

LEASE

THIS LEASE is made as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_ (the "Landlord")  
*(specify legal name of Landlord)*  
and \_\_\_\_\_ (the "Tenant").  
*(specify legal name of Tenant)*

WHEREAS, Landlord is the owner of certain improved property which Landlord desires to lease; and

WHEREAS, Tenant desires to lease that certain improved property from Landlord on the terms and conditions set forth in this Lease.

NOW, THEREFORE, in consideration of the foregoing premises, the rents, mutual covenants, promises and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord that certain real property and all improvements thereon situated in the City of \_\_\_\_\_, \_\_\_\_\_ County, \_\_\_\_\_, and more commonly known as \_\_\_\_\_.  
*(specify Project Property address)*

The property is more fully described on the attached Exhibit A (legal description) (the "Project Property").

2. Term; Option to Renew. The term of this Lease shall be for twenty (20) years beginning on \_\_\_\_\_, 20\_\_\_\_, and ending at midnight on \_\_\_\_\_, 20\_\_\_\_. Provided Tenant is not then in material default of this Lease and Landlord and Tenant are still obligated for that certain U.S. Small Business Administration Loan from \_\_\_\_\_ ("CDC") to Landlord for the benefit of Tenant (the "504 Loan"), Tenant shall have the option to renew this Lease for an additional term of one (1) year commencing at the expiration of the initial term of this Lease on the same terms and conditions set forth herein if Tenant gives Landlord notice of Tenant's intent to exercise its option to renew at least ninety (90) days prior to the expiration of the initial term of this Lease.

3. Rent. During the term of this Lease, Tenant agrees to pay rent to Landlord on or before the first day of each month, in advance, without demand, to and at the address of Landlord as set forth herein. The rent payable by Tenant under this Lease is limited to and calculated as follows:

a. Debt service payable to \_\_\_\_\_  
*(specify name of Third Party Lender)*  
in connection with its loan(s) in the aggregate principal amount of \$ \_\_\_\_\_, as the same may be refinanced from time to time; and

b. Debt service payable to CDC and the U.S. Small Business Administration in connection with the 504 Loan; and

c. Real estate and rental taxes, association fees/dues, utilities, insurance and reasonable repair/replacement reserves unless Tenant, in accordance with Paragraph 4 of this Lease, is paying any or all of such items directly.

Rent for any period during the term of this Lease that is for less than one (1) month shall be a pro rata portion of the monthly installment of rent. If Tenant fails to pay any installment of rent by the tenth (10th) day of the month in which such installment is due, a late charge of Fifty Dollars (\$50.00) shall accrue and be due and payable for such late payment.

4. Taxes, Utilities, Insurance and Reserves. If checked below, Tenant (and not Landlord) shall pay the following items:

\_\_\_\_\_ a. Taxes and Governmental Assessments. Any and all real property taxes and other governmental assessments against the Project Property, whether or not such taxes and assessments increase during the term of this Lease;

\_\_\_\_\_ b. Association Fees/Dues. Any and all fees, dues and other assessments against the Project Property because of its inclusion in a condominium regime, a business/industrial park, or other landowners' association;

\_\_\_\_\_ c. Utility and Janitorial Charges. Any and all utility charges, including gas, water, electricity, sewer and telephone, which may be levied, assessed or imposed upon the Project Property, and Tenant will provide janitorial services to the Project Property.

\_\_\_\_\_ d. Insurance. Tenant shall maintain, during the term of this Lease, adequate hazard insurance policies (broad form coverage), including, without limitation, fire, arson, lightning and extended coverage, and coverage with respect to vandalism and malicious mischief and such other hazards as may be deemed appropriate by Landlord in its sole discretion, for the full replacement cost of the Project Property or, if not available, the maximum insurable value. Hazard insurance shall name Landlord as an insured. Each such hazard insurance policy shall contain provisions that: (1) the policy cannot be terminated or canceled by any party without a minimum of ten (10) days' written notice to Landlord, and (2) should loss be caused by or on behalf of Tenant, the insurer shall not be relieved of liability to pay Landlord unless said loss was caused by Landlord. If, as a result of Tenant's use or occupancy of any portion of the Project Property, Landlord is charged any increase in premiums on insurance separately carried by Landlord, Tenant shall promptly pay on demand the amount of such increase.

\_\_\_\_\_ e. Repairs and Replacements. Any and all expenses of keeping the interior and exterior of the Project Property (including roof, exterior walls and structural foundations) in good repair, order, and condition, and Tenant shall deliver the Project Property to Landlord at the end of the term of this Lease in the same condition as at the start of this Lease, ordinary wear and tear excepted. Tenant acknowledges that the Project Property is in good order and repair unless Tenant has given notice otherwise to Landlord within ten (10) days of Tenant's taking possession of the Project Property.

