

Lease Agreement with Purchase Option

This Lease Agreement with Purchase Option ("Lease") is made and effectively by and between The City of Lorain, a municipal corporation ("Landlord") and _____, an Ohio _____, and/or its assignee ("Tenant") this ____ day of _____, 201_.

Landlord is the owner of land, building and related improvements located at _____ ("Building").

Landlord will make available for lease the Building ("Leased Premises") that is more fully described in Exhibit A.

Landlord desires to lease the Leased Premises to Tenant, and Tenant desires to lease the Leased Premises from Landlord for the term, at the rental and upon the covenants, conditions and provisions herein.

Therefore, in consideration of the mutual promises herein contained and other good and valuable consideration, it is agreed:

I. Term

A. Landlord hereby leases the Leased Premises to Tenant, and Tenant hereby leases the same from Landlord, for a term of _____ years beginning on or about _____, 201_ through _____, 201_. Landlord shall use its best efforts to give Tenant possession as nearly as possible to the beginning of the Lease term. If the Landlord is unable to timely provide the Leased premises, rent shall abate for the period of delay but in no case shall term be reduced.

B. Tenant may renew the lease for _____ consecutive extended terms of _____ years, respectively, with rent escalation as provided for hereinafter. Tenant shall be deemed to automatically exercise such option, unless Tenant chooses not to, in which case Tenant will notify Landlord by giving written notice not less than 90 days prior to expiration of the initial lease term or any subsequent renewal term of Tenant's desire to terminate the lease. The renewal terms shall be at the rental rate set forth below and otherwise upon the same covenants, conditions and provisions as provided in this Lease.

II. Rental

A. The cost to provide land, building and related improvements is estimated at \$ _____ in which the monthly rental as detailed herein is based on fully amortizing said cost to provide Leased Premises to Tenant. Any additional cost over and above the \$ _____ must be paid for by Tenant or will necessitate an increase in the monthly rental to fully amortize costs related to this project over a period not to exceed _____ years.

B. Tenant shall pay a monthly rental from _____, 201_ through _____, 201_ to be fixed at \$ _____ during the initial lease term. Each installment payment shall be due in advance on the first day of each calendar month during the lease term to Landlord at Department of Building, Housing & Planning, 200 West Erie Avenue, 5th Floor, Lorain, Ohio 44052.

C. The rental for any renewal lease term, if created as permitted under this Lease, shall be payable installment payments per the schedule below. Each installment payment shall be due in advance on the first day of each calendar month during the lease term to Landlord at Department of Building, Housing & Planning, 200 West Erie Avenue, 5th Floor, Lorain, Ohio 44052.

Term 1: _____, 201__ to _____, 20__ at \$ _____ per month
Term 2: _____, 201__ to _____, 20__ at \$ _____ per month

III. Option to Purchase

Tenant shall have the exclusive right to purchase the Leased Premises at any time provided there is adequate bank or other private financing to fully pay all project costs associated with the Leased Premises by providing 45 days advance written notice to Landlord of its intent to purchase Leased Premises. Exercising said option and closing shall be contingent to a thorough inspection and any other requisite due diligence that shall be completed at Tenant's cost. The purchase price shall be the remaining unamortized principal balance of the project costs plus all unpaid accrued interest, fees and other expenses including but not limited to transfer costs which is based on project costs amortized over a _____-year period based on the rental payments detailed herein with an interest rate fixed at ____%.

IV. Use

A. Tenant shall use the Leased Premises for the purpose of operating a _____ facility as permitted by Landlord.

B. Tenant shall not use the Leased Premises for the purposes of storing, manufacturing or selling of any explosives, flammables, or other inherently dangerous substance, chemical or device.

V. Sublease and Assignment

Tenant shall not sublease all or any part of the Leased Premises, or assign this Lease in whole or in part without Landlord's consent after obtaining proper approval which consent shall be presented to the approving authority within a reasonable period of time.

VI. Repairs, Maintenance and Services

A. During the Lease Term and any subsequent renewal, Tenant shall make, at it's expense, all necessary repairs to the Leased Premises on major mechanical systems and the roof, including but not limited to heating, air conditioning and sewer systems in which cost shall be due and payable at end of final lease term.

B. During the lease term, Tenant shall pay for electric, gas, heating, ventilation, communications, water and sewer. Tenant shall also provide for their own cleaning and janitorial services and general maintenance including removal of snow and rubbish. Tenant shall be responsible for keeping its area clean and free of trash.

VII. Alterations and Improvements

Tenant, at Tenant's expenses, shall have the right following Landlord's consent to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Leased Premises from time to time as Tenant may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials. Tenant shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises, and fasten the same to the premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenant at the commencement of the Lease term or placed or installed on the Leased Premises by Tenant thereafter, shall remain Tenant's property, free and clear of any claim by Landlord, but subject to lien provided for in city loan. Tenant shall have the right to remove the same at any term during the term of the lease provided that all damage to the Leased Premises caused by such removal shall be repaired by Tenant at Tenant's expense to Landlord's satisfaction.

VIII. Build-Out

Tenant shall, at its own cost, build the Leased Premises according to the specifications set for by the Tenant. Said build-out shall include all necessary improvements and installation of personal property, equipment, machinery, trade fixtures and temporary installations.

IX. Property Taxes

Tenant shall be responsible for all or any general real estate taxes and special assessments coming related to the Leased Premises during the Lease term, and all personal property taxes with respect to Tenant's personal property.

