LEASE AGREEMENT

This Lease Agreement ("Lease Agreement") is made and effective as of July 1, 2021 ("Effective Date"), by and between 150 South Fifth, LLC, a Michigan limited liability company ("Landlord"), and Downtown Development Authority of the City of Ann Arbor, a Michigan Public Corporation ("Tenant").

1. PREMISES. Subject to the terms and conditions of this Lease Agreement, Landlord does hereby lease to Tenant, and Tenant hereby leases from Landlord the space ("Premises") commonly referred to as 150 South Fifth Avenue, Suite 301, Ann Arbor, MI 48104, consisting of approximately 3,189 rentable square feet of floor space, together with access to the applicable common area, street level entrance, stairwell, and elevator. Such lease is subject in all respects to Tenant’s compliance with the terms and conditions of this Lease Agreement and all applicable rules established from time to time by the condominium association. Tenant agrees to accept the Premises in an “AS-IS” condition.

2. USE. Tenant shall use the Premises solely for general office space and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord.

3. TERM. The term of the Lease Agreement ("Lease Term") shall commence on the Effective Date and continue until June 30th, 2022 at which time it will terminate, provided that:

   A. Tenant may terminate the Lease Term prior to such date by providing written notice of termination to Landlord, with such termination being effective 3 months following such written notice, provided that in order to exercise such early termination, Tenant must pay Landlord an early termination fee equal to 3 months of base rent; and

   B. Tenant may extend the Lease Term for an additional 60 months by providing written notice of extension to Landlord prior to March 31, 2022 with acceptance of an annual adjustment increase of 3%.

4. RENT. During the Lease Term, Tenant shall pay Landlord, without demand or setoff, monthly rent in the amount of $7,575.25 (the "Monthly Rent") and $400.00 for electric and gas (the "Monthly Utilities"). The Monthly Rent and Utilities shall be paid in advance on the first date of each calendar month. Annualized rent shall total $86,103.00 plus utilities $4,800.00.

5. SECURITY DEPOSIT. Concurrently with Tenant's execution of this Lease Agreement, Tenant has deposited $0 with Landlord (the "Security Deposit"). The Security Deposit shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease Agreement to be kept and performed by Tenant during the Lease Term. If Tenant defaults with respect to any provision of this Lease Agreement, including, but not limited to, the provisions relating to the payment of rent, Landlord may (but shall not be required to) use, apply, or retain all or any part of the Security Deposit for the payment of any rent or any other sum in default, or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant's default, or to
compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of the Security Deposit is so used or applied, Tenant shall, within 5 days after written demand therefore, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount and Tenant's failure to do so shall be a default under this Lease Agreement. Landlord shall not be required to keep the Security Deposit separate from its general funds, and Tenant shall not be entitled to interest on the Security Deposit. If Tenant fully performs every provision of this Lease Agreement, the Security Deposit or any balance thereof shall be returned to Tenant within 10 days following expiration of the Lease Term.

6. **USES PROHIBITED.** Tenant shall not do or permit anything to be done in or about the Premises or bring or keep anything therein which is not within the permitted use of the Premises. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the building or injure or annoy them or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose. Tenant shall not cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or allow to be committed any waste in or upon the Premises.

7. **COMPLIANCE WITH LAW.** Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, at all times during the Lease Term comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with the requirements of any governmental authority or the condominium association.

8. **ALTERATIONS AND ADDITIONS.** Tenant shall not make or allow to be made any alterations, additions or improvements to or of the Premises or any part thereof without first obtaining the written consent of Landlord and any alterations, additions or improvements to or of said Premises, including, but not limited to, wall covering, paneling and built-in cabinet work, but excepting movable furniture and trade fixtures, shall at once become a part of the realty and belong to the Landlord and shall be surrendered with the Premises. In the event Landlord consents to the making of any alterations, additions or improvements made to the Premises by Tenant, the same shall be made by Tenant at Tenant's sole cost and expense. Upon the expiration or sooner termination of the Lease Term hereof, Tenant shall, upon written demand by Landlord, at Tenant's sole cost and expense, remove any alterations, additions, or improvements made by Tenant, designated by Landlord to be removed, and Tenant at its sole cost and expense, repair any damage to the Premises caused by such removal.

9. **REPAIRS.** By execution of this Lease Agreement, Tenant shall be deemed to have accepted the Premises as being in good condition and repair. Tenant shall, at Tenant's sole cost and expense, maintain the condition of the Premises. Tenant shall, upon the expiration or sooner termination of the Lease Agreement, surrender the Premises to the Landlord in good condition, with ordinary wear and tear excepted. Any damage to adjacent premises caused by Tenant's use of the Premises shall be repaired at the sole cost and expense of Tenant.
10. LIENS. Tenant shall keep the Premises and the property in which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Tenant. Landlord may require, at Landlord’s sole option, that Tenant shall provide to Landlord, at Tenant’s sole cost and expense, a lien and completion bond in an amount equal to 1.5 times the estimated cost of any improvements, additions, or alterations in the Premises which Tenant desires to make, to insure Landlord against any liability for mechanics’ and materialmen’s liens and to insure completion of the work.

