#### LEASE AGREEMENT

LANDLORD: Kercheval 3 LLC

Kercheval 3 LLC, a Michigan limited liability company

TENANT: Destination 1905 LLC

a Michigan limited liability company

#### LEASE DATA EXHIBIT

Effective Date:

July 12, 2016

Landlord:

Kercheval 3 LLC, a Michigan Limited Liability Company

Landlord's Address:

16 Village Lane, Grosse Pointe, Michigan 48230

Tenant:

Destination 1905 LLC, a Michigan Limited Liability Company

Tenant's Address:

20452 24 Mile Road, Macomb, Michigan 48042

Building:

8130 Kercheval Avenue, Detroit, Michigan 48214

Leased Premises:

Ground floor unit and basement, minus space for second floor residential utilities, of that certain Building located at 8130 Kercheval Avenue, Detroit, Michigan 48214 containing approximately 1,008 sq. ft.

Anticipated Commencement Date:

May 1, 2017

Term:

Sixty (60) months

**Extension Terms:** 

Two (2) options to extend for three (3) additional years

Minimum Rent:

Period	Annual Minimum Rent	Monthly Minimum Rent
Prior to Commencement Date	\$0	\$0
Commencement Date - Lease Year 1	\$20,400	\$1,700
Lease Year 2	\$21,012	\$1,751
Lease Year 3	\$21,636	\$1,803
Lease Year 4	\$22,284	\$1,857
Lease Year 5	\$22,944	\$1,912

Security Deposit:

Three Thousand, Four Hundred and 00/100 Dollars (\$3,400) dollars to be paid upon Commencement Date

Use of Premises:

For the sale of food and beverages

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Exhibit A - Form of Commencement and Termination Agreement

#### LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into as of the date indicated on the Lease Data Exhibit attached hereto and made a part hereof by and between KERCHEVAL 3 LLC, a Michigan limited liability company ("Landlord"), and DESTINATION 1905 LLC, a Michigan limited liability company ("Tenant").

#### ARTICLE I. GRANT AND TERM

Section 1.01 Leased Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the unit addressed 8130 Kercheval Avenue, ground floor unit of that certain Building located in the City of Detroit, Wayne County, Michigan consisting of approximately 1,008 sq. ft. and basement area thereof, excepting out Landlord's basement level utility closet, commonly known as 8130 Kercheval Avenue (the "Leased Premises").

Section 1.02 Term. The term of this Lease shall begin ninety (90) days following the date of Landlord's substantial completion of Landlord's Work (as defined in Section 1.05) and delivery of possession of the Leased Premises to Tenant (the "Commencement Date"), and shall continue for the period of sixty (60) months (the "Term"), subject to Tenant's right to extend, unless sooner terminated as provided herein. If the Commencement Date is not on the first day of a calendar month, then the term of this Lease shall extend to include a partial first month consisting of the Commencement Date and all of the days in the partial first month after the Commencement Date. If the Commencement Date shall be on a day other than the first day of a month, Tenant shall pay pro rata Minimum Rent (as defined below), in advance on the first day of the partial first month, for the number of days in said partial first month.

Section 1.03 Option to Extend. Provided: (i) Tenant is the Tenant originally named herein, (ii) Tenant actually occupies and operates its business in all of the Leased Premises, and (iii) no uncured default of Tenant's obligations hereunder shall be outstanding on the date of giving of the notice of exercise described below, Tenant shall have the right to renew and extend this Lease for two (2) additional successive term of three (3) years (the "Extension Period"). Tenant may exercise an Extension Period, if at all, by delivery to Landlord of a written notice of such exercise not less than 180 and not more than 365 days before the expiration of the Term or the first Extension Term, as applicable. Upon delivery of such election, this Lease shall be deemed renewed and extended for the Extension Period on the same covenants, agreements, terms and conditions herein contained; provided, however, that the Minimum Rent during such Extension Period shall be as hereinafter provided in this Section 1.03. Tenant agrees that the extension granted herein shall be deemed personal to Tenant and shall not be assignable. Notwithstanding that Landlord may have consented to an assignment or sublease pursuant to Article IX of this Lease, this option shall not be assignable and shall not be assigned to any assignee or exercised on behalf of any subtenant.

At the time that an Extension Period is properly exercised, the first year of Minimum Rent shall be increased for the respective Extension Period no more than fifteen percent (15%) above the Minimum

Rent during the previous Lease Year (as defined herein below) and an increase of three percent (3%) for each subsequent year of an Extension Period.

Section 1.04 Supplemental Agreement. In order to place in writing the exact dates of the Commencement Date and the Expiration Date, upon the request of either party, the parties shall, within thirty (30) days after the occurrence of the Commencement Date, execute a supplemental agreement in the form attached hereto as <a href="Exhibit A">Exhibit A</a> to become a part hereof, setting forth the Commencement Date and the Expiration Date.

Section 1.05 Landlord's Work. Upon completion of core and shell of the Building, Landlord will pay for a "White box" construction of the Leased Premises ("Landlord's Work"). "White Box" is defined as the Leased Premises consisting of all exterior walls dry walled and prepped for painting, a subfloor and a finished ceiling. The Landlord must have the subfloor in the proper condition so that a floor cover can be installed. A White Box also includes a standard barrier free lavatory. Tenant, at Tenant's option, may elect to receive a tenant improvement allowance and the Landlord will contribute \$7,000 toward the cost of such an allowance. Prior to Landlord's delivery of the Leased Premises, Landlord shall install, at Landlord's sole cost and expense, a distribution panel in the Leased Premises with one (1) two hundred (200) amp breaker. Landlord represents and warrants as of the Commencement Date that the Building is free of structural defects and the Building's electrical, plumbing and other mechanical systems are in good working order. Except as otherwise provided in this Lease, Landlord has no additional obligation to perform any work or to supply any materials for the preparation of the Leased Premises and will not be called upon to make any repairs or improvements to the Leased Premise.

Section 1.06 Delivery of Possession. The Leased Premises shall be deemed to have been delivered to Tenant as set forth in Section 1.02 hereof. If Landlord is unable to deliver possession of the Leased Premises due to the holding over of any previous Tenant, construction delays, or for any other reason beyond the control of Landlord, Landlord shall not be liable for damages, and this Lease shall not be void or voidable except as otherwise provided herein. Notwithstanding the foregoing, in the event such delay exceeds six (6) months from and after the Anticipated Commencement Date (as defined in the Lease Data Exhibit), Tenant or Landlord shall have the right to terminate this Lease upon written notice to the other party, Tenant shall immediately receive a full refund of the Security Deposit, and the parties shall have no further rights or obligations under this Lease, except for those that expressly survive termination of this Lease.

Section 1.07 Tenant's Work. The initial alterations, additions, and improvements (other than Landlord's Work) made by or on behalf of Tenant to the Leased Premises to ready the Leased Premises for Tenant's occupancy thereof ("Tenant's Work") shall be subject to Landlord's prior written consent which shall not be unreasonably withheld, conditioned or delayed. All plans and specifications for Tenant's Work shall be submitted to Landlord for its approval. Landlord may monitor construction of Tenant's Work. Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to ensure that such plans and specifications or construction comply with applicable laws, codes, rules and regulations. Tenant's failure to prepare and

submit plans for approval or failure to complete Tenant's Work shall not delay the Commencement Date or the payment of rent.

#### ARTICLE II. RENT

Section 2.01 Minimum Rent. The minimum rent ("Minimum Rent") payable by Tenant shall be as follows:

Period	Annual Minimum Rent	Monthly Minimum Rent
Prior to Commencement Date	\$0	\$0
Commencement Date - Lease Year 1	\$20,400	\$1,700
Lease Year 2	\$21,012	\$1,751
Lease Year 3	\$21,636	\$1,803
Lease Year 4	\$22,284	\$1,857
Lease Year 5	\$22,944	\$1,912

Tenant shall pay Landlord the first monthly installment of Minimum Rent on or before the Commencement Date. All other Minimum Rent shall be payable by Tenant in advance in monthly installments paid on or before the first (1st) day of each month at the office of Landlord without any prior demand therefor or without any deductions or setoff whatsoever. Landlord and Tenant acknowledge and agree that this is a triple net lease and that it must yield, net to Landlord during the term, no less than the Minimum Rent shown above. All costs, expenses and charges of every nature directly relating to Tenant and the Leased Premises under the terms of this Lease, which may be attributable to, or becomes due during, the Term or any extension thereof, will be paid by Tenant.

