

**LEASE AGREEMENT**  
*Northwest Activity Center*

This LEASE AGREEMENT (“**Agreement**”) is entered into by and between the **CITY OF DETROIT**, a Michigan municipal corporation, acting by and through its General Services Department, located at 115 Erskine, Detroit, Michigan 48201 (the “**Lessor**”), and the **DETROIT EMPLOYMENT SOLUTIONS CORPORATION**, a Michigan corporation, located at 115 Erskine Street 2<sup>nd</sup> Floor, Detroit Michigan 48201 (the “**Lessee**”). Lessor and Lessee may each be referred to herein as a “**Party**” or collectively as the “**Parties**” to this Agreement, as applicable.

WITNESSETH:

WHEREAS, Lessor is the owner of a certain public recreation facility, improvements, and structures commonly known as the Northwest Activity Center and located at 18100 Meyer Road, Detroit, Michigan 48235, more specifically described and depicted on EXHIBIT A attached hereto and incorporated herein by reference (the “**Facility**”);

WHEREAS, Lessee desires to lease from Lessor four office spaces located on both the main level and lower level of the Facility, as further described and depicted on EXHIBIT A (the “**Premises**”) for the purpose of providing workforce development and job placement supportive services; and

WHEREAS, the City has agreed to lease the Premises to Lessee, consistent with the terms and conditions herein, and for the welfare and benefit of the general public.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby severally acknowledged, Lessor and Lessee hereby agree as follows:

**ARTICLE I**  
*Definitions*

1.01 Capitalized terms used in this Agreement are defined as follows:

- (a) “**Agreement**” means this Lease Agreement.
- (b) “**Amendment**” shall have the meaning ascribed to it in Article XI, Section 11.01.
- (c) “**Associates**” means the agents, officers, directors, employees, volunteers, and contractors of, as well as other entities or persons associated with, affiliated with, or subsidiary to either Party, whether now existing or hereafter created.
- (d) “**Cause Notice**” shall have the meaning ascribed to it in Article III, Section 3.03.
- (e) “**City**” means the City of Detroit, a Michigan municipal corporation.

- (f) **“City Council”** means the legislative body of the City of Detroit.
- (g) **“Claim”** means any action, liability, obligation, damage, penalty, cost, charge, demand, lawsuit, unfair labor practice charge, complaint, loss, or expense (including but not limited to fees and expenses for attorneys, expert witnesses, and other consultants).
- (h) **“Default”** shall have the meaning ascribed to it in Article III, Section 3.04.
- (i) **“Due Date”** shall the meaning ascribed to it in Article V, Section 5.02.
- (j) **“Effective Date”** means the date that this Agreement has been approved by the City Council, as described in Article III, Section 3.01.
- (k) **“Force Majeure Event”** means any event or circumstance that is beyond the reasonable control of that party, absent such party’s fault or negligence, and which by its nature could not have been foreseen by such party, or, if it could have been foreseen, was unavoidable, including but not necessarily limited to, any Act of God or the public enemy, strikes, lockouts, wars, acts of domestic or international terrorism, riots, epidemics, pandemics, explosions, sabotage, the binding order of any governmental authority, or any other cause, whether the kind herein enumerated or otherwise, which is not within the control of a party. Lessee’s economic hardship and changes in the market conditions are not considered a Force Majeure Event. In the event of a dispute between the parties regarding what constitutes a Force Majeure Event, the City’s reasonable determination shall be controlling.
- (l) **“Hazardous Materials”** means any of the following as defined by the relevant local, state, and federal environmental laws: hazardous wastes; solid wastes; toxic or hazardous substances, wastes, or contaminants (including but not limited to polychlorinated biphenyls, paint containing lead, and urea formaldehyde foam insulation); and discharges of sewerage, or effluent.
- (m) **“Lessee”** shall mean the Detroit Employment Solutions Corporation, a Michigan corporation, located at 115 Erskine Street, 2<sup>nd</sup> FL Detroit, MI 48201.
- (n) **“Major Alterations”** shall mean any improvements or alterations to the Premises by Lessee which actual or projected costs exceed Five Thousand Dollars (\$5,000.00).
- (o) **“Mediation”** means a confidential, non-binding, private process outside of any court setting where a neutral third-party is identified and contracted by the Parties in good faith, and where such mediator adheres to the methods proffered by the American Arbitration Association and facilitates disputes between the Parties that

cannot first be resolved through negotiation, and where the Parties agree to participate in good faith and with best efforts.

- (p) “**Notices**” shall have the meaning ascribed to it in Article XII, Section 12.01.
- (q) “**Notice and Cure Period**” shall have the meaning ascribed to it in Article III, Section 3.04.
- (r) “**Parking Areas**” shall have the meaning ascribed to it in Article VII, Section 7.02.
- (s) “**Premises**” shall have the meaning ascribed to it in the second Recital.
- (t) “**Records**” means the books, files, records, ledgers, journals, accounts, documents, and other collected data (whether on paper, computer, computer disk, tape, USB, or other storage media) presently existing, kept, and/or related to the operations of the Facility to fulfill this Agreement.
- (u) “**Rent**” shall the meaning ascribed to it in Article V, Section 5.01.
- (v) “**Statement of Political Contributions and Expenditures**” shall have the meaning ascribed to it in Article II, Section 2.03(e).
- (w) “**Term**” shall have the meaning ascribed to it in Article III, Section 3.01.
- (x) “**Use**” shall have the meaning ascribed to it in Article IV, Section 4.01.

## **ARTICLE II**

### *Lessee’s Representations and Warranties*

- 2.01 In order to induce Lessor to enter into this Agreement, Lessee hereby makes, and Lessor hereby relies upon, the following representations and warranties described here in this Article.
- 2.02 Lessee represents and warrants the following in relation to its legal status and capacity:
  - (a) Lessee is authorized to do business under the laws of the State of Michigan and is duly qualified to provide the Services and otherwise Use the Premises as outlined in this Agreement.
  - (b) Lessee possesses the legal capacity to enter this Agreement, and the engagement described herein is within Lessee’s corporate purposes.
  - (c) Lessee has the personnel with the skill, experience, and expertise to perform the obligations under this Agreement.

