

STATE OF GEORGIA )  
 )  
COUNTY OF CHATHAM )

LEASE AGREEMENT

THIS COMMERCIAL LEASE AGREEMENT (this "Lease"), made and entered into as of the \_\_\_\_\_ day of April, 2019 by and between **THE MAYOR AND ALDERMEN OF THE CITY OF SAVANNAH**, a Georgia municipal corporation (hereinafter called "Landlord") and **SOUTHERN CROSS HOSPITALITY, LLC.**, a Georgia domestic limited liability corporation (hereinafter called "Tenant").

WITNESSEH:

In consideration of the rent to be paid, the mutual covenants and agreements herein contained, and of other good and valuable considerations, the receipt and legal sufficiency of all of which are hereby acknowledged by both parties hereto, Landlord hereby demises and rents unto Tenant, and Tenant hereby leases from Landlord, certain Leased Premises described below upon the terms, covenants and conditions hereinafter contained.

**ARTICLE I**  
**Leased Premises and Term**

**Section 1.1 Leased Premises.** Landlord, for and in consideration of the Rent to be paid and the covenants to be performed by Tenant, does hereby rent and lease that certain premises known as the Forysth Park Café, consisting of approximately 3,000 square feet (comprising the dining, kitchen, storage, and freezer areas) as well as the adjoining covered patio area of the former Fort building as generally depicted on Exhibit A (the "Leased Premises"). The Leased Premises does not include the public bathrooms, entrance/lobby connecting the public bathrooms, the meeting space formerly known as the "Green Room," or the performance bandshell premises.

**Section 1.2 Parking.** Landlord agrees to provide up to seven spaces at the adjoining parking lot. Tenant will be responsible for installing signage stating the spaces are reserved for tenant business use and Tenant will be responsible for monitoring and enforcing compliance.

**Section 1.3 Term.** The initial and renewal terms will be as follows:

(a) *Initial Term.* The initial term of this Lease shall commence on the earlier to occur of: 1) July 1, 2019, or 2) the date Tenant completes renovations, receives all appropriate governmental and regulatory approvals, and opens for business. The initial term shall expire on December 31, 2024 (the "Initial Term").

(b) *Renewal Term.* Landlord hereby grants Tenant an option to extend its rights with respect to the Leased Premises for one additional five year term (the "Renewal Term"). The same terms and conditions as those applicable to the Initial Term shall apply to the Renewal Term, with the exception that Rent shall be adjusted as provided for in Article II below. Provided that Tenant shall not be then in default under the Lease beyond any applicable notice and cure periods, Tenant may exercise its renewal options by written notice to Landlord not less than one hundred and twenty (120) days prior to the termination of the Initial Term. The Initial Term and Renewal Term are hereinafter collectively referred to as "Term."

**ARTICLE II**  
**Rentals and Late Payments**

**Section 2.1 Fixed Minimum Annual Rent.** Tenant shall pay to Landlord, without demand and without deduction or set-off, at City of Savannah Revenue Department, P.O. Box 1027, Savannah, Georgia 31402 or at such other address for the Rental Payment Place as Landlord by notice in writing to Tenant may from time to time direct, rent as follows:

(a) Fixed Rent (as defined below) shall be payable in equal monthly installments in advance on the first day of each month during the Term. The Fixed Rent for a Fractional Month (if any) shall be apportioned on a per diem basis, calculated on the basis of a thirty (30)-day month, and shall be payable upon the commencement of the Term. In the event that any check, draft or other instrument of payment given by Tenant is dishonored for any reason, Tenant agrees to pay to Landlord the sum of \$50.00 in addition to any Late Payment Charge that may be due.

- (i) *First Year.* Throughout the First Year of the Initial Term, Tenant covenants to pay Fixed Minimum Rent ("Fixed Rent") of \$72,000.00 per year, payable in monthly installments of \$6,000 per month.
- (ii) *Subsequent Years.* Throughout the remainder of the Initial Term and Renewal Term, if so renewed, Tenant covenants to pay an escalated rate based on a three percent (3.0 Percent) escalator per year, effective each June. Thus, fixed annual rent in Year Two of the lease shall be \$74,160.00 effective June 2020 and payable in monthly installments of \$6,180.00; fixed annual rent in Year Three of the lease shall be \$76,384.80 effective June 2021 and payable in monthly installments of \$6,365.40; and so on.

**Section 2.2 Late Payments.** In the event Tenant shall fail to pay all rents and all other sums due under this Lease on or before the due date hereof, a late charge of ten (10) percent (10%) of the outstanding sums due, shall be added to the rental and paid to Landlord for each such late payment. Tenant further agrees to pay (or to reimburse Landlord promptly if Landlord elects to pay) any and all attorney's fees and court cost incurred in connection with the collection of delinquent rents and/or any enforcement of any lease provisions due Landlord under this Lease.

**ARTICLE III**  
**Utility Services and Operating Expenses**

**Section 3.1 Electricity and Water/Sewer.** Landlord contracts for and pays electric services at Forsyth Park, of which the Leased Premises is part. In addition, Landlord provides water/sewer services at Forsyth Park and the Leased Premises. Landlord will sub-meter electric usage at the Leased Premises and Tenant shall pay to Landlord the sub-metered charges based on the same kilowatt rate the Landlord pays to the electric company.

**Section 3.2 Other Utilities.** Tenant shall contract for all other utility services required on the Leased Premises in the name of the Tenant and shall be liable for payment of all utility services received. Tenant shall promptly pay for all utilities rendered or furnished to the Leased Premises during the Term of the Lease (irrespective of whether Tenant shall have opened for business in the Leased Premises), including but not limited to, gas, telephone, internet cable, all taxes thereon, and any other public and/or private utilities to the Leased Premises.

**Section 3.3. Tenant Operating Expenses.** Tenant shall be responsible for and pay all operating expenses associated with the Leased Premises, including, but not limited to, janitorial services, pest control services, renter insurance, security services, window washing, etc. In addition, Tenant shall be responsible for and pay all expenses associated with proper licensing, inspections, and practices associated with excellent, safe, and sanitary food and beverage services.

**Section 3.4. Landlord Operating Expenses.** Landlord shall be responsible for and pay all exterior related operating expenses, including grounds maintenance, exterior lighting, and refuse (dumpster) services. Though not part of the Leased Premises, Landlord will also be responsible for and pay janitorial (at least one service per day), pest control, security (from 8:00 a.m. to 6:00 p.m. daily), and related expenses associated with the adjoining public restrooms, public lobby at the restrooms, and the meeting room (former Green Room).