Regardless of whether subparagraph a. is checked above, Tenant shall pay any and all personal property taxes that may be assessed upon Tenant's property located in the Project Property.

5. Tenant's Liability Insurance. Landlord shall not be liable for liability or damage claims for injury to persons or property from any cause whatsoever relating to the occupancy of the Project Property by Tenant, including those arising out of damages or losses occurring in

parking lots and other areas adjacent to the Project Property. Tenant agrees to procure and maintain a comprehensive general liability policy or policies of insurance, at its own cost and expense, insuring Landlord and Tenant, from all claims, demands, or actions for, injury to, or death of any one person in an amount of not less than \$100,000.00, and for injury to, or death of more than one person in any one accident in an amount of not less than \$300,000.00, and for damage to property in an amount of not less than \$25,000.00, made by or on behalf of any person or entity arising from, relating to, or connected with the conduct and operation of any business in the Project Property. A copy of Tenant's insurance policy will be furnished to Landlord upon Landlord's request. Tenant will indemnify and save harmless Landlord from any and all liability, attorneys' fees, damages, expenses, costs of action, suits, claims, or judgments arising from injuries to person or property on the Project Property.

6. Tenant's Personal Property and Fixtures. All personal property and fixtures of the Tenant in the Project Property shall be at the sole risk of Tenant. Landlord shall not be liable for any accident or damage to property of Tenant resulting from the use of heating, cooling, electrical or plumbing apparatus. Landlord shall not, in any event, be liable for damage to Tenant's property resulting from water, steam or other causes. Tenant hereby expressly releases Landlord from any and all liability incurred or claimed by reason of damage to Tenant's personal property and fixtures.

7. Purpose. Tenant shall use and occupy the Project Property solely for use as a \_\_\_\_\_ (description of business), and not for any other purpose than that stated in this Paragraph.

8. Tenant Alterations and Improvements. Tenant shall not make any alterations or improvements to the Project Property without the prior written consent of Landlord. Landlord shall have the right to approve any plans of Tenant for the design of the interior of the Project Property, which approval shall not be unreasonably withheld. Any additions, improvements, alterations, and/or installations made by Tenant, except movable office furniture, fixtures, machinery or equipment, shall become and remain a part of the building and be and remain Landlord's property at Landlord's option. Tenant will save Landlord harmless from and against any and all expenses, liens, claims or damages to either property or person which may or might arise by reason of the making of any such addition, improvement, alteration, and/or installation.

9. Fixtures. Tenant, at Tenant's expense, may install any furniture, fixtures, machinery and/or equipment necessary to conduct Tenant's business, and the same, which is personal property, shall remain Tenant's property provided they be removed before the expiration of the term of this Lease. In the event any damage is done to the Project Property in said removal, Tenant will promptly reimburse Landlord for the cost of such repairs as are necessary to restore the Project Property to its original condition. Any furniture, fixtures, machinery and equipment not so removed before expiration of the term of this Lease or any extension thereof shall be deemed to have been abandoned by Tenant and shall become Landlord's property.

10. Use and Care of Project Property. Tenant will not use or permit any person to use the Project Property or any part thereof in violation of the laws of the United States of America, the State of \_\_\_\_\_, the ordinances or other regulations of any county or municipality in which the Project Property is situated, or any restrictions in the Deed or otherwise of record. Tenant will keep the Project Property and every part thereof in a clean and wholesome condition, and that Tenant will in all respects and at all times fully comply with all lawful health, fire and police regulations.

11. Default and Re-Entry.

a. If Tenant shall default in any term or condition to be performed by Tenant hereunder, and such default shall continue for thirty (30) days after notice thereof in writing by Landlord to Tenant, or (1) if proceedings in bankruptcy are instituted by or against Tenant, or (2) if a receiver or trustee is appointed for all or substantially all of Tenant's business or assets, or (3) if Tenant shall make an assignment for the benefit of its creditors, or (4) if Tenant shall vacate or abandon the Project Property; then, in such event, Landlord, at Landlord's option, may declare the term of this Lease ended and Tenant's right of possession shall thereupon cease and terminate, and Landlord shall be entitled to possession of the Project Property and may re-enter the Project Property or any part thereof, with or without process of law, any other notice to quit or of the intention of the Landlord to re-enter the Project Property being hereby expressly waived by Tenant, and Landlord may expel and remove Tenant and all persons occupying the Project Property under Tenant, using such force as may be necessary to do so, and may repossess and enjoy the Project Property, all without such re-entry and repossession working a forfeiture of the rents to be paid and the terms and conditions to be performed by Tenant during the full term of this Lease. If the default cannot with due diligence be cured within a period of thirty (30) days, and if Tenant, within the thirty (30) days after the giving of notice of default by Landlord to Tenant, commences and proceeds diligently and with reasonable dispatch to take all steps and do all work required to cure the default and does cure the default, then Landlord shall not have the right to declare the term of this Lease ended by reason of such default; provided, however, that such default shall only be considered cured if acted upon by Tenant with reasonable diligence within the thirty (30) days after the giving of notice of default even if the cure is not completed within such thirty (30) days, and provided further, that the curing of any default in such manner shall not be construed to limit or restrict the right of Landlord to declare the term of this Lease ended and to enforce all Landlord's rights and remedies hereunder for any other default not so cured.