- (d) Lessee is not party to any agreement or understanding which would prevent, limit, or hinder in any material manner its performance of the Services or any other obligations under this Agreement
- (e) Lessee represents and warrants that, as of the date of this Agreement, no litigation or administrative proceeding before any court or administrative body is presently pending, nor, to its knowledge, is any such litigation or proceeding presently threatened, against it or any of its property, that, if adversely determined would or could materially affect its ability to perform its obligations under this Agreement.
- (f) Lessee represents and warrants that neither the execution, delivery, and performance of this Agreement nor the consummation by Lessee of the transactions contemplated herein will:
  - (1) conflict with, violate, or result in a breach of any of the terms, conditions or provisions of any law, regulation, order, writ, injunction, decree, determination or award of any court, governmental department, municipality, board, agency, instrumentality, or arbitrator; or
  - (2) require any consent, authorization or approval of any person or entity not a Party hereto.
- (g) Lessee will provide evidence of all the foregoing, as applicable, prior to the commencement of the Agreement, and from time to time thereafter as reasonably requested by Lessor, including at any extension or amendment of the Term.

2.03 Lessee represents and warrants the following in relation to issues pertaining to conflicts of interest:

- (a) Lessee covenants that it presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the Use of the Premises under this Agreement. Lessee further covenants that in the performance of this Agreement no person having any such interest shall be employed by it.
- (b) Lessee further covenants that no officer, agent, or employee of the City and no other public official who exercises any functions or responsibilities in the review or approval of the undertaking or performance of this Agreement has any personal or financial interest, direct or indirect, in this Agreement or in its proceeds, whether such interest arises by way of a corporate entity, partnership, or otherwise.
- (c) Lessee warrants that it has not employed and will not employ any person to solicit or secure this Agreement upon any agreement or arrangement for payment of a commission, percentage, brokerage fee, or contingent fee, other than bona fide employees working solely for Lessee either directly or indirectly, and that if this warranty is breached, the Lessor may, at its option, terminate this Agreement without penalty, liability or obligation, or may, at its option, deduct from any

amounts owed to Lessee under this Agreement any portion of any such commission, percentage, brokerage, or contingent fee.

- (d) Lessee covenants not to solicit and/or employ an officer, agent, or employee of the Lessor, or any other public official who exercised any function or responsibility in the review or approval of the undertaking or performance of this Agreement for a period of one (1) year after the date of termination of this Agreement without written approval from Lessor.
- (e) Lessee shall provide a statement listing all political contributions and expenditures (“**Statement of Political Contributions and Expenditures**”), as defined by the Michigan Campaign Finance Act, MCL 169.201, et seq., made by Lessee, its affiliates, subsidiaries, principals, officers, owners, directors, agents or assigns, to elective City officials within the previous four (4) years. Individuals affiliated in any way with Lessee shall also list any contributions or expenditures from their spouses. The Statement of Political Contributions and Expenditures, which is attached hereto as EXHIBIT E and incorporated herein by reference and shall be filed by Lessee on an annual basis for the duration of this Agreement, shall be current up to and including the date of its filing, and shall also be filed with all contract renewals and change orders, if any.

2.04 All of the representations and warranties contained in this Article or pursuant hereto shall remain in full force and effect for the duration of the Term and for a period of five (5) years thereafter. Lessor may, in its discretion, at any time prior to the expiration of the Term require Lessee to:

- (a) execute a document reaffirming the continuing validity of any or all of these representations and warranties;
- (b) provide such documentation as is or may be required under this Agreement; and
- (c) provide such other documentation, including but not limited to business and financial records, as Lessor may request.

### **ARTICLE III** *Term and Termination*

3.01 The term of this Agreement shall commence on the date the City Council approves this Agreement (the “**Effective Date**”) and shall expire on June 30, 2034 (the “**Term**”) unless otherwise terminated pursuant to the provisions of this Agreement.

3.02 Either Party shall have the right to terminate this Agreement, for any reason, by providing the other party with sixty (60) days written notice.

3.03 Lessor has the right to revoke this Agreement for cause by providing Lessee with written notice (the “**Cause Notice**”).

3.04 The Lessor's Cause Notice shall identify and set forth Lessor's grounds for terminating the Agreement due to Lessee's noncompliance, failure to perform under the Agreement, and/or any other conduct deemed by the City, in its sole and reasonable discretion, to be detrimental to the City's purposes and reputation (the "**Default**"). Lessee shall have thirty (30) days from its receipt of the cause Notice to cure the Default (the "**Notice and Cure Period**").

- (a) If Lessee cures the Default within Notice and Cure Period, as determined in Lessor's sole and reasonable discretion, Lessor shall withdraw its Cause Notice, and the Agreement shall remain in effect for the Term unless otherwise terminated pursuant to the provisions of this Agreement.
- (b) If Lessee fails to cure the Default within the Notice and Cure Period, as determined in Lessor's sole and reasonable discretion, and Lessor has not provided Lessee with a notice that grants Lessee additional time to cure the Default, then the Agreement shall terminate immediately upon the expiration of the Notice and Cure Period.
- (c) At any time during the Notice and Cure Period, or any extension thereof as outlined in this Agreement, Lessor may withdraw its Cause Notice.

3.05 Upon the expiration or earlier termination of this Agreement:

- (a) Lessee shall deliver to Lessor the possession, custody, and control of the Premises in broom-clean condition and in no worse state than the Premises was at the Effective Date, allowing for normal wear and tear which could not be prevented with the exercise of reasonable care;
- (b) Lessee shall return to Lessor the possession all other assets used by Lessee in the performance of this Agreement remaining at the Premises and that are not otherwise personal property of Lessee or its Associates and/or not previously sold or disposed of in accordance with this Agreement, as presented by Lessee and determined by Lessor in Lessor's sole and reasonable discretion, with the burden of demonstrating ownership resting on Lessee; and
- (c) the Parties shall both resolve in good faith, and make payment for, any obligations outstanding under this Agreement as of the date of expiration or earlier termination of this Agreement.