## **ARTICLE VI**

### **Repairs and Maintenance**

**Section 4.1 Repair and Care By Tenant.** Upon the commencement of the Term of the Lease, Tenant shall make and pay for all repairs and maintenance described within this section 4.1. Tenant shall make and pay for all repairs and maintenance to the interior of the Leased Premises and shall repair all things necessary to keep the same in good working order, such as (but not limited to) all fixtures, furnishings, kitchen appliances and equipment, lighting, doors and store signs of Tenant. Tenant shall also maintain, repair and keep in good working order all air-conditioning, plumbing, heating and electrical equipment and floor surfaces within the Leased Premises. The Tenant shall be responsible at Tenant's own expense to replace all electric light bulbs, tubes, ballasts or fixtures serving the Leased Premises. Tenant shall at all times keep the Leased Premises (including maintenance and cleaning of exterior entrances, all glass and window moldings, signs and bulkheads) and all partitions, doors, floor surfaces, fixtures, equipment and appurtenances thereof in good order, condition and repair, and in a reasonably satisfactory condition of cleanliness, including reasonable periodic painting of the interior of the Leased Premises, damage by unavoidable casualty excepted, and Tenant shall make such other necessary repairs in and to the Leased Premises. Tenant shall at Tenant's expense, take such steps as shall be necessary to keep the Leased Premises free of termites, roaches, rodents, insects and other pests and that Tenant will save Landlord harmless from any damage caused thereby. If the doors, roof, window frames, glass or any part of the exterior of the demised premises are damaged by persons breaking, or attempting to break, into the demised premises, or by vandals, it shall be the Tenant's responsibility to immediately repair any and all such damage at Tenant's expense. If Tenant refuses or neglects to repair or maintain the Leased Premises as required hereunder and to the reasonable satisfaction of Landlord as soon as reasonably possible after written demand, Landlord may make such repairs without liability to Tenant for any loss or damage that may accrue to Tenants merchandise, fixtures or other property or to Tenants business by reason thereof, and upon completion thereof, Tenant shall pay Landlord the costs for making such repairs plus 15% for overhead, upon presentation therefor, as Additional Rent.

**Section 4.2 Repair and Care By Landlord.** Landlord shall keep and maintain the foundation, roof and structural portions of the Leased Premises (exclusive of all glass and exterior doors) as well as exterior grounds (grass and landscaping) and parking in good condition and repair, except for any repairs required thereto by reason of the negligent acts or omissions to act of the Tenant, its employees, agents, invitees, licensees and contractors. Landlord gives Tenant exclusive control of the Leased Premises and, therefore, Landlord shall be under no obligation to inspect the Leased Premises. Tenant shall promptly report in writing to Landlord any known defective condition which Landlord is required to repair or replace, and Tenant's failure to report such defects shall make Tenant responsible for any liability, costs or

attorney's fees incurred by Landlord by reason of such defect. Landlord shall not be obligated to make any repair or replacement required of it until Landlord receives written notice from Tenant regarding same. Landlord shall have reasonable time in which to make such repair or replacement, said reasonableness to include the impact or negative effect of the condition on the Tenant's business.

**Section 4.3 Inspection.** Landlord or its representatives shall have the right to enter the Leased Premises at reasonable hours of any business day during the Lease Term to ascertain if the Leased Premises are in proper repair and condition.

**Section 4.4 Trash and Debris.** Tenant agrees to use reasonable diligence to keep the sidewalks and outside areas immediately adjoining the Leased Premises and located on the Leased Premises free from debris and trash, and at all times to broom-clean or otherwise keep said sidewalks and outside areas free of trash, litter or obstructions of any kind. Tenant agrees not to permit the accumulation (unless in concealed metal containers) or burning of any rubbish or garbage in, on or about any part of the Leased Premises. All garbage shall be promptly removed from the Leased Premises in order to control the escape of offensive odors. If, for any reason, offensive odors are emitted from the location where Tenant stores Tenant's garbage or, if in the sole opinion of Landlord, Tenant's garbage is the cause of pest or vermin infestation, Tenant shall cause its garbage to be removed on a daily basis at the expense of Tenant as Additional Rent. Tenant shall take all necessary steps to insure that all offensive odors are dissipated and the pest or vermin infestation is alleviated. Tenant shall cause and pay for all garbage or rubbish to be collected or disposed of from the Leased Premises.

**Section 4.5 Replacement of Glass.** All glass in the Leased Premises shall be in good condition and undamaged. Tenant will, at its own expense, replace all glass thereafter broken or damaged.

## **ARTICLE V**

### **Use of Leased Premises**

**Section 5.1 Use of Leased Premises.** Tenant covenants and agrees to use the Leased Premises only for operating a full service restaurant (the "Permitted Use") and for no other purpose. The Permitted Use must be in accordance with applicable zoning regulations and any other law or regulation. Tenant shall at its sole cost and expense, procure each and every permit, license, certificate or other authorization or any renewals, extensions or continuances of the same required in connection with the Permitted Use. Neither the failure on the part of the Tenant to procure such permit, license, certificate or other authorization nor the revocation of the same shall in any way effect the liability of Tenant for the payment of Rent or Additional Rent or the performance or observance of any of the covenants or conditions herein contained on the Tenants part to be performed and observed. Landlord may enforce this provision by cancellation of this Lease, injunctive or other equitable relief, in addition to any other legal remedies available to Landlord and in the event of any such legal or equitable action, Landlord shall, among other things, be entitled to recover attorneys fees and costs.

**Section 5.2 Rules and Regulations.** Tenants use of the Leased Premises shall be subject, at all times during the Lease Term, to Landlords right to adopt from time to time, modify and/or rescind reasonable rules and regulations not in conflict with any of the express provisions hereof governing the use of the parking areas (if any), walkways, driveways, passageways, signs, exteriors of buildings, lighting and other matters affecting the general appearance or use of the Leased Premises. Tenant agrees to comply with all such rules and regulations upon notice to Tenant from Landlord.

**Section 5.3 Signs, Awnings and Canopies.** Tenant may erect and maintain on the exterior of the Leased Premises only a sign which shall be of such size, style and type and in such locations as Landlord

may approve in writing. Tenant shall keep insured and shall maintain such signs in good condition and repair at all times. If any damage is done to Tenant's signs, Tenant shall repair same within ten (10) days or Landlord, after Tenants failure to repair, shall have the right to repair such signs and bill Tenant for cost of the repairs. Tenant will not place or suffer to be placed or maintained on any exterior door, wall or window of the Leased Premises any sign, awning or canopy, or advertising matter or other things of any kind, and will not place or maintain any decoration, lettering or advertising matter on either the interior or exterior glass of any window or door of the Leased Premises without first obtaining Landlords written approval and consent. Tenant further agrees to maintain such sign, awning, canopy, decoration, lettering, advertising matter or other things as may be approved by Landlord in good condition and repair at all times.

**Section 5.4 Noise, Obstruction and Nuisances.** Tenant covenants that it will not create or maintain, or allow others to create or maintain, any nuisances, including without limiting the foregoing: loud noises, sound effects, offensive odors and smoke or dust in or about the Leased Premises; commit any waste; or maintain or allow to be maintained any excessively bright lights, changing, flashing, flickering or lighting services or similar devices, the effect of which will be visible from the exterior of the Leased Premises.

**Section 5.5 Bulk Sale.** No bulk sale of goods and assets of the Tenant may take place without first obtaining the written consent of the Landlord, which consent will not be unreasonably withheld so long as the Tenant and the Purchaser are able to provide the Landlord with assurances, in a form satisfactory to the Landlord, that the Tenant's obligations in this Lease will continue to be performed and respected, in the manner satisfactory to the Landlord, after completion of the said bulk sale.