11. ASSIGNMENT AND SUBLETTING. Tenant shall not voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate, or encumber this Lease Agreement or any interest in the Premises. Tenant shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, or allow any other person (the employees, agents, servants and invitees of Tenant excepted) to occupy or use the Premises, or any portion thereof, without first obtaining the written consent of Landlord.

12. HOLD HARMLESS. Tenant shall indemnify and hold harmless Landlord from and against any and all claims arising from Tenant’s use, possession or occupancy of the Premises or from the conduct of its business or from any activity, work, or other things done, permitted or suffered by the Tenant in or about the Premises. Tenant shall further indemnify and hold harmless Landlord from and against any and all claims arising from, or related to, any breach or default in the performance of any obligation on Tenant’s part to be performed under the terms of this Lease Agreement, or arising from any act or negligence of the Tenant, or any officer, agent, employee, guest, or invitee of Tenant. Neither Landlord nor its agents shall be liable for any loss or damage to persons or property resulting from any cause whatsoever, unless caused by the gross negligence of Landlord.

13. LIABILITY INSURANCE. Tenant hereby acknowledges that Landlord shall not be required to carry insurance on any of Tenant’s personal property. Tenant further agrees that any insurance on Tenant’s personal property shall be the sole responsibility of Tenant.

14. UTILITIES. Tenant shall pay a utility charge to Landlord of $400.00 per month, as stated in article 4 of this Lease Agreement.

15. PERSONAL PROPERTY TAXES. Tenant shall pay, or cause to be paid, before delinquency any and all taxes levied or assessed and which become payable during the Lease Term hereof upon all Tenant’s leasehold improvements, equipment, furniture, fixtures and any other personal property located in the Premises. In the event any or all of the Tenant’s leasehold improvements, equipment, furniture, fixtures and other personal property shall be assessed and taxed with the real property, Tenant shall pay to Landlord its share of such taxes within 10 days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant’s property.

16. RULES AND REGULATIONS. Tenant shall faithfully observe and comply with the rules and regulations that Landlord or the condominium association may establish from
time to time. Landlord shall not be responsible to Tenant for the nonperformance of any rules and regulations by any other tenants or occupants.

17. HOLDING OVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Lease Term, Tenant agrees to pay 2.5 times the previous Monthly Rent until Tenant fully vacates the Premises.

18. ENTRY BY LANDLORD. Landlord reserves, and shall at any and all times have, the right to enter and inspect the Premises without providing notice to Tenant, to submit the Premises to prospective purchasers or tenants, to post notices of non-responsibility, to repair the Premises without abatement of rent, and may for that purpose erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed. Landlord may take the aforementioned actions provided that the entrance to the Premises shall not be unreasonably blocked, and further providing that the business of the Tenant shall not be interfered with unreasonably. Tenant hereby waives any claim for damages or for any injury or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby.

19. TENANT'S DEFAULT. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease Agreement by Tenant.

A. The vacating or abandonment of the Premises by Tenant or the commission of waste thereon.

B. The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder, as and when due.

C. The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease Agreement to be observed or performed by the Tenant, where such failure shall continue for a period of 30 days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than 30 days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within such 30 day period and thereafter diligently prosecutes such cure to completion.

D. (i) The making by Tenant of any general assignment or general arrangement for the benefit of creditors; (ii) the filing by or against Tenant of a petition to have Tenant adjudged bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within 60 days); (iii) the appointment of a trustee or a receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease Agreement, where possession is not restored to Tenant within 30 days; (iv) the attachment, execution, or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease Agreement, where such seizure is not discharged within 30 days.
20. REMEDIES IN DEFAULT. In the event of a default or breach by Tenant, Landlord may at any time thereafter, in its sole discretion, with or without notice or demand, except as may be required by law, and without limiting Landlord in the exercise of a right or remedy which Landlord may have by reason of such default or breach:

   A. Re-enter and take possession of the Premises and terminate Tenant's right to possession of the Premises by any lawful means, in which case Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, but not limited to, the cost of recovering possession of the Premises; expenses of re-leasing, including necessary renovation and alteration of the Premises; and that portion of any leasing commission paid by Landlord and applicable to the unexpired Lease Term of this Lease Agreement. Unpaid installments of rent or other sums shall bear interest from the date due at the maximum legal rate; or

   B. Maintain Tenant's right to possession, in which case this Lease Agreement shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease Agreement, including the right to recover the rent and any other charges and Adjustments as may become due hereunder; or

   C. Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the State of Michigan.

