## UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF GEORGIA NEWNAN DIVISION

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IN RE: AFH AIR PROS, LLC, et al.,

CHAPTER 11 CASE NO. 25-10356-PMB

Debtor(s).

(Jointly Administered)

# OBJECTION TO MOTION FOR SALE OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS AND AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES (DOC 34) AND NOTICE OF PROPOSED ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS (DOC 220) BY ZERIMAR 1500, LLC

COMES NOW, ZERIMAR 1500, LLC, by and through its legal counsel and objects to Debtors' Motion for Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests and Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases (Doc 34) and Notice of Proposed Assumption and Assignment of Certain Executory Contracts (Doc 220) as follows:

# BACKGROUND

On March 18, 2025, Debtors filed their Motion of the Debtors for Entry of Orders
(I)(A) Establishing Bidding Procedures Relating to the Sale of the Debtors' Assets, (B)
Approving the Debtors' Entry into the Stalking Horse Purchase Agreements and
Related Bid Protections, (C) Establishing Procedures Relating to the Assumption and
Assignment of Certain Executory Contracts and Unexpired Leases, (D) Approving
Form and Manner of Notices Relating Thereto, (E) Scheduling a Hearing to Consider
the Proposed Sale, and (F) Granting Related Relief (the "Bid Procedures Motion");
and (II)(A) Approving the Sale of the Debtors' Assets Free and Clear of All Liens,
Claims, Encumbrances, and Interests, (B) Authorizing the Assumption and



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Assignment of Certain Executory Contracts and Unexpired Leases, and (C) Granting Related Relief (Doc 34) (the "Sale Motion").

- On April 17, 2025, Debtors filed a Notice of Proposed Assumption and Assignment of Certain Executory Contracts (Doc 220) listing the specific executory contracts and unexpired leases that were to be assumed and assigned ("Notice").
- 3. The Sale Motion seeks authority to assume and assign certain executory contracts and unexpired leases.
- 4. The Notice identifies Zerimar 1500, LLC (Zerimar") as a party to a potential assumed contract with East Coast Mechanical, LLC ("ECM") (see line item 128 of Schedule A to the Notice).
- On or about December 1, 2022, Zerimar, as landlord, and ECM, as tenant, entered into a Business Lease Agreement for property located at 1500 and 1575 North High Ridge Road, Boynton Beach, Florida (the "Lease") (See Exhibit A).
- 6. The Lease was for one (1) year and expired by its terms on November 30, 2023.
- 7. ECM is currently in possession of the premises on a month-to-month basis only.

#### LEGAL ARGUMENT

- Section 365(a) of the Bankruptcy Code provides that a "[Debtor in Possession], subject to the court's approval, may assume or reject any executory contract of unexpired lease if the debtor."
- 9. Section 365(c) of the Bankruptcy Code further provides that the "[Debtor in Possession] may not assume or assign any executory contract or unexpired lease of the debtor, . . . if . . . (3) such lease is of nonresidential real property and has been terminated under applicable nonbankruptcy law prior to the order for relief."

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- 10. In the present case, the Lease expired by its terms on November 30, 2023. This bankruptcy case was not filed until March 16, 2025, more than fifteen (15) months after the Lease terminated.
- 11. Accordingly, the "debtor's leasehold rights do not become 'property of the estate' within the meaning of section 541." (*See Collier Real Estate Trans & Bankruptcy Code* P3.01(a) Prepetition Termination of Leases citing 11 USC §541, 11 USC §365(c)(3) and 11 USC §541(b)(2)) and there is nothing to assume and assign (*See In re Mimi's of* Atlanta, Inc., 5 B.R. 623 (NDGA 1980) stating "When lease agreements have been terminated, they cease to be assumable under §365 of the Code.").

#### **RELIEF REQUESTED**

WHEREFORE, Zerimar 1500, LLC objects to the Sale Motion and Notice to the extent it includes the assignment and assumption of the Lease and prays that:

- 1. The Lease be excluded from the Sale Motion.
- 2. It be removed from the exhibit to the Notice.
- 3. For such other and further relief as this Court deems necessary, just and proper.

This 5<sup>th</sup> day of May 2025.

<u>/s/ Ian M. Falcone</u> Ian M. Falcone Georgia Bar No. 254470 Attorney for Zerimar 1500, LLC

THE FALCONE LAW FIRM, P.C. 363 Lawrence Street Marietta, GA 30060 (770) 426-9359 imf@falconefirm.com

## UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF GEORGIA NEWNAN DIVISION

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IN RE: AFH AIR PROS, LLC, *et al*.,

Debtor(s).

CHAPTER 11 CASE NO. 25-10356-PMB (Jointly Administered)

## **CERTIFICATE OF SERVICE**

This to certify that I have on this day served all parties in this matter with a copy of the foregoing "OBJECTION TO MOTION FOR SALE OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS AND AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES (DOC 34) AND NOTICE OF PROPOSED ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS (DOC 220) BY ZERIMAR 1500, LLC" using the Bankruptcy Court's Electronic Case Filing program, which sends a notice and an accompanying link to this document to the parties who are registered to receive service via the CM/ECF system and to the following creditors via US Mail pre-paid postage at the addresses below as follows:

Zerimar 1500, LLC	William E. Pruitt
c/o Jose Ramirez	Pruitt & Pruitt, P.A.
19033 Jupiter River Road	2475 Mercer Ave., Suite 101
Jupiter, FL 33458	West Palm Beach, FL 33401

In addition, all parties identified as "Objection Notice Parties" in the Notice of Proposed Assumption and Assignment of Certain Executory Contracts have been sent a copy of this Objection by separate email notice.