3.06 If Lessee retains possession of the Premises, or any part of the Facility thereof, after the expiration or termination of this Lease, Lessee shall continue its tenancy from month to month under the same terms and conditions, excepting that the then-current monthly Rent shall increase by one hundred percent (100%) over the prior year until: (i) a new lease agreement or Amendment is executed by the Lessor and Lessee; (ii) until the City serves a Notice to Quit upon the Lessee; or (iii) the Tenant vacates the Premises. Notwithstanding the foregoing, this section shall not be deemed to limit or exclude the City's right to re-

enter the Premises or Facility, nor any other right granted to the City according to this Lease.

- 3.07 Should a dispute arise between or among the Parties that cannot otherwise be resolved through negotiations or other means, the Parties shall use their good faith and best efforts to resolve such disputes through Mediation. Neither Party shall pursue formal litigation unless and until such disputes have first been engaged through Mediation, and that engagement did not result in resolution of the dispute.

#### **ARTICLE IV** *Use of the Premises*

- 4.01 During the Term, Lessee's use of the Premises shall be limited to the purposes of providing for the purpose of providing workforce development and job placement supportive services, as defined more specifically in the EXHIBIT B attached hereto and incorporated herein by reference (the "Use"), and for related purposes which are incidental to and necessary for the use of the Premises for this Use.
- 4.02 Lessor makes no implied or express representations or warranties as to either the Facility's or the Premises' fitness for any purpose whatsoever, including but not limited to the Use set forth herein. By executing this Agreement, Lessee acknowledges that it has received and accepted the Premises "as is" and is satisfied with the Premises' condition.
- 4.03 Lessee's occupation of the Premises for the Use shall be exclusive, subject to the terms and conditions of this Agreement.
- 4.04 Lessee shall have the nonexclusive right to use the entrances, lobby, accessways, hallways, lavatories, stairways, parking areas, and landscaped areas at the Facility that are designated for the nonexclusive common use of all other Lessees and parties authorized by Lessor to access the Facility. Consistent therewith, Lessee shall not interfere with neither Lessor's nor any other authorized party's use and enjoyment of the remainder of the Facility and must obtain Lessor's prior written approval before making use in any way of any area located in/at the Facility.
- 4.05 Except as expressly provided herein, Lessee shall not have the right to use the roof, electrical closes, janitorial closets, mechanical rooms, or any other non-common or nonpublic areas of the Facility.
- 4.06 Lessee shall remain solely responsible for applying for and obtaining all permits, licenses, and other approvals required to perform the Use at the Premises. Lessor may request in writing documentation or proof of these approvals, and Lessee shall deliver such proof to Lessor upon receipt of Lessor's written request.
- 4.07 Lessee shall remain solely responsible for safeguarding the personal property and materials used at the Premises, including Lessee's own properties and materials, while using the Premises pursuant to this Agreement.

- 4.06 Lessee's Uses of the Premises is subject to the City's exercise of its police powers, including but not limited to the right to access, block, restrict, divert, or re-route traffic, or limit access to the Premises as the City deems appropriate, and that the City's exercise of such powers shall not constitute a breach of this Agreement or otherwise give rise to any claim, liability, or cause of action against the City. The City will make reasonable efforts to notify Lessee of any exercise thereby.

**ARTICLE V**  
***Rent, Taxes, and Utilities***

- 5.01 Lessee agrees to pay Lessor monthly payments representing Lessee's proportionate share of the Facility's operating, maintenance and management expenses for the Use of the Premises in accordance with the payment schedule and other instructions set forth on EXHIBIT C attached hereto and incorporated herein by reference (the "**Rent**").
- 5.02 Lessee shall pay all Rent when due on the first of the month, or as determined by Lessor in writing (the "**Due Date**").
- 5.03 If Lessee fails to pay the Rent, or any other amount due hereunder to Lessor within five (5) days of the Due Date, then Lessee shall pay to Lessor a late fee equal to ten (10) percent of the total Rent currently outstanding and still owed to Lessor.
- 5.04 Lessor shall also deliver to Lessee an annual financial statement due June 30 of each calendar year. Each such statement shall consist of (i) a breakdown of the Facility's total expenses and Lessee's allocated share, and (ii) a standard balance sheet. If the Rent paid by Lessee exceeds its allocated share of actual operating expenses, Lessor shall reimburse or credit the overpayment to Lessee within thirty (30) days of issuing the statement.
- 5.05 The Rent includes the cost of regular, non-excessive use of gas, water, electrical, waste, and recycling utility services, and Lessee must pay directly to Lessor any charges resulting from excessive uses of said utility services in connection with the Premises, as determined in Lessor's sole and reasonable discretion.
- 5.06 Lessee shall be responsible for payment of all services and utilities not included in the Rent at the Premises, including, but not limited to, the cost of connection thereof. This includes all utility use charges, as well as any required utility infrastructure improvements or maintenance charges necessitated by the construction, operation, and/or maintenance of the Premises pursuant to this Agreement.
- 5.07 Lessee shall pay all taxes, expenses, and all costs associated with its use of the Premises and its operation of any business or activities conducted on the Premises.
- 5.08 Notwithstanding the foregoing, should Lessee become in arrears to the City for any unpaid Rent—including any excessive utility charges owed hereunder, any unpaid taxes to the



City, or any other applicable financial obligation—Lessor shall have the right to terminate the Agreement.

**ARTICLE VI**  
***Maintenance and Repairs***

- 6.01 Lessor shall at all times and at its own expense keep, secure, and maintain the Premises in a clean, sanitary, and safe condition, subject to customary wear and tear of a similarly situated space, including any basic maintenance and custodial care, as well as any non-structural repairs necessary to fulfill this obligation and comply with all applicable laws, ordinances, regulations and rules as applied against or enforced to Lessor and/or the Premises after the Effective Date.
- 6.02 Lessor shall provide custodial service to all common, public areas of the Facility, including the designated Parking Areas located at the Facility
- 6.03 Lessee shall make neither any structural improvements nor alterations of any kind to the Premises or the Facility, including any Major Alterations, without having first obtained the prior written consent of Lessor.
- .
- 6.04 In occupying and maintaining the Premises, Lessee shall comply with all applicable federal, state, and local laws, rules, and regulations as related to Lessee's Use and its occupancy of the Premises, including all governmental permits, certificates, approvals, and other policies of public liability with respect to the Premises.

