## Lease Abstract – SAMPLE

<table>
<thead>
<tr>
<th>Lease Documents Date:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Name:</td>
<td></td>
</tr>
<tr>
<td>Building Address:</td>
<td></td>
</tr>
<tr>
<td>Location:</td>
<td></td>
</tr>
<tr>
<td>Space:</td>
<td>2nd Floor</td>
</tr>
<tr>
<td>Landlord:</td>
<td></td>
</tr>
<tr>
<td>Landlord Notice Address:</td>
<td></td>
</tr>
<tr>
<td>Tenant Notice Address:</td>
<td></td>
</tr>
<tr>
<td>Building Hours:</td>
<td>Not Defined</td>
</tr>
<tr>
<td>Commencement &amp; Expiration:</td>
<td>May 1, 2010 through June 30, 2015</td>
</tr>
<tr>
<td>Security Deposit:</td>
<td>$5,551.00 Depending upon tenant improvements and rental history, return of security deposit is possible.</td>
</tr>
<tr>
<td>Rental Schedule:</td>
<td></td>
</tr>
<tr>
<td><strong>Time Period</strong></td>
<td><strong>Monthly Base Rent</strong></td>
</tr>
<tr>
<td>05/01/10-06/30/10</td>
<td>$5,551.00</td>
</tr>
<tr>
<td>07/01/10-06/30/11</td>
<td>$11,511.08</td>
</tr>
<tr>
<td>07/01/11-06/30/12</td>
<td>$11,633.54</td>
</tr>
<tr>
<td>07/01/12-06/30/13</td>
<td>$11,756.00</td>
</tr>
<tr>
<td>07/01/13-06/30/14</td>
<td>$11,878.46</td>
</tr>
<tr>
<td>07/01/14-06/30/15</td>
<td>$12,000.92</td>
</tr>
</tbody>
</table>

*It was common place to receive 3 to 6 months free rent at the time of this transaction.*

| Net Effective Rental Rate: | N/A |
| Expense Stop Base Year: | 2010 |

### Operating Expenses:

5.02 **OPERATING EXPENSES.** The term “Operating Expenses” shall mean and include those amounts, expenses, and costs of whatsoever nature that Landlord incurs because of or in connection with the ownership, operation, management, repair, or maintenance of the Project and Landlord’s personal property used in connection therewith. Operating Expenses shall be determined on an accrual basis in accordance with generally accepted accounting principles consistently applied and shall include, without limitation, the following:

- Insurance
- Taxes
- Maintenance
- Utilities
- Non-cumulative cap on controllable expenses should be added.
9.01 **LANDLORD’S INSURANCE.** Landlord shall insure the Project and shall maintain liability and other insurance in such amounts as may be required by Landlord’s mortgagee for the Project or in such greater amounts as Landlord, in its discretion, may deem appropriate. Such insurance shall be for the sole benefit of Landlord and, if Landlord’s insurance should be in amount equal to no less than the full replacement value of the building.

9.02 **TENANT’S INSURANCE.** Tenant shall, at Tenant’s expense, fully insure its property contents located in the Premises against fire and other casualty with combined limits of at least $1,000,000. The limits or amounts of said insurance coverage shall not, however, limit the liability of the Tenant hereunder. Tenant shall deliver to Landlord prior to occupancy of the Premises copies of policies of fire and other insurance required herein or certificates evidencing the existence and amounts of such insurance. No policy shall be cancelable or subject to reduction of coverage except after thirty (30) days prior written notice to Landlord.

