

Detailed Office Space Lease with Lessee to Pay Pro-rata Share of Expenses

Agreement made on the _____ (*date*), between _____ (*Name of Lessor*), a corporation organized and existing under the laws of the state of _____, with its principal office located at _____ (*street address, city, county, state, zip code*), referred to herein as *Lessor*, and _____ (*Name of Lessee*), a corporation organized and existing under the laws of the state of _____, with its principal office located at _____ (*street address, city, county, state, zip code*), referred to herein as *Lessee*.

Whereas, Lessor is the owner of an office building (the *Building*) situated on real estate located at _____ (*street address, city, county, state, zip code*), (the *Real Estate*), the Building and the Real Estate being collectively referred to in this Lease Agreement as the Property; and

Whereas, Lessee desires to lease from Lessor certain space in the Building for office purposes.

Now, therefore, for and in consideration of the mutual covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Lease of Office Space

Lessor leases to Lessee space in the Building described as Suite _____ (*number*) amounting to _____ (*number*) square feet (the *Premises*), for a Term commencing on _____ (*date*), and ending on _____ (*date*) (the *Term*), unless sooner terminated as provided in this Lease Agreement, subject to the terms and conditions set forth in this Lease Agreement.

2. Basic Rent

A. Lessee shall pay to Lessor, at the office of Lessor at the above-indicated address, or to such other person or at such other place as Lessor shall designate in writing, in legal tender at the time of payment, rent at an annual rate of \$_____, subject to adjustment as provided in **Section 3** of this Lease Agreement (such rent as adjusted being referred to in this Lease as the *Rent*), in equal monthly installments in advance on the first day of every calendar month during the Lease Term, except that Lessee shall pay the first monthly installment concurrently with the execution of this Lease Agreement.

B. If the Lease Term commences on a day other than the first day of a calendar month or ends on a day other than the last day of a calendar month, the Rent for such month shall be prorated.

C. Lessee's covenant to pay Rent shall be independent of every other covenant set forth in this Lease Agreement.

3. Lessee's Pro-Rata Share of Expenses

A. Lessee agrees to pay to Lessor in the manner provided, beginning with the inception of this Lease Agreement, once each calendar month, Lessee's proportionate share of all costs and expenses after allowances of every kind and nature paid or

incurred by Lessor in maintaining and operating the Building pursuant to this section and the common areas and other items contained in this Section.

B. Lessee's proportionate share of the costs and expenses for each calendar year and partial calendar year shall be paid in monthly installments on the first day of each calendar month, in advance, in an amount estimated by Lessor, that is, the estimated cost of operation of the Building based on _____ (***fraction***) of operating expenses and taxes after deduction of allowances as provided in this Section. Within _____ (***number***) days after the end of each calendar year or partial calendar year, Lessor shall furnish Lessee with a statement of the actual amount of Lessee's proportionate share of such costs and expenses for such period in excess of the allowances set forth in this Section. If the total amount due from Lessee for the year on the statement exceeds the aggregate of all amounts previously paid to Lessor during the calendar year, Lessee shall pay to Lessor the difference between the amount paid by Lessee and the actual amount due, the deficiency to be paid within _____ (***number***) days after the furnishing of each such statement. If the total amount paid by Lessee under this section for any such calendar year shall exceed the actual amount due from Lessee for any such calendar year, the excess shall be credited against the next installment or installments of Rent due from Lessee to Lessor.

C. Tenant shall be given the following annual allowances under the Terms of this Lease Agreement:

1. **Operating expenses:** \$_____ per square foot of Leased space;
2. **Real Estate taxes:** \$_____per square foot of Leased space; and
3. **Janitorial service:** \$_____per square foot of Leased space.

D. In addition to Lessee's pro rata share of expenses, Lessee shall pay an additional _____% per year of yearly Rental for Building appreciation. This amount will be invoiced in January of each year during the Term of this Lease Agreement.

E. For purposes of this Section:

1. Lessee's *proportionate share* means the percentage of Leased space occupied by Lessee resulting from dividing the number of square feet of rentable area in the Premises by the number of square feet of Rentable area in the Building, Lessee's proportionate share being _____%.
2. *Rentable area* means all office floor space measured from the outside finish of permanent Building, Building walls, excluding only public stairs, elevator shafts, flues, stacks, pipe shafts and vertical ducts (and their enclosing walls), and including but not limited to: (a) with respect to each single tenancy floor, all public corridors, public toilets, air-conditioning rooms, fan rooms, janitors' closets, telephone closets, and electrical closets and columns and projections necessary to the Building; and (b) with respect to each multiple tenancy floor, the Premises' proportionate share of all such space.
3. *Operating expenses* means all costs, expenses, and disbursements of every kind and nature that Lessor shall pay or become obligated to pay in

connection with the ownership, management, operation, maintenance, and repair of the Property and of the personal property, janitorial services, fixtures, machinery, equipment, systems, and apparatus located in the Premises or used in connection with the Premises, except the following: costs of alterations of the premises of tenants of the Building, costs of capital improvements of the Building, depreciation charges, interest and principal payments on the mortgage, ground rental payments, any expenditures for which Lessor has been reimbursed, and all taxes and assessments that are included as taxes under the following Paragraph.

