

COMMERCIAL LEASE

1481 A Wordsworth
Ferndale, MI 48220

THIS LEASE, is made and entered into this 1st day of January, 2019 by and between **HUTT COMMERCIAL REAL ESTATE, LLC**, a Michigan limited liability company, having a business address of 1415 Wordsworth, Ferndale, Michigan 48220 (the “Lessor”), and **I3 DETROIT** having a business address of 1481 Wordsworth Ferndale MI. 48220 (the “Lessee”), upon and subject to the following terms and conditions:

1. **Premises.** Lessor leases to Lessee that portion of the commercial building and real estate located at 1481 Wordsworth, Ferndale, Michigan 48220, comprising together approximately 7200 square feet from east bay door to interior walls (north, south, east, west) with all apparatus equipment, fittings, and fixtures whatsoever that are now on the property or hereafter acquired by Lessor and used or procured for use, in connection with the operation and maintenance of the building (all of which are collectively referred to as the “Premises”). Lessee acknowledges and agrees that parking in the front portion of the existing parking lot in front of his portion only. This Lease shall be subject to all zoning ordinances, laws, rules and other regulations applicable to the Premises, and all other encumbrances, conditions, covenants, easements, restrictions and rights-of-way, whether or not of record, including anything that would be observed by inspection or survey of the Premises.

2. **Term.** The term of this Lease shall be five (5) years commencing on January first 2019 (“Commencement Date”).

Either party may end this lease with 12 months’ notice without penalty

3. **Rent.**

a. **Base Rent.** Lessee shall pay Lessor base rent for (5) years beginning on the Commencement Date as follows:

b.

Year 1 - \$2500 per month.

Year 2 - \$2,525 per month.

Year 3 - \$2,652 per month

Year 4 - \$2,731 per month

Year 5 - \$2,813 per month

Rent is to be paid at 1415 Wordsworth or any place designated in writing by Lessor from time to time.

b. **Additional Rent.** Lessee shall pay amounts specified in Paragraphs 5, 6, 7, 8, and 10 with respect to the Premises as soon as an invoice is presented so that no past due accounts arise. Lessee further agrees to pay Lessor as additional rent Twenty-Five and 00/100 Dollars per day (\$25.00) for any day base rent (“Past Due Charge”). In addition, any fees, cost, or expenses incurred by Lessor for enforcing Lessee’s obligations under this Lease,

including reasonable attorney fees, shall be additional rent owing under the Lease and shall be immediately due and payable by Lessee.

- c. **Covenant to Pay.** Lessee acknowledges and agrees that its obligation to pay base rent or additional rent under this Lease is an independent covenant.

4. **Security Deposit.** Lessee shall pay to Lessor a security deposit of Two Thousand (\$2,000.00) upon the execution of this Lease. Lessor shall hold this deposit, without liability for interest, as security for Lessee's performance of its obligations under the Lease. If Lessee fails to perform an obligation under the Lease, Lessor may appropriate as much of the deposit as is necessary to compensate Lessor for any loss or damage sustained because of Lessee's breach. If Lessor appropriates any part of this deposit for the payment of overdue rent or other sums due to Lessor from Lessee under the Lease, Lessee shall, upon written demand from Lessor, remit to Lessor within five (5) business days a sufficient amount of cash to restore the deposit to its original amount.

5. **Water and Sewer Charges.** Lessee is responsible for water and sewer charges. Lessor shall not be liable for damages for interruptions of such water and sewer services, because of any casualties, or labor disputes, because of necessary repairs or improvements, or because of any other cause beyond Lessor's reasonable control.

6. **Gas and Electric Utilities.** Lessee shall contract directly for and pay for all gas and electric utilities for the entire commercial building. Notwithstanding the above, if Lessor uses any portion of the commercial building for more than cold storage, then Lessee shall prorate the gas and electric utilities between the Premises and the remaining portion of the commercial building in a commercially reasonable matter, and Lessor shall reimburse Lessee for its portion of the costs monthly. If a disagreement arises between the Lessor and Lessee as to the proper calculation or usage, the Lessor will install meters and split the cost 50/50 with the Lessee.

