

**FACILITY LEASE AGREEMENT**

This Facility Lease Agreement (“Lease”) is made effective January 1, 20\_\_, by and between \_\_\_\_\_ (Lessee”), and \_\_\_\_\_ (“Lessor”).

In consideration of the mutual covenants contained herein, the parties agree as follows:

**Description of Premises.** Lessor leases to Lessee the facility located at :

1. **Term.** The term of this Lease is for twelve (12) months, beginning on January 1, 20\_\_, and terminating on December 31, 20\_\_.

2. **Rent.** Payment will be due monthly at \$500.00 per month, on the 5<sup>th</sup> day of each month.

3. **Automatic Renewal.** This Lease including all its terms, provisions and covenants shall be automatically renewed for additional periods of one (1) year each, unless either party shall notify the other not less than ninety (90) days prior to expiration of the original term, or any renewal term, of their election not to extend this Lease. In the event of renewal, the base rental rate may be increased from the prior term’s base rental rate, as agreed by the parties.

4. **Security Deposit.** This Lease requires no security deposit paid by Lessee to the Lessor.

5. **Use of Premises.** The premises are to be used for administrative office purposes only. Lessee shall restrict its use to such purposes, and shall not use or permit the use of the premises for any other purposes without the written consent of the Lessor, or the Lessor’s authorized agent, which shall not be unreasonably withheld. Lessee shall not allow any waste or nuisance on the premises, or use or allow the premises to be used for any unlawful purpose. Also, Lessee shall not violate the restrictive covenants applicable to the leased premises. Further, Lessee will not keep or use anything prohibited by any policy of fire insurance covering the premises, and will comply with all requirements of the insurers applicable to the premises necessary to keep in force the fire and liability insurance.

6. **Utilities and Services.** Lessor will arrange and pay for all utilities and services furnished to the premises for the term of this Lease, including, but not limited to, electricity, gas, telephone service, interior janitorial services, and pest control.

7. **Parking.** Lessee and its invites shall have the right to use a pro rata portion (based on the ratio of the floor area included within the leased premises to the total floor area of all of the office buildings located on the above described property) of the parking area, such parking to be at random and with other tenants in the office buildings.

## Facility Lease

8. **Signs.** No signs shall be placed on the exterior of the leased premises without the prior written approval of Lessor, which approval shall not be unreasonably withheld. The purpose of retaining the right to approve signs in the Lessor is to provide for uniformity, harmony and good appearances among all of the buildings of which the leased premises are a part.

9. **Ordinances and Regulations.** Lessee will comply with all of the rules and regulations of the Board of Fire Underwriters, Officers or Board of the City, Parish, or State having jurisdiction over the leased premises, and with all ordinances and regulations or governmental authorities wherein the leased premises are located, at Lessee's sole cost and expense, but only insofar as such rules, ordinances, or regulations pertain to the manner in which the Lessee shall use the leased premises; the obligation to comply in every other case where such rules, ordinances, or regulations pertain to the manner in which the Lessee shall use the leased premises: the obligation to comply in every other case where such rules, ordinances, or regulations require repairs, alterations, changes, or additions to the building (including the leased premises) or building equipment, or any part of either, is hereby expressly assumed by Lessor.

10. **Delivery, Acceptance, and Surrender of Premises.** Lessor represents that the premises are in fit condition for use by Lessee. Acceptance of the premises by Lessee will be construed as recognition that the premises are in a good state of repair and in sanitary condition. Lessee will surrender the premises at the end of the lease term, or any extension thereof, in the same condition as when Lessee took possession, allowing for reasonable wear and tear, and damage caused by acts of God, including fires and storms.

### 11. **Repairs and Maintenance.**

A. Lessee will maintain in good repair, at Lessee's expense, all of the interior portions of the leased premises, including lightbulb replacement. Lessee shall also be responsible for all repairs, interior or exterior, made necessary by damage or injuries resulting from the actions of the Lessee, or Lessee's invites, or others on the premises with Lessee's permission, express or implied.

B. Lessor will be responsible for maintaining the exterior and all structural portions of the leased premises, including the roof. Lessor shall also maintain the heating and air conditioning equipment located in the leased premises. At any time during the term of this Lease, or any extension or renewal thereof, if maintenance, repair, or replacement of any part of the exterior or structural portions of the leased premises is required, Lessee shall notify Lessor, and

Lessor shall have a reasonable time thereafter within which to accomplish the needed repairs or maintenance. Further, Lessor shall not be liable for any damages or injuries to any person or property resulting from the defective condition of the premises, which shall occur during such period.

