

STATE OF MICHIGAN



JOHN ENGLER, Governor

DEPARTMENT OF SOCIAL SERVICES

GERALD H. MILLER, Director

NOVEMBER 22, 1993

KALAMAZOO COUNTY  
DEPARTMENT OF SOCIAL SERVICES  
322 STOCKBRIDGE  
KALAMAZOO MI 49001

ERIK KROGH DIR  
LIVING WAYS INC.  
1509 PORTAGE ST.  
KALAMAZOO MI, 49007

Re: License #: AS390015350 DARMO  
Temporary License

Dear ERIK KROGH,

Attached is the Original License Study for DARMO AFC

Based upon compliance with the Administrative Rules and the Adult Foster Care Facilities Licensing Act, a temporary license will be issued. The effective dates of the license are 12/01/1993 through 05/31/1994.

Please review all of the documents carefully. Note that you agreed to remove the bolt locks from all exit doors or render so that they could not be used.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Avery Playford".

AVERY PLAYFORD  
Licensing Consultant  
Division of AFC Licensing  
322 STOCKBRIDGE  
KALAMAZOO MI, 49001

(616) 337-5213

cc: file  
Central office  
Kalamazoo Co. D.S.S.  
Kalamazoo Co. C.M.H.



KAL. CO. IDSS  
 AUG. 1, 1993  
 RECEPTION

**LICENSE APPLICATION  
 ADULT FOSTER CARE FACILITY**  
 Michigan Department of Social Services

**R DSS USE ONLY**

Consultant Number	Receipt Date	License Number 743
Application Type <input type="checkbox"/> ORIGINAL <input type="checkbox"/> RENEW		Was Fee Received? <input type="checkbox"/> YES <input type="checkbox"/> NO

**FACILITY/HOME INFORMATION**

1. Facility/Home Name Living Ways/Darmo Home		2. Facility/Home Type <input type="checkbox"/> Family Home (1-6) <input checked="" type="checkbox"/> Sm. Group Home (1-6) <input type="checkbox"/> Sm. Group Home (7-12) <input type="checkbox"/> Lg. Group Home (13-20) <input type="checkbox"/> Congregate Facility (21 or more)	
3. Applicant Name Living Ways	4. Proposed Capac. 6	5. Facility/Home Street Address 3109 Darma Street	
6. Area Code, Facility Phone Number (616) 344-3634	7. City/Village Kalamazoo	8. Township	9. County Kalamazoo
10. State MI		11. Zip Code 49008	
12. Zoning Authority <input type="checkbox"/> Township <input type="checkbox"/> City/Village Named Above			

**PARENT ORGANIZATION INFORMATION (person, partnership, corporation, or association, if applicable)**

13. Name (if same as above, indicate "same") Same		14. Area Code, Telephone Number	
15. Street Address		16. City/Village	17. State
			18. Zip Code

**SPONSOR INFORMATION (if applicable)**

19. Name (if same as above, indicate "same") Same		20. Area Code, Telephone Number	
21. Supplemental Information			
22. Street Address		23. City/Village	24. State
			25. Zip Code

26.

I have read Act No. 218, P.A. 1979, as amended, and the Administrative Rules regulating the operation of the Adult Foster Care Facility indicated above, and if granted a license, will endeavor to comply with the Act and these rules.

In order to permit a proper determination of conformity with the rules, I give permission to the Department of Social Services to make a necessary and reasonable investigation of my activities and proposed standards of care and to make an on-site evaluation of the proposed facility. The investigation may include the securing of statements from references I submit, as well as from others who may make judgments as to my ability to comply with the rules.

I am aware of the legal provision that to operate an adult foster care facility without a license constitutes a misdemeanor as stated in Section 13 and Section 31 of Act 218, Public Acts of 1979, as amended.

**I hereby certify that if I or any member of the staff having direct contact with adults have been convicted of an offense for other than a minor traffic violation, such information shall be shared with the Department.**

I also certify that any information I give in respect to the investigation will be, to the best of my ability, true and correct.