4. *Taxes* means all federal, state, and local governmental taxes, assessments, and charges of any kind or nature, whether general, special, ordinary, or extraordinary, that Lessor shall pay or become obligated to pay because of or in connection with the ownership, leasing, management, control, or operation of the property or of the personal property, fixtures, machinery, equipment, systems, and apparatus located in the Premises or used in connection with the Premises. The amount of Real Estate and personal property taxes included in Taxes for any year shall be the amount indicated by the tax bills for such year, except that if the tax bills for the year are not available as of the date of the report described in Paragraph F of this Section, the amount of taxes may be reasonably estimated by the person preparing the report. There shall be deducted from Taxes as determined for any year the amount of any refund of taxes received by Lessor during that year. There shall be included in taxes for any year the amount of all fees, costs, and expenses included (including attorney's fees) paid by Lessor during that year in seeking or obtaining any refund or reduction of Taxes. If a special assessment payable in installments is levied against the property, Taxes for any year shall include only the installments of such assessment and any interest payable with respect to such year. Taxes shall not include any federal or state franchise, capital stock, inheritance, or estate taxes, except that if a change occurs in the method of taxation resulting in the substitution of any such taxes for any Taxes as defined above, the substituted taxes shall be included in Taxes.

F. Not less than _____ (*number*) days prior to any adjustment in the annual rate of Rent under this Lease Agreement, Lessor shall deliver to Lessee a report certified by an officer or agent of Lessor setting forth the operating expenses and Taxes for the relevant calendar year and describing the calculations of the adjustment.

G. Lessor shall maintain books and records showing operating expenses and Taxes in accordance with sound accounting and management practices.

4. **Services**

A. Lessor shall provide the following services:

1. Mechanical operation necessary for the proper heat and air-conditioning of the Building, Monday through Saturday, from _____ (*time*) to _____ (*time*), excluding holidays, to the extent that Lessor shall, in its sole discretion, deem necessary for the comfortable occupancy and use of the Premises under normal business operations and in the absence of the use of machines or equipment that affect the temperature otherwise maintained in the Premises;

2. City water from regular Building outlets for drinking, lavatory, and toilet purposes only; and
3. Such additional services on such Terms and conditions as Lessor may determine.

B. All charges for services furnished by Lessor at Lessee's request in addition to those set forth in Paragraph A of this Section shall be payable by Lessee and shall be due within _____ (**number**) days after billing. If Lessee shall fail to make payment, Lessor may, without notice to Lessee and in addition to Lessor's other remedies under this Lease Agreement, discontinue any or all of such services. Any such discontinuance shall be without any liability to Lessee and shall not be deemed to be an eviction or a disturbance in any manner of Lessee's use and possession of the Premises or relieve Lessee from the obligation to pay all Rent when due or any other obligations under this Lease Agreement.

C. Lessee agrees that Lessor shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or a delay in furnishing any service, when such failure or delay is caused, in whole or in part, by war, insurrection, civil disturbance, riots, acts of God, governmental action, repairs, improvements, alterations, strikes, lockouts, or picketing (whether legal or illegal), inability to obtain electricity, fuel, or supplies, accidents, casualties, acts caused directly or indirectly by Lessee (or Lessee's agents, representatives, employees, licensees, or invitees), or any other act or cause beyond the reasonable control of Lessor. Any such failure or delay in furnishing any service shall be without any liability to Lessee and shall not be deemed to be an eviction or disturbance in any manner of Lessee's use and possession of the Premises or relieve Lessee from its obligation to pay all Rent when due or from any other obligation under this Lease Agreement.

D. Lessee shall make arrangements directly with the telephone company and the public utility electric company servicing the Building for telephone service and electric current and power in the Premises desired by Lessee. Lessee shall pay the entire cost of all telephone charges, electricity consumed within the Premises, maintenance of light fixtures, and replacement of lamps, bulbs, tubes, ballasts, and starters.

E. If Lessee desires telephone, burglar alarm, computer network, cable or satellite television, or signal service (which service shall be at the sole expense of Lessee), Lessor shall, upon request, direct where and how all connections and wiring for such service shall be introduced and run. Absent such directions, Lessee shall make no borings, cutting, or installation of wires, cables, or satellite dishes in or about the Premises.

5. Security Deposit

A. As additional security for the faithful and prompt performance of its obligations under and pursuant to this Lease Agreement, Lessee has concurrently with the execution of this Lease Agreement paid to Lessor \$_____.

B. The security deposit may be applied by Lessor for the purpose of curing any default of Lessee under this Lease Agreement, in which event Lessee shall replenish the deposit in full by promptly paying to Lessor the amount required.

C. If Lessee has not defaulted under this Lease Agreement, or if Lessor has not applied the security deposit to cure a default, or if Lessor has applied the deposit to cure a default and Lessee has replenished the deposit, then the deposit shall be refunded and paid in cash to Lessee within _____ (**number**) days following the date of Termination of this Lease Agreement.

D. The security deposit shall not be deemed an advance payment of Rent or a measure of Lessor's damages for any default under this Lease Agreement by Lessee.

6. Use of Premises

A. Lessee shall not occupy and use the demised Premises for, nor shall Lessee permit the Premises to be occupied or used for, any purpose or activity that is in violation of any public law, ordinance, or governmental regulation or which may be dangerous to persons or property or which may invalidate or increase the amount of premiums for any policy of insurance carried on the Building. If any additional amounts of insurance premiums are caused by Lessee's occupancy or use of the Premises, Lessee shall pay to Lessor the additional amounts.

B. Lessee shall not do or permit anything to be done upon the Premises, or bring to or keep anything on the Premises that is in violation of the rules, regulations, or requirements of the _____ (**name of fire department**) or any inspection or rating bureau or organization having jurisdiction over the Building.

C. Lessee shall not do or permit anything to be done upon the Premises that in any way may create a nuisance, disturb any other tenant of the Building or occupants of neighboring property, or injure the reputation of the Building.

D. Lessee shall not use the Premises for housing accommodations for lodging or sleeping purposes or for any immoral or illegal purposes.

E. Lessee shall not at any time do or permit any of the following to be done in or on the Premises or the Building: the manufacture, sale, purchase, use, or gift of any alcoholic liquor or the cooking or sale of food in any form.

7. Condition of Premises

A. Lessee's taking possession of the Premises shall be conclusive evidence that the Premises were in good order and satisfactory condition when Lessee took possession except as to latent defects.