21. DEFAULT BY LANDLORD. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than 30 days after written notice by Tenant to Landlord specifying where Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than 30 days are required for performance then Landlord shall not be in default if Landlord commences performance within such 30 day period and thereafter diligently prosecutes the same to completion. In no event shall Tenant have the right to terminate this Lease Agreement as a result of Landlord's default and Tenant's remedies shall be limited to damages and/or an injunction.

22. LIABILITY OF LANDLORD. In no event shall Landlord be liable to Tenant for any amount in excess of the aggregate amount of Monthly Rent paid by Tenant to Landlord.

23. DAMAGE OR DESTRUCTION BY CASUALTY. In the event the Premises are damaged as a result of any cause other than the perils covered by insurance, then Landlord shall conduct necessary repairs, provided the extent of the destruction be less than 10% of the then full replacement cost of the Premises. In the event the destruction of the Premises is greater than 10% of the full replacement cost, then Landlord shall have the option; (1) to repair or restore such damage, this Lease Agreement continuing in full force and effect, or (2) give notice to Tenant at any time within 60 days after such damage, terminating this Lease Agreement as of the date specified in such notice, which date shall be no more than 30 days after the giving of such notice.
24. **EMINENT DOMAIN.** If more than 25% percent of the Premises shall be taken or appropriated by any public or quasi-public authority under the power of Eminent domain, either party hereto shall have the right, at its option, within 60 days after said taking, to terminate this Lease Agreement upon 30 days written notice. If any amount of the Premises are taken (and neither party elects to terminate as herein provided), the Base Monthly Rent thereafter to be paid shall be equitably reduced. If any part of the Premises may be so taken or appropriated, Landlord shall within 60 days of said taking have the right at its option to terminate this Lease Agreement upon written notice to Tenant. In the event of any taking or appropriation whatsoever, Landlord shall be entitled to any and all awards and/or settlements which may be given and Tenant shall have no claim against Landlord for the value of any unexpired Lease Term of this Lease Agreement.

25. **COMMON AREAS AND PARKING.** Landlord covenants that the common areas of the Premises shall be at all times, except as when Landlord makes necessary improvements or repairs thereto, available for the non-exclusive use of Tenant and the other tenants of the Premises. The common areas of the Premises shall also be available to the customers, suppliers and other business invitees of Tenant and such other tenants, during the full Lease Term of this Lease Agreement or any extension of the Lease Term hereof, provided that the condemnation or other taking by any public authority, or sale in lieu of condemnation, of any or all of such common areas shall not constitute a violation of this covenant. Tenant hereby acknowledges that it is not permitted to use any of the parking that is located in or behind the building. Tenant understands that there are no parking rights included in this Lease Agreement.

26. **SIGNS.** Any signs must be approved in advance by Landlord. Landlord may withhold consent of signage in its sole discretion.

27. **AUCTIONS.** Tenant shall not conduct or permit to be conducted any sale by auction in, upon, or from the premises whether said auction be voluntary, pursuant to any assignment for the payment of creditors or pursuant to any bankruptcy or other insolvency proceeding.

28. **GENERAL PROVISIONS.**

   A. **Waiver.** The waiver by Landlord of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding default by Tenant of any term, covenant or condition of this Lease Agreement, other than the failure of the Tenant to pay the particular rent.

   B. **Marginal Headings.** The marginal headings and article titles to the articles of this Lease Agreement are not a part of the Lease Agreement and shall have no effect upon the construction or interpretation of any part hereof.
C. **Time.** Time is of the essence of this Lease Agreement and each and all of its provisions in which performance is a factor.

D. **Successors and Assigns.** The covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the parties and their permitted successors or assigns.

E. **Recording.** Neither Landlord nor Tenant shall record this Lease Agreement, but a short form memorandum hereof may be recorded with the written consent of Landlord.

F. **Late Charges.** Any late Monthly Rent payments by Tenant may be subject to a 5% late fee.

G. **Entire Agreement.** This Lease Agreement contains and embodies the entire agreement of the parties hereto, and no representations, inducements, or agreements, oral or otherwise, between the parties not contained in this Lease Agreement shall be of any force or effect. This Lease Agreement may not be modified, changed, or terminated, in whole or in part, in any manner other than by an agreement in writing duly signed by both parties.

H. **Force Majeure.** Landlord shall not be required to perform any of its obligations under this Lease Agreement, nor be liable for loss or damage for failure to do so, nor shall Tenant thereby be released from any of its obligations under this Lease Agreement where such failure arises from or through acts of God, strikes, lockouts, labor difficulties, explosions, sabotage, accidents, riots, civil commotions, acts of any foreign country, fire and casualty, legal requirements, energy shortage, or causes beyond the reasonable control of Landlord, unless such loss or damage results from willful misconduct or negligence by Landlord or its employees.