This 5<sup>th</sup> day of May 2025.

<u>/s/ Ian M. Falcone</u> Ian M. Falcone Georgia Bar No. 254470 Attorney for Zerimar 1500, LLC THE FALCONE LAW FIRM, P.C. 363 Lawrence Street Marietta, Georgia 30060 (770) 426-9359 imf@falconefirm.com Case 25-10356-pmb Doc 296 Filed 05/05/25 Entered 05/05/25 10:45:16 Desc Main Document Page 5 of 20

EXHIBIT A

#### **BUSINESS LEASE AGREEMENT**

THIS LEASE is entered into on December 1, 2022 between Zerimar 1500, LLC ("Landlord") and East Coast Mechanical, LLC ("Tenant").

#### THE PARTIES AGREE AS FOLLOWS:

#### ARTICLE 1. AGREEMENT FOR USE AND OCCUPANCY

1.1 Lease of Premises

Pursuant to the terms and conditions hereinafter set forth, the Landlord leases to the Tenant, and the Tenant hires and takes the property located at 1500 and 1575 North High Ridge Road, Boynton Beach, Florida ("Leased Premises"), which consists of buildings and parking lot situated on the property.

1.2 Purpose of Use and Occupancy

The Tenant will use and occupy the Leased Premises for business operations related to service warranty contracts and service, air conditioning, appliance sales and service, plumbing, electrical and related service and for no other purposes or uses of any kind, except as described in Paragraph 6.1.

1.3 Transfer and Renewal of License for Use and Occupancy

The Tenant agrees to maintain and renew the specialty, business and occupational licenses that exists as of the date of this Lease with the City of Boynton Beach, Palm Beach County and the State of Florida.

#### 1.4 Receipt of Payments

On execution of this lease, the Landlord acknowledges receipt of all of the following:

- (a) \$45,000 in rent for the first month, as required under Paragraph 3.1.
- (b) \$10,000 in security deposit, as required under Paragraph 5.1.

The total amount that the Landlord has received is \$55,000.

#### ARTICLE 2. TERM

2.1 Term of Lease

The Tenant may possess the Leased Premises for the term of one (1) year, beginning December 1, 2022, and ending November 30, 2023.

## ARTICLE 3. RENT

#### 3.1 Amount and Payment of Rent

The Tenant is obligated to pay a minimum annual rent (Base Rent) of \$540,000 plus applicable sales and use tax. This rent is payable without the Landlord's demand on the first day of each month during the Lease term in equal monthly installments of \$45,000 per month plus applicable sales and use tax. If this Lease commences or terminates in the middle of a monthly rental period, the rent will be prorated on a daily basis.

#### 3.2 Rent Adjustments

The amount of fixed annual rent under Paragraph 3.1 will be increased in the first Extension Term (year) following the date of this Lease and in each subsequent year by an amount equal to four (4%) percent of the fixed rent for the preceding year. These adjustments are shown in Schedule B, which is attached to and made part of this Lease. If the Tenant exercises its option to extend this Lease as provided in Paragraph 2.2, the rent adjustment under this paragraph will continue to apply during the Extension Term(s).

## **ARTICLE 4. ADDITIONAL PAYMENTS**

## 4.1 Additional Rent Payments

In addition to the minimum annual rent under Paragraph 3.1, all other payments that the Tenant makes under this Lease are considered additional rent, regardless of whether the payments are so designated. All additional payments are due and payable at the time the Landlord demands payment or at the time the next succeeding rent installment is due, whichever occurs first.

## 4.2 Utility or Service Charges

The Tenant agrees to pay all charges for rent, gas, electricity or other illumination, heating, air conditioning, water, and sewer, solid waste hauling and disposal, fire service fees, storm water management, administrative fees, and utility taxes attributed to the Leased Premises. If these charges remain unpaid for ten (10) days after receipt of notice that same are due, the Landlord may consider the Tenant to be a tenant at sufferance, and the Landlord may pursue remedies for default hereunder. The Landlord will not be liable to the Tenant for damages or otherwise because of the Tenant's failure to arrange for or to obtain any utilities or services, to secure heat or air conditioning, or to provide hot water for the Leased Premises. The Tenant is not released or excused from the performance of any of its obligations under this Lease for any such failure or for any interruption or curtailment of any such utilities or services. No such failure, interruption, or curtailment may constitute a constructive or partial eviction unless such interruption is caused by Landlord's gross negligence or intentional acts. The Tenant may not permit or suffer any utility facility to be overloaded. If the Tenant fails to repair any damage or destruction to, or otherwise fails to maintain the Leased Premises after notice by the Landlord and has not undertaken to repair or maintain the Leased Premises within fifteen (15) days of receipt of notice from the Landlord, the Landlord may repair the damage or destruction or may conduct any maintenance that the Landlord deems necessary in its own sole discretion. The cost of the repair of maintenance shall be considered additional rent and is due and payable by Tenant within thirty (30) days of Landlord's delivery of notice and an invoice.

## 4.3 Additional Work

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Any costs that the Landlord charges to the Tenant for services or work done on the Leased Premises at the Tenant's request or as otherwise required under this Lease will be considered rent due and may be included in any lien for rent arrearages.