## Facility Lease

### 12. **Insurance.**

Lessee will obtain and maintain general liability insurance covering both injury to persons and property in connection with the leased premises, including Lessor as a named insured, with policy limits of at least \$500,000.00 for personal injury and \$50,000.00 for property damage. Lessee may maintain such other insurance as it deems fit in order to protect its interest in the premises, stock, merchandise, fixtures, and any and all other interest which the Lessee may elect to insure. Lessor will be held harmless for any damages suffered by Lessee which may occur and for which there is no insurance coverage.

Lessor will obtain and maintain a policy of fire, casualty, and liability insurance on the leased premises at the highest insurable value in order to protect Lessor's interest in the premises in regards to fire, casualty, or liability to third parties. Lessor shall not be liable to carry fire, casualty, or extended damage insurance on the person or property of the Lessee, or any person or property which may ever be placed in the leased premises.

13. **Entry on Premises by Lessor.** Lessor reserves the right to enter on the premises at reasonable times to inspect them, perform required maintenance and repairs, or make additions, alterations, or modifications to any part of the building in which the premises is located, and Lessee will permit Lessor to do so. Lessor may erect scaffolding, fences, and similar structures, post relevant notices, and place moveable equipment in connection with making alterations, additions, or repairs, all without incurring liability to Lessee for disturbance of quiet enjoyment of the premises, or loss of occupation thereof.

14. **Improvements and Alterations by Lessee.** Lessor reserves the right to make necessary alterations and improvements to the premises. Upon Lessor's written approval, which may not be unreasonably withheld, Lessee may also make alterations and improvements to the premises. Any alteration or modification to the premises by Lessee will be at Lessee's sole expense. If required by Lessor, such alterations shall be removed by the Lessee, at Lessee's expense, upon expiration or termination of this Lease, and Lessee shall repair any damage to the leased premises caused by such removal. Upon termination of this Lease, Lessee is entitled to remove all non-permanent fixtures, alterations, and modifications made by Lessee to the premises, provided that any damage to the premises resulting from such removal be fully repaired and restored at Lessee's sole expense. All permanent improvements to the premises will become the property of the Lessor.

15. **Lessor's Non-Liability For Certain Damages.** Lessor will not be liable for claims of injury to persons or property from any cause relating to the occupancy of the premises by Lessee, or the occupancy of any neighboring tenant, during the term of this Lease, or any extension thereof, except to the extent of Lessor's fault. Lessee will indemnify Lessor from all liability, loss, or other damage claims or obligations resulting from any injuries or losses of this nature. Lessor shall not be liable for claims or obligations resulting from any injuries or losses of this nature. Lessor shall not be liable for claims of injury to persons or property from fire, flood, windstorm, or other acts of God.

## Facility Lease

### 16. Partial or Total Loss of Premises.

A. Partial destruction of the leased premises shall not render this Lease void or voidable, not terminate it except as herein provided. If the premises are partially destroyed during the term of this Lease, Lessor will repair and restore it to a kind and quality substantially similar to that immediately prior to such destruction or damage, within ninety (90) days of the date of such destruction, provided such repairs can be made in conformity with governmental laws and regulations. Rent will be reduced proportionately to the extent to which the destruction and repair operations interfere with the Lessee's business conducted on the premises. If the repairs are not completed within the specified time due to Lessor's delay or control, then Lessee shall have the right to terminate this Lease by written notice to Lessor within thirty (30) days after expiration of the said ninety (90) day period.

B. If the leased premises are totally destroyed by fire or other casualties, both parties shall have the option to terminate this Lease, or any renewal thereof, upon giving written notice to the other party at any time within thirty (30) days from the date of destruction. If the Lease is so terminated, then all rent shall cease as of the date of such destruction, and any prepaid rent shall be refunded to Lessee. In the event that neither party shall opt to terminate this Lease as provided in the preceding sentence, then Lessor will restore the premises to its former condition within a reasonable time, provided such restoration can be made in conformity with governmental laws and regulations. No lease payment will be required of the Lessee during the time of such restoration. If Lessor does not restore the premises to its former condition within a reasonable time, then the Lease will terminate, and Lessee will be exonerated from further or future liability under this Lease.

C. Lessee will be responsible for any damage to the leased premises which is intentionally caused or the result of willful neglect by Lessee. Lessee will indemnify Lessor for all expenses caused by such damage.

D. Lessor shall not be liable for any inconvenience or interruption of business of the Lessee occasioned by fire or other casualty.

17. Assignment and Sublease. Lessor may assign this Lease at anytime to anyone at Lessor's option. Lessee, however, may not assign or sublease the premises, or any right or privilege connected therewith, or allow any other person, except agents and employees of Lessee, to occupy the premises or any part thereof, without first obtaining Lessor's written consent, which consent shall not be unreasonably withheld. A consent by Lessor will not be a consent to a subsequent assignment, sublease or occupation by other persons. An unauthorized assignment, sublease, or license to occupy by Lessee will be void and may terminate this Lease at Lessor's option. The interest of Lessee in this Lease is not assignable by operation of law or

by bankruptcy proceedings, without the written consent of Lessor. In no event shall this Lease, or any of the rights and privileges hereunder, be an asset of the Lessee under any bankruptcy or reorganization proceedings, nor shall the leased premises be subject to any mechanic's, material man's, or other type of lien; Lessee shall keep the premises free from such liens, and shall

### **Facility Lease**

satisfy, and indemnify Lessor against, any such liens which shall obtain because of the acts of Lessee notwithstanding the foregoing provision.

