



KERRYTOWN MARKET & SHOPS LEASE AGREEMENT
GENERAL PROVISIONS

EXHIBIT B

REVISED MARCH 2024

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KERRYTOWN MARKET & SHOPS LEASE AGREEMENT
GENERAL PROVISIONS
(June 2015)

1. PREMISES. KTSAA leases to Tenant and Tenant leases from KTSAA the Premises in Kerrytown Market & Shops in Ann Arbor, Michigan ("Kerrytown") that are described in Section 1 of the Special Provisions.

2. TERM. The term of this Lease begins on the Commencement Date and ends at midnight on the Expiration Date identified in Section 2 of the Special Provisions.

3. POSSESSION.

A. Delivery of Possession. Possession of the Premises shall be delivered to the Tenant on the Commencement Date. If, for any reason, possession is not delivered on that date, this Lease shall continue in full force and effect, but no Base Rent and Additional Rent will accrue and be payable under this Lease until possession of the Premises is delivered to Tenant. However, by written notice from either KTSAA or Tenant to the other, the Lease may be voided if possession is not delivered within forty-five (45) days after the Commencement Date. KTSAA will not be liable for any damages as a result of its inability to deliver possession of the Premises.

B. Early Possession. If Tenant requests and KTSAA permits Tenant to take possession of any part of the Premises before the Commencement Date, then, unless otherwise agreed in writing, the Commencement Date will be the date that the Tenant takes possession and the Base Rent and Additional Rent will accrue and be payable from that date but neither the Expiration Date of the Term nor any other provision of this Lease shall otherwise be affected by Tenant's advanced possession. Unless otherwise specifically provided in the Special Provisions, Tenant will be deemed to have taken possession of the Premises if it occupies the Premises or if it or any contractor hired by it commences any work therein unless stated otherwise in the Special Provisions.

4. USE OF PREMISES

A. Type of Use. Tenant shall use and occupy the Premises solely for the purposes specified in Section 4 of the Special Provisions and for no other purpose without the prior written consent of KTSAA.

B. Prohibited Uses. Tenant shall not use or permit the Premises to be used in a manner that constitutes a violation of any applicable law, order, ordinance, or regulation; that may be dangerous to any tenants of or visitors to Kerrytown; that unreasonably disturbs KTSAA or other tenants of Kerrytown; or that injures the reputation of Kerrytown. The Tenant shall not commit any waste to the Premises or cause a load to be placed on any portion of the Premises that exceeds the appropriate structural load as determined by KTSAA.

C. Conduct of Business. Tenant, at its sole expense, shall obtain all necessary licenses and/or permits required for the conduct of its business at the Premises and for any alterations and/or improvements that Tenant makes in the Premises. The Tenant shall, at its sole expense, comply with all laws, orders, regulations or ordinances of all governmental authorities affecting the Premises in any way. The Tenant, at its sole expense, shall comply promptly with the recommendations of KTSAA's or Tenant's insurance company with respect to Tenant's conduct of business in the Premises. Tenant shall pay as Additional Rent any increase in the cost of insurance for Kerrytown resulting from the particular use by the Tenant of the Premises, but such payment is not a waiver by KTSAA of its right to enforce all of the provisions of this Lease. Tenant shall not use any areas in Kerrytown that are outside of the perimeters of the Premises for business or promotional purposes without KTSAA's written consent. All receiving and delivery of goods and all removal of goods, equipment, trash and garbage shall be made only in the manner prescribed by KTSAA. Tenant shall keep the Premises orderly, neat, safe and clean, and shall store all trash and garbage within the Premises or in areas designated by KTSAA. KTSAA shall make arrangements for the removal of trash and garbage from the site but not from within the Premises.

D. Contesting Laws and Orders. Tenant, after written notice to KTSAA, at Tenant's sole expense and in Tenant's name (or whenever necessary and with KTSAA's consent in KTSAA's name), may contest in good faith and by appropriate proceedings the validity or enforcement of any statute, law, ordinance, regulation or order applicable to the Premises. Tenant

may defer compliance with any such statute, law, ordinance, regulation or order if and for so long as such deferment does not subject KTSAA to a fine or other liability, Tenant is diligently prosecuting such contest to a final determination by a court, department or governmental authority or body having jurisdiction thereof, and Tenant shall have furnished KTSAA with such security, by bond or otherwise, as KTSAA may require in connection with such contest. Unless KTSAA agrees in writing no action taken by Tenant, under this subsection, shall not relieve Tenant of its obligation to comply with any other provision of this Lease.

E. Rules & Regulations. Tenant will comply with the RULES AND REGULATIONS (SEE EXHIBIT D) established from time to time by KTSAA for general application in Kerrytown. Any new Rule/Regulation or a change in an existing Rule/Regulation will take effect thirty (30) days after written notice thereof is delivered to Tenant. All Rules/Regulations, including amendments and additions thereto, are incorporated into and part of this Lease. Any failure to comply with any Rule will constitute a breach of this Lease. All Rules/Regulations will be uniformly applied to all tenants.