**ARTICLE VII**  
***Signage and Parking***

- 7.01 Lessee may maintain two (2) exterior sign, one (1) interior sign, and other limited signage necessary to communicate hours of operation and promotions, and appropriate window decals at the two main entrances of the Facility, but at its sole cost and expense, and subject to the prior review and written approval of Lessor. Upon the expiration or earlier termination of this Agreement, all such signage installed by Lessee must be removed, and any damage resulting from such removal shall be promptly repaired by Lessee at Lessee's sole cost and expense.
- 7.02 Lessor shall grant to Lessee shared access to and use of the Parking Area for full-time employees and customers, as indicated on EXHIBIT D (the "**Parking Area and Signage**"). Lessee may not make any alterations or improvements to the Parking Areas without the prior written consent of Lessor. Lessee may allow volunteers to park vehicles in the Parking Areas, provided that such parking is related to the Use.

**ARTICLE VIII**  
***Insurance***

- 8.01 During the entire Term, Lessee shall procure and maintain at its sole cost and expense, the following insurance coverages:
- (a) Workers Compensation Insurance which meets Michigan statutory requirements and Employers Liability insurance with minimum limits of \$500,000.00 each accident; \$500,000.00 each person; \$500,000.00 each disease. Lessee agrees that it will obtain a similar covenant with respect to Worker's Compensation insurance from any consultant, agent, vendor, or subcontractor of any kind retained by Lessee to support Lessee's Use of the Premises. This insurance will be kept in force and effect during the Term as it may be amended.
  - (b) Comprehensive General Liability Insurance with minimum limits of \$1,000,000 per occurrence; \$2,000,000 aggregate for bodily injury, property damage, products and completed operations and blanket contractual liability for all written contracts. The General Liability policy will name the "City of Detroit" as an additional insured.
  - (c) Automobile Liability Insurance covering all owned, non-owned, and hired automobiles with a minimum combined single limit of \$1,000,000. Such insurance will comply with the provisions of the Michigan No Fault Insurance Law. The Automobile Liability policy will name the "City of Detroit" as an additional insured.
- 8.02 If during the Term, changed conditions or other pertinent factors should, in the reasonable judgment of Lessor, render inadequate the insurance limit, or types of coverages required herein. Lessee will furnish on demand and following reasonable written notice from Lessor, such additional coverage as may reasonably be required under the circumstances, in Lessor's sole discretion.
- 8.03 All insurance required herein will be under valid and enforceable policies, issued by insurers of recognized responsibility, registered, and authorized to do business in the State of Michigan, and which are "A" rated or better by national rating organizations and are otherwise acceptable to Lessor.
- 8.04 All insurance policies required by this Agreement will contain an agreement by the insurer that such policies will not be cancelled or materially changed without at least 30 (thirty) days prior notice to Lessor. Certificates of Insurance evidencing such coverage will be submitted to Lessor at the time it executes this MOU and at least 15 (fifteen) days prior to the expiration dates of expiring policies.
- 8.05 Lessee shall be responsible for payments of all premiums for, and deductibles contained in any insurance required hereunder. The provisions obligating Lessee to carry the insurance required under this Article will not be construed in any manner as waiving or restricting

the obligation of Lessee to indemnify the City or any other liability of Lessee under this Agreement.

## **ARTICLE IX**

### ***Assumption of Risk & Indemnification***

- 9.01 Lessee undertakes and assumes all risk of dangerous conditions, if any, on and about the Premises and/or Facility. Lessee, for itself, waives and releases any Claims against the City for bodily injury, personal injury or property damage sustained by Lessee or its Associates while on or about the Premises and/or Facility.
- 9.02 Lessee agrees at its own expense to defend, indemnify, save, and hold harmless the City, all of its associated, affiliated, or subsidiary entities, departments, boards, and commissions, as well its officers, employees, and agents against and from any and all liabilities, obligations, damages, penalties, claims, costs, charges, and expenses (including without limitation, fees and expenses of attorneys, expert witnesses and other consultants) which may be imposed upon, incurred by or asserted against the City by reason of or directly resulting from Lessee's operation and use of the Premises and/or its performance of this Agreement, including, without limitation, any of the following occurring during the Term:
- (a) any work, act, error, omission, or thing done in or on the Premises, or any part thereof affecting the same, by Lessee or its Associates;
  - (b) any uses, nonuse, possession, occupation, condition, operation, maintenance, or management of the Premises or any part thereof, or of Lessee equipment;
  - (c) any negligent or tortious acts of Lessee or of its Associates;
  - (d) any accident, injury, or damage to any person or property occurring on the Premises;
  - (e) any failure by Lessee or any of its Associates to perform its obligations, either expressed or implied under this Agreement; and/or
  - (f) any act, failure to act or misrepresentation by Lessee or any of its Associates in connection with this Agreement.
- 9.03 The indemnification obligation under this Article shall not be affected by any limitation on the amount or type of damages, compensation, or benefits payable under worker's compensation acts or other employee benefit acts in effect under state, federal, and/or local law.

## ARTICLE X

### *Assignment, Encumbrances, and Third-Party Beneficiaries*

- 10.01 Lessee shall not assign its rights, interests, or obligations under this Agreement to any other party or entity—whether related or subsidiary to Lessee—without the prior written consent of Lessor, as evidenced by a resolution of the City Council approving the assignment.
- 10.02 A name change to Lessee, without other changes to Lessee’s legal or organizational composition, shall not be considered an assignment under this Article, provided that (i) Lessor receives written notice within ninety (90) days prior to such name change and (ii) Lessor provides its written consent thereto (which consent may be withheld for any reason in Lessor’s sole discretion).
- 10.03 Lessee shall not encumber, lease, hypothecate, mortgage, subject to a lien, or otherwise cloud the City’s fee interest in the Premises or Facility, including all additions or improvements thereto. Lessee may—consistent with its obligations under this agreement, including and especially the Use—license or permit the Premises to other Lessees, permittees, vendors, or operators whose use of the Premises is supportive, ancillary, or otherwise consistent with Lessee’s use of the Premises, subject to prior written approval by Lessor.
- 10.04 This Agreement is for the sole benefit of the Parties and their permitted successors and assigns, and no other person shall be deemed to be a third-party beneficiary under or entitled to derive any benefit from this Agreement.