Section 2.02 Lease Year. "Lease Year' means each consecutive twelve (12) calendar month period beginning as of the Commencement Date. The first Lease Year shall begin on the Commencement Date is the first day of a calendar month. If the Commencement Date is not the first day of a calendar month, the first Lease Year shall begin on the first day of the first full calendar month following the Commencement Date.

Each succeeding Lease Year shall commence on the anniversary date of the first Lease Year.

Section 2.03 Payments. All sums required to be paid by Tenant under this Lease shall be deemed to be rent and shall be due and payable at the office of Landlord without any prior demand and without deduction or setoff whatsoever. Tenant's failure to pay any such amounts or charges when due,

beyond any applicable notice and cure period shall be a default and shall have the same consequences as Tenant's failure to pay rent.

#### **ARTICLE III. TAXES**

#### Section 3.01 Tenant's Tax Obligation.

- Tenant agrees to pay to Landlord, as additional rent, subject to the limitations below, Tenant's proportionate share of all taxes and assessments levied or assessed by any lawful authority during each calendar year of the Term of this Lease and any extension thereof against the land, buildings and improvements comprising the Building ("Real Estate Taxes"). Tenant's proportionate share shall be equal to the product obtained by multiplying such taxes and assessments by a fraction, the numerator of which shall be approximately 1,008 sq. ft. (the number of square feet comprising the Leased Premises), and the denominator of which shall be the total number of square feet of rentable square feet in the Building ("Tenant's Proportionate Share"). Should the State of Michigan or any political subdivision thereof or any governmental authority having jurisdiction thereover impose a tax and/or assessment of any kind or nature upon, against or with respect to the rentals payable by tenants in the Building to Landlord or on the income of Landlord derived from the Building or with respect to the Landlord's, or the individuals' or entities' which from the Landlord herein, ownership of the land and buildings comprising the Building, either by way of substitution for all or any part of the taxes and assessments levied or assessed against such land and such buildings, or in addition thereto; then in such event, such tax, assessment and/or surcharge shall be deemed to constitute a tax and/or assessment against such land and such buildings for the purpose of this Section and Tenant shall be obligated to pay its proportionate share of said tax. Real Estate Taxes shall be deemed to accrue ratably each month of the calendar year in which the taxes are payable. Notwithstanding the forgoing, Real Estate Taxes shall exclude: (i) excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, and federal and state income taxes to the extent applicable to Landlord's general or net income (as opposed to rents, receipts or income attributable to operations at the Building); (ii) any tax imposed on any mortgage or other lien encumbering the Building which secures any indebtedness of the Landlord; (iii) transfer tax upon the passing of Landlord's interest in any part of the Building or portion thereof; (iv) taxes in excess of the amount which would be payable if such tax or assessment expense were paid in installments over the longest possible term; (v) taxes imposed on land and improvements other than the Building; (vi) increases in taxes caused by Landlord's transfer or conveyance of the Building or any portion thereof (vii) any portion of taxes attributable to capital improvements made to the Building solely for the benefit any tenant, other than Tenant; and (viii) any fines, penalties and/or interest resulting from Landlord's failure to timely pay taxes to the appropriate authority.
- (b) Landlord will periodically estimate the amount of such Real Estate Taxes and will notify Tenant of its monthly estimate, which will be paid monthly along with the Minimum Rent. If the total amount paid by Tenant under this Section for any calendar year during the Term of this Lease, or any extensions thereof, shall be less than the actual amount due from Tenant for such year, as shown on such statement, Tenant shall pay to Landlord the difference between the amount paid by Tenant and the actual

amount due, such deficiency to be paid within thirty (30) days after demand therefor by Landlord; and if the total amount paid by Tenant hereunder for any such calendar year shall exceed such actual amount due from Tenant for such calendar year, such excess shall be credited against the next installment of taxes and assessments due from Tenant to Landlord hereunder. All amounts due hereunder shall be payable to Landlord at the place where the Minimum Rent is payable. For the calendar years in which this Lease commences and terminates, the provisions of this Section shall apply, and Tenant's liability for its proportionate share of any taxes and assessments for such years shall be subject to a pro rata adjustment based on the number of days of said calendar year during which the Term of this Lease is in effect. Landlord shall pay all Real Estate Taxes before delinquency. The preceding sentence shall not impair the provisions of Section 3.03 below regarding rights to contest Real Estate Taxes and the determination thereof.

Section 3.02 Tax Changes. Subject to the limitations set forth in Section 3.01(a), in the event any governmental authority imposes a tax assessment of any kind with respect to the income of Landlord derived from the Building (other than the current federal income tax) or with respect to the ownership, occupancy or rental of the Building, either by way of substitution for or in the nature of Real Estate Taxes, such tax assessment shall be deemed to constitute a Real Estate Tax for purposes of this Article III.

Section 3.03 Protest. Landlord may, at its option, contest any Real Estate Taxes or assessments incidental thereto. All reasonable attorneys' fees, costs and other expenses incurred as a result of such action shall be deemed to be Real Estate Taxes payable as additional rent in accordance with Section 3.01. Notwithstanding the foregoing sentence, the amount of costs that may be included in Real Estate Taxes for tax contests should be limited to the actual deduction in Real Estate Taxes achieved. Any tax refunds shall be first paid to the Tenant to the extent that the fees, costs and expenses of such contest were paid by such Tenant, and then the excess of such refund, if any, shall be paid to Tenant.

#### ARTICLE IV. SECURITY DEPOSIT

Section 4.01 Security Deposit. Upon the Effective Date, Tenant shall deposit with Landlord Three Thousand Four Hundred and 00/100 Dollars (\$3,400.00) (the "Security Deposit"), as security for the full performance by Tenant of all of the terms of this Lease. Upon an event of default, Landlord may, but shall not be required to, use the whole or any part of the Security Deposit so deposited in satisfaction of damages incurred in connection with Tenant's default, whether the same may accrue before or after any legal proceedings are instituted by Landlord. If Landlord so uses part or all of the Security Deposit, then Tenant shall within ten (10) days after written demand, pay Landlord the amount used to restore the Security Deposit to its original amount. Any part of the Security Deposit not used by Landlord as permitted by this paragraph shall be returned to Tenant, without interest, within thirty (30) days after the expiration of this Lease. Tenant shall not be entitled to any interest on the Security Deposit. In the absence of evidence of any assignment of the Security Deposit, Landlord may return the Security Deposit to the original tenant, regardless of one or more assignments of the Lease itself. If Landlord shall sell or lease the Building or otherwise assign or transfer this Lease, Landlord shall have the right to transfer the Security Deposit to the assignee for the benefit of Tenant and Landlord shall then be released from all

liability for the Security Deposit. No holder of a mortgage or any other interest described in Section 10.03 shall be responsible for the Security Deposit unless such party shall have actually received the same.

#### ARTICLE V. CONDUCT OF BUSINESS BY TENANT/MAINTENANCE

Section 5.01 Use of Premises. Tenant agrees to use the Leased Premises only for the sale of food and beverages. Tenant agrees that it will comply with all applicable laws and ordinances (including zoning ordinances and regulations) and shall obtain all necessary certificates of occupancy and compliance, permits and licenses. The ability of Tenant to comply with and the risk of loss resulting from such laws, ordinances, regulations and the unavailability of such licenses or permits shall be on the Tenant alone. Tenant shall conduct its business at all times in a high-class and reputable manner. Tenant will not use the sidewalks of the Building for business purposes unless with prior written consent from Landlord and with all necessary licenses and permits. No part of the Leased Premises or Building shall ever be occupied or used for adult entertainment, including without limit adult bookstores, adult movie theaters, massage parlors, or nude entertainment or any other lewd or obnoxious use.

#### Section 5.02 Repair and Maintenance.

- (a) Tenant shall at all times throughout the Term of this Lease or any extension thereof, at its sole cost and expense, keep the Leased Premises, except for those items expressly set forth in subsection (b) below, in a good state of repair, including doors, glass and utility systems from point of internal distribution. Tenant shall also be responsible for annual maintenance on the HVAC system serving on the Leased Premises. Landlord warrants that all items that are Tenant's responsibility as provided in this subsection are in good working condition at the Commencement Date. Tenant shall also be responsible for all cost and expenses associated with any repair or replacement that is necessary due Tenant or its agents, contractors, subcontractors, invitees, employees, customers misuse, damage, destruction, negligence, installation of equipment, lack of due care or Tenant's failure to perform any maintenance obligation that is the responsibility of Tenant.
- (b) Landlord shall keep and maintain the exterior walls, foundation, structural support walls, and roof of the Building in good repair. In no event shall Landlord be responsible to make any repairs occasioned by the act or negligence of Tenant, its agents, employees, invitees, licensees or contractors, except to the extent that Landlord is reimbursed therefor under any policy of insurance permitting waiver of subrogation in advance of loss. In the event that the Building requires maintenance or repairs for which Landlord is responsible hereunder, Tenant shall give immediate notice thereof to Landlord and Landlord shall perform or cause to be performed any such maintenance and repairs within a reasonable time (in light of the maintenance or repair required) after receipt of such notice by Landlord.