7. **Insurance.** Lessee shall also maintain and pay for public liability insurance, from a company of which Lessor approves, for coverage in amounts equal to \$1,000,000.00. Lessee shall furnish Lessor with certificates or other evidence acceptable to Lessor indicating that the insurance is in effect and Lessee shall provide Lessor with written notice at least 30 days before any such policy is canceled. All insurance policies shall name Lessor and any persons designated by Lessor as additional insured parties. All insurance policies maintained by either party pursuant to this provision shall contain a clause or an endorsement under which the insurer waives all rights of subrogation against the other party and its agents and employees for losses payable under the policy.

8. **Repairs and Maintenance – Lessor's Obligations.** Lessor shall keep and maintain in good repair the four outer walls of the Premises, exclusive of doors, door frames, door checks, windows and window frames. However, Lessor shall not be called upon to make any such repairs or replacements occasioned by the act or negligence of Lessee, its agents, employees, invitees, customers, licensees or contractors, except to the

extent that Lessor is reimbursed, therefore under any policy of insurance. Lessor shall not be called upon to make any other improvements or repairs, of any kind, upon the Premises except as may be otherwise expressly required under the provisions of this Lease or as may be occasioned by Lessor's use of a portion of the real estate and commercial building. Lessee shall promptly notify Lessor in writing of all repairs which it deems to be Lessor's responsibility.

9. **Repairs and Maintenance – Lessee's Obligations.** Except as provided in paragraph 9 and above, Lessee shall, at its sole cost and expense, keep and maintain in same condition as received and repair the Premises. In addition, Lessee, at its sole cost and expense, shall keep and maintain the Premises in a clean, sanitary and safe condition in accordance with applicable law and in accordance with all directions, rules and regulations of the health officer, fire marshal, building inspector or other proper officials of governmental agencies having jurisdiction. Lessee shall comply with all requirements of law, ordinance and otherwise, affecting the Premises and shall permit no waste, damage or injury thereto. Notwithstanding anything contained in this paragraph 10, there shall be no obligation on the part of Lessee to comply with any of the laws, directions, rules and regulations referred to which may require structural alterations, structural changes, structural repairs or structural additions, unless made necessary by acts or work performed by Lessee or the nature of its business, in which event Lessee shall comply at its own expense.

10. **Snow Removal.** Lessee is responsible for cleaning and clearing snow and ice accumulation from a portion of the sidewalk and parking lot that is adjacent to the leased Premises as deemed by Lessee to be sufficient to provide Lessee with safe access to the Premises.

11. **Acceptance of Occupancy.** Lessee shall commence occupancy of the Premises on the Commencement Date and begin paying rent as required by this Lease. If Lessor is unable to deliver possession of the Premises on the Commencement Date, Lessor shall not be liable for any damage caused thereby, nor shall this Lease be void or voidable, but Lessee shall not be liable for any rent until possession is delivered. Lessee acknowledges that the Premises are in a state of repair that is acceptable for Lessee's intended use of the Premises. Lessee accepts the Premises as they are.

12. **Use.** The Premises are to be used and occupied by Lessee for any lawful purpose. No activity shall be conducted on the Premises that does not comply with any applicable law.

13. **Possession and Enjoyment.** As long as Lessee pays the rent as specified in this Lease and performs all of its obligations under this Lease, Lessee may peacefully and quietly hold and enjoy the Premises for the term of this Lease.

14. **Entry and Inspection.** Lessee shall permit Lessor or Lessor's agents to enter the Premises at any reasonable hour to inspect, repair, or show the Premises to prospective tenants. Lessor may use any reasonable part of the Premises to install, maintain, use,

repair, or replace any mechanical equipment servicing the building. During the one hundred eighty (180) days before the lease expires, Lessee shall permit Lessor to place standard "For Lease" or "For Rent" signs on the Premises and permit persons desiring to lease the Premises to enter and inspect the Premises at any reasonable hour. Lessee acknowledges that Lessor shall have keys to the Premises and agrees that in the event Lessee changes any exterior lock to the Premises, Lessee will promptly provide lessor with a key to such lock.