b. The foregoing provisions for the termination of this Lease for any default by Tenant shall not operate to waive, exclude or suspend any other right or remedy of Landlord for breach of any of the terms or conditions of this Lease or for the recovery of rent or any advance by Landlord made thereon. In the event of termination of this Lease as aforesaid, Tenant agrees to indemnify and save Landlord harmless from any losses arising from such termination and re-entry in pursuance thereof. To that end Tenant agrees to pay to Landlord after such termination and re-entry, at the end of each month of the term of this Lease, the difference between the net income actually received by Landlord from the Project Property during such month and the rent agreed to be paid by Tenant under this Lease during such month, together with the expenses of reletting and altering the improvements on the Project Property, commissions and attorneys' fees.

12. Remedies.

a. No right or remedy in this Lease or otherwise conferred upon or reserved to Landlord shall be considered exclusive of any other remedy, but the same shall be in addition to every other right or remedy given hereunder or hereafter existing at law or in equity or by statute, and every right and remedy given by this Lease to Landlord may be exercised from time to time and as often as occasion may arise or as may be deemed expedient by Landlord. No delay or omission of Landlord to exercise any right or remedy arising from any default shall impair any such right or remedy or shall be construed to be a waiver of any default or an acquiescence therein.

b. No waiver by Landlord of any breach by Tenant of any of the terms or conditions of this Lease shall be construed, taken or held to be a waiver of any other breach or acquiescence in or consent to any further or succeeding breach of the same term or condition.

c. Neither the rights given in this Lease to receive, collect, sue for or distrain for any rent or rents, monies or payments, or to enforce the terms and conditions of this Lease, or to prevent the breach or non-observance thereof, or the exercise of any such right or of any other right or remedy hereunder or otherwise granted or arising shall in any way affect or impair or toll the right or power of Landlord to declare the term of this Lease ended and to terminate this Lease as provided because of any default in or breach of any of the terms or conditions of this Lease by Tenant.

13. Surrender of Project Property. Whenever the term of this Lease shall be terminated, whether by lapse of time or forfeiture or in any other way, Tenant will at once surrender and deliver up the Project Property peaceably to Landlord in as good as condition as when Tenant took possession, ordinary wear and tear and any approved alterations and changes and any damage caused by perils covered by insurance, excepted. If Tenant shall hold over after any termination of this Lease, the same shall create no more than a month-to-month tenancy at the rent and on all the other applicable terms and conditions of this Lease.

14. Assignment and Subletting. This Lease shall not be directly or indirectly assigned (including by operation of law), nor any portion of the Project Property sublet, without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Any sale of assets not in the ordinary course of business by Tenant or any sale of twenty-five percent (25%) or more of the ownership interests in Tenant shall be considered an assignment. A consent by Landlord to any one assignment or sublease shall not be a consent to any subsequent assignment, sublease, or occupation of the Project Property by other persons. An unauthorized assignment, sublease, or license to occupy by Tenant shall be void and shall terminate this Lease at the option of Landlord.

15. Subordination. This Lease is and shall be subordinate to any deed of trust, mortgage or trust indenture now or hereafter placed on the Project Property, including but not limited to the trust indenture securing the 504 Loan, and to all advances already made or that may be made hereafter on account of any such deed of trust, mortgage or trust indenture, to the full extent of the principal sums secured thereby and interest thereon. Furthermore, Tenant shall on request hereafter execute any document or documents that Landlord or any other owner of the Project Property may deem necessary to accomplish such subordination of Tenant's interest in this Lease, in default of which Landlord or such owner is hereby appointed as Tenant's attorney-in-fact to act and to execute such document or documents in the name of Tenant as the act and deed of Tenant, and this authority is hereby declared to be coupled with an interest and irrevocable.