#### Section 5.03 Hazardous Substances.

(a) As used herein, "Hazardous Substance" means any substance that is toxic, ignitable, reactive, or corrosive and that is regulated by any local government, the State of Michigan, or the United

States Government. "Hazardous Substance" includes any and all material or substances that are defined as "hazardous waste," "extremely hazardous waste," or a "hazardous substance" pursuant to state, federal, or local governmental law. "Hazardous Substance" includes but is not restricted to asbestos, polychlorobiphenyls ("PCBs"), and petroleum.

- (b) Landlord hereby represents and warrants to Tenant that, to the best of Landlord's knowledge, except as may be contained in fuels or materials in equipment and systems used to heat, cool and operate the Building, which are not in excess of amounts permitted by law, and except as occur naturally, there are no asbestos or other Hazardous Substances in the Leased Premises which are in violation of applicable law. Landlord hereby indemnifies Tenant for any and all loss, cost, damage or expense to Tenant resulting from any misrepresentation or breach of the foregoing representations and warranties. In addition, Landlord agrees to indemnify and hold Tenant harmless from all liability arising out of the presence of Hazardous Substances on or about the Leased Premises or the Common Areas (as defined below) if such Hazardous Substances were present on the date of this Lease or if the presence of such Hazardous Substances was caused by Landlord or Landlord's agents, invitees, employees or contractors.
- (c) If the Leased Premises contain asbestos or asbestos-containing material or other Hazardous Substances in violation of law and the same are either present within the Leased Premises at the time possession of the Leased Premises are delivered to Tenant or are installed, released or introduced to the Leased Premises by Landlord or Landlord's agents, employees or contractors subsequent to the delivery of the Leased Premises to Tenant and if removal, encapsulation or other remediation is required by applicable laws, then Landlord immediately and with all due diligence and at no expense to Tenant shall take all measures necessary to ensure compliance with all applicable laws and to remove such asbestos or other Hazardous Substances from the Leased Premises and/or encapsulate or remediate such asbestos or other Hazardous Substances, which removal and/or encapsulation or remediation shall be in compliance with all environmental laws and regulations, and the Landlord shall repair and restore the Leased Premises at its expense. From the date Landlord is made aware of such Hazardous Substances to the date such removal, encapsulation, remediation and restoration is complete, the rent due hereunder shall be reduced by the same percentage as the percentage of the Leased Premises which cannot be safely, economically or practically used for the operation of the Tenant's business and is not used.
- (d) Tenant shall not cause or permit any Hazardous Substance to be used, stored, generated, or disposed of on or in the Leased Premises or the Building by Tenant, Tenant's agents, employees, contractors or invitees. If Hazardous Substances are used, stored, generated, or disposed of on or in the Leased Premises or the Building by Tenant, Tenant's agents, employees, contractors or invitees, or if the Leased Premises or the Building becomes contaminated in any manner for which Tenant is liable, Tenant shall indemnify and hold harmless Landlord from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including, without limitation, attorneys' fees, consultant and expert fees) arising during or after the Term of this Lease or any extension thereof and arising as a result of that contamination by Tenant. Without limitation of the foregoing, if Tenant causes or permits the presence of any Hazardous Substance on the Leased Premises and that results in contamination, Tenant shall

promptly, at its sole expense, take any and all necessary actions to return the Leased Premises to the condition existing prior to the presence of any such Hazardous Substance on the Leased Premises. Tenant shall first obtain Landlord's approval for any such remedial action. Notwithstanding anything to the contrary contained in this Lease, Tenant may maintain cleansers or solvents commonly used in Tenant's business in the Leased Premises so long and only so long as such cleansers or solvents are and remain in compliance with all applicable laws, rules, regulations and ordinances and do not impose any clean up obligation or liability.

(e) The obligations under this Section 5.03 shall survive the expiration or earlier termination of this Lease and any extensions hereof.

Section 5.04 Signs and Advertising. Tenant will not place or cause to be placed or maintained any sign or advertising matter of any kind anywhere, except in the interior of the Leased Premises, without Landlord's prior written approval. Landlord's consent under this Section 5.04 shall not be unreasonably withheld so long as Tenant satisfies any and all City, State and Municipal codes and Tenant shall obtain all necessary licenses and permits in connection therewith prior to installing any such signs. All signs located in the interior of the Leased Premises shall be in good taste so as not to detract from the general appearance of the store and the Building. Tenant shall install and promptly repair, maintain and service all such signs in accordance with proper techniques and procedures. On or before the termination of this Lease, Tenant shall, at its sole expense, remove all such signs in a manner reasonably satisfactory to Landlord and shall immediately repair, at Tenant's sole expense, any injury or damage caused by removal. All costs and expenses relating to all such signs shall be borne solely by Tenant including any annual fees. Landlord reserves the right to use the exterior walls and roof of the Building. If Tenant installs any sign in violation of this section, Landlord may remove said sign at Tenant's expense and/or exercise any other remedy available to Landlord.

Section 5.05 Alterations. Tenant shall not make any material alteration, addition or improvement to the Leased Premises without the prior written consent of Landlord. Any renovations, alterations, additions or improvements made by Tenant upon the Leased Premises, except for movable office furniture and movable trade fixtures installed at the expense of Tenant, shall be and shall remain the property of Landlord, and shall be surrendered with the Leased Premises at the expiration or termination of this Lease, without molestation or injury.

#### ARTICLE VI. COMMON AREAS

Section 6.01 Designation of Common Areas. The term "Common Areas" includes, without limitation, the Building of which the Leased Premises forms a part, all other structures, fixtures, driveways, parking areas, sidewalks, foundations, roof, four outer walls, loading areas, utility distribution systems, retaining walls, lighting facilities, drainage facilities, Building signage and structures, traffic and parking signage and markers, service corridors, on-site Building offices, equipment storage areas, stairways, patio, courts, ramps, decorative walls, landscaped and planting areas and facilities which may be located in or near the Building and any other facilities designated from time to time by Landlord as

common areas, and all other areas, improvements and modifications which may be provided or required for the general use and convenience of tenants in the Building, their customers and invitees or for compliance with the amendment to or enactment of any law, ordinance or regulation to which the Landlord or Building may be subject.

Section 6.02 Maintenance of Common Areas. Tenant shall operate, maintain and repair the Leased Premises and will be responsible for Tenant's Proportionate Share of the total costs of maintaining and repairing the Common Areas. Landlord will perform and account for the maintenance and repair costs of the Common Areas in a first class condition and bill Tenant from time to time at the Landlord's sole discretion, however in no event shall Landlord bill for such expenses more frequently than monthly. Landlord hereby grants to Tenant the right to use the Common Areas, provided that such use shall be subject to rules and regulations as Landlord may establish from time to time.

Section 6.03 Exceptions from Common Area Expenses. The Common Area expenses may not include: the cost to benefit one or more tenants at the Building rather than the Building at large; expenses incident to leasing space in the Building; expenses incurred in refinancing the Building; legal fees pertinent to the negotiation or enforcement of any lease, any financing transaction or dispute between the members of Landlord; legal fees for any matter involving the owner of the Building and its partners, members or shareholders; expenses paid to affiliated parties in excess of amounts payable to third parties for comparable materials or supplies; expenses to repair or maintain the four outer walls or roof of the Building; any cost incurred in connection with repairs or rebuilding resulting from condemnation or casualty (except to the extent caused by Tenant); expenses incurred in connection with environmental matters (except to the extent caused by Tenant); expenses which are recoverable from insurance, warranty claims, or other tenants or parties, or any other source whatsoever; expenses for water usage by other tenants at the Building; the cost of any repairs, alterations, additions, improvements, changes, replacements, compliance expenses or other items which under generally accepted accounting principles are properly classified as capital expenses, as well as any costs and cost increases related to any additions or modifications (as opposed to repairs) to the Building and Common Areas after the Commencement Date; and any increase in Common Area expenses in excess of five percent (5%) above the prior year's Common Area expenses (excluding increases for charges for insurance, property taxes, utilities and snow removal).