**Sublease & Assignment:**

14.01 **ASSIGNMENT.** Tenant shall not assign or in any manner transfer this Lease or any estate or interest herein, or sublet the Premises or any part thereof, or grant any license, concession or other right of occupancy of any portion of the Premises without the prior written consent of Landlord. Landlord shall have the option, upon request from Tenant of a written request for Landlord’s consent to a subletting or assignment, to cancel this Lease as of the date which is thirty (30) days following the receipt by Landlord of the request from Tenant to sublet or assign. The option of Landlord to cancel this Lease, as provided for above, shall be exercised, if at all, within fifteen (15) days following Landlord’s receipt of such written notice, by delivering to Tenant written notice of Landlord’s intention to exercise the option to so cancel this Lease. If Tenant desires at any time to enter into an assignment of this Lease or a sublease of the Premises or any portion thereof, Tenant shall give written notice to Landlord of its desire to do so, which notice shall contain (a) the name of the proposed assignee or subtenant, (b) the nature of the proposed assignee’s or subtenant’s business to be carried on in the Premises, (c) the terms and provisions of the proposed assignment or sublease, and (d) resumes, business plans, references, financial information, and other information as Landlord may reasonably request concerning the proposed assignee or subtenant.

14.02. **CONTINUED LIABILITY.** Tenant shall, despite any permitted assignment or sublease, remain directly and primarily liable for the performance of all of the covenants, duties, and obligations of Tenant hereunder and Landlord shall be permitted to enforce the provisions of this Lease against Tenant or any assignee or sublessee without demand upon or proceeding in any way against any other person. Moreover, in the event that the rental due and payable by a sublessee (or a combination of the rental payable under such sublease, plus any bonus or other consideration thereof incident thereto) exceeds the Rent payable under this Lease, or if with respect to a permitted assignment, permitted License, or other transfer by Tenant permitted by Landlord, the consideration payable to Tenant by the assignee, licensee or other transferee exceeds Rent payable under this Lease, then Tenant shall be bound and obligated to pay Landlord all such excess rental and other excess consideration within ten (10) days following receipt thereof by Tenant from such sublessee, assignee, Licensee or other transferee, as the case may be.

- Revise the language so that the Landlord’s consent will not be unreasonably withheld or delayed. Landlord can currently deny assignment for any reason.
- Revise language so that profits are retained or split evenly.

**Parking:**

G. **Exhibit “E” Parking.** Landlord shall make available to Tenant nine (9) additional unreserved parking permits, making the total permits twenty-four (24). In addition, should covered parking become available at the Premises, Tenant shall have a one time option to convert up to three (3) spaces to covered at a cost of $45.00 per space per month.

- Revise language so that parking rates are set for the term, not increasable from time-to-time as it is currently written.
- The right to convert parking spaces to reserved should be on-going and not a one-time option. -- Landlord should not permitted to “take-back” any unused parking spaces in they are not utilized.

**Relocation Option:**

No right for Landlord to relocate Tenant.
**Expansion Option:**

Subject to then-existing renewal or expansion options of other tenants, and provided no Event of Default then exists, Landlord shall, prior to offering the same to others, first offer to lease to Tenant the Space designated on page C-1 and C-2 of this Exhibit (the **Offer Space**) in an **AS-IS** condition; such offer shall be in writing and specify the rent to be paid for the Offer Space and the date on which the Offer Space shall be included in the Premises (the **Offer Notice**). Tenant shall notify Landlord in writing whether Tenant elects to lease the entire Offer Space at the rental rate set forth in the Offer Notice, within five (5) days after Landlord delivers to Tenant the Offer Notice. Notwithstanding the foregoing, if prior to Landlord’s delivery to Tenant of the Offer Notice, Landlord has received an offer to lease all or part of the Offer Space from a third party (a **Third Party Offer**) and such Third Party Offer includes space in excess of the Offer Space, Tenant must exercise its rights hereunder, if at all, as to all of the space contained in the Third Party Offer. If Tenant timely elects to lease the Offer Space, then Landlord and Tenant shall execute an amendment to this Lease, effective as of the date the Offer Space is to be included in the Premises, on the same terms as this Lease except as follows:

- **(a)** the rentable area of the Premises shall be increased by the rentable area in the Offer Space;

- **(b)** the Basic Rent shall be increased by the amount specified for such space in the Offer Notice; and

- **(c)** Landlord shall not provide to Tenant any allowances (e.g., moving allowance, construction allowance, and the like) or other tenant inducements.