B. No Agreement of Lessor to alter, remodel, decorate, clean, or improve the Premises or the Building has been made by Lessor to Lessee other than as may be contained in this Lease Agreement.

8. Possession of Premises

A. Lessor has not agreed or represented that the Premises will be substantially ready for occupancy on the date specified in **Section 1** of this Lease Agreement for the commencement of the Term. If for any reason the Premises are not substantially ready for occupancy on that date, this Lease Agreement shall nevertheless continue in full force and effect, the Termination of the Term shall not be extended, and no liability shall arise against Lessor because of any such delay; provided, however, that all Rent due

under this Lease Agreement shall abate on a per diem basis until the Premises are certified by the Building's architect to be substantially ready for occupancy, which certification shall be final and binding on both Lessor and Lessee.

B. In spite of the provisions of Paragraph A of this Section, there shall be no abatement of Rent if the Premises are not substantially ready for occupancy due to any special equipment, fixtures, materials, changes, alterations, or additions requested by Lessee; any delay of Lessee in submitting plans, supplying information, or approving or authorizing plans, specifications, estimates, or other matters; or any other act or omission of Lessee.

C. If Lessee shall occupy all or any part of the Premises prior to the date specified or the commencement of the Term, all of the covenants and conditions of this Lease Agreement, including the obligation to pay Rent, shall be binding upon the parties in respect of such occupancy as if the first day of the Term had been the date when Lessee began to occupy the Premises.

9. Assignment and Subletting

A. Lessee shall not, without the prior, express, and written consent of Lessor:

1. Assign, convey, encumber, or mortgage this Lease Agreement or any interest under this Lease Agreement;
2. Allow any transfer of this Lease Agreement or any lien upon Lessee's interest under this Lease Agreement by operation of law; or
3. Permit the use or occupancy of the Premises by any party other than Lessee, its agents, and employees.

B. Lessee may not sublease the Premises or any part of the Premises without the prior, express, and written consent of Lessor, subject to the applicable provisions of this Section.

C. Lessor specifically agrees that it will give its consent to a sublease of the entire Premises to a single sublessee if the following conditions are met:

1. Lessee delivers to Lessor _____ (**number**) days' written notice of its intention to enter into an Agreement for the sublease of the Premises, which notice shall contain the following information: the name, address, and type of business of the proposed sublessee;
2. Lessee is not then in default under this Lease Agreement;
3. The reputation, financial responsibility, and business of the proposed sublessee are satisfactory to Lessor in its sole discretion, and the intended use of the Premises by the proposed sublessee does not conflict with any exclusive rights of any other tenant of the Building;
4. The sublease is for a Term of not less than _____ (**number**) years (unless the then unexpired Term of this Lease Agreement is less than _____ (**number**) years, in which event the sublease may be for the unexpired Term

(less one day) and not longer than the unexpired Term (less one day); and

5. Lessee delivers to Lessor the proposed sublessee's written Agreement to comply with and be bound by all the provisions of this Lease Agreement during the Term of the sublease.

D. In the event of any sublease of the Premises:

1. Lessee shall not be re-leased or discharged from any liability, whether past, present, or future, under this Lease Agreement;

2. Lessee shall deliver to Lessor an executed copy of the sublease; and

3. Lessee shall pay to Lessor as additional Rent, immediately upon receipt, a sum equal to any Rent or other consideration paid to Lessee by any sublessee in excess of the Rent for the Premises then payable to Lessor pursuant to the provisions of this Lease Agreement, plus any other profit or gain realized by Lessee from the subleasing.

E. Lessee shall not advertise the Premises for subleasing at a rate or Rental lower than that then being offered by Lessor to prospective tenants of other comparable Premises in the Building, provided that the above shall not be deemed to prohibit Lessee from consummating a sublease pursuant to the provisions of this section at such a lower Rental rate.

10. Repairs

A. Except as otherwise provided in **Section 16** of this Lease Agreement, Lessee shall:

1. Subject to the provisions of **Section 11**, at its sole expense, keep the Premises decorated, in good order and repair, and in a tenantable condition during the Term; and

2. Promptly and adequately repair all damage to the Premises, which replacement or repair shall be under the direct supervision of Lessor and shall be in full compliance with all applicable laws and ordinances.

B. If Lessee fails to so repair or replace, Lessor may, in its discretion, do so, and Lessee shall pay to Lessor the cost of the repair or replacement within _____ (*number*) days of being billed for it. Lessor may enter the Premises at all reasonable times to make such repairs, alterations, improvements, and additions to the Premises or any property or equipment located on the Premises as Lessor shall desire, deem necessary, or be required to do by a governmental authority or judicial order.

11. Alterations and Improvements

A. Lessee shall not, without the prior, express, and written consent of Lessor, make any alterations, improvements, additions, or installations or perform any decorating, painting, or other similar work in or about the Premises.

B. If Lessor so consents, before commencement of any such work or delivery of any materials onto the Premises or the Building, Lessee shall furnish to Lessor for Lessor's

approval: architectural plans and specifications, names and addresses of all contractors, contracts, necessary permits and licenses, certificates of insurance and instruments of indemnification and waivers of lien against any and all claims, costs, expenses, damages and liabilities that may arise in connection with such work, all in such form as may be satisfactory to Lessor.

C. Whether or not Lessee furnishes the above-stated items, Lessee agrees to hold Lessor and Lessor's beneficiaries, agents, and employees forever harmless against all claims and liabilities that may arise out of or in any way be connected with such work.

D. All such work shall be done only by contractors or mechanics approved by Lessor and at such time and in such manner as Lessor may designate.