Section 6.04 Landlord's Use of Common Areas. Landlord reserves the right to utilize the Common Areas and the exclusive use of the roof. Tenant shall not place any signs or use the roof of the Building unless with the expressed written consent of Landlord, which may be granted or withheld in its sole discretion.

Section 6.05 Tenant's Right to Audit. Tenant has the right to audit Common Area expenses no more frequently than once annually. Tenant shall bear the cost of such audit unless it is determined that the charges assessed against Tenant for any period were overstated by more than ten percent (10%), in which event the cost of the audit shall be paid for by Landlord and the amount of any overcharge to Tenant shall be refunded to Tenant together with interest at the rate which Tenant is required to pay Landlord under this Lease for payments which are not timely made.

#### ARTICLE VII. INSURANCE AND INDEMNIFICATION

Section 7.01 Tenant's Insurance Requirements. Tenant shall at its own cost keep in effect from the date that possession of the Leased Premises is delivered to Tenant insurance policies as follows:

- (a) Comprehensive liability and property damage insurance (with boiler and machinery insurance, if applicable) with a single combined liability limit of One Million Dollars (\$1,000,000) and with property damage liability limits of not less than One Million Dollars (\$1,000,000). If, in the opinion of Landlord's mortgage lender or insurance agent, Tenant's insurance or Tenant's insurer is inadequate, Tenant shall modify the coverage or obtain a new insurer as required.
- (b) Casualty and hazard insurance covering Tenant's fixtures, personal property, glass and plate glass, merchandise and equipment in the Leased Premises, and covering all tenant improvements that exceed the plain "White Box." Tenant will insure the tenant improvements without regard to whether Landlord, Tenant or any previous tenant actually installed and paid for the tenant improvements. Tenant's insurance policy will include "Standard Risks" in an amount equal to the full replacement value, but not less than that required by Landlord's mortgagee from time to time.
- (c) Workers' compensation and such other coverages as may be required by law and/or Landlord.
- (d) Casualty, liability, hazard and property insurance covering the equipment in amounts consistent with paragraphs (a) and (b) of this section, above, and including, without limitation, provision that Tenant's insurance policy will include extended coverage endorsements commonly known as "all risks" endorsements in an amount equal to the full replacement value.

All of Tenant's insurance policies shall name Landlord as an additional insured and shall contain a provision that the insurer will not cancel or change the insurance without giving Landlord and Landlord's mortgagee thirty (30) days prior written notice. Such policies shall provide that the same will remain in full force and effect with proceeds payable in accordance with their terms notwithstanding the negligence or any other act of Tenant. Tenant shall furnish such evidence as Landlord may reasonably require that the insurance referred to in this Section 7.01 is in effect and that the premiums have been paid.

Section 7.02 Landlord's Insurance. Landlord shall maintain (i) liability and property damage insurance with respect to the Building with limits not less than the amounts specified in Section 7.01 (a), above; (ii) broad form casualty and hazard insurance covering the Building (except for the items that Tenant is required to insure) to the full replacement costs thereof with all such endorsements and such other or additional coverages as may be required by Landlord's mortgage lender including without limitation rent loss insurance; (iii) workers' compensation insurance, contractor's operations insurance, and any other coverages that are commercially reasonable for the nature of the Building and directly related to the Building and customarily passed through to tenants in similar commercial leases in Detroit, Michigan.

Section 7.03 Insurance Reimbursement. Tenant agrees to pay to Landlord as additional rent, the amount of Tenant's Proportionate Share of the cost of the Landlord's insurance as described in Section 7.02, above. Landlord will periodically estimate the amount of such insurance costs and will notify Tenant of the amount which shall be paid monthly, in advance, along with the Minimum Rent. Any over or under charges will be adjusted at least once annually, and will be credited or invoiced to Tenant, as appropriate.

Section 7.04 Indemnity by Tenant. Subject to the terms of Section 7.06 below, Tenant covenants to indemnify, defend and hold Landlord harmless (except for loss or damage resulting from the gross negligence of Landlord, its agents or employees) from and against all claims, and all costs (including reasonable attorneys' fees), expenses and liabilities incurred in connection with: (i) Tenant's use and occupancy of the Leased Premises; and (ii) any act or omission of Tenant, its agents, employees, contractors or subcontractors. It is understood that all personal property of any kind in the Leased Premises shall be kept, stored and maintained at the sole risk and responsibility of Tenant.

Section 7.05 Indemnity by Landlord. Subject to the terms of Section 7.06 below, Landlord covenants to indemnify, defend and hold Tenant harmless (except for loss or damage resulting from the gross negligence of Tenant, its agents or employees) from and against all claims, and all costs (including reasonable attorneys' fees), expenses and liabilities incurred in connection with the negligence or any intentional act or omission of Landlord, its agents, employees, contractors or subcontractors.

Section 7.06 Increased Insurance Hazard. Tenant will not permit any activity or bring anything into the Building which might invalidate Landlord's insurance or increase the premiums for Landlord's insurance. Tenant agrees to pay any increase in the premiums for Landlord's insurance that may be charged and all other costs and damages resulting from the foregoing.

Section 7.07 Conditional Waiver of Subrogation. Landlord and Tenant hereby release each other from any liability to each other or to anyone else claiming by or through them by way of subrogation or otherwise for any loss or damage caused by or resulting from risks insured against by any insurance required to be carried by the parties hereto; provided, however, that this release shall be applicable if and only if the releasor's insurance policies contain a clause or endorsement permitting such release and the waiver of subrogation provided by this release so that the release will not invalidate or impair the releasor's right to recover from its insurer.

#### ARTICLE VIII. UTILITY CHARGES

Section 8.01 Water and Sewer Charges. Tenant shall be solely responsible for and promptly pay all charges for water and sewer used upon the Leased Premises, which shall be independently metered and charged to the Tenant by Landlord from time to time at the Landlord's sole discretion, however no more frequently than once a month. Tenant shall also pay the cost of all hook-up or connection charges and assessments applicable to the supply and maintenance of water and sewer of the Leased Premises. The obligation of Tenant to pay for water and sewer charges and assessments shall

commence on the date that possession of the Leased Premises is delivered to Tenant. If Tenant fails to timely pay any water and sewer charges and assessments, Landlord may, but is not obligated to, pay water and sewer charges and assessments. If Landlord pays any water and sewer charges or assessments, the same shall be added to the amount due by Tenant under this Lease for the next month's rent (or as soon thereafter as Landlord may demand payment for the same).

Section 8.02 Other Utility Charges. Tenant shall pay all charges for all other utilities including charges for heating, air conditioning, electricity, gas, telephone, cable and other utilities (if any). Tenant shall also pay the cost of all hook-up or connection charges applicable to those utilities. The obligation of Tenant to pay for utilities shall begin on Commencement Date.

#### ARTICLE IX. ASSIGNMENT AND SUBLETTING

Transfer Prohibited. Tenant shall not assign, mortgage or encumber this Lease Section 9.01 or any interest in this Lease, nor sublet or permit the Leased Premises or any part thereof to be used by others without the prior written consent of Landlord, which consent may be granted or withheld in Landlord's sole discretion. If this Lease is assigned or if the Leased Premises or any part thereof is sublet or occupied by anybody other than Tenant, Landlord may collect rent from the assignee, subtenant or occupant and apply the net amount collected to the rent herein reserved. No assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant or a release of Tenant from the further performance by Tenant of the covenants, terms or conditions in this Lease. The consent by Landlord to an assignment or subletting shall not be construed to be a waiver of the prohibition against any further assignment or subletting. Any application for consent shall include a non-refundable processing fee of Five Hundred Dollars (\$500.00) to compensate Landlord for the cost of processing such application. If Tenant is a partnership, limited partnership, limited liability company, corporation or other joint venture or association, an assignment of Tenant's interest in this Lease shall also include the dissolution, merger, consolidation or other reorganization of Tenant, the sale of its assets, or any direct of indirect sale or other transfer of the stock, partnership interests, voting power or other legal or beneficial ownership of Tenant or its property. Tenant agrees to reimburse Landlord for reasonable accounting and attorney fees incurred in conjunction with the processing and documentation of any such requested transfer, assignment, subletting or any other hypothecation of this Lease or the Tenant's interest in and to the Leased Premises. In the event of any assignment or sublease of all or any portion of the Leased Premises where the rental or other consideration reserved in the sublease or by the assignment exceeds the Minimum Rent or pro rata portion of the Minimum Rent, as the case may be, for such space reserved in this Lease, Tenant agrees to pay Landlord monthly, as additional rent, the excess of the rental or other consideration reserved in the sublease or assignment over the Minimum Rent reserved in this Lease applicable to the subleased/assigned space.