F. Hours of Operation. Tenant will operate its business in the Premises during the normal business hours of Kerrytown. Tenant will not terminate that business or change those hours of operation without KTSAA's written authorization, which authorization shall not be unreasonably withheld. If Tenant, without good cause as determined by KTSAA in its discretion, defaults in this commitment to operate the business at the Premises during all normal business hours, then, in addition to or in lieu of the exercise by KTSAA of its rights under Section 28 of these General Provisions as a result of such default, may assess the Tenant for the Additional Rent described in Section 6C(2) of these General Provisions. If the Tenant is in default, KTSAA will notify Tenant by way of written notice within five (5) days from the date the default occurred.

5. BASE RENT

A. Initial Term. The Base Rent for the Premises for the Initial Term is as follows:

(i) From the Commencement Date to the Adjustment Date specified in Section 5 of the Special Provisions, the Base Rent will be as specified in Section 5 of the Special Provisions.

(ii) As of the first February 1st following the Commencement Date and as of each February 1st thereafter during the Term of this Lease (each, an "Adjustment Date"), the Base Rent will be adjusted based upon any increase in the Consumer Price Index-All Urban Consumers (1982-84 = 100) as published by the Bureau of Labor Statistics of United States Department of Labor, or any replacement thereof. Base Rent for the twelve-month period beginning on each Adjustment Date shall be the product resulting from multiplication of the current Base Rent by one plus the prior full year ending CPI; provided, however, that in no case shall an adjustment result in a reduction of Base Rent. If for any reason a formal adjustment is not made to the Base Rent as of an Adjustment Date, then the Tenant shall continue paying the Base Rent then in effect and upon notification by KTSAA of the adjusted Base Rent, Tenant shall immediately pay KTSAA the difference between Base Rent paid and that which would have been due had Base Rent been timely adjusted.

B. Option Term. If provision is made in Section 5(B) of the Special Provisions for an Option Term, then the Base Rent for that Option Term will be as follows:

(i) If the Base Rent for the Option Term is specified in Section 5(B) of the Special Provisions, that rate shall apply to the Option Term.

(ii) If the Base Rent for the Option Term is not specified in Section 5(B) of the Special Provisions, then the Base Rent will equal the fair market Base Rent for the Premises for that Option Term, determined in accordance with the procedure described in this Section. Tenant, in its notice exercising the option for the Option Term, shall specify the Tenant's estimate of the fair market Base Rent. If the Tenant fails to provide the Tenant's Estimate in that Exercise Notice, then the Exercise Notice shall be deemed ineffective. KTSAA, by written notice delivered to the Tenant not later than eighty (80) days proceeding the first day of the Option Term, may object to the Tenant's Estimate and specify KTSAA's estimate of the fair market Base Rent for the Premises for the first year of Option Term. If KTSAA fails to deliver the Response Notice by such date or fails to include KTSAA's Estimate in such Response Notice, then the amount specified in the Tenant's Estimate shall be the Base Rent for the first year of that Option Term. The Base Rent for each year thereafter in that Option Term will be as adjusted as of Adjustment Date described in Section 5A of the Special Provisions by reference to the Consumer Price Index in the manner prescribed in Section 5(A)(ii) of these General Provisions. If KTSAA delivers the Response Notice by such date and includes KTSAA's Estimate in that Response Notice, then KTSAA and the Tenant shall attempt in good faith to resolve their differences regarding the fair

market Base Rent and to confirm that resolution by written agreement specifying the Base Rent for the first year of the Option Term. If KTSAA and the Tenant do not for any reason sign a written agreement specifying the Base Rent for the first year of the Option Term on or before the seventieth (70th) day preceding the first day of the Option Term, then either KTSAA or the Tenant may apply to the then acting President of the Ann Arbor Board of Realtors to select a licensed real estate appraiser to determine the fair market Base Rent of the Premises for the first year of the Option Term. In making such determination, the Appraiser, taking into account the Additional Rent and other charges for which the Tenant will be obligated under this Lease for the Option Term, based upon rents charged for comparable properties and based upon such other factors as the Appraiser deems relevant and pertinent, shall first determine the Appraiser's estimate of the fair market Base Rent for the Premises that would be paid and accepted by a willing tenant and accepted by a willing landlord on an arm length basis for the Premises for the first year of the Option Term. The Appraiser shall thereafter compare the Appraiser's Estimate with the Tenant's Estimate and KTSAA's Estimate. If the Tenant's Estimate more closely approximates the Appraiser's Estimate, then the Appraiser shall designate the Tenant's Estimate as the Base Rent for the first year of the Option Term. If KTSAA's Estimate more closely approximates the Appraiser's Estimate, then the Appraiser shall designate KTSAA's Estimate as the Base Rent for the first year of the Option Term. In either such instance, the Base Rent for the second and later years in that Option Term will be as adjusted by reference to the Consumer Price Index in the manner prescribed in Section 5(A)(ii) of these General Provisions. The determination and designation by the Appraiser shall be in writing, shall be delivered to KTSAA and the Tenant, shall be conclusive and binding upon KTSAA and Tenant, and shall not be subject to any challenge or appeal. The party whose estimate of the fair market Base Rent is not designated as the Base Rent by the Appraiser shall be liable for payment of the Appraiser's fees.

(iii) If Tenant becomes chronically late as defined in Section 9 of the General Provisions, any options then in existence shall become null, void and of no further effect.

C. Payment. Tenant shall pay each installment of Base Rent for each calendar month during the Term, without any setoff or deduction, in advance, on or before the tenth day of that calendar month at the place KTSAA shall designate. If the Commencement Date for this Lease is other than on the first day of a calendar month, the monthly installments of Base Rent for the first and last months of the term shall be prorated on a thirty (30) day month basis.