15. **Alterations.** Lessee may remodel and improve the Premises. However, any remodeling or improvements that significantly alter the Premises or require an investment by Lessee in excess of One Thousand Dollars (\$1,000.00) shall require prior written consent from Lessor. Lessor's consent shall not be unreasonably withheld. Such remodeling and improving shall be done without injury to any structural portion of the Premises. All alterations except moveable equipment and trade fixtures that are put in at Lessee's expense shall be the property of Lessor and shall remain on the Premises when the lease terminates; however, Lessor may require Lessee to remove any alterations and to repair any damage caused by the removal.

16. **Trade Fixtures.** All trade fixtures and movable equipment installed by Lessee in connection with the business it conducts on the Premises shall remain the property of Lessee and shall be removed when this Lease expires. Lessee shall repair any damage caused by the removal of such fixtures, and the Premises shall be restored to its original condition unless otherwise agreed to by Lessor.

17. **Personal Property.** All of Lessee's personal property, including trade fixtures, on the Premises shall be kept at Lessee's sole risk, and Lessor shall not be responsible for any loss of business or other loss or damage that is occasioned by the acts or omissions of persons occupying adjoining suites or property.

18. **Signs and Advertising.** It is further agreed that no signs and advertising displayed in and about the Premises without Lessor's consent.

19. **Reservation.** Lessor reserves the right of free access at all times to the roof of the Premises and reserves the right to rent the roof for any purpose. Lessee shall not erect any structures for storage or any aerial or use the roof for any purpose without the written consent of Lessor. Lessor's consent shall not be unreasonably withheld.

20. **Assignments and Subleases.** Lessee agrees not to assign or sublease any part of the Premises without written consent from Lessor. Notwithstanding any such assignment or sublease, Lessee shall remain fully liable under this Lease unless otherwise agreed to by Lessor. Lessor's right to assign this Lease is unqualified. On any transfer of the Premises in which the transferee assumes all Lessor's obligations under this Lease, Lessor shall be freed from all its obligations under this Lease and from liability for any acts or omissions occurring after the conveyance. Lessee agrees to attorn to any such transferee and to sign and deliver, at Lessor's request, and documents and letters to assist in that transfer.

21. **Condemnation.** If any part of the Premises is taken for any public or quasi-public purpose pursuant to any power of eminent domain, or by private sale in lieu of eminent domain, either Lessor or Lessee may terminate this Lease, effective the date the public authority takes possession. All damages for the condemnation of the Premises, or damages awarded because of the taking, shall be payable to and the sole property of Lessor.

22. **Damage and Destruction.** If, during the term of this Lease, the Premises are partially or totally destroyed by a casualty covered by insurance and become partially or totally untenable, Lessor shall repair the damage to the Premises at its expense within a reasonable time unless the lease is terminated. If the Premises are damaged, rent shall abate in proportion to the percentage of the Premises rendered untenable until that portion to be repaired by Lessor has been in fact repaired. The obligation of the Lessor under this paragraph 23, shall not apply to any improvements to the Premises made by Lessee. Notwithstanding the foregoing, if, during the term of this Lease, the Premises are partially or totally destroyed by any casualty and the cost of restoring the Premises to their prior condition is fifty percent (50%) or more of their fair replacement value immediately before the damage or if the Premises are damaged by some casualty against which Lessor has not insured the Premises, Lessor may terminate this Lease by giving Lessee written notice within a reasonable time after the date on which the damage occurs. Such notice shall terminate the Lease from the date when the damage occurred. If Lessor does not give such notice, the Lease shall continue, Lessor shall give notice to Lessee of its intention to repair the damage, Lessee's rent shall abate and Lessor shall cause the Premises to be repaired as provided for above.

23. **Indemnity.** Lessee agrees to indemnify, hold harmless, and defend Lessor for and against any liability, loss, damage, cost, or expense (including reasonable attorney fees) based on any claim, demand, suit, or action by any party with respect to any personal injury or property damages, or any other damage or loss occasioned by Lessee's negligence or breach of any of Lessee's obligations under this Lease.

24. **Abandonment of the Premises.** Lessee shall not abandon or vacate the Premises during the term of this Lease. If Lessee does abandon or vacate the Premises or is dispossessed by process of law or otherwise, any of Lessee's personal property that is left on the Premises shall be deemed abandoned by Lessee, at the option of Lessor.