#### ARTICLE X. ESTOPPEL CERTIFICATE, ATTORNMENT AND SUBORDINATION

Section 10.01 Estoppel Certificate. Tenant agrees within ten (10) days after request therefor by Landlord to execute and deliver to Landlord a statement, in writing, certifying (a) that this Lease is in full force and effect, (b) the date of commencement of the Term of this Lease, (c) that rent is paid

currently without any off-set or defense thereto, (d) the amount of rent, if any, paid in advance, (e) that there are no uncured defaults by Landlord and Landlord is not obligated to make any payments to Tenant or stating those claims by Tenant, and (f) such other matters as Landlord (or its lender or purchaser) may reasonably require.

Section 10.02 Attornment. Tenant shall, in the event of the sale or assignment of Landlord's interest in the Leased Premises, or in the event any proceedings are brought for the foreclosure of such interest, or in the event of exercise of the power of sale under any mortgage covering the Leased Premises, or upon delivery of a deed-in-lieu of foreclosure by Landlord, attorn to the transferee and recognize such transferee as the Landlord under this Lease. Such attornment shall be self-operative without the execution or delivery of any further instrument by Tenant; however, no such attornment shall cause such subsequent landlord to be liable for any act or omission of Landlord or subject any subsequent landlord to any offsets or defenses against Landlord or bind it for any rent which Tenant may have paid to Landlord before due.

Section 10.03 Subordination. Tenant agrees that this Lease is subject and subordinate at all times to any and all present and future mortgages, deeds of trust or other financing instruments affecting Landlord's interest in the Building. Tenant also agrees that any mortgagee or deed of trust beneficiary may elect at any time to have this Lease prior to its interest in the Building, and in the event of such election and upon notification to Tenant to that effect, this Lease shall thereupon be deemed so prior, whether this Lease is dated prior or subsequent to the date of such other interest; provided, however, the subordination of this Lease is conditioned on the mortgagee or ground lessor (as applicable) recognizing this Lease and not disturbing Tenant's possession hereunder.

Section 10.04 Acknowledgments by Tenant. Tenant shall promptly execute and deliver to Landlord and to any appropriate governmental agency, all such documents as may be required by law to preserve or secure any beneficial tax status for current and future financing of the Building. Tenant also agrees to execute and deliver upon demand such further instruments as may be reasonably required to carry out the intentions of this Article X, and upon Tenant's failure to deliver any instruments, Landlord may execute and deliver such instruments for and in the name of Tenant as Tenant's attorney-in-fact.

#### ARTICLE XI. DESTRUCTION OF LEASED PREMISES

Section 11.01 Reconstruction of Damaged Premises. If the Leased Premises shall be damaged or destroyed in whole or in part by fire or other casualty covered by insurance required pursuant to Article VII, and unless Landlord elects not to rebuild as hereinafter provided, the Leased Premises shall be repaired by Landlord at Landlord's expense, provided that Landlord shall not be obligated to expend an amount in excess of the insurance proceeds made available to Landlord for repair or restoration. Landlord shall have no obligation for work or payment for work related to the repair or restoration or otherwise.

#### Section 11.02 Election to Terminate.

(a) If the Building should be substantially destroyed by fire or other casualty, either party hereto may at its option, terminate this Lease by giving written notice thereof to the other party within thirty (30) days of such casualty. In such event, Minimum Rent and additional rent shall be apportioned to and shall cease as of the date of such casualty. As used herein "substantially destroyed" shall mean 50% or more of the rentable square footage of the Building is destroyed.

In the event neither party exercises the termination option immediately above, then the Building shall be reconstructed and restored within 270 days of casualty, at Landlord's expense, to substantially the same condition as existed prior to the casualty

- (b) If the Building is not substantially destroyed, but the Leased Premises are rendered untenantable for the purpose for which they were otherwise leased by fire or other casualty or, if due to fire or other casualty, access to the Leased Premises or building systems serving the Leased Premises are substantially impaired, then the parties hereto shall have the following options:
  - If, in Landlord's reasonable judgment, the Leased Premises (or access to the Leased Premises or building systems supplied thereto, as the case may be) cannot be reconstructed or restored within one hundred eighty (180) days of such casualty (as reasonably estimated by a contractor reasonably acceptable to Landlord) to substantially the same condition as they were prior to such casualty, Landlord shall so notify Tenant, within thirty (30) days of the casualty may elect to terminate this Lease or require that the Leased Premises be reconstructed and restored, at Landlord's expense, to substantially the same condition as they were prior to the casualty. This election shall be made by Tenant by giving written notice to Landlord within fifteen (15) days after the date of Landlord's notice, and if Tenant elects reconstruction of the Leased Premises, Minimum Rent and additional rent shall be abated in the proportion which the approximate area which is untenantable bears to the total area in the Leased Premises, from the date of the casualty until substantial completion of the reconstruction of the Leased Premises, whereupon this Lease shall continue in full force and effect for the balance of the term, upon the same terms, conditions and covenants as are contained herein. If Tenant makes no election within such fifteen (15) day period, Landlord shall then have the right, to be exercised within fifteen (15) days following the expiration of Tenant's election period, by giving written notice to Tenant, to reconstruct and restore the Leased Premises to substantially the same condition as they were prior to the casualty. In such event this Lease shall continue in full force and effect to the balance of the term, upon the same terms, conditions and covenants as are contained herein: provided, however, that Minimum Rent and additional rent shall be abated in the proportion which the approximate area which is untenantable bears to the total area in the Leased Premises, from the date of the casualty until substantial completion of the reconstruction of the Leased Premises. If Landlord fails to exercise the last-mentioned right, this Lease shall be terminated as of the date of the casualty, to which date Minimum Rent and additional rent shall be apportioned and shall thereafter cease; or

- (ii) If, in Landlord's reasonable judgment, the Leased Premises are able to be restored (or access to the Leased Premises or services from the building systems supplied thereto, as the case may be) within one hundred eighty (180) days of such casualty (as reasonably estimated by a contractor reasonably acceptable to Landlord) to substantially the same condition as they were prior to such casualty, Landlord shall so notify Tenant within thirty (30) days of the casualty, and Landlord shall then proceed to reconstruct and restore the damaged portion of the Leased Premises, at Landlord's expense, to substantially the same condition as it was prior to the casualty (subject to the following sentence); Minimum Rent and additional rent shall be abated in the proportion which the approximate area of the damaged portion bears to the total area in the Leased Premises from the date of the casualty until substantial completion of the reconstruction of the Leased Premises; and this Lease shall continue in full force and effect for the balance of the term, upon the same terms, conditions and covenants as are contained herein.
- (c) As used in this Lease, the term "untenantable" means with respect to the Leased Premises, material impairment to Tenant's ability to conduct a substantial portion of its customary business operations therefrom due to damage to the Leased Premises, the Building or any building systems. Notwithstanding anything contained to the contrary in this Section 11.02, neither the Leased Premises nor any portion of the Leased Premises shall be deemed untenantable to the extent Tenant continues to perform its business in the subject portion of the Leased Premises.
- (d) Notwithstanding the above, if any casualty to the Building occurs during the last two hundred and seventy (270) days of the Term of this Lease, either party hereto shall have the right to terminate this Lease as of the date of the casualty, which right shall be exercised by written notice to be given by either party to the other party within thirty (30) days therefrom. If this right is exercised, Minimum Rent and additional rent shall be apportioned to and shall cease as of the date of the casualty. Notwithstanding the foregoing, if Tenant has exercised a right to extend this Lease prior to the occurrence of the casualty as provided herein, this paragraph shall not apply.
- (e) In the event Landlord undertakes reconstruction or restoration of the Building and/or Leased Premises, Landlord shall use reasonable diligence in completing such reconstruction repairs, but in the event Landlord fails to substantially complete the same within one hundred eighty (180) days from the date of casualty, except as a result of any force majeure event, Tenant may, at its option, terminate this Lease upon giving Landlord written notice to that effect, whereupon both parties shall be released from all further obligations and liability hereunder.
- Section 11.03 Tenant's Obligation. Tenant shall give prompt notice to Landlord in case of fire or accident in the Leased Premises or the Building. If Landlord rebuilds the Leased Premises as provided in this Article XI, Tenant shall promptly repair or replace its merchandise, trade fixtures, furnishings, equipment, personal property and leasehold improvements.