6. ADDITIONAL RENT. The Tenant shall pay the following Additional Rent at the time Base Rent is due and payable:

A. Percentage Rent on Sales. Tenant shall pay Additional Rent for each calendar year during the Term equal to the amount by which seven percent (7%) of its Gross Sales from the Premises for that calendar year exceeds the Base Rent paid or payable for the Premises for that year. The Rent on Sales for each calendar year shall be paid in full within forty-five (45) days after the end of that calendar year. The term Gross Sales shall be as defined in Section 7 of the General Provisions.

B. Operations Rent. The Tenant shall pay as Additional Rent its Proportionate Share of the following operating expenses of Kerrytown:

(i) All real or personal property taxes and assessments levied or assessed against Kerrytown. KTSAA shall bill Tenant monthly for one-twelfth (1/12) of the Tenant's share of the most recent tax bills. If any governmental authority having jurisdiction over Kerrytown imposes a tax of any kind with the respect to the rents payable to KTSAA or on the income of KTSAA in substitution for all or any part of the property taxes levied against Kerrytown, such tax shall be deemed to constitute a property tax for the purpose of this Section and Tenant shall pay its Proportionate Share thereof.

(ii) All charges incurred by KTSAA for water, sewer, gas, electricity or other utilities supplied to Kerrytown, provided that the reasonable estimated cost of any unusual use of a utility by a particular tenant shall be paid by that tenant. KTSAA reserves the right to require Tenant to separately meter and pay for the utilities serving only the Premises, in addition to paying its proportionate share of common area utilities.

(iii) All expenses incurred by KTSAA in managing, maintaining and repairing elevators, and the Common Areas of Kerrytown.

(iv) All expenses incurred by KTSAA in maintaining the security system for Kerrytown, or, when applicable, according to the Tenant's proportion of the total area covered by the system; provided that the reasonably estimated cost of any unusual or additional use of any service required by the business of a particular tenant shall be paid by that tenant.

(v) All expenses incurred by KTSAA in insuring Kerrytown.

(vi) All charges incurred by KTSAA for pest extermination and rubbish removal from Kerrytown or, when applicable, according to the Tenant's proportion of the total area covered by a particular service; provided that the reasonable estimated cost of any unusual use of the services by a particular tenant shall be paid by that tenant. KTSAA reserves the right to require Tenant to separately provide pest extermination for the Premises.

C. Advertising Rent. All amounts received by KTSAA as Advertising Rent pursuant to this Subsection shall be used by KTSAA (in its sole discretion) for advertising and promoting Kerrytown. The Tenant shall pay as Additional Rent the following Advertising Rent:

(i) With each installment of its Base Rent, Tenant shall pay as Additional Rent an additional amount equal to eight percent (8%) of that installment.

(ii) If on any day during the Term of this Lease, the Tenant defaults in its commitment in Section 4F to be open for operation in the Premises during all normal business hours of Kerrytown, then, unless KTSAA determines in its discretion that there was good cause for the Tenant's failure to do so, the Tenant shall pay KTSAA, within ten (10) days after demand, Advertising Rent for that day equal to the amount that is payable by the Tenant as the per diem Base Rent for that day.

7. GROSS SALES. Tenant shall provide gross sales data quarterly. The term "Gross Sales" shall include the entire amount of the actual sales price, for cash or otherwise, of all sales of merchandise or service and all other receipts for all business conducted in or from the Premises, including orders taken but filled elsewhere, sales by any sub-lessee or licensee, and any sales accomplished by Fax over the Internet. There shall be no deduction for uncollected credit accounts or for service charges to Tenant on credit accounts. The Gross Sales shall not include sales taxes. Tenant shall furnish to KTSAA within thirty (30) days after the end of each calendar quarter, a written statement, certified by Tenant, of its Gross Sales for that quarter, and will furnish within thirty (30) days after the expiration of each calendar year a complete statement of its Gross Sales for the year, by supplying KTSAA with a certified copy of its state sales tax report. Tenant

shall keep complete records of its Gross Sales, including any sales tax reports furnished to any governmental agency, which shall at reasonable times be open to the inspection of KTSAA or its authorized representative. This information is used by KTSAA to gauge economic performance of Kerrytown, and will not be disclosed without prior written consent of the Tenant.

8. LATE FEES/ DISHONORED CHECKS/INTEREST.

A. Late Fees. If any installment of the Base Rent or Additional Rent is not paid within ten (10) days after its due date, then Tenant shall pay on demand a late fee to KTSAA equal to two percent (2%) of the delinquent installment OR \$50.00 whichever is greater. The Late Fee will be charged at the beginning of any subsequent month in which the Base Rent or Additional Rent has not been paid prior to the start of that month. Partial payment of an installment does not abate the late fee.

B. Dishonored Checks. If any check for any installment of the Base Rent or Additional Rent is dishonored, then, in addition to the late fee for that installment, Tenant shall pay KTSAA \$50.00 as reimbursement for its expense in dealing with that dishonored check.