25. **Subordination.** This Lease and Lessee's rights under it shall at all times be subordinate to the lien of any mortgage Lessor places on the Premises or to any collateral assignment Lessor makes of this Lease or of rent under this Lease. Lessee covenants and agrees to execute and deliver upon demand such further instrument or instruments subordinating this Lease to the lien of any such mortgage or mortgages as shall be desired by Lessor and any mortgagees or proposed mortgagees, Lessee hereby irrevocably appoints Lessor as the attorney-in-fact of Lessee to execute and deliver any such instrument or instruments for and in the name of Lessee. Notwithstanding any act subordinating Lessee's rights under the Lease to the lien of any mortgage Lessor places on

the Premises or to any collateral assignment Lessor makes of this Lease or of rent under this Lease, Lessee's rights shall not be disturbed as long as Lessee is not in default under the Lease.

26. **Surrender of the Premises.** Lessee shall surrender the Premises to Lessor when this Lease expires, broom clean and in the same condition as of the Commencement Date, except for normal wear and tear.

27. **Holding Over.** If Lessee does not vacate the Premises at the end of the term of this Lease, the holding over shall constitute a month-to-month tenancy at a monthly rental rate of 125% of the rate in effect at the end of the lease period.

28. **Default and Re-entry.** If Lessee fails to pay rent when due; if Lessee fails to perform any other obligations under this agreement within ten (10) days after receiving written notice of the default from Lessor; if Lessee makes any assignment for the benefit of creditors or a receiver is appointed for Lessee or its property; or if any proceedings are instituted by or against Lessee for bankruptcy (including reorganization) or under any insolvency laws, Lessor may terminate this Lease, re-enter the Premises, and seek to relet the Premises on terms set by Lessor in its sole discretion. Notwithstanding re-entry by Lessor, Lessee shall continue to be liable to Lessor for rent owed under this Lease and for any rent deficiency that results from reletting the Premises during the term of this Lease. Notwithstanding any reletting without termination, Lessor may at any time elect to terminate this Lease for any default by Lessee by giving Lessee written notice of the termination.

In addition to Lessor's other rights and remedies as stated in this Lease, and without waiving any of those rights, or if Lessee defaults in the performance of any of its obligations under this Lease, Lessor may cure defaults and shall not be responsible to Lessee for any loss or damage that is caused by that action. Lessee shall pay to Lessor, upon demand, the Lessor's costs for curing any defaults, as additional rent under this lease.

29. **Entire Agreement.** This Lease entered into between Lessor and Lessee, contains the entire agreement of the parties with respect to its subject matter. This Lease may not be modified except by a written document signed by all of the parties.

30. **Waiver.** The failure of Lessor to enforce any condition of this Lease shall not be a waiver of its right to enforce every condition of this Lease. No provision of this Lease shall be deemed to have been waived unless the waiver is in writing.

31. **Successors.** The provisions of this Lease shall benefit and bind Lessor, Lessor's successors and assigns, Lessee, and Lessee's permitted assigns.

32. **Partnerships.** The parties disclaim any intentions to enter into a joint venture or a partnership with each other.

33. **Authority.** Lessor and Lessee represent and warrant each has full power and authority to enter into this Lease.
34. **Time is the Essence.** Time is of the essence in the performance of this Lease.
35. **Recording.** Lessee may not record this Lease without written consent from Lessor.
36. **Applicable Law.** This Lease shall be construed under Michigan law. If any provision of this Lease is unenforceable, the other provisions of the Lease shall remain valid and enforceable to the fullest extent permitted by law.
37. **Mutual Contribution.** The parties to this Lease have mutually contributed to its drafting.
38. **Option for Additional Term.** Lessor grants Lessee an option for one (1) additional five (5) year term to lease the Premises on terms and conditions reasonably and mutually agreeable to Lessor and Lessee. Such option must be exercised by Lessee, and a new lease agreement must be executed by the parties, on or before the one hundred eightieth (180) day before the expiration of this Lease unless otherwise agreed to by the parties.

“Lessee”
I3 DETROIT

a Michigan non-profit corp.

By: _____
Vivian Sanders

Its: _____
President

“Lessor”
Hutt Commercial Real Estate LLC.

a Michigan limited liability company

By: _____
John A. Hutt

Its: _____
Sole Member