E. Lessee shall pay the cost of all such work and the cost of decorating the Premises and the Building.

F. Upon completion of such work, Lessee shall furnish Lessor with contractors' affidavits and full and final waivers of lien and receipted bills covering all labor and materials expended and used in connection with the work.

G. All such work shall comply with all insurance requirements and with all laws, ordinances, rules, and regulations of all governmental authorities and shall be done in a good and skillful manner and with the use of good grades of materials.

H. Lessee shall permit Lessor to supervise construction operations in connection with such work.

I. Lessee agrees not to permit any lien of any mechanic or material supplier to be placed or filed against the property or the Premises. In case any such lien shall be filed, Lessee shall immediately satisfy and obtain the release of such lien of record. If Lessee shall fail to have such lien immediately satisfied and released of record, Lessor may, on behalf of Lessee, without being responsible for making any investigation as to the validity of the lien, pay the amount of the lien and Lessee shall promptly reimburse Lessor for the amount paid.

J. Lessee has no authority to cause or permit any lien or encumbrance, whether created by act of Lessee, operation of law, or otherwise, to attach to or be placed upon Lessor's title to or interest in the Premises, and all liens and encumbrances created by Lessee shall attach to Lessee's interest only.

12. Certain Rights Retained by Lessor

Unless expressly waived in writing, Lessor shall have the following rights, exercisable without notice, without any liability to Lessee for damage or injury to person, property, or business, without being deemed an eviction or disturbance in any manner of Lessee's use or possession of the Premises, and without relieving Lessee from its obligation to pay Rent when due or from any other obligation under this Lease Agreement:

A. To change the Building's name or street address;

B. To install and maintain all signs on the exterior or interior of the Building;

C. To designate or approve prior to installation all types of window shades, blinds, drapes, awnings, and other similar items, and all internal lighting, fixtures, or equipment that may be visible from the exterior of the Building;

D. To designate, restrict, or control all sources from which Lessee may obtain ice, drinking water, towels, toilet supplies, catering, food, and beverage services, and other similar items or services, and, in general, to reserve to Lessor the exclusive right to designate, restrict, or control the sources of any such items or service in or to the Building and its tenants.

E. To display the Premises to prospective tenants at reasonable hours during the last _____ (**number**) months of the Term and, if the Premises are vacated during the Term, to decorate, remodel, repair, or otherwise prepare the Premises for re-occupancy.

F. To erect, use, and maintain pipes, ducts, wiring conduits, and similar devices in and through the Premises; to enter upon the Premises for the purposes of inspecting them; to perform janitorial and cleaning services; to make such decorations, repairs, alterations, improvements, or additions to the Premises as Lessor may deem necessary or desirable; to take all material into and upon the Premises that may be required; to, during the performance of any of such work, temporarily close doors, entryways, and corridors to the Building and the Premises; and to interrupt or temporarily suspend Building services. If Lessee shall not be present to open and permit an entry onto the Premises at any time permitted under this Lease, Lessor may enter the Premises by a master key or passkey or may forcibly enter the Premises, without rendering Lessor liable for such entry, provided that during such entry Lessor shall take reasonable care of Lessee's property. Nothing contained in this section, however, shall be deemed to impose upon Lessor any obligation, responsibility, or liability for the care, supervision, or repair of the Building or the Premises or any part of the Premises other than as specifically provided in this Lease Agreement;

G. To change the arrangement or location of entrances, doors, corridors, elevators, stairs, toilets, or other public parts of the Building;

H. To have and retain a paramount title to the Premises free and clear of any act of Lessee purporting to burden or encumber it;

I. To grant to any person the exclusive right to conduct any business or to render any service in or to the Building, provided such exclusive right shall not operate to prohibit Lessee from using the Premises for such business or service permitted under this Lease Agreement and conducted or rendered by Lessee in or from the Premises at the time Lessee first occupies the Premises;

J. To prohibit the placing of vending or dispensing machines of any kind in or about the Premises;

K. To have access for Lessor and other tenants of the Building to any mail chutes located on the Premises according to the rules of the United States Postal Service;

L. To close the Building after regular working hours and on Saturdays, Sundays, and holidays, subject, however, to Lessee's right to admittance under such rules and regulations as Lessor may, in its sole discretion, prescribe;

M. To take any measure, including the making of inspections, repairs, alterations, decorations, additions, and improvements to the Premises or to the Building, as may be necessary or desirable in the operation of the Premises or Building or for the safety, protection, or preservation of the Premises or the Building or Lessor's interest in the Premises or the Building; and

N. To retain at all times master keys or passkeys to the Premises.

13. Waiver of Claims and Indemnity Agreement

A. To the extent permitted by law, Lessee releases and waives all claims against Lessor and Lessor's agents and employees for injury or damage to person, property, or business sustained in or about the Building or the Premises by Lessee, its agents, employees, invitees, or customers, or other tenants or occupants of the Building or Premises, which injury or damage results from any act, neglect, occurrence, or condition in or about the Building or the Premises, whether such damage is caused by Lessor or any other person. By way of example and not by way of limitation, this paragraph shall apply to damage or injury caused by refrigerators, sprinkling devices, air-conditioning apparatus, water, snow, frost, steam, excessive heat or cold, falling plaster, broken glass, sewage gas, odors, noises, the bursting or leaking of pipes or plumbing fixtures, and the flooding of basements or other subsurface areas.

B. If any such injury or damage described in Paragraph A of this Section results from any act or neglect of Lessee, its employees, agents, invitees, or customers, Lessor may, at Lessor's option, repair such injury or damage, and Lessee shall, upon demand by Lessor, promptly reimburse Lessor for the total cost of the injury or damage, provided that Lessee shall not be responsible for that portion of the cost for which Lessor has been compensated by insurance proceeds, if the insurance carrier has waived its right of subrogation against Lessee.