9. CHRONIC LATE PAYMENT. CHRONICALLY DELINQUENT If, during any single twelve (12) month period of the Term of this Lease, three (3) or more installments of the Base Rent or Additional Rent are received by KTSAA after their Due Date, KTSAA, by written notice to the Tenant, may designate the Tenant as "Chronically Late". Tenant shall be deemed to be no longer Chronically Late if, following such notice, Tenant timely pays the next twelve (12) monthly installments of the Base Rent and Additional Rent by the respective Due Date of each such installment. If Tenant does not pay the next twelve (12) monthly installments of the Base Rent and Additional Rent by the respective Due Date, Tenant will be "Chronically Delinquent" and, in such event, the Term of this Lease shall at any time thereafter be terminable by KTSAA upon written notice effective thirty (30) days after the date of delivery of that notice and, without any further notice, any Option Term granted to the Tenant in the Special Provisions will be null, void and of no further effect.

10. APPLICATION OF MONEY RECEIVED FROM TENANT. Money received by KTSAA from Tenant shall be applied to Tenant's account with KTSAA in the following manner: first to satisfy unpaid late fees, dishonored check fees, and to other fees owed by Tenant; second to any legal

fees and/or court costs legally chargeable to Tenant; third, to deposits or portions thereof due from Tenant; fourth to any unpaid Additional Rent; and fifth to any unpaid Base Rent. Payments that are mailed shall not be considered paid until actually received by KTSAA. Endorsements on a check or statements in any letter accompanying a payment shall not constitute an accord and satisfaction or impart any right contrary to this Section.

11. **SECURITY DEPOSIT.** Tenant is, at the time of the signing of this Lease, paying to KTSAA the Deposit stipulated in Section 7 of the Special Provisions. The Deposit shall be held by KTSAA for the Term of this Lease. The Deposit will not bear interest and may be commingled with other of KTSAA's funds. KTSAA shall have the right, but not the obligation, to apply the Deposit to any past due amounts payable by the Tenant under this Lease. In that event, Tenant shall within fifteen (15) days after written demand reimburse KTSAA for the portion of the Deposit applied to such past due amount. Failure to make such reimbursement within the time specified is grounds for termination of this Lease. If the Premises are sold during the Term of this Lease, KTSAA shall be relieved of any further liability to Tenant for return of any portion of the security Deposit upon transfer of the Deposit to the purchaser.

12. **REPAIRS AND MAINTENANCE.**

A. Tenant Obligations. Except as otherwise specified herein, Tenant, at its sole expense, shall repair and maintain (including necessary replacements) the Premises in good condition and repair, including but not limited to: all doors; windows; plate glass; storefronts; walls; floors; ceilings; plumbing and restrooms located in Premises; electrical system within the Premises (including but not limited to: light fixtures, ballasts, light tracks, and outlets); mechanical units owned by Tenant; hoods; makeup air units serving hoods; fans serving Premises; and fixtures and components not maintained by KTSAA. Tenant shall keep clean at all times the glass that borders the Premises, with the exception of the outside panes of exterior glass, which shall be maintained by KTSAA. Tenant acknowledges that it has inspected the Premises, is satisfied with their condition, and takes them on an "as is" basis. Tenant shall keep the Premises free from liens arising out of any work performed, materials furnished, or obligations of any kind (including tax obligations) incurred by or for Tenant.

B. KTSAA Obligations. KTSAA, at its sole expense, shall keep the foundation; roof; exterior walls (excluding storefronts); heating; air conditioning (excluding: kitchen hoods,

makeup air units serving hoods, and fans serving Premises); common area plumbing (excluding plumbing and restrooms in Premises); building electrical system; sprinklers located outside Premises; stairs and stairwells; emergency exit routes; and all loadbearing portions of Kerrytown in good repair throughout the Term. However, KTSAA may recover from Tenant the costs of any repairs made necessary by the negligence or other tortuous act of Tenant, its agents, employees, invitees, guests or licensees, except to the extent that KTSAA is reimbursed for any such recovery by a policy of insurance. KTSAA shall not be liable or responsible for any loss that may accrue to Tenant or Tenant's business by reason of KTSAA's actions in fulfilling its obligations hereunder. KTSAA shall not be responsible for any costs to Tenant resulting from power failures, sewer blockages; sprinkler failures, fire, vandalism, etc. (see Section 14 "INSURANCE" of the General Provisions). KTSAA shall not be required to make any other improvements or repairs of any kind on the premises.

C. Inspections and Repairs. KTSAA may inspect the Premises from time to time in order to determine the condition thereof. Except for emergencies, KTSAA shall give Tenant reasonable notice of its intention to inspect. If, upon any inspection, KTSAA determines that repair or maintenance is necessary in the Premises, it shall give Tenant a minimum of fifteen (15) days written notice of the condition found and the remedy to be made, provided, however, that in the case of an emergency, KTSAA may give no notice or may give only such notice, orally or in writing, that is so short as is appropriate for the given emergency. If Tenant fails to make the repair or perform the maintenance specified within the time allowed, or fails to make arrangements that are satisfactory to KTSAA to accomplish same, KTSAA may perform the repair or maintenance. In the case of an emergency where there is not time to provide advance notice to the Tenant of the condition and of the remedy to be made, KTSAA may also proceed to make the repair or perform the maintenance. In all instances where KTSAA performs the repair or maintenance pursuant to this subsection, Tenant shall pay KTSAA 115% of KTSAA's actual cost for required materials, 115% of KTSAA's cost for purchased labor.