## ARTICLE XI

### *Amendments*

- 11.01 No amendment to this Agreement shall be effective and binding upon the Parties unless and until it expressly references this Agreement, is in writing, has been signed and acknowledged by duly authorized representatives of both Parties, and has obtained all necessary approves required by the City of Detroit Charter (an “**Amendment**”).
- 11.02 Provisions of this Agreement may only be waived by an Amendment, and a waiver by either Party of a breach of any obligation contained in this Agreement shall not constitute a waiver of such obligation respecting any subsequent breach of that obligation.

## ARTICLE XII

### *Notices*

- 12.01 All notices, consents, approvals, requests, and/or other communications (the “**Notices**”) required or permitted under this Agreement shall be given in writing, and addressed or emailed as follows:

If to LESSEE:

Detroit Employment Solutions Corporation  
115 Erskine Street, 2<sup>nd</sup> Fl, Detroit, MI 48201  
Attn: President & CEO

If to LESSOR:

City of Detroit  
General Services Department  
115 Erskine Street  
Detroit, Michigan 48201  
Attn: Director

Finance Director  
City of Detroit Finance Department  
Woodward Avenue, Suite 1100  
Detroit, Michigan 48226  
Attn: General Services Department Agency Chief Financial Officer

City of Detroit  
Office of Contracting and Procurement  
Woodward Avenue, Suite 1008  
Detroit, Michigan  
Attn: Chief Procurement Officer

*With a copy to:*

Corporation Counsel  
City of Detroit Law Department  
Woodward Avenue, Suite #500  
Detroit, Michigan 48226  
Attn: Chief Assistant Corporation Counsel/TED

- 12.02 The following methods of delivery are acceptable: hand-delivery; overnight commercial air courier (such as FedEx or Airborne Express); email; delivered or acknowledged with a means to confirm such delivery or otherwise as provided by applicable law; or first-class mail. All Notices shall be deemed given upon proof of delivery or mailing if sent by courier or mail, or upon reception if sent by email on the day of emailed.

**ARTICLE XIII**  
***Office of Inspector General***

- 13.01 In accordance with Section 2-106.6 of the City Charter, this Agreement may be voided or rescinded at the discretion of the Mayor or Inspector General if, at any time during the Term, an Associate who is a party to the Agreement has an interest in the Agreement and fails to

disclose such interest.

- 13.02 This Agreement shall also be voidable or rescindable if a lobbyist or employee of the contracting party offers a prohibited gift, gratuity, honoraria, or payment to an Associate in relation to the Agreement in the performance hereof.
- 13.03 A fine shall be assessed to Lessee in the event of a violation of Section 2-106.6 of the 2012 City Charter. If applicable, the actions of Lessee, and its representative lobbyist or employee, shall be referred to the appropriate prosecuting authorities.
- 13.04 Pursuant to Section 7.5-306 of the 2012 City Charter, the Inspector General shall investigate any Associate, City agency, program or official act, contractor and subcontractor providing goods and services to the City, business entity seeking contracts or certification of eligibility for City contracts and person seeking certification of eligibility for participation in any City program, either in response to a complaint or on the Inspector General's own initiative in order to detect and prevent waste, abuse, fraud and corruption.
- 13.05 In accordance with Section 7.5-310 of the 2012 City Charter, it shall be the duty of every Public Servant, contractor, subcontractor, and Lessee of the City, and every applicant for certification of eligibility for a City contract or program, to cooperate with the Inspector General in any investigation pursuant to Article 7.5, Chapter 3 of the 2012 City Charter.
- 13.06 Any Public Servant who willfully and without justification or excuse obstructs an investigation of the Inspector General by withholding documents or testimony, is subject to forfeiture of office, discipline, debarment or any other applicable penalty.
- 13.07 As set forth in Section 7.5-308 of the 2012 City Charter, the Inspector General has a duty to report illegal acts. If the Inspector General has probable cause to believe that any Public Servant or any person doing or seeking to do business with the City has committed or is committing an illegal act, then the Inspector General shall promptly refer the matter to the appropriate prosecuting authorities.
- 13.08 In accordance with Section 17-5-351 of the 2019 Detroit City Code, the City shall solicit offers from, award contracts to, consent to subcontracts with, or otherwise to conduct business with, responsible contractors only. To effectuate this policy, the debarment of contractors and subcontractors from current and/or future City work may be undertaken.
- 13.09 It is the responsibility of Lessee to check the list of debarred contractors in the City's website and confirm that any subcontracting company is not listed on the City's debarment list and they will not be using the debarred (sub) contractor(s) to conduct any City business.
- 13.10 Lessee shall report to the Office of Inspector General any improper, unethical or illegal activity or requests made by elected officers of the City, including any Associates in connection with this Agreement.

**ARTICLE XIV**  
***Fair Employment***

- 14.01 Lessee shall hire and employ and supervise such personnel as shall, in its judgment, be required to operate, manage, and maintain Lessee in accordance with the provisions of this Agreement. In connection therewith, Lessee shall have the authority and responsibility to determine the personnel policies and practices of the Facility, consistent with Lessee's obligations in this Agreement.
- 14.02 Lessee shall comply with, and shall require any subcontractors to comply with, all federal, state, and local laws governing fair employment practices and equal employment opportunities.
- 14.03 Lessee agrees that it shall, at the point in time it solicits any subcontract, that it shall notify the potential subcontractor of their joint obligations relative to non-discrimination under this Agreement and shall include the provisions of this Article in any subcontract, as well as provide Lessor a copy of any subcontract upon request.
- 14.04 To the extent Lessee uses any tests or other selection procedures as a basis for any employment decisions, those tests or selection procedures shall satisfy the requirements of the federal, state, and local laws.