#### ARTICLE XII. CONDEMNATION

Section 12.01 Options to Terminate. If (i) more than twenty five percent (25%) of the floor area of the Leased Premises or more than fifty percent (50%) of the floor area of the Building are taken by any public authority in condemnation proceedings or are sold to a public authority under threat of condemnation, or (ii) if so much of the Common Areas are taken by any public authority in condemnation proceedings or are sold to a public authority under threat of condemnation that it is not practical to continue the operation of the Building, or (iii) if insufficient funds are available from the condemnation proceeds for Landlord to restore the remaining improvements in accordance with Section 12.02, below, then either party shall have the option to terminate this Lease by notifying the other in writing at any time before the date that possession is to be surrendered to the public authority, and this Lease shall then terminate as of the date title vests in the condemning authority. Rentals and all other charges payable under this Lease shall be paid to the date that title vests in the condemning authority.

Section 12.02 Restoration and Rebuilding. If this Lease is not terminated under Section 12.01, above, then Landlord shall promptly restore the remaining portion of the Building not taken to the extent reasonably possible to the condition existing prior to the condemnation. In such event, this Lease shall continue for the balance of its term as to the part of the Leased Premises remaining, under the terms and provisions of this Lease, except that the Minimum Rent and additional rent to be paid by Tenant shall be reduced pro rata in the proportion which the floor area of the Leased Premises remaining after any restoration bears to the entire floor area of the Leased Premises immediately prior to such taking.

Section 12.03 Distribution of Award. Tenant shall make no claim on any part of any award made to Landlord in connection with the taking of any part of the Building, nor will Tenant intervene or participate in any condemnation proceedings involving the Building to determine the amount of Landlord's compensation or the necessity of the taking. However, the foregoing shall not be construed to prevent Tenant from pursuing any separate award against the condemning authority for Tenant's loss of business, loss of trade fixtures and relocation expenses.

#### ARTICLE XIII. DEFAULT

Section 13.01 Default by Tenant. The occurrence of any of the following shall be an event of default:

(a) Tenant fails to pay when due any installment or other payment of Minimum Rent or additional rent or any other amount owing to Landlord, and such failure continues for five (5) days after receipt of written notice by Landlord; provided, however, that notice relating to Tenant's failure to pay

Minimum Rent shall only be required three (3) times per any twelve month period and thereafter no notice shall be required in connection therewith prior to the same constituting a default.

- (b) Failure by Tenant to timely perform or observe any of the material terms, conditions, covenants or agreements to be performed or observed by Tenant under this Lease other than those specifically described in Section 13.01 (a), and failure to rectify or remove said default(s) within thirty (30) days after written notice of the same or within such other notice period (whether longer or shorter) as may be specifically stated in this Lease or provided by law.
- (c) Commencement by or against Tenant of a proceeding under the United States Bankruptcy Code and such case is not dismissed within 120 days.
- (d) Filing by or against Tenant in any court pursuant to any state statute of a petition in bankruptcy or insolvency, or for reorganization or rearrangement, or for the appointment of a receiver or trustee of all or any portion of Tenant's property (unless such proceeding is dismissed within one hundred twenty (120) days after filing), or for any assignment of the property of Tenant for the benefit of creditors.
- (e) The failure of Tenant to operate its business at the Leased Premises for a continuous period of at least thirty (30) days shall be deemed an abandonment; provided, however, Tenant may elect to not be open to the general public in the event of a renovation, provided Tenant shall use its commercially reasonable efforts to cause any such renovation to be completed in a timely manner, subject to force majeure.
- (f) Default by Tenant in the observance or performance of any promissory note, security agreement, letter agreement or other agreement made between Landlord and Tenant beyond any notice and cure period relating to this Lease, or Tenant's occupancy of the Leased Premises.

Any notice or grace period allowed in this Lease shall be deemed to include and shall not be in addition to any notice or grace period allowed by law. Any notice of default required or permitted by this Lease may take the form of a Notice to Quit or other form required as a condition to summary proceedings, and such Notice to Quit shall constitute the default notice required by this Lease, if any.

Section 13.02 Remedies. Upon the occurrence of an event of default, Landlord, in addition to all other rights and remedies it may have at law or in equity, shall have the right to any one or more of the following remedies:

- (a) To re-enter and recover possession of the Leased Premises by any means allowed by law;
- (b) To bring an action to enjoin or restrain any default or threatened default by Tenant, or to specifically enforce Tenant's obligations set forth herein;
  - (c) To bring an action at law for damages as set forth in Section 13.03 below;

- (d) To terminate this Lease;
- (e) To receive an immediate ex parte consent judgment of eviction that Tenant hereby consents to the immediate entry thereof with notice and hearing waived.

All of the rights and remedies of Landlord set forth herein are cumulative and are in addition to any other rights or remedies accorded to Landlord by law, regulation, ordinance or rule and may be pursued concurrently, separately or successively. All personal property, trade fixtures or other property remaining upon the Leased Premises at the time that Landlord recovers possession may be put out of the Leased Premises, and Landlord shall not be liable therefor. Any obligation of Landlord to mitigate damages shall not include the obligation to relet the Leased Premises prior to or in preference over the letting or reletting of any other vacant space constitute a failure to mitigate damages due to Tenant's breach of this Lease. Additionally, any obligation of the Landlord to mitigate its damages shall not include the obligation to relet the Leased Premises for a use other than the use specified herein, nor shall such obligation include the obligation to relet the Leased Premises to a tenant of a character or financial strength lower than that of Tenant, or to a tenant of a character or nature which is not beneficial to the tenant mix of the Building. In no event shall Landlord be liable for any failure to relet or to collect rent due upon any reletting, and no such failure shall operate to relieve or otherwise affect any liability of Tenant under this Lease. Notwithstanding anything in this Lease to the contrary, in no event shall Tenant be liable for any consequential or punitive damages.

**Section 13.03 Damages.** Should Landlord elect to exercise any of its remedies then Tenant shall, notwithstanding the exercise of any such remedy and notwithstanding that Landlord may have elected to terminate this Lease in exercising any such remedy remain liable for damages as follows:

- (a) For rent and all other charges accruing to Landlord under this Lease to the date that Landlord recovers possession of the Leased Premises;
- (b) For the cost to Landlord of exercising any of its remedies, including reasonable attorneys' fees, court costs, bailiff's and sheriff's charges, lock replacement, and storage, cartage and sale expenses incurred in connection with the sale or disposal of any personal property, trade fixtures or other property;
- (c) For the cost to repair any damage to the Leased Premises and to restore the Leased Premises to at least as good a condition as when Tenant obtained possession, including removal of Tenant's alterations, signs, fixtures and improvements;
- (d) For an amount equal to the rent and all other sums which would have been payable under this Lease if repossession and/or lease termination had not occurred;
- (e) For the charges incurred by Landlord to discharge any liens or other charges that may be asserted against the Tenant's improvements, the Building or the Leased Premises (e.g., construction liens, unpaid utility bills, etc.); and

(f) Less the net proceeds, if any, of any reletting of the Leased Premises after deducting Landlord's reasonable expenses in connection with such reletting, including without limitation, brokerage commissions, alterations and remodeling costs and reasonable attorneys' fees. If the new lease extends beyond Tenant's term or covers additional premises, the rents shall be apportioned appropriately.

Section 13.04 Forum Selection. Tenant agrees that all actions or proceedings arising in connection with this Lease shall be litigated only in courts having a situs within the County of Wayne, State of Michigan, or in the Federal District Court for the Eastern District of Michigan (excluding appellate courts). Tenant will not institute any proceeding in any other jurisdiction and hereby waives any right it may have to transfer or change the venue of any litigation brought in connection with this Lease, and Tenant hereby consents and submits to the jurisdiction of any local, state or federal court within said locations. Tenant hereby irrevocably appoints and designates the party in the Lease Data Exhibit, or such other party whom Tenant may from time to time hereafter designate as a substitute therefor after giving Landlord written notice, as Tenant's agent and true and lawful attorney-in-fact authorized on Tenant's behalf to receive service of process in all actions or proceedings arising in connection with this Lease and agrees that service of such process upon such attorney-in-fact shall constitute personal service upon Tenant. In the event, through no fault of Landlord, Landlord is unable to effect service of process as aforesaid, or through any other manner then allowed by law, Tenant hereby agrees that posting at the Leased Premises together with delivery by registered mail to Tenant's last known address shall constitute reasonable effort to give Tenant notice of such proceeding and shall constitute personal service upon Tenant.