13. ALTERATIONS AND SIGNS

A. Prior Approval Required. Tenant shall not make any alterations, additions or improvements to the Premises, or install any signs in the Premises that are visible from the exterior of the Premises, without the prior written approval of KTSAA. As a condition to such approval, the Tenant shall submit its request for approval in writing, accompanied by necessary

drawings showing in detail any proposed alteration, additions, improvements, signage, color schemes, etc. , as will be reasonably necessary for KTSAA to evaluate the Tenant's request and to facilitate KTSAA's review and written approval. KTSAA's approval shall not be delayed, unreasonably withheld or conditioned. Tenant shall pay the cost of installing the standard tenant identification signs at the entrances to Kerrytown. The manner of installation, type and arrangement of trade fixtures shall be subject to KTSAA's written approval.

B. Ownership and Control of Alterations. All alterations, additions and improvements made by Tenant shall become the property of KTSAA, and, upon termination or expiration of this Lease, Tenant shall not remove them, except that trade fixtures installed by Tenant may be removed provided that Tenant is not in default and provided that Tenant repairs any damages to the Premises resulting from such removal. However, prior to termination or expiration, KTSAA may designate, by written notice to Tenant, those alterations and additions that KTSAA requires removed, and Tenant shall promptly remove them and repair any damage caused by removal.

C. Liens. Tenant shall keep the Premises free from liens arising out of any work performed, materials furnished, or obligations of any kind (including tax obligations) incurred by or for Tenant

14. INSURANCE.

A. KTSAA Insurance. KTSAA shall maintain insurance against loss or damage to the buildings in Kerrytown under a policy or policies of casualty insurance with such coverages and other terms that KTSAA deems reasonable.

B. Tenant Insurance. Tenant shall maintain at all times the following insurance coverages:

(i) General public liability insurance in an amount at least equal to One Million Dollars (1,000,000.00) single limit coverage for property damage, bodily injury or death resulting from the occupancy or use of the Premises or the conduct of the Tenant's business at the Premises. The policy shall name KTSAA as an additional insured, shall be underwritten by a carrier approved by KTSAA, which approval shall not be unreasonably withheld or delayed, and

shall include such other terms and conditions as KTSAA may reasonably require. The policy shall provide by endorsement or otherwise that it may not be cancelled, terminated, amended, or modified for any reason, except upon thirty (30) days prior written notice to KTSAA.

(ii) Casualty insurance including coverage against vandalism, malicious mischief, and other perils included in a standard extended coverage endorsement, insuring Tenant's trade fixtures, furnishings, equipment and all personal property located in the Premises.

(iii) Workers' compensation insurance covering all of its employees to at least the statutory limit set forth under Michigan law.

(iv) Plate glass insurance and sprinkler leakage insurance (if a sprinkler system is located on any portion of the premises) in amounts and forms satisfactory to KTSAA. Prior to taking possession, and, thereafter, at least fifteen (15) days prior to the expiration of the required policies, Tenant shall deliver to KTSAA either duplicate originals of the policies or written certification that the required insurance coverage has been obtained, along with evidence of payment for the policies. Tenant shall, upon demand, provide KTSAA with appropriate proof of required insurance coverage.

C. Waiver of Subrogation. KTSAA and Tenant release the other, including employees, agents, family members, invitees, and guests of the other, from all liability arising from loss, damage or injury caused by fire or other casualty, to the extent of any actual recovery by the injured party under a policy of insurance that permits waiver of liability and waives the insurer's rights of subrogation. All policies of insurance required of the parties shall contain a waiver of subrogation clause if the waiver can be obtained without additional cost to the insured. In no event, however, shall KTSAA be liable for damage suffered by Tenant that is caused by Tenant or the acts of other tenants in Kerrytown unless caused by the negligent or intentional acts of KTSAA, its agents or employees. KTSAA shall not be liable for any damage suffered by Tenant from any other cause.

15. SUBLEASE AND ASSIGNMENTS.

A. Subleases. The Tenant may not sublease all or any portion of the Premises without KTSAA's prior written consent, which will be at KTSAA's sole discretion.

B. Assignment. The Tenant may not assign all or any portion of its rights under this Lease without KTSAA's prior written consent, which consent will be at KTSAA's sole discretion. For such purposes, an assignment by the Tenant will include any transfer of the assets and business of the Tenant conducted at the Premises or any transfer of stock in Tenant whether voluntary or involuntary on the part of the Tenant. KTSAA may assign its rights under this Lease in conjunction with a sale or assignment of Kerrytown and the assignee assumes and agrees to be bound by this Lease.

16. QUIET ENJOYMENT. Upon payment by Tenant of the rents and performance of the covenants, terms and conditions of this Lease, Tenant shall peaceably and quietly hold the Premises without hindrance by KTSAA or any person lawfully or equitably claiming through KTSAA.