**ARTICLE XV**  
***Compliance with Laws***

- 15.01 Lessee shall comply with all federal, state, and local laws, ordinances, regulations or rules applicable to the Premises, Lessee, and/or Lessee's Use of the Premises, including without limitation: building, zoning, environmental and fire laws, ordinances, regulations and rules, licensing requirements, and the ADA.
- 15.02 Lessee has obtained and shall retain throughout the Term all necessary permits and licenses required for its business operations to be conducted at the Premises. Any and all obligations, liabilities, claims, costs, fines, losses, and expenses of any kind (including, but not limited to, those arising from injury to or the death of any person, damage to or loss of use or value of real or personal property, and costs of investigation, compliance, and attorneys' and consultants' fees) incurred by Lessor which arise out of or are related to Lessee's failure at any time or from time to time to comply with such laws, ordinances, regulations or rules, including, without limitation, the ADA, shall constitute additional fees and due and immediately payable to Lessor.
- 15.03 Lessee shall not use, handle, generate, treat, store, dispose of, or permit the handling, generation, treatment, storage, or disposal of any Hazardous Materials in, on, under, around, or above the Premises or Facility. In the event that Lessee discovers any Hazardous Materials in, on, under, around, or above the Premises or the Facility, Lessee shall notify the City's Buildings Safety Engineering and Environmental Department immediately.

**Article XVI**  
***Miscellaneous***

- 16.01 Records. Lessee shall prepare and shall maintain full and complete Records reflecting all operations related to this Agreement and shall maintain such Records at the Premises. Where applicable, the Records shall be kept in accordance with generally accepted accounting principles and maintained for a minimum of ten (10) years, or such other period as required by the City's document retention policies as they may be updated from time to time, after the termination of this Agreement. The Lessor shall have the right to inspect the Records at any time upon reasonable notice provided to Lessee, including an annual audit performed by the City's Auditor General and or his/her designee. From time to time, Lessee shall provide the Lessor with such other information as Lessor may reasonably request to carry out the intent and purpose of this Agreement.
- 16.02 Casualty. Lessee shall promptly notify Lessor if, during the Term, the Premises or Facility is damaged or destroyed by fire or other casualty, in whole or in part, by specifying the date, nature, and extent of such damage or destruction. Lessee shall take whatever steps which may be reasonably necessary to prevent further damage or destruction to the Premises and/or Facility which could result from such fire or other casualty. If the Premises and/or Facility become so damaged by fire or other casualty that they become unusable, and the damage cannot be adequately remediated within one hundred twenty (120) days, as determined in Lessor's sole and reasonable discretion, Lessor shall give Lessee immediate written notice of the Agreement's termination.
- 16.03 Relationship of the Parties. The relationship between the Parties hereto is solely that of Lessor and Lessee, and nothing herein contained shall constitute or be construed as establishing any other relationship between them, including, without limitation, the relationship of principal and agent, employer and employee, or parties engaged in a partnership or joint venture. Without limiting the foregoing, it is specifically understood that neither Party is the agent of the other, and neither is in any way empowered to bind the other or to use the name of the other in connection with the construction, maintenance, or operation of the Premises.
- 16.04 Force Majeure. Neither Party shall be liable for any delay in performance of any obligation under this Agreement (other than the payment of money) or any inability to perform an obligation under this Agreement (other than the payment of money) if and to the extent that such delay in the performance or inability to perform is caused by a Force Majeure Event, so long as the Party claiming the Force Majeure Event is working diligently to terminate the Force Majeure Event. Upon the occurrence of a Force Majeure Event, the Party claiming the Force Majeure Event shall (i) give prompt written notice to the other Party that the Force Majeure Event has occurred, the anticipated effect on the Party claiming the Force Majeure Event's performance, and its expected duration; (ii) use all diligent efforts to end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimized; (iii) keep the other Party apprised of progress in remediating the effects of the Force Majeure Event by the Party claiming the Force Majeure Event; and (iv) promptly resume performance under this Agreement. If a Force Majeure Event prevents



Lessee for a continuous period of at least ten (10) business days, a Party may terminate this Agreement immediately by giving written notice to the other Party as otherwise required under this Agreement.

- 16.05 Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, excluding its choice of law rule, and each Party irrevocably submits to the exclusive jurisdiction of the federal courts of the United States of America or the courts of the State of Michigan, with each such case located in the City of Detroit and the County of Wayne.
- 16.06 Construction of the Agreement. As used in this Agreement, the singular shall include the plural, the plural shall include the singular, and a reference to either gender shall be applicable to each or both. The headings in this Agreement are for convenience only and shall not affect the Agreement's construction. If any court, agency, commission, legislative body, or other authority of competent jurisdiction declares invalid, illegal, or unenforceable any portion of this Agreement, or its application to any person, that decision shall not affect the validity of the remaining portions of this Agreement. This Agreement supersedes all previous agreements, communications, negotiations and representations, whether oral or written between Lessor and Lessee.
- 16.07 Entire Agreement. This Agreement, including the exhibits attached hereto, is the entire agreement between the Parties and supersedes all previous agreements, communications, negotiations, and representations between the Parties, whether oral or written.
- 16.08 Execution of the Agreement. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, all of which together shall constitute but one document. Each counterpart may be executed by facsimile or electronic signature, which will be deemed to be an original signature, to the extent permitted by applicable laws.
- 16.09 Authority of the City. Notwithstanding anything in this Agreement, in law, in equity, or otherwise to the contrary, this Agreement shall be of no force or effect and may not in any way be enforced against Lessee or Lessor unless and until it has been fully executed by a duly authorized agent of Lessee, a duly authorized agent of Lessor, has been approved by the City of Detroit Law Department, the City's Chief Procurement Officer, and the City Council. Any amendments or modifications of this Agreement shall likewise be fully executed by a duly authorized agent of each Party and obtain all necessary City approvals.

