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- (D) **Option 3 - Tenant's Option to Renew**
 Landlord and Tenant agree that Tenant has the right to exercise _____ option(s) (1 if not specified) to extend the Lease, provided Tenant is not in continuing, material default or breach at the time the option is exercised. Each option shall be for a term identical to the Term identified in Paragraph 3 ("Renewal Term"). Tenant shall provide Landlord no less than _____ days (60 if not specified) written notice of Tenant's intention to exercise its option to renew the Lease.
- (E) If notice of termination is given later than required, Rent is due for the entirety of the Renewal Term.
- (F) Any renewal will be according to the terms of this Lease unless otherwise modified in a writing signed by Landlord and Tenant.
- (G) At the Expiration Date or sooner termination of this Lease, Tenant shall peaceably surrender to Landlord possession of the Premises in the same condition as it is hereby required to be kept by Tenant, excepting reasonable wear and tear and changes in condition due to fire or other casualty.

1. Tenant may, remove its trade fixtures from the Premises and shall repair any damage to the Premises caused thereby. Tenant may not remove any alterations, additions or improvements other than trade fixtures. Such alterations, additions or improvements shall become the property of Landlord as of the Expiration Date or sooner termination of this Lease. Lighting fixture heating and air conditioning equipment, plumbing and electrical systems and fixtures, and floor coverings shall not be deemed to be trade fixtures whether installed by Tenant or by anyone else, and shall not be removed from the Premises by or on behalf of Tenant at any time.
2. Landlord may, in Landlord's sole discretion, conduct an inspection of the Premises. Landlord shall provide written notice to Tenant of the date of the inspection so that representatives of both Landlord and Tenant may attend. Following such inspection, Landlord shall provide Tenant with written notice within _____ days (10 if not specified) of such inspection setting forth those conditions for which Tenant is responsible to repair or restore under the Lease.
3. Tenant may, at Tenant's election, either (i) make such repairs or restorations; or (ii) notify Landlord that Tenant desires Landlord to perform such repairs and restorations at Landlord's actual, reasonable costs. If Tenant elects not to perform the repairs and restorations, Tenant shall pay Landlord's actual, reasonable costs promptly after receiving notice that Landlord has completed the same. Such notice shall include an invoice or other record setting forth, in reasonable detail, Landlord's actual costs of repairs and restorations.

86 **5. BASE RENT**

- (A) Rent is due without demand, abatement, deduction or set-off at the address set forth on Page 1 of this Lease, unless otherwise stated.
- (B) Base Rent shall be paid in monthly quarterly annual other: _____ installments ("Due Date" \$ 7,083.33 on or before the 1 day of each month quarter other: _____ per month
- (C) Base Rent shall be calculated as \$ _____ /sq. ft. OR \$ 7,083.33 (U.S. Dollars) per year.
 amounting to Base Rent of \$ _____
 If checked, Base Rent is subject to an incremental rent increase during the Term of this Lease. Each increase in Base Rent owed to Landlord will be no more than 4.300 % or \$ _____ in each instance after following proper notice to Tenant, will take effect on the anniversary of the Commencement Date set forth in this Lease unless otherwise stated here: 2% T.M.
- (D) Any Base Rent installment, Additional Rent, or any other payment not received by Landlord within _____ days (5 if not specified) of the Due Date shall be subject to a late charge of _____ % of the installment due or \$ 100.00 ("Late Charge")
- (E) Tenant agrees that all payments will be applied against outstanding Additional Rent that is due before they will be applied against the current Base Rent due. When there is no outstanding Additional Rent, payment will be applied to the month's Base Rent that is currently due.
- (F) Landlord will accept the following methods of payment: Cash Money Order Personal Check Credit Cards (additional fees may apply) Cashier's Check Other: _____ Landlord, at Landlord's sole discretion, reserves the right to change or modify the acceptable methods of payment if any method fails (a check is returned or not honored, credit card is declined, etc.), by providing Tenant with notice not less than ten (10) days before the next Base Rent installment is due.
- (G) Tenant will pay a fee of \$ 50.00 for any payment that is returned or declined by a financial institution for any reason. Notwithstanding any other provisions in this Lease, if payment is returned or declined, Late Charges will be calculated from the Due Date. Any late charges will continue to apply until a valid payment is received.

108 **6. SECURITY DEPOSIT**

- (A) A security deposit of \$ _____ will be paid in U.S. Dollars to Landlord or Landlord's representative, and held in escrow by Landlord or Landlord's representative as named here: _____
- (B) The Security Deposit will be held for the performance by Tenant of all of its covenants, obligations and agreements set forth in this Lease, but in no event shall Landlord be obligated to apply the Security Deposit to Rent or other charges in arrears, or damages for Tenant's default hereunder; however, Landlord may so apply the Security Deposit at its option. Landlord's right to possess the Premises for Tenant's default, or other such reason, shall not be affected by the fact that Landlord holds the Security Deposit.
- (C) The Security Deposit, if not so applied by Landlord, shall be returned to Tenant within _____ (60 if not specified) days after the Lease terminates, provided that Tenant has vacated the Premises and delivered the same to Landlord as herein provided.
- (D) In the event of any transfer of Landlord's interests in the Premises, Landlord shall have the right to transfer its interest in the Security Deposit following proper notice to Tenant, whereupon Landlord shall be released of all liability with respect to such a Security Deposit, and Tenant shall look solely to such transferee for the return of the same in accordance with the terms of the Lease.

120 Tenant Initials: T.M.

Landlord Initials: [Signature]