17. CASUALTY AND LOSS. If the Premises shall be partially or totally destroyed by fire or other casualty insured under the insurance carried by KTSAA, the damage shall be promptly repaired (to the extent of available insurance proceeds), unless KTSAA elects not to rebuild as hereinafter provided. Except in the case of damage caused by Tenant or its agents, employees, contractors, guests or licensees, the Base Rent and Additional Rent shall abate in proportion to the amount of the Premises rendered untenable for the period of untenability. KTSAA shall not be required to repair or replace Tenant's improvements, merchandise, trade fixtures, furnishings or equipment, and there shall be no abatement of rent during any delay caused by the failure of Tenant to complete its restoration and repair of its trade fixtures and tenant improvements. If more than fifty percent (50%) of the floor area of the building in which the Premises are located shall be damaged, or if demolition or substantial reconstruction (more than 40% of initial cost) is required for the repair; KTSAA may elect to terminate this Lease by giving written notice to Tenant within ninety (90) days after the occurrence of such damage.

18. EMINENT DOMAIN. If all or any portion of the Premises shall be taken by eminent domain, the Lease shall terminate as of the day possession is taken by the public authority.

19. HOLD HARMLESS.

A. KTSAA. KTSAA shall indemnify and hold the Tenant harmless from and against all claims, losses, liabilities, damages and expenses (including attorney fees and related expenses) incurred as a result of the negligent or intentional wrongdoing of KTSAA, or by its agents or employees while acting in the scope of their agency or employment. Except as provided in the previous sentence, KTSAA shall not be liable for injury or damage to Tenant, its agents, employees, guests, invitees or licensees or to their property whether on or off the Premises.

B. Tenant. Tenant shall indemnify and hold KTSAA harmless from and against all claims, losses, liabilities, damages and expenses (including attorney fees and related expenses) incurred as a result of the occupancy and use by the Tenant, its employees and agents, its customers and other business invitees in the Premises or Kerrytown.

20. MORTGAGES.

A. Subordination. This Lease shall, at the option of KTSAA, be subordinate to any mortgages that are now or may hereafter be placed on the Building. Though this provision is self-executing, if requested by KTSAA, Tenant will sign and deliver any document reasonably required to confirm this subordination; provided, however, that Tenant shall be entitled to receive the customary non-disturbance agreement from the holder of the mortgage whereby the holder agrees to recognize Tenant's rights under this Lease following foreclosure so long as Tenant is not in default under this Lease.

B. Attornment and Estoppel. Tenant shall attorn to any foreclosing mortgagee, or to any purchaser of Kerrytown or the Premises at any foreclosure sale, or sale in lieu of foreclosure, for the balance of the Term and on all the terms and conditions herein. At the request of KTSAA, Tenant shall within five (5) days deliver to KTSAA or its designee, a statement certifying such information as may reasonably be requested to verify the state of the landlord-tenant relationship under this Lease.

21. RIGHT OF ENTRY. KTSAA or its agents shall have the right, after advanced notice to Tenant, to enter the Premises at all reasonable times to show the Premises to prospective purchasers or mortgagees of Kerrytown. During the last three months of the term of this Lease,

KTSAA may show the Premises to prospective tenants and place upon the Premises the usual "FOR RENT" notices. KTSAA shall at all times have the option to retain a key to the Premises.

22. GENERAL EASEMENT THROUGH PREMISES. KTSAA reserves an easement of way through the Premises for the use and benefit of customers, agents, and employees of KTSAA and of other tenants in Kerrytown for access to other portions of Kerrytown and to its entrances and exits. KTSAA reserves the right to pass reasonable utility installations through the Premises.

23. RETURN OF POSSESSION. Tenant will return the Premises to KTSAA on or before the expiration date of this Lease in as good a condition as when rented to Tenant, reasonable wear and tear excepted.

24. EARLY SURRENDER OF POSSESSION. No surrender of the Premises prior to the expiration of this Lease shall be valid unless accepted by KTSAA in writing. No surrender of the Premises, including surrender accepted by writing, shall extinguish any of Tenant's obligations to perform under this Lease.

25. ABANDONMENT. If, during the Term, KTSAA believes in good faith that Tenant has abandoned the Premises and any installments of the Base Rent or Additional Rent are past due, KTSAA may re-enter the Premises and remove and discard the remaining possessions of Tenant without liability therefore. Abandonment shall be conclusively presumed if any installment of the Base Rent or Additional Rent is unpaid for fifteen (15) days following the due date and either (i) a substantial portion of Tenant's possessions have been removed from the Premises or (ii) acquaintances of Tenant or other reliable sources indicate to KTSAA that Tenant has left without the intention of re-occupying the Premises. If Tenant has abandoned the Premises and left personal property therein, KTSAA may dispose of it in any way KTSAA chooses. This provision applies to all items of personal property except those for which KTSAA and Tenant have made a specific, written agreement. No oral agreement may alter this provision. Any cost incurred by KTSAA in removing the Tenant's personal property shall be reimbursed to KTSAA by Tenant upon demand.

26. BANKRUPTCY. If following the filing of a petition by or against Tenant in a bankruptcy court, KTSAA is not permitted to terminate this Lease as provided in Section 28 hereof, because

of the provisions of the United States Bankruptcy Code, then Tenant (including Tenant as Debtor-in-Possession) or any trustee for Tenant will promptly (not later than 15 days after petition by KTSAA to the Bankruptcy Court), assume or reject this Lease, and Tenant will not seek or request any extension or adjournment of any petition by KTSAA to assume or reject this Lease. Tenant's or the trustee's failure to assume this Lease within the 15-day period shall be deemed a rejection. Thereupon, KTSAA shall be entitled to immediate possession of the Premises without further obligation to Tenant or the trustee, and this Lease shall be terminated, except that KTSAA's right to damages for Tenant's default shall survive the termination.