27. Applicant Name (please print or type) Erik Krogh for Living Ways	28. Applicant Signature <i>Erik Krogh</i>	29. Date 8/5/93
30. Spouse Name (if joint application)	31. Spouse Signature	32. Date
33. Applicant's Home Telephone Number (616) 381-8528	34. Witness Signature <i>Brenda Boyce</i>	35. Date 8-5-93
36. Applicant's Home Address 2430 Lomond, Kalamazoo MI 49008		

37. **A NON-REFUNDABLE LICENSE FEE**, payable by check or money order ONLY to: State of Michigan, Department of Social Services, must ACCOMPANY this application. (See enclosed Application Fee Transmittal.) The fees are:

	Original	Renewal		Original	Renewal
Family Home	\$65.00	\$25.00	Large Group Home	\$170.00	\$100.00
Small Group Home (1-6)	\$105.00	\$25.00	Congregate Facility	\$220.00	\$150.00
Small Group Home (7-12)	\$135.00	\$60.00			

The Department of Social Services will not discriminate against any individual or group because of race, sex, religion, age, national origin, color, marital status, handicap or political beliefs.	AUTHORITY: PA 218 of 1979, as amended. COMPLETION: Mandatory. NON-COMPLETION: License issuance will be denied.
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**SUPPLEMENTAL INFORMATION**  
**ADULT FOSTER CARE FACILITY**  
 Michigan Department of Social Services

DSS USE ONLY

Consultant Number	Receipt Date	License Number
Application Type <input type="checkbox"/> Original <input type="checkbox"/> Renewal		Was Fee Received? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Governmental <input type="checkbox"/> Non-Governmental		

INSTRUCTIONS: Attach additional sheets, if necessary, Licensing Consultant - Complete last item before providing form to applicant.

1. Applicant Name (last, first, middle, former or maiden) List both if joint.  
 A. Krogh, Erik E.

2. Social Security Number: 357-32-7326

3. Driver's License Number: K620234189650

4. Birth Date: 8/20/40

5. Marital Status  
 Single  Married  Separated

6. Employment	Place of Employment	Job Held (Shift)	Hours Worked (Shift)	Annual Income(s)
A. Applicant(s)	Living Ways, Inc.	Exec. Director	8 - 5	\$44,000
B. Administrative Personnel (Facility Staff)	Fiorella Spalvieri	Program Director	8 - 5	\$30,642
	Arch Mercer	Home Supervisor	varies	\$20,763

7. Does Non-Applicant-Spouse live in Facility?  No  Yes (must sign the following statement)  
 I hereby certify that I am not an applicant for an adult foster care facility license. I acknowledge awareness of the filing of applications for adult foster care. I have no objection to the provision of foster care in the home. This acknowledgment does not bar future disclosure of testimony of facts of activities in the facility. My actions will not prohibit compliance with the statute or rules.

Spouse Signature \_\_\_\_\_ Date \_\_\_\_\_

8. Does applicant intend to reside in the facility and be the facility administrator?  Yes  No (explain arrangements)  
 24-hour staff supervised by Home Supervisor and Program Director.

9. The following information must be submitted to the Department:  
 A. Description of any health problems, mental problems or emotional problems of the family members, staff members or other non-resident members of the household.  
 none

B. Description of any convictions of the applicant or responsible persons for other than a minor traffic violation.  
 none

C. Description of applicant's financial difficulties (bankruptcy, credit problems, evictions, repossessions)  
 none

10. Do you now or have you ever cared for persons other than your family or operated a foster care facility (permit home, licensed residential care facility, community placement facility, any equivalent type facility, licensed/certified foster care for children) or ever made an application to operate a foster care facility to any agency?  
 No  Yes (complete the following) License Number \_\_\_\_\_

a. Date	b. Name of Agency	c. Type of Care
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11. Enter the number, name and address of Adult Foster Care facilities you now operate. Use additional sheet if necessary. DO NOT include licensed nursing homes or homes for the aged.

Number of Facilities: \_\_\_\_\_

Name	Address	City	Zip
see attachment			

Occupancy Inc.

8/18/93

## LEASE AGREEMENT

This Lease is made this 18th day of May, 1993 by and between G.S. Development Inc., hereinafter designated as the Landlord, and the County of Kalamazoo, hereinafter designated as the Tenant.

Whereas, the Landlord will be, as of the effective date of this lease agreement, is the owner who holds good title to the premises located at 3109 Darmo, Kalamazoo, Michigan which hereinafter may be referred to as the Premises, and is desirous of entering into a lease of the Premises under certain terms and conditions and;

Whereas, the Tenant or its subcontractor is or will be a licensed foster care provider under the laws of the State of Michigan and is desirous of leasing said Premises for use as a licensed foster care facility;

NOW THEREFORE, in consideration of the rents to be paid and the mutual covenants and agreements between the Parties, the Landlord and the Tenant agree as follows:

1. The Landlord does hereby lease unto the Tenant and the Tenant does hereby lease from the Landlord the following Premises known as 3109 Darmo, Kalamazoo, Michigan.
2. The Tenant shall pay to the Landlord for the demised Premises, for a period beginning from the availability for occupancy of the Premises and ending seven (7) years from the occupancy date the total sum of \$16,850.04 per annum in lawful money of the United States, payable in twelve (12) monthly installments of \$1,404.17 per month.

Installment payments shall be made by the first day of the month for which the installment is applicable. Each monthly installment payment includes the amount of \$100.00 for insurances, \$284.17 for real estate taxes, and the base monthly rental amount of \$1020. The base monthly rental amount will be adjusted effective October 1 of each fiscal year based on the Kalamazoo County Mental Health Board budget policy regarding cost of living adjustments. In no instance will the base monthly rent fall below the initial base rental amount (\$1020).

JUN 16 1993

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If special assessments and/or utility connection costs are levied and payable on an installment basis, the Tenant shall pay those installments that fall due during the term of this Lease or any extension thereof.

At the expiration of the initial Lease term of seven (7) years the Tenant shall have the option to renew for an additional five (5) year period at a monthly rental rate based on the greater of taking one twelfth (1/12) of the product of the new market value as determined by the appraisal and 11 percent or the current lease amount as adjusted. The tenant shall give 90 day written notice of intent to extend. Each monthly installment payment will include the amount for insurances, for real estate taxes, and the base monthly rental amount.

3. The Tenant hereby hires the said Premises for the term as indicated above and covenants to pay or cause to be paid unto the Landlord the rental amount indicated and all other sums that may become due under this Lease. Said rent shall be paid to the Landlord at such place as the Landlord shall designate in writing from time-to-time.
4. The Tenant covenants not to assign or transfer this Lease except to another licensed foster care provider under the laws of the State of Michigan and under contract to the County of Kalamazoo, nor shall the Tenant assign, transfer, or sublet the Premises or any part thereof without the written consent of the Landlord.
5. The Tenant agrees that if the Tenant's estate created hereby shall be declared bankrupt, according to law, or if any assignment shall be made of the Tenant's property for the benefit of creditors, then and in such event this Lease may be canceled at the option of the Landlord.

10. It is hereby agreed that, in the event the Tenant herein holds over after the termination of this Lease, that thereafter the tenancy shall be from month-to-month in the absence of a written agreement to the contrary.
11. The Tenant will pay all utility charges made against said leased Premises for gas, water, sewer, heat and electricity during the continuation of this Lease, as the same shall become due. The Landlord shall not be responsible nor liable for any interruption of utilities, unless such interruption is caused by the Landlord or the Landlord's subcontractor.
12. Rental payments under this Lease shall be abated and no rent shall be charged during the period of time between the execution of this Lease and the date that the Premises is licensed as a foster care facility by the Michigan Department of Social Services, and upon the licensing of the Premises by the Michigan Department of Social Services the rent shall begin. If licensing occurs after the tenth day of any month then the rent shall be prorated between that date and the first day of the following month at which time the next full rental payment shall be due. If a license is not issued within six (6) months from the execution of this Lease, either the Landlord or the Tenant shall have the option of declaring this Agreement null and void upon thirty (30) days prior written notice to the other party. If during that thirty (30) day period the Premises is licensed, the option to declare the Lease null and void shall be held for naught.
13. The Tenant may terminate this Lease with one hundred fifty (150) day prior written notice to the Landlord if funding is reduced from the Michigan Department of Mental Health and/or other program funding sources, provided, however, the decision to terminate this lease based on reduced funding shall be conducted in a reasonable fashion rather than an arbitrary fashion. During said one hundred fifty (150) days the Landlord shall have an affirmative duty to minimize damages (monthly installment payments) to the Tenant by attempting to lease the Premises or any other appropriate action. The Landlord shall document his efforts to minimize the Tenant's damages in this regard. The Tenant will allow the Landlord to show the Premises and cooperate in all other regards in the Landlord's attempt to lease the Premises.

