

KTO GARAGE RENTAL AGREEMENT



This KTO Garage Rental Agreement (this "Agreement") is made and entered into on _____ ("Effective Date"), by and between:

Facility/Owner: M1 Concourse, LLC, a Michigan limited liability company ("Facility")

Renter: _____

1. Garage Space

The Facility hereby rents to the Renter a designated KTO garage space located at:

Facility Name: X Center at 1 Motorsports Drive, Pontiac, Michigan 48341

Garage/Unit #: _____ (the "Garage")

The Garage is a finished, comfortable space to socialize with friends and family. It includes an upstairs private galley kitchen, a bathroom, and a private Romeo and Juliet balcony overlooking the KTO Circuit.

2. Term of Agreement

The rental term shall begin on the Effective Date and continue for a period of one (1) year (the "Term").

3. Rental Fee

The Renter agrees to pay a monthly rental fee of **\$2,750.00** ("Rent"), due on the 1st day of each month. Payments shall be made via: _____

Late payments may incur a fee of 10% of the monthly rental fee if not received within ten (10) days of the due date. Renter shall deposit with the Facility a security deposit upon the execution of this Agreement in the amount equal to one (1) month's rental (the "Security Deposit"). Said Security Deposit shall be held by the Facility for the faithful performance by Renter of all the terms, covenants, and conditions of this Agreement to be kept and performed by Renter. If Renter defaults with respect to any provision of this Agreement, the Facility may use any part of the Security Deposit for



the payment of any rent or any other sum in default, or for the payment of any amount which the Facility may spend or become obligated to spend by reason of Renter's default, or to compensate the Facility for any other loss or damage which the Facility may suffer by reason of Renter's default. If any portion is so used, Renter shall within five (5) days after written demand therefor, deposit with the Facility an amount sufficient to restore the Security Deposit to its original amount and Renter's failure to do so shall be a material breach of this Agreement. If Renter shall fully and faithfully perform every provision of this Agreement to be performed by it, the Security Deposit or any balance thereof shall be returned to Renter at such time after termination of this Agreement when the Facility shall have determined that all of Renter's obligations under this Agreement have been fulfilled.

4. Permitted Use

The Garage space may be used for storage, maintenance, and preparation of karts and related equipment.

The following are **not permitted**:

- Residential use or overnight stays
- Storage of hazardous or illegal materials
- Use of the space for non-approved commercial activity
- Charging batteries for electric karts in the Garage

5. Access and Hours

The Renter may access the Garage any day during the hours of 6AM-11PM, but at no other times of the day. No more than 12 people may be in the Garage at any time.

All Renters will have their own private parking space just outside the entry to their assigned KTO garage; notwithstanding the foregoing, all Renters' vehicular access to their designated KTO garage spaces may be limited during certain dates and times throughout the year during designated Facility events.

The Facility reserves the right to inspect the Garage with a 24 hour notice to the Renter.

6. Storage and Other Responsibilities

The Renter is responsible for all items stored within the Garage, including any karts. Under no circumstances will the Facility be liable for any loss, theft, or damage to personal property, including any karts located in the garage. All equipment must be stored in an organized and safe manner and may not extend beyond the assigned space.

Renter shall pay for electricity supplied to the Garage. Renter shall obtain electricity services in its own name and timely pay all charges directly to the provider. The Facility shall not be responsible or liable for any interruption in such services, nor shall such interruption affect the continuation or validity of this Agreement.

7. Maintenance and Cleanliness

The Renter agrees to maintain the Garage in a clean and orderly condition at all times. Any fluids, debris, or hazardous materials must be cleaned immediately. Failure to maintain cleanliness may result in penalties or termination of this Agreement.

8. Repairs and Modifications

The Renter may perform basic maintenance on their kart within the Garage. Major repairs, modifications, or use of specialized equipment may be restricted and must comply with Facility rules. Any structural modifications to the garage space are strictly prohibited.

9. Safety and Compliance

The Renter agrees to comply with all facility rules and procedures. All fuel, tools, and equipment must be stored safely and in accordance with applicable regulations. Any lithium-type batteries that remain in the Garage must be stored in a fireproof container overnight. Under no circumstances may batteries be charged in the Garage. Fire hazards, unsafe practices, or violations of safety rules may result in immediate termination.

10. As-Is

Renter acknowledges that Renter is leasing the Garage “as is” without any warranty or representation and that the Facility has not made, and is not hereby making, any warranties or representations pertaining to the physical condition, suitability, or any other matters relating to the Garage, any part thereof or any improvements thereon.

11. Insurance and Liability

The Renter is solely responsible for insuring their equipment and property. The Facility shall not be held liable for any injury, loss, or damage occurring within the Garage space, except where required by law. Renter is urged to obtain insurance for any personal property located within the garage.

12. Indemnification

Renter shall indemnify, defend, and hold the Facility and the Facility’s officers, members, managers, employees, and agents (collectively, “Facility Parties”), harmless from and

against any and all claims and costs (including actual attorneys' fees), expenses and liabilities arising from or as a result of: (a) any accident, injury, or death of any person occurring in or about the Garage; (b) any property damage occurring in or about the Garage; (c) the occupancy or use by Renter of the Garage; (d) any act or omission whatsoever of Renter or its agents, contractors, or invitees; and (e) Renter's violation of any provision of this Agreement. Renter's obligations under this Section shall survive the expiration or termination of this Agreement.

