

**PROPOSAL: WMU Homer Stryker M.D. School of Medicine Lease to Psychiatry**

Background

As the sole Class A Member of WMed, the Board of Trustees has the reserved power to approve certain actions by WMed. One of these reserved powers is to approve any lease for real property for more than 12 months by WMed.

WMed has negotiated a five-year Lease with Lillibridge Healthcare Services, Inc. on the terms set forth below. It is appropriate to have the Board of Trustees review the terms of this Lease and approve it as required under the Bylaws of WMed.

The terms of the Extension may be summarized as follows:

Building:	1717 Shaffer Street, Suite 208, Kalamazoo, MI 49048
Lease Term:	Five (5) years
Rent Commencement:	July 1, 2021
Use:	Medical Office – Psychiatry
Premises:	Approximately 1,014 Usable Square Feet
Base Rent:	\$1,259/month; \$15,109/year (Rent to increase annually by the CPI, but not less than 3%/year)
Additional Rent:	Real Estate Taxes and Common Area Maintenance by Tenant (Estimated to be at \$10.89/psf for 2021)
Improvement Allowances:	Up to \$25,350, or actual cost of construction, if lower, to be paid upon proof of completion and unconditional lien waivers

WMed believes the terms of Lease are fair and reasonable, and the Lease accomplishes the goals of WMed. Accordingly, it is recommended the Board of Trustees approve this Lease.

Recommended Action

It is recommended the Board of Trustees, acting as the Class A Member of WMed, pursuant to the Bylaws of WMed, hereby authorizes WMed to enter into the Lease on the above terms with such reasonable and necessary changes as may be approved by WMed.