If the Landlord or the Landlord's emergency service contractor(s) is unable to perform the necessary repairs within forty eight (48) hours of notification by the Tenant the Tenant may elect to have the repairs performed and the Tenant may deduct same from the next ongoing rent payment. If the Tenant does not perform the necessary maintenance and/or repairs that are the responsibility of the Tenant, the Landlord can have the maintenance and/or repairs performed and such costs can become additional rent due in the month after the Landlord provides written notice to the Tenant of the cost of maintenance and/or repair work done.

Tenant warrants and agrees that it has inspected the premises, equipment, systems and the physical structural components aforementioned and same are adequate for the purposes contemplated in this paragraph. This paragraph is subject to successful completion of the items described in Exhibit A attached hereto.

15. The Tenant shall not perform any acts or carry out any practices which may injure the building and shall keep the Premises under the Tenant's control including keeping adjoining drives free from debris, snow, and ice and maintaining the yard areas.
16. Except as provided in paragraph 14 hereof, the Tenant further agrees that it will deliver up the Premises at the expiration of the term of this Lease in like condition as when taken, reasonable use and wear and tear, damage by the elements, and unavoidable casualty including fire, excepted. The Tenant shall not make any alterations, additions, or improvements to said Premises without the Landlord's written consent. All alterations, additions, or improvements made by either of the Parties hereto upon the Premises, except movable office furniture and fixtures common to a residential care facility put on at the expense of the Tenant, shall be the property of the Landlord and shall remain upon and be surrendered with the Premises at the termination of this Lease without injury except as modified by paragraph 14 above. The Tenant shall pay the cost of repair of any damage to the Premises caused by removal of the fixtures.

The Tenant agrees to indemnify and hold harmless the Landlord from any liability for damages to any person or property in, on, or about said Premises that are caused by the Tenant or its invitees, to the extent that the Tenant is insured for same.

20. In the event of any default by the Landlord or the Tenant, the Party alleging said default shall mail to the other Party's last known address details of the alleged default and allow thirty (30) days to correct same. If the Tenant shall default in any of its obligations hereunder and said default is uncured after the thirty (30) day notice has expired, then it shall be lawful for the Landlord to take legal action under the statutes of the State of Michigan to repossess said Premises.

If the Landlord shall default in any of its obligations hereunder and said default is uncured after the thirty (30) day notice has expired, then the Tenant may terminate this Lease by giving a thirty (30) day notice to the Landlord or take any other legal action that is available.

In the event of a change in ownership of the premises before this agreement expires, Landlord shall provide Tenant with ninety (90) days written notice of intent to transfer ownership. Landlord shall assume full responsibility of transferring obligations hereunder, contingent upon existing terms of the lease and acceptable transfer by Tenant, as demonstrated by a signed lease with new owner.

21. The Landlord covenants that the said Tenant, on payment of all of the aforesaid installments and performing all of the covenants aforesaid shall and may peacefully and quietly have, hold, and enjoy the said Premises for the term indicated.
22. It is agreed that each and every one of the rights, remedies, and benefits provided by this Lease shall be cumulative, and shall be exclusive of any other said rights, remedies, and benefits or of any other rights, remedies, and benefits allowed by law.



28. The Tenant agrees to hire and pay a renovation contractor for initial costs incurred to make renovations, meet Michigan Department of Social Services foster care licensing requirements, and for the special needs of the Tenant. The Landlord agrees that the renovations defined on the renovation list attached as Attachment 'A' will be made prior to occupancy by the Tenant, and other future changes to the Premises will be made as agreed upon in writing between the Landlord and Tenant. The Tenant will specify the required work to be done, shall obtain three bids on the renovations, and shall arrange for the required renovations to be performed.

**ATTACHMENT A**  
**RENOVATION LIST - TENANT'S RESPONSIBILITY**  
**3109 Darmo, Kalamazoo**  
**April 20, 1993**

To be completed when Fire Marshall has completed inspections.

An initial renovation list will be provided by Kalamazoo County Human Services Department upon detailed inspection of the property. A final renovation list will be submitted after Michigan Department of Social Services has completed an initial inspection.

Contractors are responsible for securing permits and arranging all necessary inspections from the City of Kalamazoo, and submitting evidence of such to the Kalamazoo County Human Services Department, including an occupancy permit if required by the City of Kalamazoo. Energy costs will be borne by the Contractor during renovation. Specify the proposed work start/end dates and materials to be used or installed in bid.