27. HOLDING OVER. Unless authorized in writing, Tenant shall not retain possession of the Premises beyond the Expiration Date of this Lease. Holding over beyond the Expiration Date when no authority in writing has been previously granted, does not create a new tenancy, except that if the Tenant remains in possession for more than thirty (30) days following the Expiration Date and KTSAA has not commenced legal proceedings to recover possession of the Premises, a month-to-month tenancy is created, retroactive to the day following the expiration date of this Lease. To compensate KTSAA for the unexpected and unauthorized holding over by Tenant, unless otherwise agreed in writing, Tenant will pay KTSAA an amount equal to one and a half times the amount of the Base Rent and the Additional Rent in effect immediately prior to the Expiration Date of this Lease for the entire time that Tenant holds over without KTSAA's written permission. Failure by KTSAA to commence summary proceedings during the thirty (30) day period following the expiration date of this Lease shall not be construed as implied or constructive permission to hold over beyond the term. Acceptance of money from Tenant during the thirty (30) days following the Expiration Date of this Lease shall not create, renew or otherwise extend a tenancy between KTSAA and Tenant. Except as herein modified, all of the other provisions of this Lease will remain in full force and effect during the time Tenant holds over.

28. DEFAULT AND REMEDIES.

A. Default. Tenant will be in default under this Lease upon the occurrence of one or more of the following:

(i) Failure to pay any installment of the Base Rent or Additional Rent within ten (10) days after its due date;

(ii) Tenant becomes Chronically Delinquent as defined in Section 9 of the General Provisions;

(iii) Tenant's breach of any other term or condition of this Lease and the failure to remedy such breach within thirty (30) days following the date of KTSAA's delivery to the Tenant of a written notice identifying such breach and demanding such remedial action;

(iv) Tenant's interest in this Lease is levied upon under execution or other legal process;

(v) A petition is filed by or against Tenant in a court of bankruptcy;

(vi) Tenant shall be declared insolvent according to law;

(vii) Tenant makes an assignment for the benefit of creditors;

(viii) Tenant abandons or vacates the Premises or ceases to conduct business in the Premises during normal business hours for more than ten (10) days during any consecutive thirty (30) day period;

(ix) Tenant dissolves (if an entity), dies or otherwise becomes legally incompetent;

(x) Any sublease of all or any portion of the Premises or any assignment of all or any portion of the rights of the Tenant under this Lease, whether voluntary or involuntary on the part of the Tenant, without the written consent of KTSAA.

B. Remedies. Upon default by Tenant pursuant to Section 28 A (ii) of the General Provisions (Chronically Delinquent), KTSAA shall be entitled to the remedy provided in Section 9 of the General Provisions, in addition to all other legal and equitable rights and remedies exercisable by KTSAA under applicable law. Upon default by Tenant pursuant to other provisions of Section 28 A, KTSAA, without further notice, may exercise one or more of the following remedies, in addition to all other legal and equitable rights and remedies exercisable by KTSAA under applicable law:

(i) Perform the breached obligation of Tenant and invoice Tenant for all costs of such performance, with such costs due and payable immediately upon issuance of such invoice;

(ii) By summary proceedings or other actions permitted by law, enter into and to remove Tenant and all of its possessions from the Premises;

(iii) If Tenant is removed from the Premises, re-lease the Premises, or any part thereof, for any period of time;

(iv) If Tenant is removed from the Premises, take possession of all personal property owned by the Tenant in the Premises, sell or otherwise dispose of same and apply the proceeds of sale or disposition to the satisfaction of the Tenant's obligations hereunder; and

(v) Bring suit or other legal proceeding against Tenant for any damages incurred by KTSAA as a result of Tenant's default, including, without limitation, any diminution in rental receipts, any costs of removing Tenant and its possessions from the Leased Premises, any costs in refurbishing the Leased Premises for re-leasing and any similar expenses.

(vi) If Tenant becomes Chronically Delinquent, the Term of this Lease shall at any time thereafter be terminable by KTSAA upon written notice effective thirty (30) days after the date of delivery of that notice and, without any further notice, any Option Term granted to the Tenant in the Special Provisions will be null, void and of no further effect.

KTSAA, in exercising such remedies, may, at its election, declare the Lease terminated or affirm that the Lease is in full force and effect.

C. Reimbursement of Costs. Upon the occurrence of any default by Tenant, Tenant shall reimburse KTSAA for all expenses incurred in responding to that default, including reasonable attorney's fees and expenses.

29. TIME OF THE ESSENCE. Time is deemed to be of the essence of this Lease. All dates and times are to be construed strictly, and failure to comply with any provision of this Lease in a timely manner constitutes default and subjects the defaulting party to all remedies available hereunder.

30. WAIVER. A waiver of the enforcement of any provision by KTSAA is not a waiver of a subsequent breach of the same provision, and the consent by KTSAA to any act by Tenant requiring KTSAA's consent does not render unnecessary KTSAA's consent to any subsequent similar act by Tenant. No breach shall be deemed to have been waived by KTSAA, unless waived in writing.