## 4.4 Ad Valorem Taxes

The Landlord pays ad valorem taxes for the Leased Property. The Tenant is responsible for any increases in ad valorem taxes that may occur during the original or renewal term of the Lease and that constitute an increase above the ad valorem taxes for the calendar year of 2023. On or about November 1 of each year, the Landlord must present the Tenant with a statement for ad valorem taxes due for that calendar year. Within Thirty (30) days after the Landlord presents the statement for ad valorem taxes due, the Tenant shall pay to the Landlord the amount shown as the difference between the amount of the ad valorem taxes for 2023 for the Leased Premises and the total amount of the statement shown for 2022, both based on the November discount amounts. If the term of this Lease ends on any day other than December 31, the ad valorem taxes that the Tenant must pay will be apportioned according to the number of days of the term that occur within that calendar year. The tenant's payment of ad valorem taxes is considered an additional rent under Paragraph 4.1. Tenant's liability for ad valorem taxes is limited to such increase in the 2023 taxes over 2022 taxes.

## 4.5 Sales and Use Taxes

At the time rental payments are made, the Tenant agrees to pay to the Landlord all sales and use taxes that arise because of payment of rent to the Landlord.

4.6 Reimbursement for Expenditures

The Landlord may elect, but is not obligated, to pay money, or otherwise to perform any act that requires the expenditure of money, because of the Tenant's failure or neglect to perform any Lease provision. If the Landlord pays money or performs such an act, the Tenant agrees to reimburse the Landlord all of the amounts expended, plus a charge of Five (5%) percent on those amounts. The amounts and the charges are payable on the Landlord's demand and are considered additional rent.

## 4.7 Reimbursement for Collection of Damages

If the Landlord pays any money or incurs any expenses in collecting damages for any violation of any of the Tenant's covenants, undertakings, or agreements set forth in this Lease, the Landlord may notify the Tenant that the amount so paid or incurred is additional rent that the Tenant must pay within thirty (30) days of the Landlord providing notice to Tenant of the amount due.

## **ARTICLE 5. SECURITY DEPOSIT**

## 5.1 Amount and Purpose of Deposit

At the time this Lease is signed, the Tenant shall deposit with the Landlord a security deposit in the amount of \$10,000 as security for the Tenant's faithful performance and observance of the Lease terms, conditions, and provisions, including without limitation, surrender of possession of the Leased Premises to the Landlord. The security deposit does not constitute prepayment of the last month's rent or of rent for any month during the original or renewal terms of this Lease.

## 5.2 Holding of Deposit

The Tenant waives irrevocably the benefit of any provision of law that requires the security to be held in an interest bearing account, in escrow or by a third party. The security is deemed to be the Landlord's property, and the Landlord may commingle it with the Landlord's own funds.

## 5.3 Application or Retention of Deposit

If the Tenant defaults on any of the terms, conditions, or provisions of this Lease, including but not limited to the payment of rent and additional payments, the Landlord may apply or retain all or part of the security deposited to the extent required to pay the delinquent rent or additional payments or to reimburse the Landlord for all sums incurred or expended because of the Tenant's default. Reimbursable sums include but are not limited to any damages or deficiencies that result from releting the Leased Premises. Such damages or deficiencies are reimbursable to the Landlord regardless of whether they occur before or after the Landlord's summary proceedings or other reentry. If the Landlord applies or retains any part of the security deposit, the Tenant shall deposit with the Landlord an equal amount to replace that which has been applied or retained so that the Landlord has a full deposit at all times during the term of this Lease. The replacement amount is payable on the Landlord's demand.

#### 5.4 Return of Deposit

If the Tenant complies fully with all the terms, provisions, covenants, and conditions of this Lease, the Landlord must return the security deposit to the Tenant within thirty (30) days after the date on which this Lease terminates and after the Tenant delivers possession of the Leased Premises to the Landlord whichever last occurs.

## 5.5 Transfer of Deposit to Third Party

If the Landlord sells the interest in the Leased Premises, the Landlord may deliver or credit the funds that the Tenant deposits under Paragraph 5.1 to the purchaser of the Landlord's interest. After the transfer is complete, the Landlord will be absolutely discharged from any further liability with respect to the deposit. This paragraph applies to the benefit of every subsequent transferee. The Tenant agrees to hold liable solely the Landlord or its successor(s) in interest for the return of its security deposit under the Lease terms. The Tenant may not seek the return of the security deposit from any mortgagees who have assumed the Landlord's position, whether by mortgagee in possession, foreclosure, or acceptance of a deed, unless the mortgagees first acknowledge in writing receipt of the specific security deposit. Landlord shall remain liable for the Security Deposit until such mortgagee or transferee acknowledges receipt thereof.

## **ARTICLE 6. USE OF PREMISES**

#### 6.1 Permissible Uses

The Tenant may not use any of the Leased Premises, nor permit another person to use the Leased Premises, for any purpose other than as permitted under Paragraph 1.2, unless the Tenant obtains the Landlord's prior written consent. The Landlord may not withhold consent unreasonably.

#### 6.2 Signs and Advertisements

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The Tenant may not place in the windows or on the exterior of the building any signs or advertisements without prior written consent of the Landlord. The Landlord will not unreasonably withhold approval.

6.3 Permissible Alterations and Additions to Property

The Tenant may not make any alterations or additions to the Leased Premises, including but not limited to cutting the walls, ceiling, roofs, or floors, changing the exterior color, or altering the architecture, without on each occasion obtaining the Landlord's prior written consent. The Landlord may not withhold consent unreasonably. The Tenant shall submit to the Landlord plans and specifications for all alterations and additions at the time the Landlord's consent is sought.

6.4 Surrender of Additions, Fixtures, and Improvements

All additions, fixtures, or improvements that the Tenant may make to the Leased Premises will become the Landlord's property, must remain as part of the Leased Premises, and must be surrendered with the Leased Premises at the termination of this Lease.