## **ARTICLE VI** **Tenants Business Operations**

**Section 6.1 Relationship of the Parties.** Nothing herein contained 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 nor any other provisions contained herein nor any acts of the parties hereto shall be deemed to create any relationship between the parties other than that of Landlord and Tenant.

## **ARTICLE VII** **Additions, Alterations and Trade Fixtures**

**Section 7.1 Improvements.** Tenant covenants and agrees that it will not make any alterations, improvements or additions to the Leased Premises without first obtaining the written consent of the Landlord. All work performed in the Leased Premises must be performed by fully insured and bonded contractors, to be approved by Landlord. Landlord shall cooperate with Tenant in obtaining governmental permits, approvals and certificates and shall execute any documents required in furtherance of such purpose. Tenant will not cut or drill into, or secure any fixture, apparatus or equipment of any kind to any part of the Leased Premises without first obtaining the written consent of the Landlord. Tenant shall maintain the Leased Premises in a clean and orderly condition during the performance of Tenant's Work and at all times during the Term of this Lease. All trash which may accumulate in connection with Tenant's construction activities shall be disposed of in a timely manner.

All alterations, decorations, additions and improvements made by Tenant, or made by Landlord on Tenants behalf as provided in this Lease, shall remain the property of the Tenant for the Lease Term or renewal thereof, subject to the terms of this Lease, but they shall not be removed from the Leased Premises without the prior written consent of Landlord. Upon termination of this Lease, Tenant shall remove such

alterations, decorations, additions and improvements and restore the Leased Premises as provided in Section 7.2 and if Tenant fails to do so and moves from the Leased Premises, all such alterations, decorations, additions and improvements may become the property of Landlord at Landlord's election.

**Section 7.2 Trade Fixtures.** All trade fixtures and equipment installed by Tenant in the Leased Premises shall be new or completely reconditioned and shall remain the property of the Tenant. Tenant shall obtain the written consent of Landlord before installing any fixtures or equipment. Provided Tenant is not in default hereunder, Tenant shall have the right, at the termination of this Lease, to remove any and all trade fixtures, equipment and other items of personal property not constituting a part of the freehold which it may have stored or installed in the Leased Premises, including but not limited to counters, shelving, chairs and movable machinery purchased by Tenant and which are susceptible to being moved without damage to the building, provided this right is exercised before the Lease is terminated and provided that Tenant shall repair any damage to the Leased Premises caused thereby. The right granted Tenant in this Section shall not include the right to remove any plumbing or electrical fixtures or equipment, heating or air-conditioning equipment, floor coverings (including wall-to-wall carpeting) glued or fastened to the floors or any paneling, tile or other materials fastened or attached to the walls or ceilings, all of which shall be deemed to constitute a part of the freehold and, as a matter of course, shall not include the right to remove any fixtures or machinery that were furnished or paid for by Landlord. Buildings shall be left in a broom-clean condition. If Tenant shall fail to remove its trade fixtures or other property at the termination of this Lease, such fixtures and other property not removed by Tenant shall be deemed abandoned by Tenant, and, at the option of Landlord, shall become the property of the Landlord. Landlord shall have the right to require Tenant to remove any or all fixtures and equipment installed by or for Tenant upon the termination or expiration of the lease.

**Section 7.3 Indemnity.** Tenant agrees to provide liability and other insurance as required under the terms of this lease. To the extent of the insurance provided, Tenant shall indemnify and hold Landlord harmless from any and all claims for damage or otherwise based upon or in any manner growing out of any alterations or construction undertaken by Tenant under the terms of this Lease. Furthermore, Tenant shall indemnify and hold it harmless Landlord from any claim, suit, or demand arising out of any improvements to the Leased Premises or any indebtedness or obligations incurred by Tenant in making any such improvement to such Leased Premises. Before undertaking any alterations or construction, Tenant shall obtain and pay for a public liability policy insuring Landlord and Tenant against any liability which may arise on account of such proposed alterations or construction work in limits reasonably approved by Landlord and a certificate or copy of such policy shall be delivered to Landlord prior to the commencement of such proposed work.

**Section 7.4 Liens and Mechanics Liens.** Tenant will not permit to be created nor to remain undischarged any lien, encumbrance, or charge (arising out of any work of any contractor, mechanic, laborer or materialman or any mortgage, conditional sale, or security agreement) which might be or become a lien or encumbrance or charge upon the Leased Premises or any part thereof or the income therefrom, and Tenant will not suffer any notice of lien on account of an alleged debt of Tenant or any notice of contract by a party engaged by Tenant or Tenant's contractor to work on the Leased Premises shall be filed against the Leased Premises or any part thereof. Within ten (10) days after Tenant receives notice of the filing of any lien or notice of lien against the Leased Premises, Tenant shall cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Tenant shall fail to cause such lien or notice of lien to be discharged within said Ten (10) day period, then, in addition to any other right or remedy, Landlord may, but shall not be obligated to, discharge the same either by paying the amounts claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings. In any such event Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of

the lienor with interest, costs, attorney's fees and allowances. Any amount so paid by Landlord therewith, together with interest thereon at the maximum legal rate from the respective dates of Landlord's making of the payment or incurring of the cost and expense shall constitute Additional Rent payable by Tenant under this Lease and shall be paid by Tenant to Landlord upon demand.

**Section 7.5 By Landlord.** Landlord hereby reserves the right at any time and from time to time, providing visibility of and access to the Leased Premises are not materially and adversely affected, to make alterations or additions to the building in which the Leased Premises are contained, and to construct other buildings and improvements in the Leased Premises or common areas and to make alterations thereof or additions thereof. Landlord also reserves the right to add or withdraw land and improvements to the Leased Premises, to construct other buildings or improvements in the Leased Premises, provided, however, that such construction or additions shall not unreasonably interfere with the operations of Tenant's business hereunder except when such work is necessitated by emergency or required by structural need, law or governmental directive or order. If an excavation shall be made upon land adjacent to the Leased Premises, Tenant shall permit the person authorized to cause such excavation a license to enter upon the Leased Premises for the purpose of doing such work as such person deems necessary to preserve the wall of the building of which the Leased Premises form a part from damage and to support the same by proper foundations and Tenant shall not be entitled to any claim for damages or indemnification against Landlord.

## **ARTICLE VIII** **Insurance and Indemnity**

**Section 8.1 Public Liability Insurance.** During the Term, Tenant shall at times maintain in full force and effect the following insurance with respect to the Leased Premises:

(a) Commercial General Liability Insurance at least equivalent to the most current standard Insurance Service Office (ISO) form CG 0001 with a limit of at least One Million Dollars (\$1,000,000.00) per occurrence, protecting Tenant, Landlord and Landlord's Mortgagee, if any (as named additional insureds using a form as broad as ISO additional insured form CG 2026) against claims based upon, involving or arising out of the ownership, use, occupancy, or maintenance of the Leased Premises. Such coverage shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Tenant's indemnity obligations under the Lease;

(ii) Property insurance covering all trade fixtures, signs, plate glass, floor covering, furniture, equipment and merchandise in the Leased Premises to the extent of one hundred percent (100%) of the full replacement value of the same against fire and other perils commonly included in "Causes of Loss-Special Form" coverage; and

(iii) Worker's Compensation Insurance and employee insurance as required by law.

