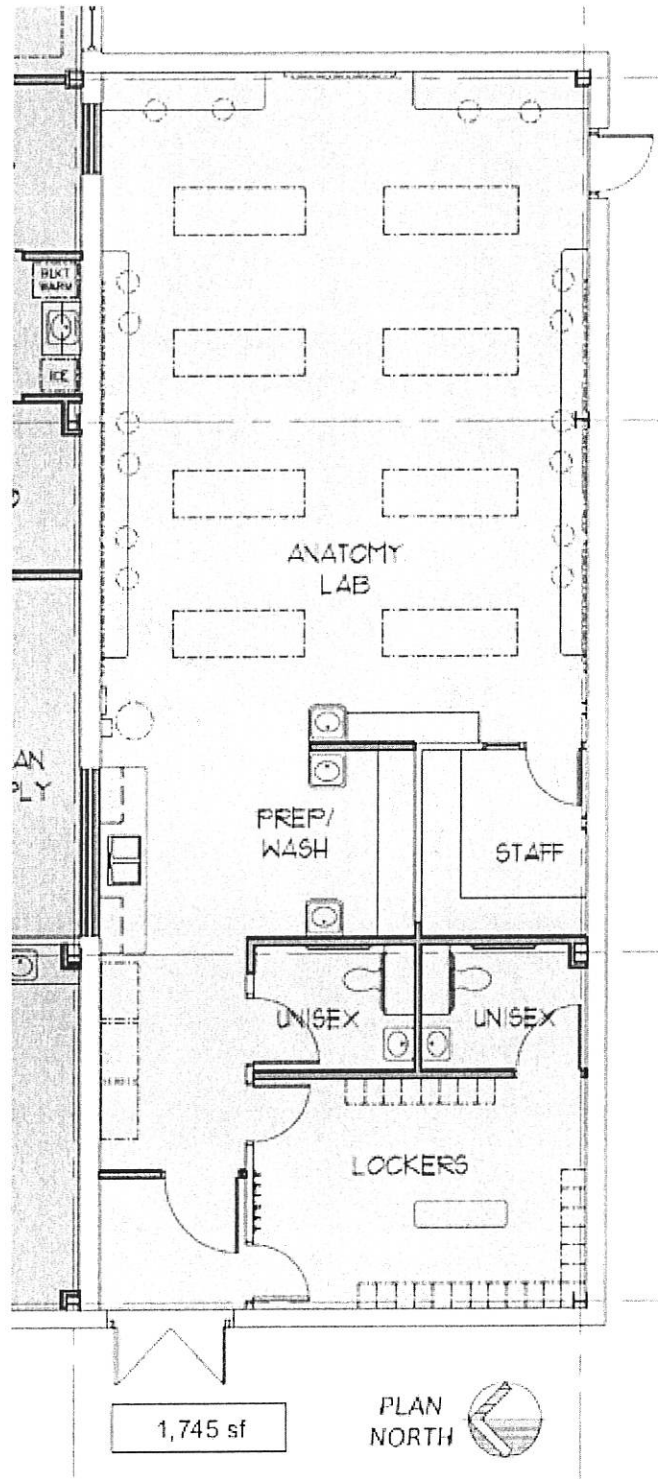


EXHIBIT D

BUILDING RULES AND REGULATIONS

Tenant agrees that it, its agents, employees, invitees and visitors will observe and comply with the following:

1. Landlord agrees to furnish Tenant with a mutually agreed upon number of suite keys. No additional locks or bolts of any kind will be installed, nor will any existing locks or the mechanism thereof be changed without Landlord's permission. Tenant will, upon termination of its tenancy, return all keys to Landlord. If a lock is to be changed, Tenant shall contact Landlord and Landlord shall make said change at Tenant's expense.

2. Tenant will refer all contractors, contractor's representatives and installation technicians, rendering any service on or to the Premises for Tenant, to Landlord for Landlord's approval before performance of any contractual service. This provision shall apply to all work performed in the Building including installation of telephone equipment, electrical devices, telecommunications, data transmission and other wiring and attachments and installations of any nature affecting floors, walls, woodwork, trim, windows, ceilings, and equipment of any physical portion of the Building.

3. No Tenant shall at any time occupy any part of the Building as sleeping or lodging Quarters.

4. Tenant shall not place or use in or about the Premises any explosives, gasoline, kerosene, oil, acids, caustics, or any inflammable, explosive, or hazardous material without the prior written consent of Landlord.

5. Landlord will not be responsible for lost or stolen personal property, equipment, money or jewelry from Tenant's areas or public rest rooms regardless of whether such loss occurs when area is locked against entry or not.

6. No bicycles, vehicles or animals of any kind (other than animals who assist physically impaired people, while assisting such physically impaired people) shall be brought into or kept in or about the Premises unless approved by Landlord.

7. Tenant shall not contract with Landlord's employees to render services of any kind.

8. None of the entries, passages, doors, elevators, hallways or stairways shall be blocked or obstructed, or any rubbish, litter, trash or material of any nature placed, emptied, or thrown into these areas, or such areas be used at any time except for access or egress by Tenant, Tenant's agents, employees, or invitees.

9. No person shall disturb the occupants of the Building by the use of any musical instruments, the making of unseemly noise, odors or any unreasonable use of the Premises or the Building.

10. Nothing shall be thrown out of the windows of the Building, or down the stairways or other passages.

11. Movement in or out of the Building or the Premises of furniture or office supplies and equipment or dispatch or receipt by Tenant of any merchandise or materials, which requires use of elevators or stairways, or movement through the Building entrances or lobby, shall be restricted to hours mutually agreed by Landlord and Tenant. All such movement shall be under the approval of Landlord and carried out in the manner agreed between Tenant and Landlord by prearrangement before performance. Such prearrangement will include determination by Landlord of time, method, and routing of movement and limitations imposed by safety or other concerns which may prohibit any article, equipment or any other item from being brought into the Building. Tenant assumes, and shall indemnify Landlord against, all risks and claims of damages to persons and properties arising in connection with any said movement.

12. The Landlord shall not be liable for any damages from the stoppage of elevators for necessary or desirable repairs or improvements, or delays of any sort of duration in connection with the elevator service.

13. No awnings or other projections shall be attached to the outside of the Building and no curtains, blinds, shades, or screens, other than those provided by Landlord, will be used in connection with any window of the Premises without the written consent of Landlord.

14. No space in the Building will be used for manufacturing, for the storage of merchandise or for the sale from the Premises of merchandise, goods or property of any kind without the written consent of Landlord.

15. The requirements of Tenant will be attended to only upon notification of the Tenant to Landlord's managing agent.

16. Canvassing, soliciting and peddling in the Building are prohibited and the Tenant shall cooperate to prevent the same.

17. Tenant shall prohibit smoking in the Premises and all other areas of the Property by Tenant, its agents, employees, contractors and invitees.

18. Landlord prohibits any person from carrying a handgun or other deadly weapon onto the premises of any of its property. No person shall knowingly possess, have under the person's control, convey, or attempt to convey a deadly weapon or dangerous ordinance onto these premises.

It is the Landlord's desire to maintain the highest standard of dignity and good taste consistent with comfort and convenience for Tenants. Any action or condition not meeting this high standard should be reported directly to the Landlord. The Landlord reserves the right to modify or alter these rules and regulations and to make such other and further reasonable rules and regulations as in its judgment may from time to time be needful, for the safety, care and cleanliness of the Building, and for the preservation of good order therein.

Exhibit E – Parking Areas

Lot U - Students

Lot O - Faculty

