

## LEASE TERM SHEET

**Landlord:**

**Tenant:**

**Guarantor(s):** If the Tenant is an entity, the Lease shall be guaranteed by the principal(s) of the tenant.

**Premises Address:**

**Premises Description:** Approximately \_\_\_ square feet, shown on the plan attached as Exhibit A

**Term:** 3 lease years

**Base Rent:** During lease year 1 and 2, the Base Rent for the Premises shall be equal to 50% of the advertised market rent<sup>1</sup> for the Premises and during lease year 3, the Base Rent for the Premises shall be 75% of the advertised market rent for the Premises.

If Tenant uses all of the Tenant Finish Allowance, the advertised market rent for the Premises is \$\_\_\_\_\_ per square foot of leasable floor in the Premises which equals \$\_\_\_\_\_ Base Rent per year. During lease year 1 and 2, the Base Rent for the Premises shall be \$\_\_\_\_\_ per month (based on \$\_\_\_\_\_ per leasable square foot of leasable floor area in the Premises for the year). During lease year 3, the Base Rent for the Premises shall be \$\_\_\_\_\_ per month (based on \$\_\_\_\_\_ per leasable square foot of leasable floor area in the Premises for the year).

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<sup>1</sup> Market rent, as used herein is base rent for the premises, plus tenant's estimated share of real estate taxes, landlord insurance costs, and common area maintenance charges.

If Tenant agrees to no Tenant Finish Allowance, the advertised market rent for the Premises is \$\_\_\_\_\_ per square foot of leasable floor in the Premises which equals \$\_\_\_\_\_ Base Rent per year. During lease year 1 and 2, the Base Rent for the Premises shall be \$\_\_\_\_\_ per month (based on \$\_\_\_\_\_ per leasable square foot of leasable floor area in the Premises for the year). During lease year 3, the Base Rent for the Premises shall be \$\_\_\_\_\_ per month (based on \$\_\_\_\_\_ per leasable square foot of leasable floor area in the Premises for the year).

If Tenant agrees to only a portion of the Tenant Finish Allowance the advertise base rent will be adjusted accordingly.

**Percentage Rent:**

None

**Expenses:**

Tenant shall pay for electric, telephone and cable. Landlord shall pay for water, sewer and trash collection. Tenant will not make any payment above Base Rent for CAM, real estate taxes, landlord insurance or HRSD.

**Security Deposit:**

Equal to one month Base Rent shall be payable by Tenant upon full execution of the Lease for the Premises

**Possession Date:**

To be agreed upon.

**Premises Condition:**

Landlord shall deliver the Premises in its present "AS IS" condition, broom clean, with HVAC installed and electric, water and sewer to the Premises and building code compliant restroom facilities installed or available to the Premises.

**Rent Commencement Date:**

The earlier to occur of (a) 60 days after actual Possession Date or (b) opening for business.

**Tenant Finish Allowance:**

Landlord shall provide a maximum Tenant Finish Allowance equal to \$\_\_\_\_\_ (based on \$\_\_\_ per square foot of leasable floor area of the Premises) which shall be used by Tenant only for finishing and outfitting the Premises for Tenant's intended use. Landlord and Tenant shall agree upon the Tenant Finish Allowance required by the Tenant.

**DNC Tenant Reimbursement Contribution:**

The Downtown Norfolk Council ("DNC") will pay to the Tenant up to \$20,000 (or such higher amounts as the DNC may determine in its sole discretion) as reimbursement for costs or expenses incurred by the Tenant in preparing the Premises and opening Tenant's business at the Premises, approved for reimbursement by the DNC, as follows:

50% upon Tenant opening for business at the Premises in substantial compliance with the lease proposal submitted by Tenant; and

50% one year after Tenant opening for business at the Premises and the business remaining open at the Premises in substantial compliance with the lease proposal submitted by Tenant.

**Permitted Use:**

\_\_\_\_\_

Tenant shall be responsible for obtaining any permits or approvals for the use of the sidewalk and public areas in front of the Premises.

**Environmental:**

Landlord shall represent and warrant to Tenant that the Premises complies with all environmental laws.

Landlord shall indemnify, hold harmless and defend Tenant for claims relating to hazardous materials and violations of environmental laws, other than those caused by Tenant.

For buildings constructed before 1986, Landlord, at its sole cost and expense, will test for and remove any asbestos or

asbestos containing materials from the Premises before delivering possession to Tenant.

**Assignment/Subletting:** Tenant shall not assign the lease or sublease any or all of the Premises without first obtaining written consent of Landlord and the Downtown Norfolk Council.

**Business Hours:** Except during reasonable periods for repairing, cleaning and decorating Tenant shall keep the Premises open for business during the days and hours agreed to by the Landlord, taking into consideration the Tenant's permitted business. At all times, Tenant shall have at the Premises adequate and competent personnel necessary for the operation of Tenant's business. In the event Tenant fails to operate its business from the Premises during all of the days and hours required hereunder, Tenant shall be in default.

**Default:**

1. Monetary default – Tenant must be given ten (10) days written notice and opportunity to cure.
2. Non-monetary default – Tenant must be given thirty (30) days written notice and opportunity to cure.

**Indemnification:** Landlord shall indemnify, hold harmless and defend Tenant for claims arising from the use of the Common Areas in the Building in which the Premises is located, negligent acts or omissions of Landlord, and for Landlord's breach of, or default under, the Lease.

**Broker:** None.

**Landlord's Lien:** Landlord shall waive all statutory and/or contractual liens against Tenant's property except in case of monetary default.

**Subordination:** The Lease, and the rights of Tenant shall be subject and subordinate in all respects to all present and future mortgages on the Premises and the property upon which the Premises is located, including all modifications,

extensions, supplements, consolidations and replacements thereof.

**Zoning, Parking:**

The Lease shall contain representations and warranties from the Landlord that the property upon which the Building is located and the Premises comply with applicable zoning, parking and land use codes and regulations, and that no exclusives, restrictions or prohibitions have been granted that limit or conflict with Tenant's Permitted Use.

**Utilities & Trash:**

Landlord shall have available at the Premises adequate utilities required for Tenant's permitted use (including water, sewer, gas, electricity, including electricity for lighting, HVAC, telephone and fire equipment) and separate meters for all such utilities. Landlord shall be responsible for all utility hook-up, tap, impact, lateral, system development and other fees and costs pertaining to the utilities.

If applicable, Landlord shall provide a trash dumpster or other trash receptacle for Tenant's use for trash collection.

**Signage:**

Tenant shall be allowed to install signage on the exterior of the Premises in compliance with the Signage Guidelines published by the Downtown Norfolk Council and with governmental codes and regulations. All signage shall also be approved in advance by the Landlord and the Downtown Norfolk Council.

**Landlord's  
Repairs/Maintenance:**

Landlord shall repair and maintain the roof of the Premises (including its watertight membrane), and all exterior and structural elements of the Premises and mechanical and electrical equipment servicing the Premises. Tenant shall be obligated to maintain a maintenance/service agreement on the HVAC ("HVAC Service Agreement") to cover routine maintenance and servicing. Landlord shall make repairs and maintain the HVAC for matters not covered by the

HVAC Service Agreement. Tenant shall be obligated to maintain the interior of the Premises.

**Alterations:**

Tenant may, from time to time during the term of the Lease, make interior, non-structural alterations to the Premises and alter the exterior appearance of the Premises with the prior approval of the Downtown Norfolk Council and Landlord.