All such insurance policies shall be endorsed to add Landlord and any holder of a first lien ("Mortgagee") on the Leased Premises as named insureds for the full amount of the insurance herein required, and to provide that such insurance shall be primary, and that any insurance maintained by Landlord shall be excess only and not contributory. Tenant shall furnish to Landlord, before the Commencement Date, and at least thirty (30) days before expiration or termination or reduction of coverage of any such policy, copies of policies or certificates of insurance (ACORD Form 25-S for liability insurance and ACORD Form 27 for property insurance) evidencing coverages required by this Lease. Tenant and Landlord each hereby waives any and all rights of recovery against the other, or against the officers, employees, agents and representatives of the other, for loss of or damage to such waiving party or its property or the property of others under its control, where such loss or damages is insured against under

any insurance policy in force at the time of such loss or damage or is required to be insured against pursuant to this Lease. Tenant and Landlord shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease. In the event that said Waiver of Subrogation results in Tenant's inability to attain insurance coverage or at commercially reasonable premium, then Landlord and Tenant's obligations under this paragraph are voided and waived.

**Section 8.2 Landlord's Insurance.** Landlord shall keep or cause to be kept insurance on the Leased Premises against loss or damage by fire, explosion, vandalism, malicious mischief, and all other hazards included in an all risks extended coverage endorsement equal to the full replacement value of the building ("Casualty Insurance"), subject to Tenant's obligations above.

**Section 8.3 Indemnity.** Tenant agrees to, and hereby does, indemnify and save Landlord and its respective directors, officers, agents and employees harmless against any and all claims for damages to persons or property by reason of or in connection with Tenant's and/or Tenant's invites or licenses use or occupancy of Leased Premises, or occasioned wholly or in part by any act or omission of Tenant, its agents, contractors, employees, servants, lessees or concessionaires, or from any activity, work or things done, permitted or suffered by Tenant in or about the Leased Premises or elsewhere, and all expenses incurred by Landlord because thereof, including attorney's fees and court costs, and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding be brought against Landlord by reason of any such claim, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel satisfactory to Landlord, excepting however such claims and demands, whether for injuries of persons or loss of life, or damage to property, caused by gross negligent acts or willful omissions of Landlord. Tenant's obligations under this Section 8.3 shall survive termination of this Lease.

**Section 8.4 Exemption of Landlord from Liability.** Tenant hereby agrees that Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom or for damage to the goods, wares, merchandise or other property of Tenant, Tenant's employees, invitees, customers, or any other person in or about the Leased Premises, nor shall Landlord be liable for injury to the person of Tenant, Tenant's employees, agents or contractors, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether the said damage or injury results from conditions arising upon the Leased Premises or upon other portions of the Leased Premises, or from other sources or places, and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant. Landlord's exemption from liability shall cease in any circumstance whereby Landlord knew of or caused a potentially harmful or defective condition in or about the Leased Premises.

## ARTICLE XI

### Damages, Destruction or Condemnation of the Leased Premises

**Section 9.1 Damage or Destruction by Fire or Other Casualty.** If the Leased Premises are damaged or destroyed by fire, flood, tornado or by the elements, or through any casualty, or otherwise, after the commencement of the Lease Term, this Lease shall continue in full force and effect, and Landlord at its expense shall promptly restore, repair or rebuild the Leased Premises, to the same condition as it existed when the possession of the Leased Premises were turned over to the Tenant at the commencement of the Lease Term, within 180 days after such damage or destruction. In the event the Landlord fails to restore the Leased Premises as aforesaid, Tenants sole remedy against Landlord shall be to terminate this Lease as of the date of such casualty. Rent and additional rent, if any, shall abate from the date of such



damage or destruction until ten (10) days after Landlord has repaired or restored the building in the manner and in the condition provided in this Section and notified Tenant of such fact. In the event that a part only of the Leased Premises is untenantable or incapable of use for the normal conduct of Tenants business therein, a just and proportionate part of the rent shall be abated from the date of such damage until ten (10) days after Landlord has completed repaired same and notified Tenant of such fact. No damage or destruction to the Leased Premises shall allow Tenant to surrender possession of the Leased Premises nor affect Tenants liability for the payment of rent or any other covenant contained herein, except as may be specifically provided in this Lease. Notwithstanding any of the provisions herein to the contrary, Landlord shall have no obligation to rebuild the premises unless the damage or destruction is a result of a casualty covered by Landlords insurance policy. Tenant shall give to Landlord prompt written notice of any damage to or destruction of any portion of the Leased Premises resulting from fire or other casualty.

**Section 9.2 Loss or Damage to Tenants Property.** Landlord shall not be liable for any damage to property of Tenant or of others located on the Leased Premises, nor for the loss of or damage to any property of Tenant or of others by theft or otherwise. Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or snow or leaks from any part of the Leased premises or from the pipes, appliances or plumbing works or from any other place or by dampness or by any other cause of whatsoever nature. Landlord shall not be liable for any such damage caused by other tenants or persons in the Leased Premises, occupants of property adjacent to the Leased Premises, or the public, or for damage caused by operations in construction of any private, public or quasi-public work. Landlord shall not be liable for any latent defect in the Leased Premises or in the building of which they form a part. All property of Tenant kept or stored on the Leased Premises shall be so kept or stored at the risk of Tenant only, and Tenant shall hold Landlord harmless from any claim arising out of damage to the same, including subrogation claims by Tenants insurance carriers, unless such damage shall be caused by the willful act or gross neglect of Landlord.

**Section 9.3 Condemnation.** In the event the entire Leased Premises shall be appropriated or taken under the power of eminent domain by any public or quasi-public authority, this Lease shall terminate and expire as of the date of such taking, and Landlord and Tenant shall thereupon be released from any further liability hereunder. In the event more than fifteen (15) percent of the floor area of the Leased Premises shall be appropriated or taken under the power of eminent domain by a public or quasi-public authority, Tenant and Landlord shall have the right to cancel and terminate this Lease as of the date of such taking upon giving Landlord or Tenant notice of such election within sixty (60) days after the receipt by Tenant from Landlord of notice that said Leased Premises have been so appropriated or taken. In the event of such cancellation, Landlord and Tenant shall thereupon be released from any further liability under this Lease. Immediately after any appropriation or taking, Landlord shall give Tenant notice thereof. If this Lease shall not be terminated as provided in this Section, then Landlord at its cost and expense shall immediately restore the building to a complete unit of like quality and character. All compensation awarded or paid upon such a total or partial taking of the Leased Premises shall belong to and be the property of Landlord without any participation by Tenant; provided, however, that nothing contained herein shall be construed to preclude Tenant from prosecuting any claim direction against the condemning authority in such condemnation proceedings for loss of business, and/or depreciation to, damage to and/or cost of removal of, and/or for the value of stock and/or trade fixtures, furniture and other personal property belonging to Tenant; provided further, however, that no such claim diminish or otherwise adversely affect Landlords award or the award(s) and all ground and underlying lessor(s) and mortgagee(s).