C. Lessee agrees to indemnify and hold harmless Lessor, its agents, and employees against any and all claims, demands, cost, expense, action, or proceeding, of every kind and nature, arising from Lessee's occupancy of the Premises or from any breach or default on the part of Lessee in the performance of any Agreement of Lessee to be performed pursuant to the Terms of this Lease Agreement, or from any act or neglect of Lessee, its employees, agents, invitees, or customers in or about the Premises. In the event of any such claim, demand, cost, expense, action, or proceeding, Lessee covenants to defend against same at its sole cost and expense by legal counsel reasonably satisfactory to Lessor, if requested by Lessor.

D. All personal property located on the Premises or in the Building belonging to Lessee, its agents, employees, invitees, or customers shall be at the risk of Lessee or such other person and Lessor shall not be liable for damage to or theft or misappropriation of any of such property.

14. Lessor's Remedies

A. If Lessee is in default under this Lease, then Lessor may, if Lessor so elects, with or without notice of such election, and without any demand, either immediately Terminate this Lease Agreement and Lessee's right to possession of the Premises, or, without Terminating this Lease Agreement, immediately Terminate Lessee's right to possession of the Premises. For purposes of this Section, the Lessee is in default if

Lessee does any of the following:

1. Defaults in the payment of Rent and does not cure the default within _____ **(number)** days after demand by Lessor for payment;
2. Defaults in the prompt and full performance or any other provision of this Lease Agreement and does not cure the default within _____ **(number)** days after demand by Lessor that the default be cured; or
3. Abandons the Premises.

B. Upon Termination of this Lease Agreement, whether by lapse of time or otherwise, or upon any Termination of Lessee's right to possession of the Premises without Termination of this Lease Agreement, Lessee shall surrender and vacate the Premises immediately and deliver possession of the Premises to Lessor in a clean, good, and tenantable condition. Upon such Termination, Lessee shall be entitled to remove, without damage to the Premises or to the Building, movable office furniture, trade fixtures, office machines, equipment, and special lighting fixtures that may be removed without damage to the Premises or to the Building. All other equipment, additions, decorations, fixtures, hardware, nontrade fixtures, and all improvements, temporary or permanent, in or about the Premises, whether placed there by Lessee or by Lessor, shall, unless Lessor directs their removal, become Lessor's property and shall remain upon the Premises without compensation to Lessee. If possession of the Premises is not immediately delivered to Lessor or if Lessee shall fail to remove all such property that it is entitled to remove, Lessor may enter into the Premises with or without process of law for the purpose of removing Lessee and any others who may be occupying the Premises and to remove all property from the Premises, using such force as may be necessary without being deemed guilty of trespass, eviction, or forcible entry or detainer, and without relinquishing Lessor's right to Rent or any other right under this Lease Agreement.

C. If Lessee abandons the Premises and Lessor elects to Terminate Lessee's right to possession of the Premises only without Terminating this Lease Agreement, Lessor may, at Lessor's option, enter onto the Premises, remove Lessee's signs and other evidences of tenancy, and take and hold possession of the Premises as in Paragraph B of this section. Any such entry and possession shall not, however, Terminate this Lease Agreement or release Lessee, in whole or in part, from Lessee's obligation to pay Rent under this Lease Agreement for the full Term. In any such case, if Lessor so elects, payment of future installments of Rent shall be accelerated, and Lessee shall pay to Lessor a sum equal to the entire amount of the Rent for the remainder of the Term, plus any other sums then due to Lessor under this Lease Agreement. Upon and after entry into possession of the Premises without Termination of this Lease Agreement, Lessor may, but need not do so, relet the whole or any part of the Premises for the account of Lessee to any person, firm, corporation, or other entity other than Lessee for such Rent, for such Term, and upon such conditions as Lessor, in Lessor's sole discretion, shall determine. Lessor shall not be required to accept any tenant offered by Lessee or to observe any instruction given by Lessee concerning the reletting. In any such case, Lessor may make repairs, alterations, and additions in or to the Premises, and redecorate them to the extent deemed necessary or desirable by Lessor, and Lessee shall, upon demand, pay the cost of such repairs, alterations and additions, together with Lessor's expenses incurred in the reletting. If the Rent collected by Lessor upon any

such reletting for Lessee's account is insufficient to pay when due the full amount of unpaid Rent, all expenses of repair, alterations, improvements, additions, and redecorating, and all of Lessor's expense of reletting, including brokers' commissions, Lessee shall pay to Lessor the amount of each monthly deficiency promptly upon demand.

D. Any property that may be removed from the Premises by Lessor pursuant to Paragraphs B and C of this Section or pursuant to law shall be conclusively presumed to have been abandoned by Lessee and title to the property shall pass to Lessor without any cost by set-off credit or otherwise. In addition, Lessor may, at Lessor's option:

1. Accept title to the property, in which event Lessee shall be conclusively presumed to have conveyed the property to Lessor under this Lease Agreement as a bill of sale;
2. At Lessee's expense, dispose of the property in any manner that Lessor shall choose; or
3. At Lessee's expense, store the property. In no event, however, shall Lessor be responsible for the value, preservation, or safekeeping of the property.

E. To secure the payment of Rent and all other amounts due to Lessor under this Lease Agreement, Lessee grants to Lessor, as a security interest under the Uniform Commercial Code, a first and prior lien on the interest of Lessee under this Lease Agreement and on Lessee's interest in all personal property located on the Premises, which lien may be enforced by Lessor pursuant to the provisions of the Uniform Commercial Code or in equity. At Lessor's request, Lessee shall sign and deliver to Lessor a UCC-1 financing statement or any other document acknowledging the security interest. Lessee appoints Lessor as Lessee's attorney-in-fact with full power and authority to execute and deliver in the name of Lessee any such financing statement or other document if Lessee fails to do so on request.

