

KENTUCKY COMMERCIAL LEASE AGREEMENT

This Lease is dated as of _____ by and between, _____
(Landlord)
and _____
(Tenant)

1. Premises

The Landlord, in consideration of the rents to be paid and the covenants to be performed by the Tenant, does hereby lease to the Tenant the following described space located in the County of _____ State of Kentucky, located at _____
(Address) (City) (Zip Code)

2. Terms

Whenever in this Lease the terms "Landlord" and "Tenant" are used, they shall have the same meaning as "Landlord" and "Tenant".

3. Term, Rent and Fixturing Period

The Lease term shall commence on the _____ (commencement date), and continue for _____ calendar months beginning on the first day of the first full calendar month after the commencement date.

Rent shall be in the paid in the following terms and amounts:

Years _____ per month
Years _____ per month

Each rent payment will be due on the first day of each calendar month. If the commencement date of this Lease is other than the first day of the month, then the rent for the fractional month shall be pro-rated on the basis of the number of days in that month, with that pro-rated rent due on the commencement date. Landlord and Tenant shall acknowledge, in writing, the commencement date of the term of this Lease. Landlord will grant possession to Tenant on _____. A security deposit of _____ is required upon lease execution and shall be returned by Landlord at the end of the lease term, if Landlord determines that the Premises is in the same manner or better then upon lease commencement.

4. Option to Renew

Tenant is hereby granted an option to extend the term of this lease for the following terms:

Year _____ \$ _____ per month

Renewal options shall be in written form to Landlord no later than 60 days prior to expiration of agreed upon term. If renewal is not exercised, Landlord has the right to market the property to other potential Tenant's and/or Purchasers.



5. Use of Premises

Tenant shall use and occupy the Premises for general retail use. The Premises shall not be used for any illegal purpose, shall comply with all local zoning codes and ordinances, and shall not use in any manner which creates a nuisance or unreasonably disturbs any adjacent property owners.

6. Public Liability Insurance

Tenant shall obtain and keep in effect a policy of public liability and property damage insurance with respect to the premises in the amount of _____(\$00) dollars for damages resulting to one person, _____(\$00) dollars for damages resulting from one casualty and _____(\$00) dollars for property damage.

Landlord shall obtain and keep in effect a policy of public liability and property damage insurance which shall contain an express waiver, in favor of Tenant, of any right of subrogation by the insurer.

7. Casualty Insurance

Landlord agrees to carry a standard ‘all risk’ casualty insurance policy covering all of the improvements made by Landlord on or about the building subject only to standard policy exclusions, in an amount equal to one hundred percent (100%) of the full replacement costs of such improvements, and shall contain an express waiver, in favor of Tenant, of any right of subrogation by the insurer. Tenant shall be responsible for insuring the contents of, and any tenant installed improvements in, the Premises, which insurance policy shall contain an express waiver, in favor of Landlord, of any right of subrogation by the insurer.

8. Real Estate Taxes

Landlord, at its sole cost and expense, shall pay all of the real estate taxes or special assessments which shall be levied against the Building, or the rents therefore, throughout the Lease term.

9. Landlord’s Repair and Maintenance

Landlord shall, at its sole cost and expense, maintain, repair and replace as necessary all exterior and structural portions of the Premises and building including the roof, foundation, the four outer walls, and the structural soundness of the building.

10. Tenant’s Repair and Maintenance

Tenant shall keep the Premises in a clean and healthful condition according to the laws or ordinances of the governmental agencies having jurisdiction of the Premises. Tenant shall not permit or allow waste to the Premises including parking areas, roads, driveways, walkways, landscaping, drainage, and lighting facilities. At the end of this Lease, Tenant will surrender the Premises to the Landlord in good condition, except for reasonable wear and tear and damage by fire, casualty or the elements. By taking possession of the Premises, Tenant accepts the Premises as being in good condition and repair and “as is.” Tenant shall, at Tenant’s sole cost and expense, make repairs to the interior of the Lease Premises, including but not limited to, walls, windows, doors, lighting, plumbing, and other fixtures, paint, wall and window coverings, and cleaning the carpet, ordinary wear and tear and damage by fire or other unavoidable casualty excepted. Tenant will be



responsible for any and all damages caused by Tenants or Tenant's agents, employees, owners, invitees, or visitors. Tenant will at its sole cost, repair, maintain and replace all Tenant provided lease-hold improvements with Landlord's written approvals. Tenant shall at its sole cost repair or maintain any defects within the common areas, including parking areas, caused by Tenant.

11. Quiet Use and Possession

Landlord warrants that it has good title to the Premises in fee simple, free and clear of all liens and encumbrances excepting the lien for current taxes and the first mortgage or deed of trust. Landlord also warrants that it has the right to make this lease for the term described herein, including any option period(s). Landlord warrants that Tenant, on performing its obligations under the Lease, shall peacefully and quietly hold and enjoy the Premises.

(a) **Subordination**

Non-Disturbance - Tenant will subordinate to a lender or prime Landlord only if its rights to quiet possession are not disturbed.

12. Quiet Enjoyment

Tenant, upon paying the rent and performing the covenants herein agreed to be by it performed, shall and may peaceably and quietly have, hold and enjoy the Premises for the term of this Lease, and any extensions or renewals thereof.

13. Fire or Casualty

If the Premises shall be damaged or destroyed, in whole or in part, by fire or other casualty, Landlord shall at its own cost and expense, promptly repair and restore the Premises to a condition substantially equal to the condition of the Premises immediately prior to such damage, except that Tenant will at its expense repair and restore, to the extent desired by the Tenant, all tenant provided lease-hold improvements. Such repairs shall be completed not later than one hundred and twenty days after such damage.

14. Eminent Domain

If the whole or part of the Premises shall be taken by eminent domain, or sold under threat of eminent domain, then this Lease shall terminate as of the date title is taken or transferred.

15. Entry By Landlord

Tenant shall permit Landlord and its authorized representatives to enter the Premises during reasonable business hours for the purpose of inspection, and at all reasonable times for the purposes of maintenance, repairs or additions, or for the purpose of posting upon the Premises at any time within 60 days prior to the expiration of this Lease, any usual or ordinary "for rent" signs.



16. Assignment and Sub-letting

Tenant shall, with the prior written consent of Landlord or Landlord's Agent, assign this Lease, sublet the Premises, or permit the use of the Premises by any party other than Tenant. Landlord reserves the right to assign this lease and ownership of property before, after, or during the duration of this lease.

17. Utilities

Landlord shall pay for all utilities to the building. Phones and internet connections shall be paid for by the Tenant.

18. Remedies Not Cumulative

Landlord's and Tenant's rights, remedies and benefits under this Lease are cumulative and shall not be exclusive of any other rights, remedies and benefits allowed by law or equity.

19. Successors

The covenants, conditions and agreements made and entered into by the Landlord and Tenant shall be binding on their heirs, personal representatives, administrators, executors, successors and assigns. If there shall be more than one Landlord or Tenant, they shall all be bound, jointly and severally, by the terms, covenants and agreements contained herein.

20. Entire Agreement

This Lease, the exhibits, rider and addendum, if any, attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions, terms, provisions and understandings by and between the Landlord and Tenant concerning the Premises. There are no other such matters, whether oral or written, between Landlord and Tenant other than are set forth herein. No change, modification, alteration, amendment, addition or deletion to the lease shall be binding upon Landlord and Tenant unless it is in writing and executed by the person to be so charged with the same.

21. Captions and Section Numbers

The captions and section numbers are inserted only as a matter of convenience and in no way affect, limit, construct or describe the scope or intent of this Lease.

22. Interpretation and Pronouns

This Lease shall be interpreted to the broadest extent possible to give full and fair meaning to the intentions of the parties hereto.

The use of a neuter singular pronoun to refer to the Landlord or Tenant shall be deemed a proper reference, even though the Landlord or the Tenant may be an individual, partnership, corporation, other entity or a group of two (2) or more individuals or entities. The necessary grammatical changes required to make the



provisions of this Lease apply whenever necessary shall, in all instances, be assumed as though fully expressed.

23. Partial Invalidity

The invalidity or unenforceability of any provisions of this Lease shall not affect or impair the validity of any other provision.

24. Notices

All notices of any kind to Tenant shall be sent to Tenant at the following address or to such other address as Tenant may designate by written notice:

Attn: _____

All communications to Tenant, including invoices and estoppel agreements, shall be sent to Tenant at its address set forth for notices and will not be considered received until received at said address. No documentation shall be considered legally binding upon Tenant until signed by:

All notices of any kind to Landlord shall be sent to the following address or such other address as Landlord may designate by written notice:

Any notice which may or shall be given under the terms of this Lease shall be in writing and sent by United States Registered or Certified Mail, postage prepaid, return receipt requested, or by telegram or by a nationally recognized express delivery service to the addresses set forth above, or by facsimile or e-mail if properly addressed and received. Such addresses may be changed from time to time by either party by giving written notice as provided herein. Notice shall be deemed given when received.

25. Reasonable Consent

Wherever Landlords or Tenant's consent is required in this Lease such consent shall not unreasonably withheld or unreasonably delayed.

26. Relationship of the Parties

Nothing contained in this Lease shall be deemed or construed as creating the relationship of principal and agent or of partnership or joint venture between the parties hereto, it being understood and agreed that neither the method of computing rent or any additional charges, nor any other provision herein nor any acts of the parties shall create any relationship between the parties other than that of Landlord and Tenant.



27. Hazardous Substances

Landlord hereby represents that, to the best of their knowledge, the Premises is free from material containing asbestos and/or Hazardous material risks.

Landlord represents and warrants that (a) to the best of its knowledge there have been no complaints regarding the indoor air quality anywhere in the Building or in the ventilating system; (b) he will deliver to Tenant copies of any such complaints received; (c) to the best of his knowledge there are no indoor air pollution and/or air quality problems in the Building; (d) he will notify Tenant if he becomes aware that any indoor air quality or environmental problem is discovered or reported in the Building, and diligently undertake to correct such problem.

If the Premises shall be rendered unusable because of a freon and/or asbestos-related problem, air quality and/or air pollution found in the Premises or the Building in which the Premises is located, the Rent due hereunder is to be abated until the premises are again usable.

Tenant will only assume responsibility for environmental cleanup costs which are caused by Tenant, its employees, visitors or invitees. Tenant will assume no responsibility for any migration of contaminants or those caused by current or prior building owners and tenants.

Tenant and Landlord each respectively represent and warrant that (a) Tenant and Landlord have not used, and will not in the future use, the Premises for the storage or disposal of any toxic or hazardous substance, as those terms are defined and the Comprehensive Environmental Response, Compensation and Liability Act of 1980, U.S.C. § 9601 et seq., or any other federal, state, or local law ("Hazardous Substance"), (b) Neither Tenant nor Landlord have knowingly allowed, and will not in the future knowingly allow, any other entity to dispose of or store any Hazardous Substance on the Premises, and (c) Tenant and Landlord have no reason to suspect that any Hazardous Substance is in, on, under or about the Premises. Tenant and Landlord shall respectively indemnify and hold the other harmless from any loss, damage, cost or expense (including reasonable attorney's fees), resulting from any and all breaches of the foregoing representation and warranty, and the indemnity provision of this paragraph shall survive the termination or expiration of this Lease.

28. Attorney's Fees

In the event of the employment by Landlord or Tenant of an attorney to collect any rents or other sums due hereunder or to protect the interest of Landlord or Tenant in the event of a breach by the other party of any of the terms and conditions of this Lease, the losing party will pay the prevailing party's reasonable attorney fees.

29. Change in Ownership of Premises

If the ownership and/or name and address of the Party entitled to receive rent hereunder shall be changed, the Tenant shall, until receipt of proper notice of such change, continue to pay the rent and other charges herein reserved accrued and to accrue hereunder to the party to whom and in the manner in which the last preceding installment of Rent or other charges paid, and each such payment shall, to the extent thereof, exonerate and discharge the Tenant.



30. Improvements

(a) Landlord Improvements

Premises will be leased "as is."

(b) Tenant Improvements.

No alterations, additions or improvements to the Premises, except as provided for in this Lease, shall be made by Tenant without first obtaining Landlord's prior written consent. Any such Tenant improvements shall be at Tenant's sole cost and expense. Any items or property installed by Tenant upon the Premises which are not permanent fixtures shall be and remain the property of Tenant, except that Tenant shall, at Tenant's cost, repair any damage caused by the removal of any such property including restoring the premises to their original condition.

Any permanent fixtures installed by Tenant which would damage Landlord's property if removed shall be and remain the property of Landlord, without compensation to Tenant. Tenant agrees to save Landlord harmless from any mechanic or material men liens in connection with any Tenant-initiated alterations, additions or improvements. If a lien or encumbrance is imposed on the Premises and the same is not removed within 30 days, Landlord shall have the right to pay the same or any portion thereof. The amount so paid shall be deemed to be additional rent due from Tenant to Landlord immediately upon written notice to Tenant. All improvements made by Tenant shall be in compliance with all applicable building codes and other government laws and regulations including but not limited to the American with Disabilities Act and any other federal, state or local handicap requirements.

31. Brokers

All parties agree _____ is the Landlord's Broker and does not represent any other interest as "Landlord's Agent" in this leasing transaction.

32. Emergency

Tenant may, if an emergency shall exist, perform any obligation of the Landlord hereunder for the account of the Landlord, after first notifying the Landlord of the same by telephone or telegram of such emergency. In such event, Landlord shall reimburse Tenant for any reasonable expenses related to the repair to the extent required under the Lease.

33. Waiver of Subrogation

Anything in this Lease to the contrary notwithstanding, Landlord and Tenant each hereby waives any and all rights of recovery, claim, action, or cause of action, against the other, its agents, officers, or employees, for any loss or damage that may occur to the Premises, or any improvements thereto, or the building of which the Premises are a party or any improvements thereto, or any personal property of such part therein, by reason of fire, the elements, or any other cause(s) for which insurance is carried by the injured party at the time of such damage, regardless of the cause of such loss or damage, including negligence of the other party hereto, its agents, servants or employees; provided, however, that this provision shall be inapplicable if it shall have the effect of invalidating the insurance coverage of a party hereto.



34. Default

In the event of a breach (as hereinafter defined) by Tenant of any of the terms or conditions of this Lease, Landlord shall have the right, at its option, to either terminate this Lease upon written notice to Tenant, and take possession of the Premises, or, upon such notice, to re-enter and re-rent the Premises or parcels thereof from time to time as agents of Tenant, and such re-entry and/or re-renting shall not discharge Tenant from any liability or obligations hereunder, except that net rents collected as a result of such re-renting shall be applied on Tenant's liability for rents payable and other sums due under the terms of this Lease. Nothing herein, however, shall be construed to require Landlord to re-enter and re-rent in such event, nor shall anything herein be construed to waive or postpone the right of Landlord to sue for rents due.

The occurrence of any one of the following events shall be considered a breach of this Lease: (a) in the event Tenant should fail to pay any one or more installments of rent when the same shall become due and payable and such default shall continue for a period of ten (10) days; (b) in the event an execution or other legal process is levied upon the property of Tenant located on the Premises or upon the interest of Tenant in this Lease, unless such execution or other levy be discharged of record within thirty (30) days; (c) in the event a petition in bankruptcy is filed by or against Tenant or in the event Tenant makes an assignment for the benefit of creditors, or in the event of the appointment of a receiver of Tenant's property; or (d) in the event Tenant violates any of the other terms of this Lease and fails to remedy the same within thirty (30) days after written notice thereof by Landlord to Tenant.

No default or acceleration of rent shall occur due to voluntary vacancy by Tenant, except that Tenant will pay for any increase in insurance costs to Landlord or to the condominium association, as well as any other expenses incurred by them due to the vacancy. During any vacancy, Tenant shall continue to pay for electricity and heat utilities, and Tenant shall provide Landlord with a key to the Premises and Landlord shall have the right to regularly inspect the premises without notice to Tenant.

35. Rules and Regulations

Landlord reserves the right to promulgate reasonable rules and regulations which in its judgment may from time to time be needed or desired for the safety, care and cleanliness of the Premises and the building and for the preservation of good order therein, but which shall not impair the use and enjoyment of the Premises under the other terms and provisions of this Lease.

36. Governing Law

This Lease shall be governed by the laws of the Commonwealth of Kentucky.

All parties fully agree to the terms herein:

TENANT:

LANDLORD:

Individually:

DATE: _____

DATE: _____