If Tenant fails or is unable to timely exercise its right hereunder, then such right shall lapse, time being of the essence with respect to the exercise thereof, and Landlord may lease the Offer Space to third parties on such terms as Landlord may elect. Tenant may not exercise its rights under this Exhibit if an Event of Default exists or Tenant is not then occupying the entire Premises.

- Period of time to exercise this option should be increased and ample time given to execute a lease amendment.
- Remove that is 3rd party offer is for space larger than C-1 and C-2 that Tenant must lease the additional space.
- Remove (c) above where Tenant must take space “as-is”. Tenant should receive the same allowance as provided in 3rd party offer.
### Renewal Option:

Tenant has ONE (1) option (as to each, an “Option”) to renew and extend the Term of this Lease for SIXTY (60) months (the “Renewal Term”), to follow consecutively on the expiration of the Term of this Lease, provided at the time that an Option to renew is exercised, this Lease is in full force and effect and Tenant is not in default hereunder. An Option shall be exercised by Tenant’s giving to Landlord written notice of its intention to renew and extend the Term of this Lease at least SIX (6) months prior to the expiration date of the initial Term (or Renewal Term, as appropriate) of this Lease. The renewal and extension of this Lease for the Renewal Term shall be on and under the same covenants, agreements, terms, provisions, and conditions as are contained herein for the initial Term of this Lease, provided, however, that the Base Rent for the Renewal Term shall be the then prevailing rental rate for comparable space in the market.

At any time during the forty-five (45) day period immediately preceding the date that ends five (5) business days before the date by which Tenant is required to exercise a renewal option, Tenant may request in writing a quote from Landlord of the Base Rent and other amounts payable in the Lease that will be applicable for the next Renewal Term. Landlord shall respond to a timely written request by providing to Tenant a written quote of the Base Rent (and other amounts payable as described in the Lease) within ten (10) business days after Landlord’s receipt of Tenant’s request.

- The "market rate" should be better defined and not only limited to the rental rate. The market rate should be based on comparable buildings in the area and include the rental rate, tenant improvement allowance, free rent and other inducements/concessions being offered by Landlords at the time.

### Holdover Rent:

17.02 HOLDOVER. If Tenant shall remain in possession of the Premises after the expiration or earlier termination of this Lease, Tenant shall pay as rent an amount equal to one hundred fifty (150%) percent of the daily rental rate prevailing on the date of such termination or expiration (computed on the basis of a thirty (30) day month). The remaining in possession by Tenant or the acceptance by Landlord of the payment of said rent shall not be construed as an extension or renewal of this Lease. The rental payable to Landlord under this Section shall not be deemed to be in lieu of any damages or other remedy to which Landlord may be entitled by virtue of Tenant’s holding over.

### Fire & Casualty Provision:

10.01 CASUALTY. If the Premises or Project, or any portion of either, shall be damaged by fire or other casualty covered by the insurance carried by Landlord hereunder, and the cost of repairing such, damage shall not be greater than ten percent (10%) of the then full replacement cost thereof, then, subject to the following provisions of this Article, Landlord shall repair the Premises and/or Project. If the Premises or Project shall be damaged (a) by fire or other casualty not covered by insurance carried by Landlord hereunder, (b) by fire or other casualty covered by insurance carried by Landlord hereunder and Landlord’s mortgage requires that such insurance proceeds be used to retire the mortgage debt, or (c) to an extent greater than ten percent (10%) of the then full replacement cost thereof, then Landlord shall have the option to either (i) repair or reconstruct the same to substantially the same condition as immediately prior to such fire or other casualty, or (ii) terminate this Lease by so notifying Tenant within thirty (30) days after the date of such fire or other casualty, such termination to be effective as of the date of such notice. The Rent required to be paid hereunder shall be abated in proportion to the portions of the Premises, if any, which are rendered untenable by fire or other casualty effective as of the date of the casualty hereunder until repairs of the Premises are completed, or if the Premises are not repaired, until the termination date hereunder. Other than such Rent abatement, no damages, compensation or claim shall be payable by Landlord for loss of the use of the whole or any part of the Premises, Tenant’s personal property, or any inconvenience, loss of business, or annoyance arising from any such repair and reconstruction. If the damage results from default or negligence of Tenant, its agents, employees, licensees or invitees, then Tenant shall not be entitled to any abatement or reduction of any Rent or other sums due hereunder and, if the cost to repair such damage is not fully covered by Landlord’s insurance, such damage shall be