F. Lessee shall pay on demand all of Lessor's costs, charges, and expenses, including attorney's fees, incurred by Lessor in enforcing Lessee's obligations under this Lease Agreement.

G. If Lessee shall default in the performance of any of its obligations under this Lease Agreement, and if the default shall continue after the expiration of any notice or grace period provided for in this Lease Agreement, Lessor may perform such obligation for the account and expense of Lessee without notice, and Lessee shall on demand reimburse Lessor for the cost of such performance.

H. All rights and remedies of Lessor under this section and elsewhere in this Lease Agreement shall be distinct, separate, and cumulative, and none shall exclude any other right or remedy of Lessor set forth in this Lease Agreement or as allowed by law.

I. Lessee's obligations under this Section shall survive the expiration of the Term of this Lease Agreement.

15. Holding Over

A. If Lessee retains possession of the Premises or any part of the Premises after

the Termination of this Lease Agreement by lapse of time or otherwise, Lessee shall pay to Lessor the monthly installments of Rent, at double the rate payable for the month immediately preceding the holding over, computed on a per-month basis, for each month or part of a month (without reduction for any such partial month) that Lessee thus remains in possession. In addition, Lessee shall pay to Lessor all direct and consequential damages sustained by reason of Lessee's retention of possession of the Premises. Alternatively, at the election of Lessor expressed in a written notice to Lessee, the retention of possession of the Premises by Lessee shall constitute a renewal of this Lease Agreement on all the Terms and conditions contained in this Lease Agreement for a period of _____ (**length of renewal Term**).

B. The provisions of this section shall not be deemed to limit or exclude any of Lessor's rights of reentry or any other right granted to Lessor under this Lease Agreement or under law.

16. Damage by Fire or Other Casualty

A. If the Building or the Premises are made substantially untenable by fire or other casualty, Lessor may elect either to:

1. Terminate this Lease Agreement as of the date of the fire or other casualty by delivery of notice of Termination to Lessee within _____ (**number**) days after such date; or

2. Without termination of this Lease Agreement, proceed with due diligence to repair, restore, or rehabilitate the Building or Premises, other than Leasehold improvements paid for by Lessee, at Lessor's expense (unless the fire or other casualty is due to the act or neglect of Lessee, its employees, or agents, in which event repair, restoration, or rehabilitation shall be at the sole expense of Lessee).

B. If the Premises or the Building are damaged by fire or other casualty not due to the act or neglect of Lessee, its employees, or agents, but are not made substantially untenable, then Lessor shall proceed with due diligence to repair and restore the Building or the Premises, other than the Leasehold improvements paid for by Lessee, unless the damage occurs during the last _____ (**number**) months of the Term, in which event Lessor shall have the right to Terminate this Lease Agreement as of the date of the fire or other casualty by delivery of written notice of Termination to Lessee within _____ (**number**) days after such date.

C. If all or any part of the Premises is rendered substantially untenable by fire or other casualty not due to the act or neglect of Lessee, its employees, or agents, and this Lease Agreement does not terminate, Rent shall abate for all or part of the Premises that is untenable on a per diem basis from and after the date of the fire or other casualty and until the Premises are repaired and restored.

17. Eminent Domain

A. If the whole or any substantial part of the Building or the Premises shall be taken by any competent authority for any public or quasi-public use or purpose, this Lease Agreement shall terminate as of the date of the taking of possession by the condemning authority, and Rent shall be apportioned as of such date.

B. If less than a substantial part of the Premises or the Building shall be taken for

any public or quasi-public use or purpose, or if any adjacent property or street shall be condemned or improved in such manner as to require the use of any part of the Premises or the Building, then at the election of Lessor expressed by delivery of written notice to Lessee within _____ (**number**) days after the date of taking or improvement, this Lease Agreement shall terminate as of such date without any payment to Lessee.

C. Lessor shall be entitled to receive the entire award from any taking or condemnation without any payment to Lessee, and Lessee assigns to Lessor Lessee's interest, if any, in any such award.

18. Rights to Recovery

A. Lessor and Lessee agree to use their good-faith efforts to have all fire and extended and material damage insurance that may be carried with respect to the Premises or to property located in and on the Premises endorsed with a clause substantially as follows: *This insurance shall not be invalidated should the insured waive in writing prior to a loss any or all rights of recovery against any party for loss occurring to the property described in this policy.*

B. Lessor and Lessee waive all claims for recovery from each other for any loss or damage to them or to any of their property insured under valid and collectible insurance policies to the extent of the proceeds collected under such insurance policies, provided, however, that this waiver shall be effective only if allowed by the applicable insurance policy of Lessor and Lessee.

19. Rules and Regulations

Lessee agrees, for itself, its employees, agents, clients, customers, invitees, and guests, to comply fully with the following rules and regulations and with such reasonable modifications of and additions to such rules and regulations as Lessor may make for the Building:

A. Any sign, lettering, picture, notice, or advertisement installed within the Premises that is visible to the public from within the Building shall be installed in such a manner and be of such character and style as Lessor shall approve in writing. No sign, lettering, picture, notice, or advertisement shall be placed on any outside window or in a position to be visible from outside the Building.

B. Lessee shall not advertise the business, profession, or activity of Lessee conducted in the Building in any manner that violates any code of ethics adopted by any recognized association or organization pertaining to such business, profession, or activity, shall not use the name of the Building for any purpose other than that of the business address of Lessee and shall not use any picture or likeness of the Building in any circulars, notices, advertisements, or correspondence.

C. Lessee shall not obstruct sidewalks, entrances, passages, courts, corridors, vestibules, halls, elevators, or stairways in or about the Building, nor shall Lessee place objects against glass partitions, doors, or windows that would be unsightly from the Building's corridors or from the exterior of the Building.