## 6.5 Property of Tenant

An inventory of the items of equipment that are part of the Leased Premises and that remain the property of the Tenant is set forth on Schedule C, which is attached to and made part of this Lease.

## 6.6 Liability for Personal Property

All personal property placed or moved in the Leased Premises is at the risk of the Tenant or other owner of the personal property. The Landlord is not liable for any damage to the personal property, or for personal injuries to the Tenant, that arise from the bursting or leaking of water pipes or from any person's act of negligence, regardless of whether that person is an occupant of the building.

## 6.7 Liability for Damages or Injuries

The Landlord is not liable for any damage or injury that the Tenant or any other person may sustain. Nor is the Landlord liable for any damage or injury that results from the carelessness, negligence, or improper conduct of any person, including the Tenant or agents or employees of the Tenant.

## **ARTICLE 7. CONDITION OF PREMISES**

## 7.1 Tenant's Acceptance and Maintenance of Premises

The Tenant accepts the Leased Premises in the condition they are in on the date this Lease commences or the Landlord grants occupancy, whichever occurs first. The Tenant agrees to maintain the Leased Premises in the same condition, order, and repair as they are on that date, except for reasonable wear and tear arising from the use specified in this Lease and except casualty loss not caused by the Tenant its agents, employees, subtenants, licensees, guests and invitees. The Tenant agrees to keep the exterior of the building and the parking areas in good and clean condition.

7.2 Tenant's Proper Maintenance of Premises

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Tenant shall keep and maintain in good order, condition and repair (which repair shall mean replacement if necessary), including compliance with the Americans with Disabilities Act (to the extent in compliance as of the date hereof), the Demised Premises and every part thereof, except as hereinbefore provided, including, without limitation, the exterior and interior portions of all doors, door checks, security gates, windows, glass, utility facilities, plumbing and sewage facilities within the Demised Premises or under the floor slab (including free flow up to the main sewer line), fixtures, heating, air-conditioning (including exterior mechanical equipment), exterior utility facilities and exterior electrical equipment serving the Demised Premises and interior walls, floors and ceilings. The Tenant shall comply promptly with all statutes, ordinances, rules, orders, regulations, and requirements of the federal, state, and city government applicable to the Leased Premises during the Term or any Extension Term. The Tenant shall also comply promptly with all rules, orders, and regulations of all state and local fire codes and the Southeastern Underwriters Association for prevention of fires and any governmental code enforcement notice to correct a code or regulatory non-compliance. Compliance under this paragraph is at the Tenant's own expense.

## 7.3 Damage to Premises

On the Landlord's demand, the Tenant shall pay for all damages to appliances, electrical lights, fixtures, equipment, or appurtenances on the leased Premises or in the building that are caused by the act or neglect of the Tenant or any persons in the Tenant's employ or control. The Tenant shall repair at its own expense all damage or destruction of any plate or window glass in the Leased Premises.

#### 7.4 Condition at End of Term

At the earlier of the expiration of the Lease Term or the termination of this Lease, the Tenant will quit the Leased Premises and will surrender them to the Landlord. The Leased Premises must be swept clean and must be in good order and condition, except for ordinary wear and tear and casualty loss not caused by the Tenant its agents, employees, subtenants, licensees, guests and invitees. The Tenant will remove all personal and other property that belongs to the Tenant under this Lease and will repair all damages to the Leased Premises caused by that removal. The Tenant will restore the Leased Premises to the condition in which they were before installation of the items removed.

#### 7.5 Landlord's Responsibility

Landlord shall keep the foundation, the exterior walls (except plate glass windows, doors, door closure devices, window and door frames, molding, locks and hardware and painting or other treatments of interior and exterior walls) and roof of the Demised Premises in good repair, except that Landlord shall not be required to make any repairs occasioned by the act or negligence of Tenant, its agents, employees, subtenants, licensees and concessionaires, which repairs shall be made by Tenant, subject to Landlord's supervision.

## ARTICLE 8. ENTRY AND INSPECTION OF PREMISES

8.1 Landlord's Inspection and Entry Rights

The Landlord, or any agent, is entitled to enter the Leased Premises during all reasonable hours, upon prior notice to Tenant for the following reasons:

- (a) To examine the Leased Premises.
- (b) To make all repairs, additions, or alterations that the Landlord or agent deems necessary for safety, comfort, or preservation of the Leased Premises or of the building.
- (c) At any time within thirty days before the expiration of this Lease or any subsequent renewal term, to exhibit the Leased Premises to prospective tenants and to place or keep on the doors or windows a "FOR RENT" sign.
- (d) To remove signs, fixtures, alterations, or additions that do not conform to this Lease.

Upon entry, Landlord shall not disturb or interfere with Tenant or Tenant's business.

8.2 Liability for Entry

If Landlord complies with the provisions of Paragraph 8.1, then Tenant shall have no claim or cause of action against the Landlord because of the Landlord's entry or other action taken under Paragraph 8.1.

## ARTICLE 9. INSURANCE

9.1 Comprehensive, Fire, and Extended Insurance on Leased Premises

The Tenant shall maintain the following insurance coverage:

- (a) Comprehensive general public liability insurance on the Leased Premises and on the conduct or operation of the Tenant's business or practice, with the Landlord as an additional named insured and with limits of not less than two million (\$2,000,000.00) dollars for bodily injury or death to any one person, two million (\$2,000,000.00) dollars for bodily injury or death to any number of persons in any single occurrence, and three million (\$3,000,000.00) dollars for property damage, including water damage and sprinkler leakage liability.
- (b) Fire and extended coverage insurance on the Landlord's fixtures, furniture, furnishings, removable floor coverings, equipment, signs, and all other property of the Landlord in the Leased Premises, in any amounts required by any mortgagee(s), but not less than the full insurable value of the property covered and not less than the amount sufficient to avoid the effect of the co-insurance provisions of the applicable policy or policies.

The Tenant shall deliver to the Landlord, and any additional named insured, proof of the fully paid policies within ten days of the Landlord's request. From time to time, the Tenant shall procure and pay for renewals of this insurance before it expires. The Tenant shall deliver to the Landlord the renewal policy at least ten days before the existing policy expires. All policies must be issued by companies of recognized responsibility licensed to do business in Florida and must contain a provision that prohibits cancellation unless the Landlord and any additional insured are given at least ten days' prior written notice of cancellation.

9.2 Insurance on Building

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The Tenant shall keep the building presently existing, or any building subsequently built, on the Leased Premises insured by a company that is duly authorized to do business in Florida and that is approved by the Landlord. The insurance must be for the full insurable value of the building against loss or damage by fire and any other risks that may be insured now or in the future by extended coverage. These risks include but are not limited to flood and windstorm. All insurance must provide that the proceeds are to be delivered to the Landlord. If the Tenant fails to have these insurance policies issued, the Landlord may obtain them and may pay premiums for them when payment is due. On the Landlord's demand, the Tenant shall repay the Landlord for the premiums so paid. These amounts are considered additional rent under Paragraph 4.1.

## 9.3 Prohibited Conduct Affecting Insurance

The Tenant may not perform or fail to do any act with respect to the Leased Premises, may not use or occupy the Leased Premises, nor may conduct or operate the Tenant's business in any manner that is objectionable to the insurance companies, that causes them to void or suspend any insurance, or that causes them to increase the premiums above the amounts that would usually have been in effect for the occupancy under this Lease. Nor may the Tenant permit or suffer another person to do so with respect to the Leased Premises.

## ARTICLE 10. LIENS AND MORTGAGES ON PROPERTY

## 10.1 Mechanics' Liens Incurred by Tenant

The Tenant shall not subject the Landlord's interest or estate to any liability under any mechanics' or other lien law. No provisions of this Lease may be construed as to imply that the Landlord has consented to the Tenant incurring such a lien. If any mechanics' lien, lis pendens, or other lien is filed against the Leased Premises or the building for any work, labor, services, or materials that a lienor claims to have performed or furnished for the Tenant or any person holding through or under the Tenant, the Tenant must cause that lien to be canceled and discharged of record within twenty days after the Landlord gives notice to the Tenant. If such a lien is filed, the Landlord may satisfy the lien after giving notice to the Tenant as provided in this paragraph and without limiting the Landlord's rights or remedies under this Lease. The Tenant shall promptly reimburse the Landlord for any amounts expended to satisfy the lien and for any expenses incurred in connection with that satisfaction. The Tenant has no right of setoff against the Landlord. The Tenant's failure to cancel and discharge of record any lien under this paragraph is a default by the Tenant under the provisions of this Lease.

## 10.2 Mechanics' Liens Incurred by Landlord

The Landlord warrants that the leasehold conveyed to the Tenant is clear of any mechanics' or other liens, with the exception of mortgages existing on the property. If any mechanics' or other liens are filed against the Leased Premises or the building for any work, labor, services, or materials that a lienor claims to have performed or furnished for the Landlord or anyone holding through or under the Landlord, the Landlord must cause the lien to be canceled and discharged of record within twenty days after the Tenant gives notice to the Landlord. If such a lien is filed, the Tenant may satisfy the lien after giving notice to the Landlord as provided in this paragraph and without limiting the Tenant's rights or remedies under this Lease. The Landlord shall promptly reimburse the Tenant for any amounts expended to satisfy the lien and for any expenses incurred in connection with that satisfaction.

## 10.4 Subordination and Attornment

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This Lease is subject and subordinate to all existing and future mortgages that may affect the real property of which the Leased Premises is a part, to all existing or future advances made under all the mortgages, and to all renewals, modifications, consolidations, and replacements of the mortgages. Although the Tenant need not take any action to render this subordination effective, the Tenant shall execute and deliver all further instruments that confirm this subordination as may be desired by the mortgage holders. If a mortgage holder or a purchaser at foreclosure succeeds to the Landlord's rights under this Lease, the Tenant agrees to attorn to any owner, holder, purchaser, or lessee of the real property from time to time, at the demand of the owner of the real property, and on the executory terms and conditions of this Lease existing at that time provided that such owner, holder, purchaser or lessee execute and deliver to Tenant a Nondisturbance Agreement in customary form. On the Tenant's attornment, this Lease will continue in full force as, or as if it were, a direct lease between the owner, holder, purchaser, or lessee. This paragraph will inure to the benefit of any owner, holder, purchaser, or lessee, will apply notwithstanding the foreclosure of any mortgage, and will be self-operative on demand without the execution of any further instrument to render it effective. From time to time, on the demand of any owner, holder, purchaser, or lessee, the Tenant will execute instruments that confirm this paragraph, that satisfy any owner, holder, purchaser, or lessee, that acknowledge the attornment, and that set forth the terms and conditions of the tenancy. Nothing in this paragraph may be construed to impair any right otherwise exercisable by any owner, holder, purchaser, or lessee.