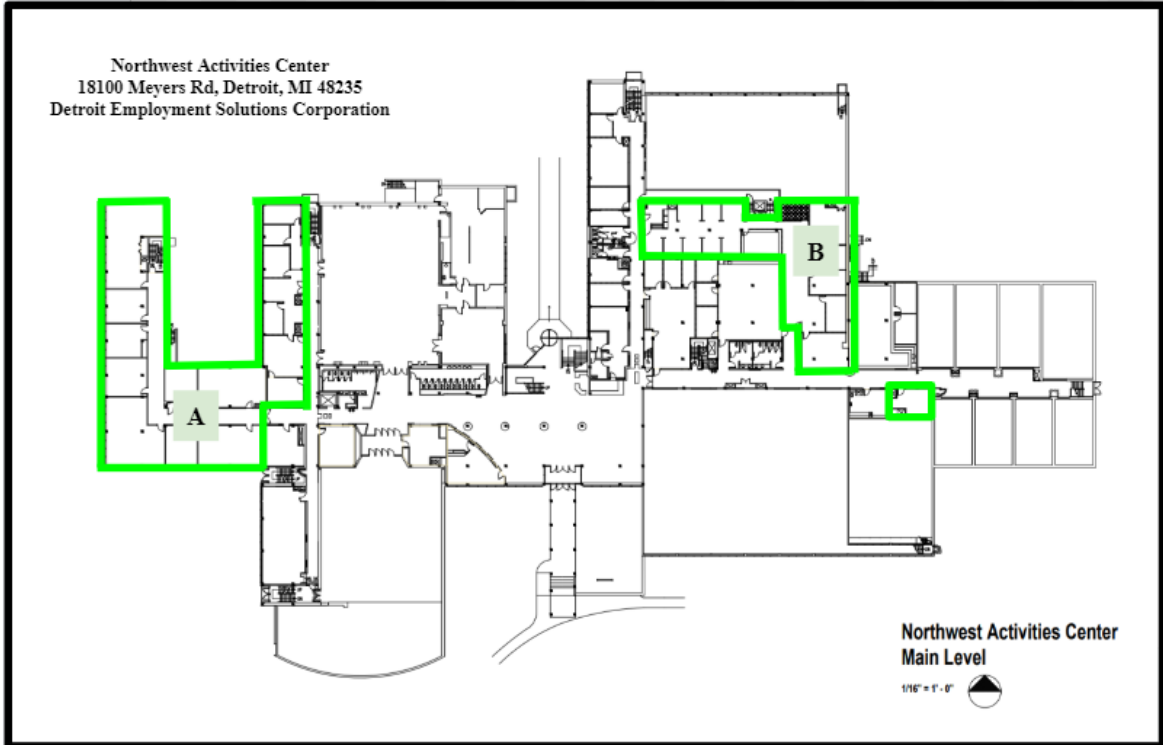
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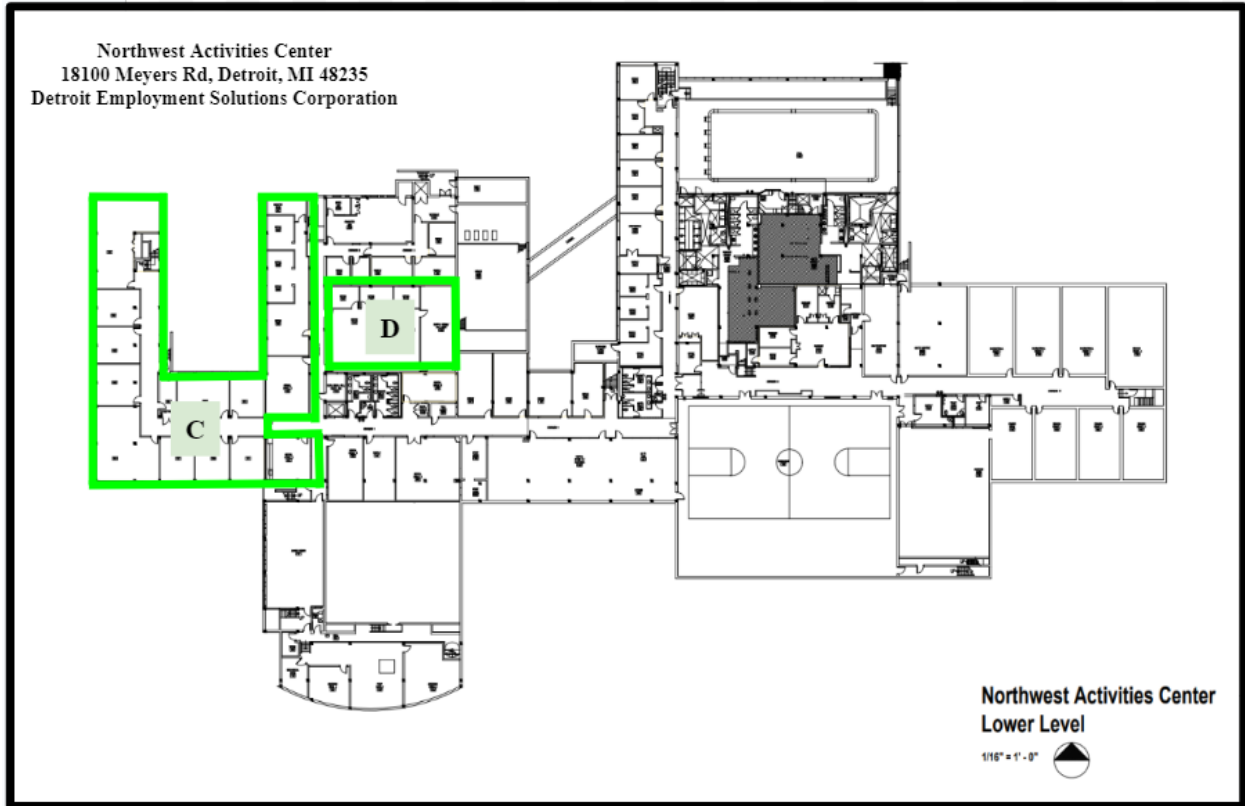
**EXHIBIT A**  
*The Premises (Main Level)*

Room	Total Area (Square Feet)
Office Space A, Main Level	8,129
Office Space B, Main Level	4,146
Storage Room	235



*The Premises (Lower Level)*

Room	Total Area (Square Feet)
Office Space C, Lower Level	8,180
Office Space D, Lower Level	2,298



## **EXHIBIT B**

### *The Use*

#### **Description of the Facility and Premises**

Address: 18100 Meyer Road, Detroit, Michigan 48235

The “Facility” and the “Premises” described herein consists of the areas designated on EXHIBIT A, including exclusive use of approximately 22,752 SF area of office space. The Lessee will have unrestricted access to the common space bathrooms and lobby area.