D. No animals or pets or bicycles or other vehicles shall be brought or permitted to be in the Building or the Premises.

E. Lessee shall not make excessive noises, cause disturbances or vibrations, or

use or operate any electrical or electronic devices or other devices that emit loud sounds or air waves that may disturb or annoy other tenants or occupants of the Building or that would interfere with the operation of any device or equipment or radio or television broadcasting or reception from or within the Building or elsewhere. Lessee shall not place or install any musical instrument or equipment or any similar device in or about the Premises.

F. Lessee shall not make any room-to-room canvass to solicit business from other tenants of the Building.

G. Lessee shall not exhibit, sell, or offer to sell, use, Rent, or exchange any item or service in or about the Premises at the time Lessee first occupies the Premises under this Lease Agreement.

H. Lessee shall not create any odors that may be offensive to other tenants or occupants of the Building.

I. Lessee shall not waste electricity, water, or air-conditioning and shall cooperate fully with Lessor to assure the most effective operation of the Building's heating and air-conditioning system. Lessee shall not adjust any controls other than room thermostats installed for Lessee's use. Lessee shall not tie, wedge, or otherwise fasten open any water faucet or outlet. Lessee shall keep all corridor doors closed.

J. No additional locks or similar devices shall be attached to any door and no locks shall be changed except by Lessor. No door keys other than those provided by Lessor at the commencement of the Term shall be made except by Lessor at Lessee's expense. Upon Termination of this Lease Agreement or Lessee's possession of the Premises, Lessee shall surrender all keys for door locks and other locks in or about the Premises and shall make known to Lessor the combination of all combination locks, safes, cabinets, and vaults that are not removed from the Premises by Lessee.

K. Lessee assumes full responsibility for protecting the Premises from theft. Except during Lessee's normal business hours, Lessee shall keep all doors to the Premises locked and other means of entry to the Premises closed and secured.

L. No solicitors shall be allowed in the Building, and if present, shall be reported by Lessee to Lessor.

M. Lessee shall not install or operate any machinery or mechanical devices of a nature not directly related to Lessee's ordinary use of the Premises.

N. No person not employed, contracted for, or approved by Lessor shall perform any window washing, cleaning, repairing, janitorial, decorating, painting, or other services or work in or about the Premises.

O. Lessee shall not overload any floor and shall not install any heavy objects such as safes and business machines without having received Lessor's prior written consent as to size, maximum weight, routing, and location. Safes, furniture, equipment, machines, and other large or bulky articles shall be brought through the Building and into and out of the Premises at such times and in such manner as Lessor shall direct (including the designation of elevator) and at Lessee's sole risk and responsibility. Prior

to Lessee's removal of any such articles from the Building, Lessee shall obtain written authorization from Lessor and shall present such writing to a designated employee of Lessor.

P. Lessee shall not in any manner deface or damage the Building.

Q. Lessee shall not bring into the Building or onto the Premises inflammables such as gasoline, kerosene, naphtha, and benzene, or explosives, or any other articles of an intrinsically dangerous nature. If by reason of the failure of Lessee to comply with the provisions of this paragraph, any insurance premium payable by Lessor for all or any part of the Building shall at any time be increased, Lessor shall have the option either to terminate this Lease Agreement or to require Lessee to make immediate payment of the amount of the increase.

R. Lessee shall not install or operate any steam or internal combustion engine, boiler, machinery, refrigeration or heating device or air-conditioning apparatus, or carry on any mechanical business in or about the Premises.

S. Lessee shall not use any illumination in or about the Premises other than electric light.

T. Lessee shall not install in or on the Premises any equipment that uses a substantial amount of electricity, except under Lessor's direct supervision. Lessee shall ascertain from Lessor the maximum amount of electrical current that can safely be used on the Premises, taking into account the capacity of the electrical wiring in the Building and the Premises and the needs of other tenants and shall not use more than such safe capacity. Lessor's consent to the installation of electrical equipment shall not relieve Lessee from the obligation not to use more electricity than the safe capacity. Lessee shall be responsible for the observance of all of the rules and regulations stated in this section by Lessee's employees, agents, clients, customers, invitees, and guests. Lessor shall not be responsible for any violation of the rules and regulations by other tenants of the Building and shall have no obligation to enforce the rules and regulations against other tenants.

20. **Estoppel Certificate**

A. Lessee shall, on not less than _____ (**number**) days' prior written request by Lessor, deliver to Lessor a statement in writing certifying:

1. That this Lease Agreement is unmodified and in full force and effect or, if there have been modifications, that this Lease Agreement as modified is in full force and effect;
2. The dates to which Rent and other charges have been paid; and
3. That Lessor is not in default under any provision of this Lease Agreement or, if Lessor is in default, a detailed description of the default.

B. Lessee appoints Lessor as Lessee's attorney-in-fact with full power and authority to execute and deliver in the name of Lessee any such certificate if Lessee fails to do so on request.

21. Subordination of Lease Agreement and Attornment

A. This Lease Agreement and the right of Lessee under this Lease Agreement are expressly subject and subordinate at all times to any ground Lease of the Real Estate now or in the future existing, and to all amendments, renewals, and modifications to and extensions of any such ground Lease, and to the lien of any mortgage or mortgages now or in the future existing against the Building, the Real Estate, or any ground Leasehold estate, and to all advances made or in the future to be made upon the security of such mortgage or mortgages. Lessee agrees to execute and deliver such further instruments subordinating this Lease Agreement to any such ground Lease or to the lien of any such mortgage or mortgages as may be requested in writing by Lessor. Lessee appoints Lessor as Lessee's attorney-in-fact with full power and authority to execute and deliver in the name of Lessee any such instrument if Lessee fails to do so on request.