## ARTICLE 11. ASSIGNMENTS AND SUBLETS

## 11.1 Permissible Assignments and Sublets

The Tenant may not assign this Lease, nor sublet, license, or grant any concession for the use of the Leased Premises, to another person or entity without obtaining the Landlord's prior written consent. The Landlord may not withhold consent unreasonably.

## 11.3 Landlord's Right to Collect Rent From Any Occupant

If the Tenant is in default on any payments under this Lease and any other person is subletting or occupying the Leased Premises, or if the Tenant assigns this Lease, the Landlord may collect rent from the assignee, subtenant, or occupant. The Landlord may apply the net amount collected to the rent required under this Lease. The Landlord's collection of the rent does not waive the covenant against assignment and subletting under Paragraph 11.1. Nor does it constitute the Landlord's acceptance of the assignee, subtenant, or occupant as a tenant, nor the Landlord's waiver of the Tenant's further performance of the covenants contained in this Lease.

## ARTICLE 12. Remedies

12.1 Remedies for Nonpayment of Rent or Additional Payments

The Landlord has the same remedies for the Tenant's failure to pay rent as for the Tenant's failure to make additional payments.

12.2 Accord and Satisfaction

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If the Tenant pays or the Landlord receives any amount that is less than the amount stipulated to be paid under any Lease provision, that payment is considered to be made only on account of an earlier payment of that stipulated amount. No endorsement or statement on any check or letter may be deemed an accord and satisfaction. The Landlord may accept any check or payment without prejudice to the Landlord's right to recover the balance due or to pursue any other available remedy.

## 12.3 Abandonment of Premises or Delinquency in Rent

If the Tenant abandons or vacates the Leased Premises while failing to pay all rent and other fees or payments due for a period of thirty (30) days or if the Tenant is in arrears in rent payments, the Landlord may cancel this Lease. On cancellation, the Landlord is entitled to enter the Leased Premises as the Tenant's agent, whether by force or other means, to relet the Leased Premises. The Landlord will incur no liability for the entry. As the Tenant's agent, the Landlord may relet the Leased Premises with or without any furniture or personal property that may be in it, and the reletting may be made at such price, on such terms, and for such duration as the Landlord determines and for which the Landlord receives rent. The Landlord shall apply any rent received from the reletting to the payment of rent due under this Lease. If after deducting the expenses of reletting the premises, the Landlord does not realize the full rental provided under this Lease, the Tenant shall pay any deficiency. If the Landlord realizes more than the full rental, the Landlord shall pay the excess to the Tenant on the Tenant's demand.

## 12.4 Dispossession on Default

If the Tenant defaults in the performance of any covenant or condition of this Lease, the Landlord shall give the Tenant notice of that default. If the Tenant fails to cure a default in the payment of rent or additional rent within five (5) days or fails to cure any other default within thirty (30) days after notice is given, the Landlord may terminate this Lease. If the default is of such a nature that it cannot be completely cured within thirty (30) days, the Landlord may terminate this Lease only if the Tenant fails to proceed with reasonable diligence and in good faith to cure the default. Termination of this Lease may occur only after the Landlord gives not less than five (5) days' advance notice to the Tenant. On the date specified in the notice, the term of this Lease will end, and the Tenant will quit and surrender the Leased Premises to the Landlord, except that the Tenant will remain liable as provided under this Lease. On termination of the Lease, the Landlord may reenter the Leased Premises without notice and by force or otherwise to dispossess the Tenant, any legal representative of the Tenant, or any other occupant of the Leased Premises. The Landlord may retake possession through summary proceedings or otherwise, and the Landlord will then hold the Leased Premises as if this Lease had not been made. The Tenant waives the requirement that the Landlord serve any notice of intention to reenter or to institute legal proceedings for repossessing the Leased Premises.

## 12.5 Damages on Default

If the Landlord retakes possession under Paragraph 12.3, the Landlord has the following rights:

(a) The Landlord is entitled to the rent and additional rent that is due and unpaid, and those payments will become due immediately, and will be paid up to the time of the reentry, dispossession, or expiration, plus any expenses that the Landlord incurs for legal expenses, attorneys' fees, brokerage costs, returning the Leased Premises to good order, and preparing it for re-rental, plus interest on rent and additional rent then due at the maximum interest rate permitted by law.

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- (b) The Landlord is entitled to relet all or any part of the Leased Premises in the Landlord's name or otherwise, for any duration, on any terms, including but not limited to any provisions for concessions or free rent, or for any amount of rent that is higher than that in this Lease.
- (c) The Landlord is entitled to liquidated damages to be paid in accordance with Paragraph 12.6 by the Tenant or the Tenant's legal representative.

12.6 Liquidated Damages on Default

If the Landlord is entitled to liquidated damages under Paragraph 12.5(c), the Tenant or the Tenant's legal representative shall pay such damages in installments on the day rent is payable under Paragraph 3.1. The amount of liquidated damages will be computed as follows:

- (a) The deficiency between the rent paid and any net amount of the rents still to be collected under this Lease or any Extension Term of this Lease for each month of the remaining Lease or extension Term.
- (b) Plus the expenses that the Landlord incurs in connection with reletting, such as legal expenses, court costs, attorneys' fees, including those at trial and appellate levels, brokerage costs, advertising expenses, maintenance costs for keeping the Leased Premises in good order, and costs of preparing Premises for reletting.