13. Damage by Fire or Other Casualty

If the Garage shall be damaged or destroyed by fire or other casualty, Renter shall promptly notify the Facility. If the Facility anticipates that the restoration will take more than sixty (60) days from the date of the casualty to complete, either the Facility or Renter may terminate this Agreement (unless the damage was caused by Renter's negligence or willful misconduct, which case, Renter shall have no right to terminate) by providing written notice to the other party within fifteen (15) days of becoming aware of the estimated time to restore the Garage. If neither party elects to terminate this Agreement in accordance with the foregoing sentence, the Facility, subject to the conditions set forth in this Section, shall repair such damage and restore the Garage, to substantially the same condition it was in immediately prior to such damage or destruction, but not including the repair, restoration or replacement of the fixtures, equipment, personal property (including any kart), or alterations installed by or on behalf of Renter; provided, however, that the Facility shall not be obligated to expend for repairing or restoring the Garage an amount in excess of the proceeds of insurance recovered with respect to the damage.

14. Condemnation

If (a) all of the Garage is taken or (b) any part of the Garage is taken and the remainder is insufficient in Renter's opinion for the reasonable use of Renter, or (c) any part of the Garage is taken and, in the Facility's opinion, it would be impractical or the condemnation proceeds are insufficient to restore the remainder, then this Agreement shall terminate as of the date the condemning authority takes possession. If this Agreement is not terminated, the Facility shall restore the QTG Garage to a condition as near as reasonably possible to the condition prior to the taking, the rental fee shall be abated for the period of time all or a part of the QTG Garage is untenable in proportion to the square foot area untenable, and this Agreement shall be amended appropriately. Renter shall have the right to make a separate claim with the condemning authority for, and to receive therefore (provided there shall be no reduction in the Facility's award), (a) any moving, expenses incurred by Renter as a result of such condemnation; (b) the value of any of Renter's personal property taken; and (c) any other separate claim which Renter may hereafter be permitted to make under applicable law.

15. Default and Termination

Failure to pay any amounts owing hereunder when due, breach of this Agreement, violation of facility rules, or unsafe conduct shall be each considered an “Event of Default” hereunder. Upon an Event of Default which remains uncured for a period of five (5) days following written notice from Facility, Facility shall have all rights and remedies available at law or in equity, including the right to terminate this Agreement and/or to accelerate the Rent due for the remainder of the Term. All remedies available to Facility shall be cumulative.

16. Surrender; Removal of Property

On the date on which this Agreement expires or terminates, Renter shall return possession of the Garage to the Facility broom-clean and in substantially the same condition as of the Effective Date, reasonable wear and tear excepted. Upon termination of this Agreement, the Renter must remove all personal property. Any items left beyond this period may be removed or disposed of at the Renter’s expense.

17. Limitation of Liability

To the fullest extent permitted by law, the Facility will not be liable for any indirect, incidental, consequential, special, or punitive damages, including but not limited to lost profits, loss of business opportunities, or loss of use of the Garage, regardless of whether such damages were foreseeable. The Facility’s liability, if any, shall be limited to direct damages only.

18. Governing Rules

This Agreement is subject to all facility policies, rules, and updates issued by management from time to time.

19. Miscellaneous

- a. The captions in this Agreement are for convenience only, are not a part of this Agreement and do not in any way define, limit, describe or amplify the terms of this Agreement.
- b. This Agreement represents the entire agreement between the parties hereto and there are no collateral or oral agreements or understandings between the Facility and Renter with respect to the Garage.
- c. Each covenant, agreement, obligation, term, condition or other provision contained in this Agreement shall be deemed and construed as a separate and independent covenant of the party bound by, undertaking or making the same, not dependent on any other provision of this Agreement unless otherwise expressly provided. All of the terms and conditions set forth in this Agreement shall apply throughout the term of this Agreement unless

otherwise expressly set forth herein.

- d. If any provisions of this Agreement shall be declared unenforceable in any respect, such unenforceability shall not affect any other provision of this Agreement, and each such provision shall be deemed to be modified, if possible, in such a manner as to render it enforceable and to preserve to the extent possible the intent of the parties as set forth herein. This Agreement shall be construed and enforced in accordance with the laws of the State of Michigan.
- e. This Agreement shall be binding upon and inure to the benefit of the Facility and Renter and their respective heirs, personal representatives and permitted successors and assigns. All persons liable for the obligations of Renter under this Agreement shall be jointly and severally liable for such obligations.
- f. No amendments, modifications or supplements of this Agreement shall be effective unless in writing and executed by the Facility and Renter.
- g. This Agreement may be executed by facsimile/email and in counterparts, each of which may be deemed an original, and all of such counterparts together shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first set forth above.

Facility/Owner:

M1 Concourse, LLC

Signature: _____

Printed Name : _____

Title : _____

Renter:

Signature: _____

Printed Name : _____

Title : _____

[Signature Page to KTO Garage Rental Agreement]