Section 13.05 Curing of Tenant's Default. Notwithstanding anything herein contained to the contrary, if upon default Tenant fails to cure such default within the time provided, or immediately if an emergency exists, then Landlord may, in addition to its other remedies, cure such default at the cost and expense of Tenant and the sums so expended by Landlord shall be deemed to be additional rent and shall be paid by Tenant on the day when rent shall next become due.

Section 13.06 Security Interest. To secure the performance of all of Tenant's covenants and agreements, Tenant hereby grants to Landlord a first lien and security interest in all assets of the Tenant, excepting liquor and food, and including but not limited to property, equipment, fixtures, accounts, general intangibles, liquor licenses, chattels and inventory (hereinafter called the "Collateral") which may at any time be placed in or upon the Leased Premises or used or useable in connection with Tenant's business. Upon an event of default, Landlord may exercise any of its rights and remedies provided by the Uniform Commercial Code, including obtaining immediate possession of the Collateral, which may be sold at public or private sale after at least seven (7) days' notice to Tenant. The proceeds of any such sale, after payment of Landlord's expenses, shall be applied to the payment of Tenant's obligations hereunder and satisfaction of such event of default. Enforcement of this lien and security interest shall be in addition to and shall not waive, alter or limit or affect in any manner any other remedies available to Landlord. Tenant agrees that Landlord is authorized and may file all such financing statements as may be necessary to perfect this lien and security interest including a financing statement in the appropriate recording office. Provided no event of default exists under the terms of this Lease, then within thirty (30) days after

the expiration of this Lease, Landlord shall deliver all such termination statements as Tenant may reasonably request, whereupon the security interest granted by this Article shall terminate.

Section 13.07 Default by Landlord. Any failure by Landlord to observe or perform any provision, covenant or condition of this Lease to be observed or performed by Landlord, if such failure continues for thirty (30) days after written notice thereof from Tenant to Landlord, shall constitute a default by Landlord under this Lease; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within a thirty (30) day period, Landlord shall not be deemed to be in default if it shall commence such cure within such thirty (30) day period and thereafter rectify and cure such default with due diligence. In the event of default by the Landlord, Tenant shall have the option to cure said default but Tenant shall not have the right to deduct the cost of the cure from rent or charges otherwise due unless Tenant shall have obtained a final and non-appealable judgment against Landlord for such amounts. Tenant shall also have any and all rights available under the laws of the State of Michigan. Notwithstanding anything in this Lease to the contrary, in no event shall Landlord be liable for any consequential or punitive damages.

#### ARTICLE XIV. ACCESS BY OWNER

Section 14.01 Right of Entry. Provided that Tenant's business operations are not interfered with or interrupted or disrupted, Landlord or Landlord's agents shall have the right, after giving reasonable prior notice to Tenant, to enter the Leased Premises at all reasonable times to examine the same and to show it to prospective purchasers or lessees. If Tenant shall not be personally present to open and permit an entry into the Leased Premises at any time when for any reason an entry therein shall be necessary to protect the Leased Premises from damage, Landlord or Landlord's agents may enter the same, without rendering Landlord or such agents liable therefor and without, in any manner, affecting the obligations and covenants of this Lease, provided that Landlord shall act in a commercially reasonable manner. Nothing herein contained, however, shall be deemed or construed to impose upon Landlord any additional obligation, responsibility or liability whatsoever, for the care, maintenance or repair of the Leased Premises or any part thereof. During the period beginning six (6) months prior to the expiration of the Term of this Lease, subject to Tenant's right to extend, Landlord may place upon the Leased Premises the usual "For Lease" sign and may show the Leased Premises to brokers and prospective tenants. Tenant shall not change locks on the Lease Premises without Landlord's written consent and Tenant shall, at Landlord's request, immediately provide Landlord with copies of all keys, combinations and other access mechanisms to the Leased Premises.

#### ARTICLE XV. SURRENDER OF PREMISES, HOLDING OVER, SUCCESSORS

Section 15.01 Surrender of Leased Premises. At such time that Tenant is required or permitted to return possession of the Leased Premises to Landlord, Tenant shall surrender to Landlord the Leased Premises and all of Tenant's alterations, additions, improvements and fixtures broom clean, in

good order and condition (excepting reasonable wear and tear and any damage due to casualty loss). Tenant may remove only its personal property, inventory, merchandise, counters, shelves, racks, display cases, equipment, furniture and other trade fixtures. All other alterations, fixtures and improvements including, without limitation, those in the nature of ventilating, silencing, air-conditioning, refrigeration, cooking, plumbing, heating, sprinkling, communication systems, outlets, lighting fixtures, partitions, railings, gates, doors, vaults, paneling, molding and flooring shall be surrendered with the Leased Premises. Tenant shall repair all damage caused by the removal of Tenant's property from the Leased Premises.

Section 15.02 Holding Over. Any holding over after the expiration of the Term or extension thereof with the consent of Landlord shall be a tenancy from month to month and shall be subject to the terms of this Lease except that the monthly Minimum Rent shall be one hundred twenty percent (120%) of the monthly Minimum Rent payable during the leased month prior to the holding over at the rents then specified by Landlord and on the terms and conditions herein specified. Any holding over without the consent of Landlord shall be a trespass, and Tenant shall be liable to Landlord for all damages resulting therefrom, including any claims made by a succeeding tenant.

**Section 15.03 Successors.** Except as otherwise set forth herein, all rights and liabilities herein given to or imposed upon the respective parties hereto shall extend to and bind the respective heirs, executors, administrators, successors and assigns of the said parties. No rights, however, shall inure to the benefit of any assignee of Tenant unless the assignment to such assignee has been approved in writing by Landlord as provided in Section 9.01 hereof.

#### ARTICLE XVI. QUIET ENJOYMENT

Section 16.01 Landlord's Covenant. Upon payment by Tenant of the rents herein provided, and upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peaceably and quietly hold and enjoy the Leased Premises for the term hereby demised without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under the Landlord, subject, nevertheless, to the terms and conditions of this Lease, and any mortgages to which this Lease is subordinate.

Section 16.02 Non-Liability of Landlord. Landlord shall not be responsible or liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or located in the Building or any loss or damage resulting to Tenant or his property from burst, stopped or leaking water, gas or sewer pipes, or for any damage or loss of property within the Leased Premises from any cause whatsoever.

Section 16.03 Liability of Landlord. Landlord's liability in connection with any default hereunder shall be limited to the interest of the Landlord in the Building and the rents and other income from such property receivable by Landlord; and Landlord and its agents, employees and any other persons holding interests under or through Landlord shall not be liable for any deficiency.

#### ARTICLE XVII. MISCELLANEOUS

Section 17.01 Tenant and Employee Parking. Tenant agrees that Landlord may reserve up to four (4) parking spaces for the Building's residential tenants in the parking lot serving the and located adjacent to the Building, and the remainder will be available to commercial tenants, its employees and customers. Landlord and Tenant agree that there shall be one (1) reserved space for Tenant and employee parking unless a separate written agreement between the Landlord and Tenant is reached.

Section 17.03 Force Majeure. In the event Landlord or Tenant is delayed or prevented from performance of any act required hereunder by reason of strikes, lockouts labor troubles, inability to procure materials, failure of power, blackout, brownout, restrictive governmental laws or regulations, riots, insurrection, war, terrorism or other reason of a like nature not the fault of such party, then the performance of such act shall be excused for the period of the delay and the period for the performance of such act shall be extended for a period equivalent to the delay. The provisions of this Section 17.03 shall not operate to excuse Tenant from the payment of rent, percentage rent or any other payments when and as the same may be required by the terms of this Lease.

Section 17.04 Transfer of Landlord's Interest. In the event of any transfer or transfers of Landlord's interest in the Leased Premises, the transferor shall be automatically relieved of any and all obligations and liabilities on the part of Landlord accruing from and after the date of such transfer and assumption of this Lease by the assignee.

Section 17.05 Recording. Neither Landlord nor Tenant shall record this Lease.