(continued on next page)
- Percentage above should be increased to at least 50% and in any case the Tenant should also have the right to terminate.
- If repairs are estimated to take longer than 180 days then the Tenant may terminate the lease.
- If a casualty causes only a portion of the premises to be untenable but effectively makes the use of the premises inadequate to conduct Tenant’s business, then rent will be fully abated.

### Essential Services and Interruption:

**7.03 Interruption of Services.** Any failure or defect in Landlord’s hereinabove described services shall not be construed as an eviction of Tenant, nor entitle Tenant to any reduction, abatement, offset, or refund of Rent or to any damages from Landlord. Landlord shall not be in breach or default under this Lease, provided Landlord uses reasonable diligence and restores any such failure or defect within twenty-four (24) hours after Landlord receives written notice thereof.

**17.07 INABILITY TO PERFORM.** If, by reason of inability reasonably to obtain and utilize labor, materials, equipment, or supplies, or by reason of circumstances directly or indirectly the result of any state of war or national or local emergency, or by reason of any laws, rules, orders, regulations, action, non-action, or requirements of any governmental authority now or hereafter in force, or by reason of strikes or riots, or by reason of accidents in, damage to, or the making of repairs, replacements, or improvements to the Project or the Premises, or any of the equipment of either, or by the reason of any other cause beyond the reasonable control of Landlord, Landlord shall be unable to perform or shall be delayed in the performance of any obligation hereunder, then this Lease and the obligation of Tenant to pay the Base Rent or additional items of Rent and to perform and comply with all of the other covenants and agreements hereunder shall in no way be affected or impaired except as otherwise expressly provided for in this Lease, and such non-performance or delay in performance by Landlord shall not give rise to any claim against Landlord for damages or constitute a total or partial eviction, constructive or otherwise. Landlord shall exercise due diligence in undertaking to remedy such inability to perform or delay in performance with all reasonable dispatch, but shall not be required to adjust a labor dispute against its will.

- If there is a stoppage of Essential Services for reasons within Landlord’s control rent should abate until Essential Services are restored.

### Audit Rights:

- No Audit Rights Found
- Most leases will provide Tenant the right to Audit the Landlord’s books regarding escalation expenses. This provision should be added to the lease and included that if Tenant discovers it was overcharged for expenses it will receive a credit and the Landlord will reimburse Tenant for expenses incurred to perform the audit.
| Waiver of Liability and Indemnity: | 9.04 **WAIVER OF LIABILITY AND INDEMNITY.** Landlord, its agents and employees, shall not be liable for any injury to or death of persons or for any loss of or damage to property of Tenant or of others, regardless of whether such property is entrusted to employees of the Project, or such loss or damage is occasioned by casualty, theft, or any other cause of whatsoever nature, unless caused solely by the misconduct or negligence of Landlord. In no event shall Landlord be liable as the result of the acts or omissions of Tenant or any other tenant of the Project. All personal property upon the Premises shall be at the risk of Tenant only and Landlord shall not be liable for any damage thereto or theft thereof. Tenant hereby indemnifies and holds Landlord harmless from and against any and all claims arising from Tenant’s use of the Premises for the conduct of its business or from any activity, work or other thing done, permitted or suffered by Tenant on or about the Project and shall further indemnify and hold harmless Landlord from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant’s part to be performed under the terms of this Lease, or arising from any act or omission of, or due to the negligence of, the Tenant, or any officer, agent, employee, guest or invitee of Tenant and from and against all costs, attorneys’ fees, expenses and liabilities incurred in or related to any such claim or any action or proceeding brought thereon.  