B. Lessee agrees that neither the cancellation or termination of any such ground Lease in accordance with its terms or by its surrender, whether voluntary, involuntary, or by operation of law, nor the foreclosure of any such mortgage by summary proceedings, voluntary Agreement, or otherwise, or the commencement of any judicial action seeking foreclosure, shall, by operation of law or otherwise, result in the termination of this Lease Agreement or of Lessee's obligations under this Lease Agreement, unless the ground Lessor or mortgagee elects in writing to terminate this Lease Agreement. In the absence of such election, Lessee shall attorn to and recognize such ground Lessor or mortgagee as Lessor under this Lease Agreement. Lessee agrees to execute and deliver at any time on request of such ground Lessor or mortgagee, or their successors, any instrument to further evidence such attornment. Lessee waives its right, if any, to elect to Terminate this Lease Agreement or to surrender possession of the Premises in the event of any such ground Lease Termination or mortgage foreclosure.

C. Lessee acknowledges that its interest always shall be subordinate to the title of the owner of the Building and nothing in this Lease Agreement shall empower Lessee to do any act that can, shall, or may encumber the title of the owner of the Building.

22. Lessor's Obligations on Sale of Building

In the event of any sale or other transfer of the Building, Lessor shall be entirely relieved of all Agreements and obligations of Lessor under this Lease Agreement, and, without further Agreement, the purchaser or transferee of the Building shall be deemed to have assumed and agreed to perform all Agreements and obligations of Lessor under this Lease Agreement. Without any further Agreement, such purchaser or transferee shall be deemed to have assumed and agreed to perform all Agreements and obligations of Lessor under this Lease Agreement accruing from and after the date of such sale or transfer.

23. Relocation of Lessee

At any time after the date of the execution of this Lease Agreement, Lessor may substitute for the Premises other Premises in the Building (the **new premises**), in which event the new premises shall be deemed to be the Premises for all purposes under this Lease Agreement, provided:

A. The new premises shall be similar to the Premises in area and in appropriateness for use for Lessee's purposes.

B. The substitution shall be made to place onto the Premises a major tenant of the Building who then occupies, or as a result of the move will occupy, all or substantially all

of the floor of the Building on which the Premises are located.

C. If Lessee is then occupying the Premises, Lessor shall pay the expense of moving Lessee, its property, and equipment to the new premises. The moving shall be done at such times and in such manner as to cause the least inconvenience to Lessee.

D. If Lessee is then occupying the Premises, Lessor shall give to Lessee not less than _____ (**number**) days' prior written notice of the substitution. If Lessee has not commenced occupying the Premises, Lessor shall give Lessee not less than _____ (**number**) days' prior written notice of the substitution.

E. Lessor shall, at its sole cost, improve the new Premises with improvements substantially similar to those located in the Premises.

24. Real Estate Brokers

A. Lessee represents that it has not dealt with any Real Estate broker in connection with this Lease Agreement and, to its knowledge, no broker initiated or participated in the negotiation of this Lease Agreement, submitted or showed the Premises to Lessee, or is entitled to any commission in connection with this Lease Agreement.

B. Lessee agrees to indemnify and hold Lessor harmless from and against any claim of any Real Estate broker for a commission in connection with this Lease Agreement.

25. Waiver of Notice

To the extent permitted by law, except for such notices to Lessee as are specifically required to be given under this Lease Agreement, Lessee waives the service of any notice to terminate this Lease Agreement or to reenter the Premises, and waives the service of any demand for payment of Rent or for possession of the Premises and other demand or notice prescribed by law.

26. Interest on Unpaid Amounts

A. All unpaid amounts due to Lessor under this Lease Agreement for Rent shall bear interest at the rate of _____% per annum from the date due until paid.

B. All other amounts due to Lessor under this Lease Agreement shall be considered as Rent, and if unpaid when due shall bear interest at the rate of _____% per annum from the date due until paid.

27. Rights to Light and Air

No rights to light or air over any property, whether belonging to Lessor or to any other person, are granted to Lessee by this Lease Agreement.

28. Receipt of Money After Termination

No receipt of money by Lessor from Lessee after the termination of this Lease Agreement or Lessee's right to possession of the Premises, the service of any notice, the commencement of any suit, or any final judgment for possession of the Premises shall reinstate, continue, or extend the Term or affect any such event.

29. Severability

The invalidity of any portion of this Agreement will not and shall not be deemed to affect

the validity of any other provision. If any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provision.

30. No Waiver

The failure of either party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of any of the terms and conditions of this Agreement, shall not be construed as subsequently waiving any such terms and conditions, but the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

31. Governing Law

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of _____.

32. Notices

Any notice provided for or concerning this Agreement shall be in writing and shall be deemed sufficiently given when sent by certified or registered mail if sent to the respective address of each party as set forth at the beginning of this Agreement.

33. Attorney's Fees

In the event that any lawsuit is filed in relation to this Agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorney fees.

34. Mandatory Arbitration

Any dispute under this Agreement shall be required to be resolved by binding arbitration of the parties hereto. If the parties cannot agree on an arbitrator, each party shall select one arbitrator and both arbitrators shall then select a third. The third arbitrator so selected shall arbitrate said dispute. The arbitration shall be governed by the rules of the American Arbitration Association then in force and effect.

35. Entire Agreement

This Agreement shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

36. Modification of Agreement

Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if placed in writing and signed by each party or an authorized representative of each party.

37. Assignment of Rights

The rights of each party under this Agreement are personal to that party and may not be assigned or transferred to any other person, firm, corporation, or other entity without the prior, express, and written consent of the other party.

38. In this Agreement, any reference to a party includes that party's heirs, executors, administrators, successors and assigns, singular includes plural and masculine includes feminine.

WITNESS our signatures as of the day and date first above stated.

(Name of Lessor)

(Name of Lessee)

By:_____

By:_____

(Printed name & Office in Corporation)

(Printed name & Office in Corporation)

(Signature of Officer)

(Signature of Officer)