31. NOTICES. Any notice permitted or required under this Lease shall be in writing and shall be delivered as follows: by first class mail, postage prepaid, or hand delivered to the address of the addressee, effective on the third business day after deposit with the U.S. Postal Service or by hand-delivery to the addressee, effective as of the date of delivery. Unless otherwise directed by a written notice pursuant to this Section, notices shall be addressed to KTSAA at the Kerrytown Management Office, 407 N. Fifth Ave., Ann Arbor, Michigan 48104 and to the Tenant at the Premises or as otherwise provided in the Special Provisions.

32. NO BROKER'S COMMISSIONS. Each party represents and warrants that unless otherwise specifically provided in the Special Provisions there are no claims for brokerage commissions or finder's fees in connection with the execution of this Lease, and each party agrees to indemnify the other against and hold it harmless from all liability arising from any such claim.

33. NONRECORDING. Tenant shall not record this Lease without the written consent of KTSAA. Upon the request of KTSAA, the Tenant shall join in the execution of a memorandum of this Lease for recording which shall describe the parties, the Premises, the term and any special provisions.

34. GOVERNING LAW. This Lease shall be governed by, and construed in accordance with, the laws of the State of Michigan.

35. SEVERABILITY. If any provision of this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease shall not be affected, and each provision shall be valid and enforceable to the fullest extent permitted by law.

36. SUCCESSORS BOUND. All rights and liabilities of the parties shall extend to and bind their respective heirs, executors, administrators and permitted successors and assigns.

37. AMENDMENTS. No amendment to this Lease shall be effective unless in writing and signed by both KTSAA and the Tenant.

38. REGISTRATION. The names "KERRYTOWN", "KERRYTOWN SHOPS", and "KERRYTOWN MARKET & SHOPS"; and the Kerrytown "flower" logo have all been registered with the United States Patent Office. These registered items can only be used in the name of a business, event, organization, or other entity pursuant to the terms of a license granted by Kerrytown Shops of Ann Arbor, Inc. This Lease conveys no such right to Tenant. If Tenant uses the name "KERRYTOWN" in its address or otherwise to indicate the location of its business, Tenant must place the copyright symbol ® to the right of and slightly above the "N" in "KERRYTOWN", and KTSAA shall approve all printed materials in which the 'KERRYTOWN' name appears.

39. GIFT CARDS. The Tenant is required to participate in the Kerrytown Market & Shops gift card program unless this requirement is waived by KTSAA in the Special Provisions or in writing. A gift card terminal and training will be provided by KTSAA.

40. OTHER. Special requirements and/or information, if any, specific to the Tenant and/or Lease.

41. ENTIRE AGREEMENT. These General Provisions and the Special Provisions signed by KTSAA and the tenant constitute the entire agreement between the parties regarding the Tenant's occupancy and use of the Premises. All prior representations and agreements are merged into this Lease and are fully set forth as written herein. No prior agreement of any sort, oral or in writing, unless cross-referenced and incorporated into this Lease by the terms hereof shall be enforceable.

EXHIBIT C
DESCRIPTION OF THE SHOPPING CENTER

Lots No. 9 and 10 and the North 28 95/100 feet of Lot No. 11, in block 3 North of Huron Street, Range 5 East, according to the recorded plot of the Village (now City) of Ann Arbor, Washtenaw County, Michigan, also all interest in and to that part of the East on-half of the alley as originally plotted, lying West of the above described land, being known as Lots 83, 84, and 85, Assessor's Plot No. 29 to City of Ann Arbor, as recorded in Liber 9 of Plots, page 20.

Lot No. 7, block 3 North of Huron Street, Range 5 East, according to the original plot of the Village (now City) of Ann Arbor and one-half of the alley on the East thereof; Also: The East 66 feet of Lot No. 8, block No. 3, North of Huron Street, Range 5 East, according to the recorded plot of the Village (now City) of Ann Arbor and one-half of the alley on the East thereof, being known as Lot 70 and East ½ of Lot 69, Assessors Plot NO. 29, City of Ann Arbor, Washtenaw County, Michigan.

EXHIBIT D

RULES AND REGULATIONS

PROHIBITED ACTIVITIES: In consideration of neighboring merchants and to promote a professional retailing environment, Tenant shall refrain from the following activities:

1. Using the premises as living, sleeping, or lodging quarters.
2. Any activity that unreasonably interferes with the ability of other merchants to conduct their business, such as offensive odors or noise, including vacuuming, during the normal business hours of Kerrytown.
3. Allowing of animals onto the premises, except seeing-eye dogs, without the express written consent of Landlord.
4. Smoking cigarettes, cigars, pipes, or any form of tobacco in or on the Premises of Kerrytown Market & Shops. This includes the outside area deemed as Kerrytown Market & Shops property.

REGULARITY OF BUSINESS HOURS: Tenant shall maintain its advertised hours of business throughout the year, with punctuality, consistency, and appropriate staffing, except on legal holidays and on such days as Kerrytown is closed by action of Landlord. Currently, the advertised hours for Kerrytown are as follows:

(1st Floor Market Building Retailers)

Monday through Friday 8:00AM – 7:00PM

Saturday 7:00AM – 6:00PM

Sunday 10:00AM – 5:00PM

(2nd Floor Market Building, Godfrey Building, Luick Building Retailers)

Monday through Friday 10:00AM – 6:00PM

Market Wednesdays and Saturdays 9:00AM – 6:00PM

Sundays 11:00AM – 5:00PM