**ARTICLE X**  
**Default by Tenant and Remedies**

**Section 10.1 Event of Default.** The following events shall constitute events of default by Tenant under this Lease (hereinafter individually called an "Event of Default", and collectively called "Events of Default"): (i) if Tenant shall fail to pay any Rent or other payment to be made by Tenant hereunder within five (5) days of the due date hereof; (ii) if Tenant shall violate or breach, or shall fail fully and completely to observe, keep, satisfy, perform and comply with, any agreement, term, covenant, condition, requirement, restriction or provision of this Lease (other than a breach or failure described in clause (i) above, and shall not cure such failure within ten (10) days after Landlord gives Tenant written notice thereof, or, if such failure shall be incapable of cure within ten (10) days, if Tenant shall not commence to cure such failure within such ten (10) day period and continuously prosecute the performance of the same to completion with due diligence; (iii) if Tenant shall be unable to meet its obligations as they become due or becomes insolvent, makes a transfer in fraud of creditors, or makes an assignment for the benefit of creditors; (iv) if Tenant files a petition under any section or chapter of the national bankruptcy act, as amended, or under any similar federal or state law or statute, or Tenant or any guarantor of its obligations under this Lease is adjudged bankrupt or insolvent in proceedings filed against Tenant; (v) if a receiver or trustee is appointed for the Leased Premises or for all or substantially all of the assets of Tenant; (vi) if this Lease is assigned or any portion of the Leased Premises sublet other than in accordance with the terms of this Lease; (vii) if Tenant does or permits to be done anything that creates a lien upon the Leased Premises; or (viii) if Tenant vacates, deserts or abandons the Leased Premises for a period of ninety (90) days.

**Section 10.2 Remedies.** Upon the occurrence of an Event of Default, in addition to any other remedies which Landlord may have at law or in equity, Landlord may pursue any one or more of the following alternative remedies:

(i) Without any notice or demand, Landlord may take any action or actions permissible at law to insure performance by Tenant of its covenants and obligations under this Lease. If Tenant deserts or vacates the Leased Premises, Landlord may enter upon and take possession in order to protect them from deterioration and continue to demand from Tenant the monthly rentals provided in this Lease, without any obligation to re-let. Moreover, if Landlord elects to re-let the Leased Premises, that action shall not be deemed an acceptance of Tenant's surrender of them unless Landlord expressly notifies Tenant otherwise in writing as provided below. Landlord shall otherwise be re-letting as Tenant's agent. Tenant shall pay Landlord on demand any deficiency between the monthly rentals provided in this Lease that are actually collected by Landlord. Landlord may enter upon the Leased Premises, by force if necessary, without being liable for prosecution or any claim for damages, and do whatever Tenant is obligated to do under this Lease. Tenant shall reimburse Landlord on demand for all expenses incurred by it in effecting compliance with Tenant's obligations hereunder, and Landlord shall not be liable for resulting damages to Tenant.

(ii) Landlord may terminate this Lease by giving written notice to Tenant. In such event, Tenant shall immediately surrender the Leased Premises to Landlord. If Tenant fails to do so, Landlord may, without prejudice to any other remedy it may have for possession or arrearages in rent (including any accrued interest due hereunder), enter upon and take possession of the Leased Premises and expel or remove, by force if necessary, Tenant and any other person who is occupying all or a portion of the Leased Premises without being liable for prosecution or any claim for damages. Tenant hereby waives any statutory requirement of prior written notice for filing eviction or damage suits for non-payment of rent. In addition, Tenant shall pay to Landlord on demand all loss and damage suffered by it by reason of any termination affected under this subparagraph (ii).

(iii) Landlord may do whatever Tenant is obligated to do under the terms of this Lease, in which event Tenant shall reimburse Landlord for any expenses, including, without limitation, interest at the lower of the rate of twelve (12%) percent or the maximum rate allowable by law, and reasonable attorneys' fees which Landlord may incur in thus effecting satisfaction and performance of or compliance with Tenant's duties and obligations under this Lease. Such sums shall be deemed Additional Rent and shall be paid by Tenant to Landlord within ten (10) days of the renditions of any bill or statement to Tenant therefore.

(iv) Landlord may demand a final settlement at any time. Upon such demand, Tenant shall pay the difference between the monthly rentals provided in this Lease for the remainder of the Term. The difference shall be discounted to present value at the rate of interest agreed on by the parties, or, if there is no such agreement, at the rate of seven (7%) percent per annum. Landlord and Tenant acknowledge that Landlord shall be damaged by Tenant's default, that Landlord's actual damages are hard to estimate, and that the above amount represents a reasonable pre-estimate of Landlord's damages rather than a penalty. If Landlord accelerates as provided in this subparagraph, it shall seek another tenant for Leased Premises and credit any amounts received to the Tenant, less the following: (1) reimbursement for all expenses incurred as a result of Tenant's failure to perform its obligations under the Lease; (2) the costs of securing another tenant, including, but not limited to, advertising and brokerage commissions; and (3) the costs of altering, dividing, painting, repairing, and replacing Leased Premises to accommodate a new tenant.

**Section 10.3 Non-Waiver Provisions.** The failure of Landlord to insist upon a strict performance of any of the terms, conditions and covenants herein shall not be deemed to be a waiver of any rights or remedies that Landlord may have and shall not be deemed a waiver of any subsequent breach or default in the terms, conditions and covenants herein contained except as may be expressly waived in writing. The maintenance of any action or proceeding to recover possession of the Leased Premises, or any installment or installments of rent or other monies that may be due or become due from Tenant to Landlord, shall not preclude Landlord from thereafter instituting and maintaining subsequent actions or proceedings for the recovery of possession of the Leased Premises or of any other monies that may be due or become due from Tenant. Any entry or re-entry by Landlord shall not be deemed to absolve or discharge Tenant from liability hereunder.

**Section 10.4 Force Majeure.** If Landlord is delayed or prevented from performing any of its obligations under this Lease due to strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefore, governmental actions, civil commotions, fire or other casualty, and any other causes beyond the reasonable control of the Landlord (collectively, the "Force Majeure"), the period of such delay or such prevention shall be deemed added to the time herein provided for the performance of any such obligation by Landlord.

**Section 10.5 Landlords Expenses.** If Tenant shall at any time be in default hereunder, and if Landlord shall deem it necessary to engage attorneys to enforce Landlords rights hereunder, the determination of such necessity to be in the sole discretion of Landlord, Tenant will reimburse Landlord for the reasonable expenses incurred thereby, including but not limited to court costs and reasonable attorneys fees. If Tenants rights hereunder are not terminated, the amount of such expenses shall be deemed to be additional rent hereunder and shall forthwith be due and payable by Tenant to Landlord.