The Landlord's failure or refusal to relet all or any part of the Leased Premises will not release or affect the Tenant's liability for damages. In computing the liquidated damages, any expenses the Landlord incurs shall be added to the deficiency. Any suit that the Landlord brings to collect the amount of the deficiency for any month will not prejudice in any way the Landlord's rights to collect the deficiency for any subsequent month by a similar proceeding. In putting the Leased Premises in good order or in preparing it for re-rental, the Landlord may alter, repair, replace, or decorate any part of the Leased Premises in any way that the Landlord considers advisable and necessary to relet the Leased Premises. The Landlord's alteration, repair, replacement, or decoration will not release the Tenant from liability under this Lease. The Landlord is not liable in any way for failure to relet the Leased Premises, or if the Leased Premises are relet, for failure to collect the rent under that reletting. The Tenant will not receive any excess of the net rents collected from reletting over the sums payable by the Tenant to the Landlord under this Paragraph.

## 12.7 Bankruptcy or Insolvency

If the Tenant becomes insolvent or if bankruptcy proceedings are begun by or against the Tenant before the end of the Lease term and are not discharged within sixty (60) days), the Landlord may cancel this Lease as if the Tenant had defaulted. Without affecting the Landlord's rights under this Lease, the Landlord may accept rent from a receiver, trustee, or other judicial officer who holds the property in a fiduciary capacity. No receiver, trustee, or other judicial officer is entitled to receive any right, title, or interest in or to the Leased Premises under this paragraph.

12.8 Destruction or Damage to Leased Premises From Casualty

If the Leased Premises is destroyed or damaged by fire or other casualty during the Lease term and the Leased Premises Buildings are rendered fifty (50) per cent untenantable, either party may cancel this Lease. On cancellation, the Tenant must pay rent only to the date on which the fire or casualty occurred. The

cancellation must be written. Rent shall abate during as to the proportion of the Leased Premises which is untenantable if the Lease is not otherwise terminated.

## 12.9 Condemnation

The Tenant waives any claim of loss or damage, and any right or claim to any part of an award, that results from the exercise of the eminent domain power of any governmental body, regardless of whether the loss or damage arises because of condemnation of all or part of the Leased Premises, the parking area, or the entrances or exits of the Leased Premises. If any eminent domain power that is exercised interferes with the Tenant's use of the Leased Premises, the rentals under this Lease will be proportionately abated. If a partial taking or condemnation renders the Leased Premises unsuitable for the Tenant's business, the Lease term will cease as of the date the condemning authority requires possession. If an eminent domain power is exercised, the Tenant has no claim against the Landlord for the value of any unexpired term of this Lease but may pursue a separate claim for damages against the governmental body in the condemnation proceedings.

## 12.10 Holdover Tenancy

If the Tenant remains in possession of the Leased Premises after the Lease expires or terminates for any reason, the Tenant will be deemed to be occupying the Leased Premises as a Tenant from month-to-month at the sufferance of the Landlord. The Tenant will be subject to all of the provisions of this Lease, except that the fixed rent will be at a monthly rate equal to one hundred fifty percent (150%) of the prior month's rent in effect for the last month of the term of this Lease.

## 12.11 Cumulative Remedies

The Landlord's remedies contained in this Lease are in addition to the rights of the Landlord under Florida statutes governing nonresidential landlord-tenant relationships and to all other remedies available at law or in equity to the Landlord.

## 12.12 Costs and Attorneys' Fees

The prevailing party is entitled to an award of the costs and reasonable attorneys' fees incurred in the collection of any delinquent rent or additional payments or in the enforcement of any provision of this Lease. The fees and costs that may be awarded include but are not limited to those incurred at trial and appellate levels.

## **ARTICLE 13 – Intentionally Omitted.**

# ARTICLE 14. MISCELLANEOUS PROVISIONS

14.1 Binding on Heirs, Successors, and Assigns

This Lease binds the heirs, legal representatives, assigns, or successors of the Tenant and the Landlord.

14.2 Time of Essence

Time is of the essence in this Lease, and this paragraph applies to all terms and conditions of this Lease.

## 14.3 Deliveries to Parties

The Tenant shall promptly pay all rentals and other charges, shall render all statements, and shall deliver all notices under this Lease to the Landlord at the following address:

19033 Jupiter River Road

Jupiter, Florida 33458

The Landlord shall promptly pay all sums, shall render all statements, and shall deliver all notices under this Lease to the Tenant at the following address:

c/o Air Pros Solutions, LLC

2801 Evans Avenue Street

Hollywood, Florida 33020

From time to time, either party may designate in writing another person or entity and another address for receipt of such items. Any notice to be given under this Lease must be sent by certified mail, return receipt requested, and postage prepaid. Any notice under this Lease is deemed to be given at the time it is received as set forth in this paragraph, or if not accepted, at the time it is mailed.

## 14.4 Landlord's Cumulative Rights

The Landlord's rights under this Lease are cumulative, and the Landlord's failure to exercise promptly any rights given under this Lease does not operate to forfeit any of these rights.

14.5 Indemnification of Landlord and Tenant

At all times, the Tenant will indemnify the Landlord from all losses, damages, liabilities, and expenses that arise or are claimed against the Landlord and that are in favor of any person, firm, or corporation for personal injuries or property damages that arose about or on the Leased Premises, that resulted from the Tenant's use or occupancy of the premises, or that arose from the Tenant's failure to comply with any laws, statutes, ordinances, or regulations. The Landlord will not be liable to the Tenant for any damages, losses, or injuries to the Tenant's person or property that may be caused by the acts, neglect, or omissions of any person, firm, or corporation.