- This indemnity should apply to both Landlord and Tenant. Tenant is currently the only party waiving liability of the other party. |
| Landlord’s Rights in Tenant Default: | 15.03 **EXPENSE OF REPOSESSION.** It is further agreed that, in addition to payments required pursuant to Section 15.02 above, Tenant shall compensate Landlord for all expenses incurred by Landlord in repossessing (including among other expenses, the total amount of any increase in insurance premiums caused by the vacancy of the Premises), all expenses incurred by Landlord in reletting (including among other expenses, repairs, advertisements and brokerage fees), and all losses incurred by Landlord as a direct result of Tenant’s default.  

- Tenant should only be obligated to reimburse landlord for the cost of reletting the Premises to the proportion equal to the time remaining on Tenant’s existing lease. |
| Landlord’s Lien: | 15.08 **LANDLORD’S CONTRACTUAL SECURITY INTEREST.** In addition to the statutory landlord’s lien, Tenant hereby grants to Landlord and Landlord shall have at all times, a valid security interest to secure payment of all rents and other sums of money becoming due hereunder from Tenant, and to secure payment of any damages or loss which Landlord may suffer by reason of the breach by Tenant of any covenant, agreement or condition contained herein, upon all goods, wares, equipment, fixtures, furniture, improvements and other personal property of Tenant presently, or which may hereafter be situated on the Premises, and all proceeds therefrom, and such property shall not be removed without the written consent of Landlord. Landlord shall have the rights and remedies of a secured party as set forth in the Texas Uniform Commercial Code. Upon the occurrence of an event of Default by Tenant, Landlord may, in addition to any other remedies provided herein, enter upon the Premises and take possession of any and all goods, wares, equipment, fixtures, furniture, improvements and other personal property of Tenant situated on the Premises, without liability for trespass or conversion, and sell the same at public or private sale, with or without having such property at the sale, after giving Tenant reasonable notice of the time and place of any public sale or of the time after which any private sale is to be made, at which sale the Landlord or its assigns may purchase unless otherwise prohibited by law. Unless otherwise provided by law, and without intending to exclude any other manner of giving Tenant reasonable notice, the requirement of reasonable notice shall be met if such notice is given in the manner prescribed in this Lease at least seven (7) days before the time of sale. Any sale made pursuant to the provision of the paragraph shall be deemed to have been a public sale conducted in commercially reasonable manner if held on the Premises or where the property is located after the time, place and method of sale and a general description of the types of property to be sold have been advertised in a daily newspaper published in the county in which the property is located for five (5) consecutive days before the date of the sale. The proceeds from any such disposition, less any and all expenses connected with the taking of possession, holding and selling of the property (including reasonable attorney’s fees and legal expenses), shall be applied as a credit against the indebtedness secured by the security interest granted in this paragraph. Any surplus shall be paid to Tenant or as otherwise required by law; the Tenant shall pay any deficiencies forthwith. Upon request by Landlord, Tenant agrees to execute and deliver to Landlord a financing statement in form sufficient to perfect the security interest of Landlord in the aforementioned property and proceeds thereof under the provision of the Uniform Commercial Code (or corresponding state statute or statutes) in force in the State in which the property is located, as well as any other state laws of which Landlord may at any time consider to be applicable. Landlord and Tenant agree that a photographic or other reproduction of this Lease is sufficient as, and may be filed as, a financing statement.  

- This can be removed. |
| Leasehold Improvements: | Not shown in lease version provided. |