#### **Description of Use Category:**

*Considerable Individual Benefit – Tier 4*

Programs and services are specialized and generally serve specific groups. Programs and services may have a specific focus and may require a fee to participate.

#### **Use of the Premises**

The Lessee is authorized to use the Premises only for the following and agrees to:

1. Provide workforce development and job placement supportive services for community members and the general membership population and to use as office space for the DESC Career Center.
2. Ensure assigned areas are maintained in clean and orderly condition.
3. Maintain consistent hours of operations which are published and considerate of public use.
4. Recruit and maintain qualified personnel/volunteers to assist in the stewardship of supportive services and programming. Create an organizational chart for transparency of operations and staffing which is shared with both the City of Detroit Legal Department and General Services Department. Work with vendors and operators consistent with the terms and obligations outlined in this Lease Agreement.
5. Coordinate use of the Premises and parking lot with the Lessor.
6. Document and report any incidents or property damage caused by others immediately to the Lessor.
7. Maintain two (2) exterior signs and one (1) interior sign clearly identifying the Career Center assigned area only with prior approval from Lessor.
8. Work collaboratively with Lessor on any temporary signage related to projects and programs.
9. Share schedule of events and programs at the Premises with the Lessor and submit season schedule to the Parks and Recreation Special Events Management Team and the City of Detroit Special Events Management Team, as needed, for approval and coordination.
10. Monitor and ensure parking is limited to appropriate areas during programming and events.
11. Submit Donation Authorization Form (“DAF”) to coordinate and receive approval for any improvements or repairs to the Facility.
12. The Lessee will notify Lessor of all completed improvements or repairs and share copies of all permits, inspections, site plans, surveys, manuals that are a byproduct of any repairs, revisions, additions to the Premises quarterly.

13. All keys will be shared with Lessor to maintain shared key access to all areas of the Premises.

**Additional Requirements**

The City and its General Services Department may find it necessary from time to time to develop and enforce additional rules, regulations, and procedures upon the Lessee with respect to the Lessee's conduct of the operation, programming, improvement, and maintenance Services outlined herein. The Lessee shall adhere to these rules, regulations, and procedures as if expressly stated herein. This includes but not is limited to (i) hours of operation, and (ii) emergency procedures for temporary closure of the facility.

**EXHIBIT C**  
***Rent Schedule***

For the Use of the Premises, as defined in the Agreement, Lessee agrees to pay the City the following Rent payments:

<b>Term Year</b>	<b>Contract Year</b>	<b>Monthly Fee</b>	<b>Annual Fee<sup>1</sup></b>
1	Effective Date to June 30, 2025	\$20,587.50	\$144,112.50 <sup>2</sup>
2	July 1, 2024 – June 30, 2026	\$20,587.50	\$247,050.00
3	July 1, 2025 – June 30, 2027	\$20,587.50	\$247,050.00
4	July 1, 2026 – June 30, 2028	\$20,587.50	\$247,050.00
5	July 1, 2027 – June 30, 2029	\$20,587.50	\$247,050.00
6	July 1, 2028 – June 30, 2030	\$20,587.50	\$247,050.00
7	July 1, 2029 – June 30, 2031	\$20,587.50	\$247,050.00
8	July 1, 2030 – June 30, 2032	\$20,587.50	\$247,050.00
9	July 1, 2031 – June 30, 2033	\$20,587.50	\$247,050.00
10	July 1, 2032 – June 30, 2034	\$20,587.50	\$247,050.00

**TOTAL:           \$2,367,562.50**

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<sup>1</sup> The stated “annual fee” of \$247,050.00 is based on the FY 2023-24 actual, apportioned costs incurred by the City due to the Lessee’s use of the Facility. The City reserves the right to increase the Lessee’s rent by a maximum of 5% each year, year over year, subject to the City’s ability to provide Lessee with documentation of annual, actual, apportioned costs incurred by the City due to the Lessee’s use of the Facility. No increase to the Rent shall be effective until the City has provided advanced written notice of the increase to the Lessee.

<sup>2</sup> The “Term Year 1” annual fee is based on an estimated effective date in late early November, with rent beginning December 2024.

## EXHIBIT D

### *Parking Area and Signage*





**EXHIBIT E**  
*Statement of Political Contributions*

[attached hereto]

**STATEMENT OF POLITICAL CONTRIBUTIONS AND EXPENDITURES**

City Charter Sec. 4-122: For purposes of conflicts of interest, the City shall require in all of its contractual agreements, including, but not limited to, leases, service and equipment agreements and including contract renewals, that the contractor provide a statement listing all political contributions and expenditures (“Statement of Political Contributions and Expenditures”), as defined by the Michigan Campaign Finance Act, MCL 169.201, et seq., made by the contractor, its affiliates, subsidiaries, principals, officers, owners, directors, agents or assigns to elective city officials within the previous four (4) years. Individuals shall also list any contributions or expenditures from their spouses.”

Instructions: In accordance with Sec. 4-122 of the 2012 Detroit City Charter, please provide the following information. If additional space is needed, please enter “see additional sheet(s)” on the last row and attach additional sheets.

In Column A, enter the name of the person or company that made the contribution or expenditure. If there were no political contributions or expenditures made, enter NONE.

In Column B, enter the relationship of the donor to the contractor or vendor, that is, contractor, affiliate, subsidiary, principal, officer, owner, director, agent, assignee, or spouse of any of the foregoing who are individuals.

In Column C, enter the name of the recipient, an elective city official which under Charter § 3-107, includes only the Mayor, the City Clerk, and members of the City Council and the Board of Police Commissioners.

In Column D, enter the amount of the contribution or expenditure, as defined in the Michigan Campaign Finance Act, 1976 PA 388, MCL 169.204 and MCL 169.206.

In Column E, enter the date of the contribution or expenditure. This statement must include all contributions and expenditures within the previous four years.

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>Donor</b>	<b>Relationship to Contractor/Vendor</b>	<b>Recipient</b>	<b>Amount of Contribution or Expenditure</b>	<b>Date</b>


Except as set forth above, I certify that no contributions or expenditures were made to elective city officials within the previous four (4) years by the contractor, its affiliates, subsidiaries, principals, officers, owners, directors, agents, assigns, and, if any of the foregoing are individuals, their spouses.