16. Condemnation. In the event of a taking of the whole or any part of the Project Property so as to render the Project Property economically unsuitable for the permitted use, either party shall have the right to terminate this Lease upon notice to the other party within thirty (30) days after receiving knowledge of the taking. Should either party elect to terminate this Lease, the term of this Lease shall cease as of the day the public authority assumes possession thereof; provided, however, that if such taking is for a temporary period not exceeding eighteen (18) months, neither party may terminate this Lease but all rent shall abate during such period. If, following a taking, this Lease shall continue in effect as to any portion of the Project Property, all rent shall be reduced by the proportion which the square footage of the Project Property taken

bears to the initial square footage of the Project Property. All compensation awarded for any taking (including a temporary taking) shall be the property of Landlord, whether such damages shall be awarded as compensation for diminution in the value of the leasehold or the fee of the Project Property, and Tenant hereby assigns to Landlord all of Tenant's right, title and interest in and to any and all such compensation.

17. Casualty Damage and Destruction. If the Project Property shall be partially damaged by fire or other casualty and Tenant can reasonably carry on Tenant's business in the Project Property, then the Project Property shall be repaired or restored by Landlord, at Landlord's expense, due allowance being made for the time taken for the settlement of insurance claims and subject to Tenant having maintained any casualty insurance on the Project Property required to be maintained by Tenant. Until the repairs shall be made, the rent shall be reduced in proportion to that portion of the Project Property that is unusable, unless such damage was caused by the negligence of Tenant or an invitee of Tenant or if Tenant failed to maintain any required casualty insurance on the Project Property required to be maintained by Tenant. In the event of substantial destruction of the Project Property by fire or other casualty insured against as determined by Landlord in Landlord's discretion, Landlord shall have the option to restore the same promptly in accordance with the provisions hereof, or to cancel and terminate this Lease upon notice to Tenant at any time within thirty (30) days after the date of such destruction.

18. Notices or Demands. Any notice upon Landlord or Tenant required or permitted to be given under this Lease shall be in writing and shall be deemed to have been duly and sufficiently given if a copy thereof has been personally delivered or mailed by United States registered or certified mail, postage prepaid to Tenant at the address of the Project Property and to Landlord at \_\_\_\_\_.  
Any notice required or permitted to be given under this Agreement shall be deemed effective upon receipt or failure to accept delivery. Notice of any change in address shall be given as set forth in this Paragraph.

19. Quiet Enjoyment. Landlord covenants that the Project Property is zoned for the use intended and that Landlord is well seized of and has good title to lease the Project Property, that Landlord will warrant and defend the title thereto, and that Landlord will indemnify Tenant against any damage and expense Tenant may suffer by reason of any restriction on or defect in title to or description of the Project Property.

20. Entry by Landlord. Tenant, upon reasonable notice, agrees to allow Landlord or Landlord's representatives at any reasonable hour to enter the Project Property for the purpose of inspecting the same or for making any repairs that they may deem necessary or desirable, and Tenant agrees upon reasonable notice to permit the Project Property to be shown to prospective purchasers or tenants at reasonable hours and Tenant agrees that the owner may place a "for sale" or "for rent" sign on the Project Property at any time ninety days (90) prior to the expiration of this Lease.

20. Attorneys' Fees. In the event of litigation between the parties arising out of this Lease, the prevailing party shall be entitled to recover from the other party reasonable attorney's fees in an amount to be affixed by the court and all costs incurred in connection with such litigation.

21. Miscellaneous. Time is of the essence in all provisions of this Lease. All the terms and provisions of this Lease shall be binding upon and shall inure to the benefit of Landlord, Tenant, their heirs, executors, administrators, personal representatives, successors,

trustees, receivers and assigns, as applicable, except as otherwise provided herein. The parties expressly agree that this Lease, and any issues concerning its execution, validity, performance and construction, shall be governed by the laws of the State of \_\_\_\_\_, exclusive of \_\_\_\_\_ choice of law provisions. No modification, waiver, extension or other change of this Lease shall be binding unless executed in writing by the party against whom enforcement of any such modification, waiver, extension or change is sought. The captions in this Lease are used for convenience only and are not to be used in interpreting or construing this Lease. In the event that a court of competent jurisdiction finds any term or provision of this Lease invalid, illegal or unenforceable as applied to any circumstance, the remaining provisions of this Lease, and the same term or provision as applied to other circumstances, shall be unimpaired and remain in full force and effect. This Lease contains the entire agreement between the parties with respect to the subject matter hereof and each party acknowledges that it did not, in entering into this Lease, rely upon any representation or promise made by or on behalf of the other except as expressly set forth in this Lease.

IN WITNESS WHEREOF, the parties have executed this Lease on the day and year first herein above written.

LANDLORD:

By: \_\_\_\_\_  
Name:  
Title:

TENANT:

By: \_\_\_\_\_  
Name:  
Title: