

COMMERCIAL
LEASE CONTRACT

Date _____

IT IS UNDERSTOOD, COVENANTED AND AGREED that in consideration of the promises contained herein, the rent herein reserved, and of the covenants herein contained by said Lessee to be performed, the Lessor hereby leases to the Lessee, and the Lessee hereby agrees to lease from the Lessor. _____, hereafter the Leased Premises, according to the following terms and conditions:

1. **PARTIES:** This Lease is between _____ (Lessee), and Houses Incorporated, agent for owner, with offices at 217 North East Avenue, Fayetteville, AR 72701 (Lessor), for use as an office space only.
2. **LEASE TERM:** The Initial term of the Lease shall be for _____ and shall begin on _____ and shall end on _____. **This lease will automatically renew for the same term that just expired unless written notice of termination is given by either party at least 60 days before the end of the above lease term.**
3. **RENT:** Lessee will pay as rent _____ for the initial term, payable in installments of _____ per month. The monthly rent shall be payable, without demand, at Lessor's office at 217 North East Avenue, Fayetteville, AR 72701, on or before the first (1st) day of each month. If all rent is not paid on or before the third (3rd) of the month, Lessee agrees to pay a late charge of 5% of amount due plus \$50.00 per day thereafter until paid. Rent unpaid after the seventh (7th) day of the month is delinquent and will authorize all remedies in the Lease. Lessee agrees to pay a \$25.00 charge per check for any returned checks.
4. **COST OF LIVING ADJUSTMENT:** Base Rent for each term after the initial term, shall be adjusted at the beginning of each term by a percentage equal to any percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U) for the U.S. City Average for All Items from the previous year.
5. **SECURITY DEPOSIT:** Lessee will deposit with Lessor the sum of _____. Said deposit shall be held by Lessor as security for the faithful performance by Lessee of all the terms, covenants, and conditions of this Lease. If at any time during or after the term of this Lease, any of the rent or other moneys due hereunder shall be overdue and unpaid, or any other sum payable to Lessee to Lessor hereunder shall be overdue and unpaid, Lessor may, at the option of Lessor (but Lessor shall not be required to), appropriate and apply any portion of said deposit to said sums. Lessor and Lessee acknowledge and agree that the aforementioned deposit and rights of Lessor to appropriate same are not Lessor's sole remedy against Lessee for the performance of Lessee's obligation hereunder. Such remedy and the remedies set forth in the remainder of this paragraph shall not be deemed to be the exclusive remedies for Lessee's breach of this Lease but shall be in addition to all other remedies available at law or equity to Lessor. Should Lessee comply with all of the terms, covenants and conditions and promptly pay all of the rental herein provided as due, and all other sums payable to Lessee to Lessor hereunder, the said deposit shall be returned in full to Lessee at the end of the term of this Lease.
6. **MAINTENANCE BY LESSEE AND/OR LESSOR:** Lessee shall make and pay for all cleaning of the interior area of the Leased Premises, interior and exterior window cleaning. The following maintenance, replacement or repair shall also be the Lessor's responsibility:
 - a. All maintenance, replacement and repair to the roof, outer walls exclusive of plate glass, and structural portion of the buildings which shall be necessary to maintain the building in a safe, dry and tenable condition; and,
 - b. All maintenance of the heating, ventilation and air-condition system, plumbing and electrical

- system; and,
c. All grounds and parking lot maintenance except during snow and ice events.

8. **REAL ESTATE TAXES, INSURANCE AND OTHER ASSESSMENTS:** Lessor will pay all real estate taxes and property damage insurance, and other assessments which are assessed or imposed upon the Leased Premises or any part thereof, and due and/or payable during the term of this Lease.

9. **UTILITIES:** Paid by owner Gas, water, and electric.

10. **OCCUPANTS:** The premises will be occupied by Lessee and/or such officers, directors, agents, employees, guests, invitees or customers of Lessee as would be normal in the ordinary course of Lessee's business. No other occupants are permitted. Residing on the leased premises is forbidden. Leased premises are to be used between 6:00am- 8:00pm unless otherwise stipulated herein. It is agreed that breach of this section constitutes a default, which cannot be cured, and at the option of the Lessor, will provide cause for immediate termination of the tenancy. Whether or not the Lessor makes the election to terminate the tenancy, Lessee and/or his co-obligors or successors, agree to pay as liquidated damages an amount equal to 1/10th of the monthly rental rate then in effect, per person, per day, for each day Lessee is in violation of the sub-section. Said liquidated damages shall be in addition to any other remedies Lessor may have at law or equity, or pursuant to this Lease Agreement. There is no smoking allowed in or on the property. There is no sleeping or residing the space.

11. **SUBLETTING, ASSIGNMENT:** The Leased Premises may not be sublet nor can Lessee assign this Lease without the prior written consent of Lessor, which Lessor will not unreasonably withhold.

12. **SIGNS, AWNINGS, CANOPIES, FIXTURES, ALTERATIONS:** Lessee may, at its sole cost and expense, make such non-structural alterations, additions or changes, in and to the Leased Premises as it may desire provided, however, Lessee shall first obtain Lessor's prior written consent for any such non-structural alterations, additions or changes. Lessee shall not make or cause to be made any alterations, additions or improvements or install or cause to be installed any exterior trade fixture, exterior signs, exterior lighting, light bulbs in the units, plumbing fixtures, shades or awnings or make any other changes to the exterior without first obtaining Lessor's written approval and consent. Lessee may make no alterations, additions or changes which, in the opinion of Lessor or its engineers, affect the structural integrity or historical or architectural character of the Leased Premises without Lessor's prior written consent. Lessee shall present to Lessor Plans and Specifications for any work proposed by Lessee at the time approval is sought and Lessor shall not unreasonably withhold such consent.

13. **ALTERATIONS, ADDITIONS & EXTENSIONS TO THE BUILDING, COMMON AREAS, OR THE LEASED PREMISES:** Lessor hereby expressly reserves the right to make any alterations, additions, or extensions to the building, the premises, and/or common areas, including the parking area that Lessor deems necessary or reasonable in Lessor's sole discretion during the Lease Term. Lessor cannot reasonably interfere with Lessee's enjoyment without consent.

14. **CONDITION OF PREMISES ON MOVING IN AND MOVING OUT:** Upon taking possession Lessee accepts the premises fixtures, and/or appliances as is, except for conditions materially affecting health or safety of ordinary persons. Lessor makes no implied warranties. Within 1 week after move-in, Lessee shall note any defects or damages in the premises by notifying the Lessor in writing; otherwise, everything will be deemed to be in clean and good condition.

15. **SUBORDINATION:** This lease is subject to all present or future mortgages, deeds of trust or liens, affecting the demised premises and Lessee hereby appoints the Lessor as Lessee's Attorney-in-Fact to execute and deliver any and all necessary documents to subordinate this lease to any present or future mortgages or deeds of trust affecting the demised premises.

16. **CONDEMNATION:** In the event the demised premises, or any part thereof, are taken by condemnation by the United States, the State of Arkansas, or any other governmental agency or authority

in such a fashion that Lessee cannot use the premises for its intended purposes, this lease can be terminated at the option of the Lessor or Lessee. If part of the property is condemned, the Lessee may elect to continue under the lease and shall be entitled to equitable abatement of rent. The Lessee shall be entitled to any condemnation award allocable to improvements that the Lessee made to the property.

17. **LIABILITY:** Lessor will not be liable to Lessee, Lessee's agents, employees, guests, invites, customers, or other occupants for any damage or loss to person, entity, or property caused by other persons, including theft, burglary, assault, vandalism, or other crimes. Lessor will not be liable to Lessee, or any of Lessee's agents, employees, guests, invites, customers, or other occupants for personal injury or for damage to or loss of their personal property from fire, flood, water leaks, rain, hail, ice, snow, smoke, lightning, wind, explosions, interruption of utilities or other occurrences unless such injury, loss or damage is caused by negligence of Lessor. Lessor will furnish locks and latches as required by statute. Except as required by statute, Lessor will furnish no additional extra locks and latches, security guards or patrols, security lighting, security gates or fences, or other forms of security. Lessee agrees to exercise due care for the safety and security of Lessee and all persons in Lessee's premises. Lessee is urged to keep doors and windows locked at all times; window screens and screen doors are not to be considered as secure windows and doors, but are furnished for ventilation purposes only. Lessee acknowledges that any security measures provided should not and will not be treated by Lessee as a guarantee against crime, but are provided for the purpose of protecting the physical property of the Lessor and not to guarantee safety of the Lessee. If Lessee is in need of security services, Lessee should contact local law enforcement and/or other private security companies. If Lessor's employees or sub-contractors are requested to render services not contemplated in this Lease, Lessee agrees to hold Lessor harmless from all liability regarding same. It is expressly understood and agreed by the Lessee that if the Lessor shall furnish any automobile parking space, elevators or other "common areas," or any other facilities outside of the premises herein expressly demised to the Lessee same shall be deemed to be gratuitously furnished by the Lessor and that if any person shall use the same, he or she does so at his or her own risk and upon the express understanding and stipulation that the Lessor shall not be liable for any loss of property through theft, casualty, or otherwise, or for any damage or injury whatever any to person or property unless such injury, loss or damage is caused by negligence of Lessor.

18. **REPAIRS AND MALFUNCTION:** Lessee agrees to request all repairs and services in writing to Lessor's designated representative except in an emergency when telephone calls will be accepted. Lessor shall have the right to temporarily turn off equipment and interrupt utilities to avoid damage to property or to perform repairs or maintenance, which require such interruption. In case of malfunction of utilities or damage by fire, water or similar cause, Lessee shall notify Lessor's representatives. Lessor shall act with diligence in making repairs; and the lease shall continue and the rent shall not abate during such periods unless malfunctions or damages unreasonably restrict Lessee from performing usual daily work. If fire or catastrophe damages in the premises are substantial in the reasonable judgment of Lessor, Lessor may terminate this Lease within a reasonable time by giving written notice to Lessee. If the Lease is so terminated, rent shall be prorated and the balance refunded along with all deposits, less lawful deductions.

19. **REIMBURSEMENTS:** Lessee shall promptly reimburse Lessor for any loss, property damage, or cost of repairs of service caused in the premises or community by negligence or improper use by Lessee or Lessee's agents, employees, invites, customers, or other occupants. Lessor will not be liable for and Lessee shall pay for the following if it occurs during the lease term or renewal period: (a) damage to doors, windows, or screens unless due to negligence of Lessor, (b) repair costs and damages from plumbing stoppages in lines exclusively serving Lessee's premises and (c) damages from windows or doors left open; Lessor's failure or delay in demanding rent, damage reimbursement, late-payment charges, returned check charges, or other sums due by Lessee shall not be deemed a waiver, and Lessor may require payment of same at any time, including deduction from security deposit. Lessor may require advance payment for repairs for which Lessee is liable.

20. **LESSEE INDEMNIFICATION OF LESSOR:** Lessee will indemnify, defend and hold harmless Lessor from and against any and all loss, cost, claims, damages, actions, liability and/or expense in connection with loss of life, personal injury and/or damages to property, tangible or intangible, including

the Leased Premises, and any personal property brought onto the Leased Premises arising from or out of any occurrence in, upon or at the Leased Premises, or the occupancy or use by Lessee of the Leased Premises or any part thereof, or occasioned wholly or in part by any act or omission of Lessee, Lessee's agents, employees, invites, guests, contractors, sub-leases, concessionaires or customers. In the event Lessor shall, without fault on its part, be made a party to any litigation commenced by or against Lessee, then Lessee shall indemnify, defend and hold Lessor harmless and shall pay all reasonable costs, reasonable expenses and reasonable attorney's fees that may be incurred or paid by Lessor in enforcing the covenants and agreements in this Lease.

21. **HOLD-OVER:** If Lessee holds over without Lessors written permission and fails to move out on or before the exact date required under this Agreement (i.e., the end of the lease term or the end of the month of any renewal or extension term, as set forth in the written notice of termination), Lessee shall be liable to pay double rents for the hold-over period and to indemnify Lessor and/or prospective Lessees for damages incurred, including lost rentals and lodging expenses. Holdover rents shall be immediately due on a daily basis and shall be deemed delinquent without notice or demand.

22. **LESSOR'S COVENANT OF QUIET ENJOYMENT:** Upon payment by the Lessee of the rents herein provided, and upon the observance and performance of all the covenants, terms and conditions on Lessee's part to be observed and performed, Lessee shall peaceably and quietly hold and enjoy the demised premises for the term hereby demised without hindrance or interruption by Lessor or any other person or persons lawfully or equitably claiming by, through or under the Lessor, subject to the terms and conditions of this Lease. However, any repairs or maintenance that are performed, should be performed by the mutual consent of Lessor and Lessee at a time and in a manner which are calculated in exercise of good faith and reasonable business practice to minimize any disruption of Lessee's business. Lessee or Lessee's guests not be loud or boisterous outside the building, in the common areas of the building, or in the space the Lessee is renting. There is no sleeping or residing in the office space. There is no smoking in or on the property.

23. **RIGHT OF ENTRY:** If Lessee or Lessee's employee is present, then repairmen, servicemen or Lessor's representatives may enter the premises during reasonable times for reasonable business purposes. If no one is in the premises, then repairmen, servicemen, Lessor or Lessor's representative may enter at reasonable times by duplicate or master key for the following purposes: responding to Lessee's requests to make repairs; estimating repair or refurbishing costs; emergency safety or fire inspections; avoiding property damage; exercising contractual rights; removing or re-keying authorized locks or latches. Lessor may enter with 24-hour notice for purpose of placing "For Lease" signs on premises or showing the premises to prospective Lessees, (up to 120 days prior to end of lease term, or once notice to vacate has been given), or to allow access to government inspectors, fire marshals, lenders, appraisers, prospective purchasers or insurance agents.

24. **DEFAULT BY LESSEE:** Any one or more of the following events shall constitute an "Event of Default":

a. The filing of a petition proposing the adjudication of Lessee or any guarantor of Lessee's obligations hereunder as a bankrupt or insolvent or the reorganization of the Lessee or any such guarantor or an arrangement by Lessee or any such guarantor with its creditors, whether pursuant to the Federal Bankruptcy Act or any similar federal or state proceeding, unless such petition is filed by a party other than Lessee or any such guarantor and said petition is withdrawn or dismissed within sixty (60) days after the date of its filing; or,

b. The appointment of a receiver or trustee for the business or property of Lessee or any such guarantor, unless such appointment shall be vacated within sixty (60) days of its entry; or,

c. The making by Lessee or any such guarantor of an assignment for the benefit of its creditors; or,

d. The failure of Lessee to pay any item of rent, or rent is not paid within seven (7) days after notice of default is received by Lessee, or other sum of money within ten (10) days after notice of default is received by Lessee; or,

- e. Vacating or removing property from the Leased Premises other than in the normal course of business; or,
- f. Failure by Lessee in the performance or observance of any covenant or agreement of this Lease (other than a failure involving the payment of money), which failure is not cured within thirty (30) days of receipt by Lessee of notice of default or,
- g. Violation by Lessee of any applicable Federal, state or local laws as same pertain to this Lease; or,
- h. Lessee abandons the Premises for more than thirty (30) continuous days.
- i. There is absolutely no residing in the unit; tenant or tenant guests may not sleep in the unit.
- j. There is no smoking allowed in the building by a tenant or guests of tenant, there is no smoking allowed in 20 feet around the building by tenant or guests of tenant.
- k. There is no pets allowed in or on the property.