18. **Condemnation.** Eminent domain proceedings resulting in the condemnation of a part of the premises leased herein, but leaving the remaining premises useable by the Lessee for the purposes of its business, will not terminate this Lease. The effect of any condemnation will be to terminate the Lease as to the portion of the premises condemned, and the Lease of the remainder of the premises will remain intact for the remainder of the Lease term. The rental amount for the remainder of the Lease term will be reduced by the amount that the usefulness of the premises has been reduced for the business purposes of the Lessee. Lessor shall be entitled to receive the entire award for damages resulting from eminent domain proceedings, except as provided under applicable \_\_\_\_\_ law.

### 19. **Lessee's Breach and Lessor's Remedies.**

The following constitute a breach of this Lease by the Lessee:

1. The appointment of a receiver to take possession of the assets of the Lessee;
2. A general assignment for the benefit of the creditors of Lessee;
3. Any action taken or allowed to be taken by Lessee under any bankruptcy act;
4. Use of the leased premises for any illegal purpose;
5. Failure to comply with each and every term and condition of this Lease.

Lessee will have fifteen (15) days after receipt of written notice from Lessor of any breach to correct the conditions specified in the notice, or if the corrections cannot be made within the fifteen (15) day period, Lessee will have a reasonable time to correct the default if action is commenced by Lessee within fifteen (15) days after receipt of the notice.

In addition to all other remedies provided by law, upon Lessee's breach of this Lease, the Lessor may: terminate this Lease; re-enter the premises to mitigate Lessor's damages; resumé possession on account of Lessee; attempt to mitigate Lessee's damages by finding a new and suitable tenant; and otherwise hold Lessee responsible under this Lease and for any damages occasioned by Lessee's default.

20. **Attorney's Fee's.** Should it become necessary in the opinion of Lessor to collect any rent due under this Lease, or to place the same in the hands of an attorney at law for collection or suite, Lessee agrees to pay all costs of such collection including reasonable attorney fees. Further, the parties agree that if either party files an action to enforce any covenant of this lease, or for breach of any covenant herein, then the losing party will pay to the prevailing party court costs and reasonable attorney fees arising from the action, such fees to be fixed by the court.

## Facility Lease

21. **Non Waiver.** No waiver of any covenant or condition of this Lease by either party shall be deemed to imply or constitute a further waiver of the same covenant or condition, or any other covenant or condition of this Lease.

22. **Notices.** For purposes of notice or demand, the respective parties shall be served by certified or registered mail, return receipt requested, addressed to the party at the party's office address on the property described above.

23. **Binding Effect.** This Lease shall be binding upon and inure to the benefit of the successors, assigns, heirs, personal representatives, and legal representatives of the parties.

24. **Governing Law.** The parties intend that this Lease, and the performance hereunder, and all suites and special proceedings hereunder, be construed in accordance with the laws of the State of \_\_\_\_\_. Further, in any action or other proceedings which relates to this Lease, the laws of the State of \_\_\_\_\_ shall govern to the exclusion of the law of any other forum, without regard to the jurisdiction in which such action or proceeding may be instituted.

25. **Severability.** All agreements and covenants contained herein are severable, and in the event any of them shall be held to be invalid by any competent court, this Lease shall be interpreted as if such invalid agreements or covenants were not contained herein.

26. **Amendments.** No waiver or modification of this Lease, or of any covenant, condition, or limitation herein contained, shall be valid unless in writing and duly executed by the party to be charged therewith. No evidence of any waiver or modification shall be offered or received in evidence of any proceeding, arbitration, or litigation between the parties hereto arising out of or affecting this Lease, or the rights or obligations of the parties hereunder, unless such waiver or modification is in writing and duly executed, as foresaid. The parties further agree that the provisions of this Paragraph may not be waived except as herein set forth.

27. **Complete Agreement.** This instrument contains the complete agreement concerning the business lease arrangement between the parties and shall, as of the effective date hereof, supersede all other agreements between the parties. The parties stipulate that neither of them has made any representations including the execution and delivery hereof except such representations as are specifically set forth herein.

**Facility Lease**

**In Witness Whereof**, the parties have executed this Facility Lease Agreement in \_\_\_\_\_, \_\_\_\_\_ effective January 1, 20\_\_.

LESSEE:

By: \_\_\_\_\_

Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

LESSOR:

By: \_\_\_\_\_

Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_