Subject to the terms of this lease, Landlord will indemnify Tenant from all losses, damages, liabilities and expenses that arise or are claimed against Tenant and that are in favor of any person, firm or corporation for personal injuries or property damages that arose from Landlord's failure to comply with any laws, statutes, ordinances, regulations or this Lease.

## 14.6 No Waiver

The Landlord's or Tenant's express or implied consent, approval, or waiver with regard to any breach of any covenant, agreement, or obligation under this Lease is considered to cover only that particular breach. It will not be construed to apply to any other breach, whether of the same or of any other covenant, agreement, or obligation under this Lease, unless the waiver or consent is written, so states, and is signed by the party making it.

## 14.7 Quiet Enjoyment

The Landlord covenants that so long as the Tenant pays the rent and additional rent and performs the covenants under this Lease, the Tenant is entitled to peaceful and quiet possession and enjoyment of the Leased Premises for the Lease term, subject to the Lease provisions.

#### 14.8 Interpretation of Lease

This Lease is governed by, and will be construed in accordance with, the Florida laws. If any Lease provision, or its application to any person or situation, is deemed invalid or unenforceable for any reason and to any extent, the remainder of this Lease, or the application of that provision, will not be affected. Rather, this Lease is to be enforced to the extent permitted by law. The table of contents, captions, headings, and titles of this Lease are solely for convenience of reference and are not to affect its interpretation. Each covenant, agreement, obligation, or other provision of this Lease is to be construed as a separate and independent covenant of the party who is bound by or who undertakes it, and each is independent of any other provision of this Lease otherwise expressly provided. All terms and words used in this Lease, regardless of the number or gender in which they are used, are deemed to include any other number and any other gender as the context requires.

## 14.9 Force Majeure

Neither Landlord nor Tenant shall be required to perform any term, provision, agreement, condition or covenant in this Lease (other than the obligations of Tenant to pay Rent as provided herein which obligation shall not be affected in any way) so long as such performance is delayed or prevented by "Force Majeure", which shall mean Landlord or Tenant's impossibility (not mere impracticability) to perform their respective obligations as a result of acts of God, pandemics, epidemics, contagious diseases or other similar public health related occurrences, strikes, injunctions, lockouts, government shut downs or restrictions which otherwise limit freedom of movement or the ability to work, any labor or material shortages, civil riots, floods, fire, theft, terrorism, public enemy, insurrection, war, court order, requisition or order of governmental body or authority, or delays in receiving building or construction permits from the applicable governing authority, and any other cause not reasonably within the control of or caused by Landlord or Tenant and which by the exercise of due diligence Landlord or Tenant is unable, wholly or in part, to prevent or overcome. Neither Landlord nor Tenant shall be liable or responsible to the other for any loss or damage to any property or person occasioned by any Force Majeure, or for any damage or inconvenience which may arise through repair or alteration of any part of the Project as a result of any Force Majeure.

## 14.10 Radon Gas Disclosure

As required by law, Landlord makes the following disclosure: "Radon Gas" is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Additional information regarding radon and radon testing may be obtained from your county public health unit. At this time, Landlord does not conduct radon testing with respect to the Building. Further, Landlord disclaims any and all representations and warranties as to the absence of radon gas or radon gas producing conditions in connection with the Leased Premises.

## 14.11 WAIVER OF JURY TRIAL AND COUNTERCLAIM

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THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT CREATED HEREBY, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE. IN THE EVENT LANDLORD COMMENCES ANY ACTION OR PROCEEDING FOR NON-PAYMENT OF RENT, ADDITIONAL RENTS OR OTHER CHARGES DUE HEREUNDER, TENANT AGREES NOT TO INTERPOSE ANY NON-COMPULSORY COUNTERCLAIM OF ANY NATURE OR DESCRIPTION IN ANY SUCH ACTION OR PROCEEDING. THE FOREGOING, HOWEVER, SHALL NOT BE CONSTRUED AS A WAIVER OF TENANT'S RIGHT TO ASSERT SUCH CLAIM IN A SEPARATE ACTION OR PROCEEDING INSTITUTED BY TENANT.

#### 14.12 Complete Agreement

The parties have made no oral or written representations, agreements, arrangements, or understandings between them that relate to the subject matter of this Lease and that are not fully expressed in this Lease. This Lease may be modified or terminated only by a written agreement executed by both parties.

DoouSigned by Robert Vipietro

By: Mount VIPICITO Tenant: East Coast Mechanical, LLC Name: Robert DiPietro Title: Chief Executive Officer

Date signed: 12/1/2022

By:

Landlord: Zerimar 1500 LLC Name: Jose Ramirez Title: Manager

Date signed:

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THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT CREATED HEREBY, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE. IN THE EVENT LANDLORD COMMENCES ANY ACTION OR PROCEEDING FOR NON-PAYMENT OF RENT, ADDITIONAL RENTS OR OTHER CHARGES DUE HEREUNDER, TENANT AGREES NOT TO INTERPOSE ANY NON-COMPULSORY COUNTERCLAIM OF ANY NATURE OR DESCRIPTION IN ANY SUCH ACTION OR PROCEEDING. THE FOREGOING, HOWEVER, SHALL NOT BE CONSTRUED AS A WAIVER OF TENANT'S RIGHT TO ASSERT SUCH CLAIM IN A SEPARATE ACTION OR PROCEEDING INSTITUTED BY TENANT.

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By:\_\_\_

Tenant: East Coast Mechanical, LLC Name: Robert DiPietro Title: Chief Executive Officer

Date signed:

00 Bv:

Landlord: Zerimar 1500 LLC Name: Jose Ramirez Title: Manager

Date signed: 12-1-202