**Section 10.6 Waiver of Trial by Jury; Venue.** THE PARTIES HEREBY WAIVES TRIAL BY JURY IN ANY COURT AND IN ANY SUIT, ACTION OR PROCEEDING ON ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THIS LEASE AND/OR THE ENFORCEMENT OF ANY OF THEIR RIGHTS AND REMEDIES, INCLUDING WITHOUT LIMITATION, TORT CLAIMS. THE PARTIES ACKNOWLEDGE THAT THEY MAKE THIS WAIVER KNOWINGLY AND VOLUNTARILY, WITHOUT DURESS AND ONLY AFTER

EXTENSIVE CONSIDERATION OF THE RAMIFICATIONS OF THIS WAIVER. TENANT HEREBY SUBMITS TO PERSONAL JURISDICTION IN THE STATE OF GEORGIA FOR THE ENFORCEMENT OF TENANT'S OBLIGATIONS HEREUNDER AND WAIVES ANY AND ALL PERSONAL RIGHTS UNDER THE LAW OF ANY OTHER STATE TO OBJECT TO JURISDICTION WITHIN THE STATE OF GEORGIA FOR THE PURPOSES OF LITIGATION TO ENFORCE SUCH OBLIGATIONS OF TENANT. TENANT HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY FEDERAL, STATE OR LOCAL COURT HAVING A SITUS WITHIN THE CITY OF SAVANNAH, COUNTY OF CHATHAM, STATE OF GEORGIA. IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS LEASE TENANT IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM.

**Section 10.7 Governing Law.** This Lease will be construed according to, and be governed by, the laws of the State of Georgia.

**ARTICLE XI**  
**Mortgage Financing and Subordination**

**Section 11.1 Intentionally Omitted.**

**ARTICLE XII**  
**Acceptance of Leased Premises**

**Section 12.1 Acceptance of Leased Premises.** Tenant shall be deemed to have accepted the Leased Premises "as is," to have acknowledged that the same are in condition called for hereunder and to have agreed that as of that date all of the obligations imposed upon Landlord under this Lease have been fully performed.

**ARTICLE XIII**  
**Other Provisions**

**Section 13.1 Environmental Matters: Indemnities.** Except for Landlords negligence and/or willful misconduct, Tenant hereby indemnifies Landlord and agrees to hold Landlord harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind, whatsoever paid, incurred or suffered by or asserted against Landlord for, with respect to or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, omission, discharging or release from the Leased Premises of any "Hazardous Material" (and as defined herein), including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, or any so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law ordinance, code, rule, regulation, order or decree regulating or relating to or imposing liability or standards of conduct concerning any Hazardous Material, but only to the extent caused by, or within the control of the Tenant. Otherwise, Landlord agrees to indemnify and hold Tenant harmless from all of the foregoing. The provisions of and undertakings and indemnifications set out in this paragraph shall survive the termination of this Lease. As used herein, the term "Hazardous Material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or

toxic by the city in which the Leased Premises is located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the Food and Drug Administration, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment. Tenant agrees not to introduce any Hazardous Material in, on or adjacent to the Leased Premises without (i) providing Landlord with thirty (30) days prior written notice of the exact amount, nature, and manner of such Hazardous Material, and (ii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use or disposal, and clean-up of Hazardous Materials, including, but not limited to, the obtaining of proper permits. Tenant shall immediately notify Landlord of any inquiry, test, investigation, or enforcement proceeding by or against Landlord or the Leased Premises concerning a Hazardous Material. Tenant acknowledges that Landlord, as the owner of the Leased Premises, shall have the right, at its election, in its own name or as Landlord's agent, to negotiate, defend, approve, and appeal, at Tenant's expense, any action taken or order issued with regard to a Hazardous Material by an applicable governmental authority. If Tenant's storage, use or disposal of any Hazardous Material in, on or adjacent to the Leased Premises results in any contamination of the Leased Premises, the soil or surface or groundwater (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Landlord, in Landlord's reasonable judgment, Tenant agrees to clean-up the contamination. Tenant further agrees to indemnify, defend and hold Landlord harmless from and against any claims, suits, causes of action, costs, fees, including attorneys' fees and costs, arising out of or in connection with any clean-up work, inquiry or enforcement proceeding in connection therewith, and any Hazardous Materials currently or hereafter used, stored or disposed of by Tenant or its agents, employees, contractors or invitees on or about the Leased Premises. Notwithstanding any other right of entry granted to Landlord under this Lease, Landlord shall have the right to enter the Leased Premises or to have consultants enter the Leased Premises through the term of this Lease for the purpose of determining: (1) whether (the Leased Premises is in conformity with federal, state and local statutes, regulations, ordinances, and policies including those pertaining to the environmental condition of the Leased Premises, (2) whether Tenant has complied with this Section 13.1, and (3) the corrective measures, if any, required of Tenant to ensure the safe use, storage and disposal of Hazardous Materials, or to remove Hazardous Materials. Tenant agrees to provide access and reasonable assistance for such inspection. Such inspections may include, but are not limited to, entering the Leased Premises or adjacent property with drill rigs or other machinery for the purpose of obtaining laboratory samples. Landlord shall not be limited in the number of such inspections during the term of this Lease. Tenant shall reimburse Landlord for the cost of such inspections within ten (10) days of receipt of a written statement therefore. If such consultants determine that the Leased Premises is contaminated with Hazardous Materials, Tenant shall, in a timely manner, at its expense, remove such Hazardous Materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Landlord and any applicable governmental agencies. The right granted to Landlord herein to inspect the Leased Premises shall not create a duty on Landlord's part to inspect the Leased Premises, or liability of Landlord for Tenant's use, storage or disposal of Hazardous Materials, it being understood that Tenant shall be solely responsible for all liability in connection therewith. Tenant shall surrender the Leased Premises to Landlord upon the expiration or earlier termination of this Lease free of Hazardous Materials and in a condition which complies with all governmental statutes, ordinances, regulations and policies, recommendations of consultants hired by Landlord, and such other reasonable requirements as may be imposed by Landlord. Tenant's obligations under this Section 13.1 shall survive termination of this Lease.

**Section 13.2 Definition and Liability of Landlord; Assignment of Landlord.** The term "Landlord" as used in this lease means only the owner for the time being of the building in which the Leased Premises are located or the owner of a leasehold interest in the building and/or the land thereunder so that in the event of sale of the building or an assignment of this Lease, or a demise of the building and/or land, Landlord shall be and hereby is entirely freed and relieved of all obligations of Landlord hereunder and it shall be deemed without further agreement between the parties and such purchaser(s), assignee(s) or

lessee(s) that the purchaser, assignee or lessee has assumed and agreed to observe and perform all obligations of Landlord hereunder. It is specifically understood and agreed that there shall be no personal liability on Landlord in respect to any of the covenants, conditions or provisions of this Lease or any obligation or liability arising therefrom or in connection therewith; in the event of a breach or default by Landlord of any of its obligations under this Lease, Tenant shall look solely to the equity of Landlord in the Leased Premises for the satisfaction of Tenants remedies. Such exculpation of liability shall be absolute and without any exception whatsoever. Landlord's right to assign this Lease or sell or convey the Leased Premises, subject to this Lease, are and shall remain unqualified and Tenant agrees to sign any document reasonably requested by Landlord evidencing such assignment and acknowledgment by Tenant of the new Landlord.

**Section 13.3 Assignment or Subletting.** Tenant may not assign this Lease or sublease the Lease Premises (or any portion of the Lease Premises) without first obtaining prior written consent of Landlord, in Landlord's sole discretion. Any assignment or sublease by Tenant approved by Landlord shall be only for the Permitted Use, and for no other purpose (unless expressly agreed to in writing by Landlord), and in no event shall any assignment or sublease of the premises release or relieve Tenant (or the Guarantor) from any obligations of this Lease. In the event Tenant shall sublease the entire Leased Premises in accordance herewith for rentals in excess of those rentals payable hereunder, Tenant shall pay to Landlord, as Additional Rent hereunder, all such excess rentals. Any proposed assignee or subtenant of Tenant shall assume Tenants obligations hereunder and deliver to Landlord an assumption agreement in form satisfactory to Landlord within ten (10) days after the effective date of the assignment, to be approved by Landlord. In the event of any sale or transfer of twenty-five percent (25%) or more of the stock or other ownership interest in Tenant, written notice must be given by Tenant to Landlord stating the type of transfer, the interests transferred, and the persons or entities to whom the ownership interest is transferred, and such Transfer must be approved by Landlord.

**Section 13.4 Notices.** Whenever notice shall or may be given to either of the parties by the other, each such notice shall be by registered or certified mail with return receipt requested. Notice to Landlord shall be addressed to Real Estate Services Department, City of Savannah, P.O. Box 1027, Savannah, GA 31402, and notice to Tenant shall be addressed to \_\_\_\_\_, Savannah, GA \_\_\_\_\_, or, in each case, to such other address as either may from time to time designate in writing to the other. Any notice under this Lease shall be deemed to have been given at the time it is placed in the mail with sufficient postage prepaid.

**Section 13.5 Short Form Lease.** Tenant agrees not to record this Lease without the express written consent of Landlord and further agrees to execute, acknowledge and deliver at any time after the date of this Lease, at the request of Landlord, a short form lease suitable for recording.

**Section 13.6 Tenant's Notice to Landlord of Default.** Should Landlord be in default under any of the terms of this Lease, Tenant shall give Landlord prompt written notice thereof in the manner specified in Section 13.6 and Tenant shall allow Landlord a reasonable length of time (in any event, not less than ten (10) days from the date of such notice) in which to cure such default.

**Section 13.7 Surrender of Leased Premises and Holding Over.** At the expiration of the tenancy hereby created, Tenant shall surrender the Leased Premises in the same condition as the Leased Premises were in upon delivery of possession thereof to Tenant, reasonable wear and tear excepted, and damage by unavoidable casualty excepted to the extent that the same is covered by Landlord's fire insurance policy with extended coverage endorsement, and Tenant shall surrender all keys for the Leased Premises to Landlord at the place then fixed for payment of rent and shall inform Landlord of all combinations on locks, safes and vaults, if any, in the Leased Premises. Tenant shall remove all its trade fixtures, and any alterations

or improvements, in accordance with the terms of this Lease before surrendering the Leased Premises caused thereby. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of the Lease Term. Should Tenant remain in possession of the Leased Premises or any part thereof after the expiration of the term of this Lease, such holding over shall, unless otherwise agreed in writing, constitute a month to month tenancy only, and Tenant shall pay as monthly rental one and one half (1½) times the Fixed Minimum Rent during the last month of the term of this Lease together with Additional Rent as the case may be. In a holdover situation, Tenant agrees to give Landlord thirty (30) days prior written notice of Tenant's intent to vacate the Leased Premises. Landlord may terminate the month to month tenancy by providing Tenant thirty (30) days prior written notice.

**Section 13.8 Security Deposits.** Tenant, has previously deposited with Landlord the Security Deposit in the amount of \$6,000, receipt of which is hereby acknowledged by Landlord. This deposit shall be held by Landlord without liability for interest as security for the faithful performance by Tenant of all of the terms, covenants and conditions of this Lease by Tenant to be kept and performed during the term and subsequent to the term of this Lease, including without limitation damage to the space, unreturned keys, costs to remove furniture, fixtures and other property of Tenant, damage to the Leased Premises, damage to the Common Area, damage to the Leased Premises and damage to carpet or flooring. If at any time during the term of this Lease any of the rent shall be overdue and unpaid, or any other sum payable by Tenant to Landlord shall be overdue and unpaid, then Landlord may at its option appropriate and apply the entire Security Deposit, or so much thereof as may be necessary to compensate the Landlord for loss or damage sustained or suffered by Landlord due to such breach on the part of Tenant. Should the entire deposit, or any portion thereof, be appropriated and applied by Landlord for the payment of overdue rent or other sums due and payable to Landlord by Tenant, then Tenant shall upon the written demand of Landlord remit to Landlord as additional rental a sufficient amount in cash to restore said security to the original sum deposited, and Tenant's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this Lease. Should Tenant comply with all of the terms, covenants and conditions and shall promptly pay all of the rental herein provided for as it falls due, and all other sums payable by Tenant to Landlord, the Security Deposit shall be returned in full to Tenant at the end of this Lease, or upon the earlier termination of this Lease.

**Section 13.9 Brokerage.** Tenant represents that there was no broker instrumental in consummating this lease, and that no conversations or prior negotiations were had with any broker concerning the renting of the Leased Premises. Tenant agrees to hold Landlord harmless against any claims for brokerage commission or compensation arising out of any conversations or negotiations had by Tenant with any broker.

**Section 13.10 Entire and Binding Agreement.** This Lease contains all of the agreements between the parties hereto and it may not be modified in any manner other than by agreement in writing signed by all the parties hereto or their successors in interest. The terms, covenants and conditions contained herein shall inure to the benefit of and be binding upon Landlord and Tenant and their respective successors and assigns, except as may be otherwise expressly provided in this Lease.

**Section 13.11 Provisions Severable.** If any term or provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

**Section 13.12 Captions.** The captions contained herein are for convenience and reference only and shall not be deemed as part of this Lease or construed as in any manner limiting or amplifying the terms and provisions of this Lease to which they relate.

**Section 13.13 Compliance with Governmental Laws and Regulations.** Tenant, at its sole cost and expense, shall comply with and shall cause the Leased Premises to comply with all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations and ordinances affecting the Leased Premises or any part thereof, or the use thereof, including, but not limited to, those which require the making of any structural, unforeseen or extraordinary changes, whether or not any such statutes, laws, rules, orders, regulations or ordinances which may be hereafter enacted involve a change of policy on the part of the governmental body enacting the same.

**Section 13.14 Counterparts and Electronic Signatures.** This Lease may be executed in two or more counterparts, each of which constitutes an original copy and all of which constitute one and the same agreement or document. Further, a manual signature on this Lease, an image of which has been transmitted electronically, will constitute an original signature for all purposes. The delivery of copies of this Lease, including executed signature pages where required, by electronic transmission will constitute effective delivery of this Lease for all purposes.

**Section 13.15 Homestead.** Tenant waives all homestead rights and exemptions which it may have under any law as against any obligation owing under this lease. Tenant hereby assigns to Landlord his homestead and exemption.

**Section 13.16 Governing Law; Venue.** This Lease is a Georgia contract and shall be construed and enforced in accordance with the laws of the State of Georgia. Venue for any dispute arising under this Lease shall be Chatham County, Georgia.

**Section 13.17 Rights of Successors and Assigns.** The covenants and agreements contained in the within Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto, their heirs, successors, distributees, executors, administrators, conservators, legal representatives, assigns and upon their respective successors, in interest, except as expressly otherwise hereinabove provided.

**Section 13.18 Authority.** Landlord and Tenant each hereby represent that the person signing on behalf of such party has the full right and authority to enter into this Lease and by doing so does not violate any existing agreement or indenture to which it is a party or by which it is bound or effected.

**Section 13.19 Guaranty.** As material consideration for the Landlord entering into this Lease and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned, as a principal of Tenant, hereby agrees to guaranty personally the performance of all covenants and all obligations of the Lessee during the initial Term of this Lease and each Renewal Term and to execute that certain Lease Guaranty attached hereto as **Exhibit A**.

[Signatures on the following page]



**IN WITNESS WHEREOF**, Landlord and Tenant have duly executed this Lease as of the day and year first above written, each acknowledging receipt of an executed copy hereof.

**Tenant:**

**Landlord:**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Consented to by:

**Guarantor:**

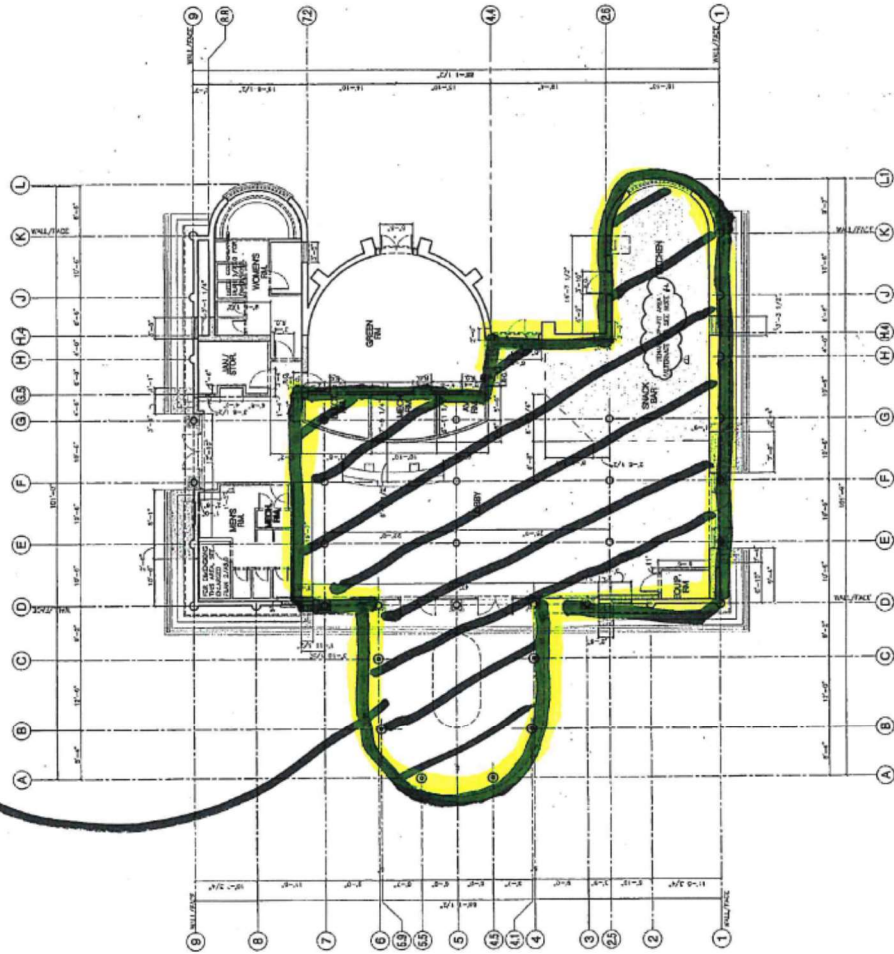
\_\_\_\_\_, individually

DRAFT

EXHIBIT A

Lease Premises

Lease Premises



FLOOR DIMENSION PLAN

SCALE 1/8" = 1'-0"

**EXHIBIT B**

**Lease Guaranty**

**[Attached hereto]**

DRAFT

Lease Guaranty

For and in consideration of the sum of Ten and no/100 (\$10.00) Dollars and in order to induce \_\_\_\_\_ (“Landlord”) to execute a lease with \_\_\_\_\_ (“Tenant”) for that certain premises known as \_\_\_\_\_ (the “Lease”) the undersigned (“Guarantor”) absolutely, irrevocably and unconditionally guarantees to Landlord, its successors and assigns (i) the payment of all sums now or hereafter owed by Tenant under the Lease and (ii) the performance by Tenant of each and every term, covenant and condition of the Lease. This Guaranty shall apply to the Lease as it may be amended and modified from time to time, whether or not Guarantor expressly consents to such modifications, Guarantor hereby consenting to such modifications in advance. In the event of Tenant’s failure to make any payment or perform any obligation under the Lease, Guarantor shall immediately make such payment and perform such obligation upon notice of Tenant’s failure, it being agreed that this Guaranty is a guaranty of payment and performance and not of collection. Guarantor’s liability hereunder is primary and direct and Landlord may proceed against Guarantor without joining Tenant in any such action and without having previously commenced an action against Tenant or otherwise sought to collect from Tenant or cause Tenant to perform. Guarantor hereby subordinates all indebtedness owed by Tenant or Guarantor to all indebtedness of Tenant to Landlord.

Guarantor expressly waives and agrees not to assert: (i) the defense of the statute of limitations; (ii) defenses arising by reason of the failure of Landlord to enforce a claim against any other guarantor or Tenant in bankruptcy or any other proceeding; (iii) any duty on the part of Landlord to disclose to Guarantor facts it may now know or hereafter acquire regarding Tenant; (iv) any notice of acceptance of this Guaranty and any and all other notices or demands to which Guarantor might otherwise be entitled by law; (v) any defense based upon lack of due diligence by Landlord in collecting upon other collateral given to secure Tenant’s obligations under the Lease or the release by Landlord of other collateral, other guarantors or Tenant; and (vi) any and all legal or equitable defenses whatsoever to which Guarantor might otherwise be entitled. If sums due hereunder are collected by or through an attorney, Guarantor shall pay all costs of collection, including reasonable attorney’s fees. Guarantor waives any homestead or other exemption or claim and transfers unto Landlord a sufficient amount of such a homestead or exemption to pay sums due hereunder. The invalidity of any provision of this Guaranty shall not extend beyond such provision and no other provision of this Guaranty joint and several shall be affected thereby. This Guaranty shall be binding upon Guarantor’s heirs, successors, and assigns and may be assigned by Landlord.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty in Chatham County, Georgia, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_  
Social Security No.: \_\_\_\_\_

SWORN TO before me  
this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_  
[Seal]