Section 17.06 Liens. In the event any mechanic's lien(s) shall be filed against the Leased Premises or Tenant's interest as a result of the work undertaken by Tenant, Tenant shall within thirty (30) days after receipt of notice, discharge such lien(s) by payment of the indebtedness or by filing a bond (as provided by statute) as security therefor; provided, however, Tenant may exceed such 30-day period if it is contesting in good faith and provides Landlord with reasonable security therefor. In the event Tenant shall fail to discharge such lien, Landlord may discharge the same by filing such bond, and Tenant shall pay the cost of the bond to Landlord as additional rent upon demand.

Section 17.07 Late Charges and Interest on Late Payments. If any amount due from Tenant is not received by Landlord within five (5) days of when due, Tenant shall pay to Landlord an additional sum equal to five percent (5%) of such overdue amount as a late charge. Payment of any such late charge shall not excuse or cure any default or prevent Landlord from exercising any of its other rights and remedies. In the event Tenant fails three (3) or more times in any twelve (12) month period to pay rent or any other amount due to Landlord within five (5) days of the date due, Landlord may require all future payments to be made in cash or certified check.

Section 17.08 Waiver. One or more waivers of any covenant or condition by Landlord or Tenant shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval of any act requiring consent or approval shall not be deemed to render unnecessary the consent or approval to or of any subsequent similar act. No breach of a covenant or

condition of this Lease shall be deemed to have been waived, unless such waiver be in writing signed by the party to be charged.

Section 17.09 Real Estate Brokers. Each party hereto represents that it has had no dealings with any real estate broker, finder or other person with respect to this Lease in any manner. Each party hereto shall indemnify and hold the other party harmless from all damages resulting from any claims which may be asserted against the other party by any broker, finder or other person with whom the other party has or purportedly has dealt.

Section 17.10 Interpretation. This Lease, the Lease Data Exhibit, and the Exhibits and Rider. if any, set forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant. No alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by the party to be charged. Nothing contained herein shall be deemed or construed to create the relationship of principal and agent or of partnership or joint venture between the parties hereto. Nothing contained herein shall be construed to limit the right of Landlord to rent any portion of the Building not covered by this Lease upon any terms or conditions whatever, and for any use or purpose Landlord desires, or to grant privileges or immunities to other lessees not granted to Tenant. Neither the delivery of this Lease, its negotiation nor the acceptance by Landlord or its broker of a deposit constitutes an offer to lease or a reservation of or option for the Leased Premises, and this Lease becomes effective as a lease only upon execution and delivery thereof by Landlord and Tenant, Whenever the singular number is used, the same shall include the plural, and words of any gender shall include the other gender, as required. It is expressly agreed that time shall be of the essence of this Agreement, The parties intend that unless otherwise specifically provided, whenever Landlord's consent or approval is expressly or impliedly required by any provision of this Lease, the consent or approval may be granted or withheld in Landlord's sole discretion for any reason or no reason at all. If any language is stricken or deleted from this Lease, such language shall be deemed never to have appeared herein and no other implication shall be drawn therefrom. The table of contents, captions, article numbers and section numbers appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such articles or sections.

Section 17.11 Execution of Lease. If either party hereto is a partnership, limited liability company, limited partnership, corporation or other joint venture or association, the individual(s) executing this Lease on behalf of such entity warrant and represent that such entity is validly organized and existing and authorized to do business under the laws of the State of Michigan, that the form of entity is as set forth in the introductory paragraph of this Lease and in the acknowledgements at the end of this Lease, that the entity has full power and lawful authority to enter into this Lease, and that the execution of this Lease by such individual(s) is legally binding in accordance with the terms and conditions hereof. If Tenant consists of more than one person or entity, then the obligations imposed on Tenant shall be joint and several.

Section 17.12 Representations and Warranties. Tenant acknowledges that Landlord has made no representations and warranties concerning the Leased Premises or the Building, except for those representations and warranties specifically stated in this Lease.

Section 17.13 Notices. Any notice, demand, request, consent or other instrument which may be or is required to be given under this Lease shall be in writing and either (a) served personally, or (if) sent by United States first-class mail, postage prepaid, and addressed to Landlord or Tenant at its address set forth on the Lease Data Exhibit, or at such other place as either party may designate by written notice to the other, facsimile transmission or email. Any written notice sent by mail shall be deemed to have been served as of the next regular day for delivery of mail after the date it was mailed in accordance with the foregoing provisions.

Section 17.14 Waiver of Trial by Jury. LANDLORD AND TENANT HEREBY WAIVE TRIAL BY JURY IN CONNECTION WITH ANY ACTION FOR SUMMARY PROCEEDINGS TO RECOVER POSSESSION OF THE LEASED 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, WITH THE EXCEPTION OF ACTIONS FOR PERSONAL INJURY OR PROPERTY DAMAGE.

Section 17.15 Financial Records. During the Term, Tenant shall provide to Landlord on an annual basis, within ninety (90) days following the end of Tenant's fiscal year, a copy of Tenant's most recent financial statements prepared as of the end of Tenant's fiscal year. Such financial statements shall be signed by Tenant or any authorized officer or representative of Tenant who shall attest to the truth and accuracy of the information set forth in such statements. All financial statements provided by Tenant to Landlord hereunder shall be prepared in conformity with generally accepted accounting principles. Landlord shall not disclose such financial statements except to its directors, officers, agents and advisors, including, without limitation, brokers, attorneys, consultants, financial advisors, rating agencies and outside accountants in connection with a sale, financing or other such disposition of the property. Nothing herein shall limit the disclosure of any such information (i) to the extent required by statute, rule, regulation, or judicial process, or (ii) in connection with any litigation, arbitration or administrative proceeding to which Landlord is a party or witness where required by subpoena, court order or proper discovery or trial procedure.

Section 17.16 Counterparts; Signatures. This Lease may be executed and delivered in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. A facsimile of this document bearing a party's signature or a printed copy of the original, signed document scanned in .pdf or .tiff format shall have the same legal force and effect as an original of such signature and shall be treated as an original document for evidentiary purposes.

[Signature Page Follows]

### [Signature Page to Lease Agreement]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed as of the Effective Date.

#### LANDLORD:

KERCHEVAL 3 LLC, a Michigan limited liability company

Alex DeCamp, Managing Member

Reimer Priester, Managing Member

TENANT:

**DESTINATION 1905 LLC**, a Michigan limited liability company

Petra Gastgebova, Managing Member

By: Juny Member

Subscribed and Swarn to posore this 4th day

of March 2019.

Notary Signature: Sattlese Mories

28 NOTARY PUBLIC
OAKland Coonly, Michigan
Motary 1s Name Typed or Printed
LISA PREMER MOITIS

28 NOTARY PUBLIC
MOTARY PUBLIC
MOT

LISA RENEE MORRIS Notary Public, State of Michigan County of Oakland
My Commission Expires Aug. 04, 2022
4cting in the County of Wayne

# EXHIBIT A Form of Commencement and Termination Agreement

## COMMENCEMENT AND TERMINATION AGREEMENT

as of, 2016, by and between KERCHEVAL 3 LLC, a Michigan limited liability company ("Landlord"), and DESTINATION 1905 LLC, a Michigan limited liability company ("Tenant").
RECITALS
A. By that certain Lease dated as of, 2016 between Landlord and Tenant (the "Lease"), Landlord leased to Tenant and Tenant leased from Landlord the Leased Premises, subject to the conditions and limitations therein contained.
B. The Lease provides that, upon the Commencement Date, Landlord and Tenant shall execute a supplemental agreement which shall set forth, among other things, the Commencement Date and the date on which the initial term of the Lease shall expire (subject to Tenant's right, if any, to extend the Term of the Lease as provided therein), and shall evidence Tenant's acceptance of the Leased Premises and agreement that Landlord has fully
C. The Commencement Date and such other dates have been determined and, accordingly, the parties desire to enter into this Agreement.
D. Unless otherwise provided herein, all capitalized words and terms in this Agreement shall have the same meanings ascribed to such words and terms in the Lease.
NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:
1. The Commencement Date is
2. Tenant shall exercise its right to the first Extension Period, if at all, before, subject to the conditions and limitations set forth in of the Lease.
3. The date on which the initial extended by Tenant as provided in the Lease, is
4. This Agreement may be executed and delivered in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. A facsimile of this document bearing a party's signature or a printed copy of the original, signed document scanned in .pdf or

IN WITNESS WHEREOF, Landlord and Tenant have executed this Agreement as of the day and year first above written.

#### LANDLORD:

**KERCHEVAL 3 LLC**, a Michigan limited liability company

By: Reimer Priester, Managing Member

TENANT:

**DESTINATION 1905 LLC**, a Michigan limited liability company

Petra Gastgebova, Managing Member