I. **Severability.** Any provision of this Lease Agreement which shall prove to be invalid, void, or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provision shall remain in full force and effect.

J. **Cumulative Remedies.** No remedy or election of Landlord hereunder shall be deemed exclusive but shall, whenever possible, be cumulative with all other remedies at law or in equity.

K. **Choice of Law.** This Lease Agreement shall be governed by the laws of the State of Michigan.

L. **Attorneys' Fees.** In the event Landlord or Tenant defaults in the performance of any of the terms, covenants, agreements, or conditions contained in this Lease Agreement and either party places the enforcement of this Lease Agreement, or any part thereof, in the hands of an attorney, or files suit upon the same, the prevailing party shall pay the reasonable attorneys' fees of the other.
M. Sale of Premises by Landlord. In the event of any sale of the Premises by Landlord, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease Agreement arising out of any act, occurrence or omission occurring after the consummation of such sale. The purchaser shall be deemed, without any further agreement between the parties or their successors in interest to have assumed and agreed to carry out any and all of the covenants and obligations of the Landlord under this Lease Agreement. Tenant acknowledges that Landlord may assign this Lease Agreement to any purchaser of the building without the consent of Tenant.

N. Subordination, Attornment. Upon request of the Landlord, Tenant will in writing subordinate its rights and leasehold interests hereunder to the lien of any mortgage or deed of trust, to any bank, insurance company, or other lending institution, now or hereafter granted or in force against the Premises, and to all advances made or hereafter to be made upon the security thereof. In the event any proceedings are brought for foreclosure or in the event of the exercise of the power of sale under any mortgage or deed of trust made by the Landlord covering the Premises, the Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease Agreement. The provisions of this article to the contrary notwithstanding and so long as Tenant is not in default hereunder, this Lease Agreement shall remain in full force and effect for the full Lease Term hereof.

O. Notices. All notices and demands which are to be required or permitted to be given by either party on the other hereunder shall be in writing. All notices and demands by the Landlord to the Tenant shall be sent by United States Mail, postage prepaid, addressed to the Tenant at the Premises, and to the address herein below, or to such other place as Tenant may from time to time designate in a notice to the Landlord. All notices and demands by the Tenant to the Landlord shall be sent by United States Mail, postage prepaid, addressed to the Landlord at the address set forth herein, and to such other person or place as the Landlord may from time to time designate in a notice to the Tenant.

To Landlord at:

150 South Fifth, LLC
150 South Fifth Avenue, Suite 205-B
Ann Arbor, Michigan 48104

To Tenant at:

Ann Arbor Downtown Development Authority
150 South Fifth Avenue, Suite 301
Ann Arbor, Michigan 48104
P. **Tenant's Statement.** Tenant shall at any time and from time to time, upon not less than 3 days prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing (a) certifying that this Lease Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease Agreement as so modified is in full force and effect), and the date of which the rental and other charges are paid in advance, if any, and (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of the Landlord hereunder, or specifying such defaults if any are claimed, and (c) setting forth the date of commencement of rents and expiration of the Lease Term hereof. Any such statement may be relied upon by the prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part.

Q. **Confidentiality.** It is understood and agreed that the terms and conditions of this Lease Agreement shall remain confidential. Tenant, its principals, employees and representatives shall not discuss the Lease Agreement terms, Monthly Rent, rates or conditions with any third party unless authorized or requested to do so by Landlord. Any breach of such confidentiality requirement by Tenant or any of its principals, employees or representatives shall be deemed a material default hereunder and in which event, this Lease Agreement may be cancelled at the option of the Landlord without prior notice or demand.

[SIGNATURE PAGE FOLLOWS]
IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be executed under seal as of the date first written above.

LANDLORD:

150 South Fifth, LLC,
a Michigan limited liability company
By: [Signature]
Name: David Kennedy
Its: CEO

TENANT:

Downtown Development Authority of the City of Ann Arbor,
a Michigan Public Corporation
By: [Signature]
Name: Maura K. Thomson
Its: Interim Executive Director

Personal Guarantee

As a material inducement to Landlord entering into this Lease Agreement, the undersigned hereby personally guarantees all obligations of Tenant under this Lease Agreement including, without limitation, all obligations to pay the Monthly Rent through the Lease Term. Such guarantee is an absolute, primary, and continuing guaranty of payment and performance and is independent of Tenant’s performance of obligations under this Lease Agreement.

[Signature]
David Kennedy

[SIGNATURE PAGE TO LEASE AGREEMENT]