25. **REMEDIES IN EVENT OF DEFAULT:** Upon the occurrence and continuance of an Event of Default, Lessor may, without notice to Lessee (except where notice is expressly required by law), do any one or more of the following:

- a. Perform, on behalf and at the expense of Lessee, any obligation of Lessee under this Lease which Lessee has failed to perform, the cost of which performance by Lessor, together with interest thereon at the highest rate permitted by law from the date of such expenditure, shall be deemed additional rental hereunder and shall be payable by Lessee to Lessor upon demand;
- b. Elect to terminate this Lease and the tenancy created hereby by giving notice of such election to Lessee, and may reenter the Leased Premises, without the necessity of legal proceedings, and may remove Lessee and all other persons (if Lessee is still in possession) and property from the Premises, and may store such property in a public warehouse or elsewhere at the cost of and in the account of Lessee without resort to legal process and without Lessor being deemed guilty of trespass or becoming liable for any loss or damage occasioned thereby;
- c. Lessor may declare immediately due and payable the balance of any rent, Operating Costs and other charges that may otherwise be due and payable over the remainder of the term;
- d. Exercise any other legal or equitable right or remedy it may have; and,
- e. Lessor may report unpaid rents or unpaid damages to local credit agencies for recordation in Lessee's credit record.

Notwithstanding the provisions of clause (b) above and regardless of whether an Event of Default shall have occurred, Lessor may exercise the remedy described in clause (b) without notice to Lessee if Lessor, in its good faith judgment, believes it would be injured by failure to take rapid action or if the unperformed obligation of Lessee constitutes an emergency. Any costs and expenses incurred by Lessor (including, without limitation attorney's fees) in enforcing any of its rights or remedies under this Lease shall be deemed to be additional rental hereunder and shall be repaid to Lessor by Lessee upon demand. Any notice required herein will be deemed delivered if left with the Lessor or Lessor's guarantor or if left or posted at a conspicuous place at the Leased Premises.

26. **LEGAL EXPENSES:** In case suit shall be brought for recovery of possession of the Leased Premises, for the recovery of rent or any other amount due hereunder, or because of the breach of any other covenant herein contained on the part of Lessee to be kept or performed, and a breach shall be established, Lessee shall pay to Lessor all expenses therefor, including Lessor's reasonable attorney's fees. Should a breach be established as to an obligation due by Lessor, then Lessor shall pay all expenses therefor, including Lessee's attorney's fees.

27. **SURRENDER OF PREMISES:** At the expiration of the tenancy hereby created, Lessee shall surrender the Leased Premises in the same condition as the Leased Premises were in upon delivery of possession thereto under this Lease, reasonable wear and tear excepted, and shall surrender all keys for the Leased Premises to Lessor at the place then fixed for the payment of rent, and shall inform Lessor of all combinations on locks, safes, and vaults, if any, in the Leased Premises. Lessee shall remove all its trade fixtures, before surrendering the Leased Premises as foresaid, and shall repair any damage to the Leased Premises caused thereby.

28. **WAIVER:** The waiver by Lessor of any breach of any term, covenant or condition herein contained shall not be deemed to be a continuing waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Lessor shall not be deemed to be a waiver of any prior breach by Lessee of any term, covenant or condition of this Lease, other than the failure of Lessee to pay the particular rental so accepted, regardless of Lessor's knowledge of such prior breach at the time of acceptance of such rent. No covenant, term or condition of this Lease shall be deemed to have been waived by Lessor, unless such waiver be in writing by Lessor.

29. **COPIES:** This lease has been executed in multiple copies, one for Lessee and one or more for Lessor.

30. **ADDENDUMS:** Any and all addendums attached hereto shall become a part of this lease and shall be considered incorporated herein by reference as if set forth word for word.

31. **AGENCY:** Lessee is aware that Lessor's agent is a licensed attorney and/or Real Estate Broker and/or Real Estate Sales Agent. Lessor's agent represents Lessor only.

32. **SPECIAL CONDITIONS:** Lessee shall be responsible for installing its own signage, however signage must be approved by Lessor.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed in person thereunto duly authorized and their respective seals to be hereunto affixed, the day and year first hereinabove written.

THIS IS A BINDING LEGAL DOCUMENT - READ CAREFULLY BEFORE SIGNING

LESSOR: HOUSES INCORPORATED
By: _____

LESSEE:
BY: _____

BY: _____