X. Insurance

A. If the Leased Premises or any other part of the Building is damaged by fire or other casualty resulting from any act or negligence of Tenant or any of Tenant's agents, employees or invitees, rent shall not be diminished or abated while such damages are under repair, and Tenant shall be responsible for the costs of repair not covered by insurance.

B. Tenant shall maintain fire and extended coverage insurance on the Building and the Leased Premises in such amounts as Landlord shall deem appropriate. Tenant shall be responsible for fire and extended coverage insurance on all of its personal property, including removable trade fixtures located in the Leased Premises.

C. Tenant and Landlord shall, each at its own expense, maintain a policy or policies of comprehensive general liability insurance with respect to the respective activities of each in the Building with the premiums thereon fully paid on or before the due date, issued by and binding upon some insurance company. Such insurance shall afford minimum protection of not less than \$1,000,000 combined single limit coverage of bodily injury, property damage or combined thereof. Landlord shall be listed as an additional insured on Tenant's policy or policies of comprehensive general liability insurance, and Tenant shall provide Landlord with current Certificates of Insurance evidencing Tenant's compliance. Tenant shall obtain the agreement of Tenant's insurers to notify Landlord that a policy is due to expire at least ten (10) days prior to

such expiration. Landlord shall not be required to maintain insurance against thefts within the Leased Premises or the Building.

XI. Utilities

Tenant shall be responsible for all utility and other charges including but not limited to telephone, electric, gas, water and sewer incurred in the operation, maintenance, use, occupancy and upkeep the Leased Premises.

XII. Signs

Tenant will provide appropriate signage on the Leased Premises as permitted by applicable zoning and approved by the Landlord. Said signage shall be placed on the premises in agreed upon appropriate locations for the term of the lease.

XIII. Entry

Landlord shall have the right to enter upon the Leased Premises at reasonable hours to inspect the same provided Landlord shall not thereby unreasonably interfere with Tenant's business on the Leased Premises.

XIV. Hours of Operation

Tenant shall be required to maintain business hours as is deemed necessary and customary for its industry. Tenant must receive prior approval from Landlord to maintain optional hours of operation.

XV. Parking

During the term of this Lease, Tenant shall have the exclusive use to provide parking for Tenant's guests and invitees subject to rules and regulations for the use thereof as prescribed from time to time by Landlord.

XVI. Damages and Destruction

Subject to Section X.A above, if the Leased Premises or any part thereof or any appurtenance thereto is damaged by fire, casualty or structural defects that the same cannot be used for Tenant's purposes, then Tenant shall have the right within ninety (90) days following damage to elect by notice to Landlord to terminate this Lease as of the date of such damage. In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unusable for Tenant's purposes, Landlord shall promptly repair such damage at the cost of the Landlord. In making the repairs called for in this paragraph, Landlord shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Landlord. Tenant shall be relieved from paying rent or other charges during any portion of the Lease term that the Leased premises are inoperable or unfit for occupancy, or use, in whole or in part, for Tenant's purposes. Rentals and other charges paid in advance for any such period shall be credited on the next ensuing payment. If no further payments are to be made, any such advance payments shall be refunded to Tenant. The provision of this paragraph extend not only to the matters contained

herein but also to any occurrence which is beyond Tenant's reasonable control and which renders the Leased Premises or any appurtenances thereto inoperable or unfit for occupancy for use, in whole or in part, for Tenant's purposes.

XVII. Default

A. Default by Tenant: If default shall at any time be made by Tenant in the payment of rent when due to Landlord as herein provided, and if said default shall continue for fifteen (15) days after written notice thereof shall have been given to Tenant by Landlord, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Tenant, and such default shall continue for thirty (30) days after notice thereof in writing to Tenant by Landlord, Landlord without correction thereof, Landlord may declare the term of this Lease ended and terminated by giving Tenant written notice of such intention, and if possession of the Leased Premises is not surrendered, Landlord shall have, in addition to the remedy above provided, any other right or remedy available to Landlord on account of any Tenant default, either in law or equity. Landlord shall use reasonable efforts to mitigate its damages.

B. Default by Landlord: Landlord shall be in default if Landlord fails to perform or observe any term, condition or covenant required to be performed or observed under this Lease for a period of thirty (30) days after notice thereof in writing from Tenant to Landlord. Tenant may declare the term of this Lease ended and terminated by giving Landlord written notice of such intention, withhold or abate any rent due. In addition, Tenant may exercise any other right or remedy available to Tenant on account of Landlord's default, either in law or equity. Tenant shall use reasonable efforts to mitigate its damages.

XVIII. Quiet Possession

Landlord covenants and warrants that upon performance by Tenant of its obligations hereunder, Landlord will keep and maintain Tenant in exclusive, quiet peaceable, and undisturbed and uninterrupted possession of the Leased Premises during the term of the Lease.

XIX. Condemnation

If any legally constituted authority condemns the Building or such part thereof which shall make the Leased Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession, and Landlord and Tenant shall account for rental as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

XX. Subordination

Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Leased Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Tenant agrees that any such mortgagee shall have the right to any tie to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien now existing or hereafter placed upon the

XXII. Brokers

Tenant represents that Tenant was not shown the Premises by any real estate broker or agent and that Tenant has not otherwise engaged in any activity which could form the basis for a claim for real estate commission, brokerage fee, finder's fee or other similar charge, in connection with this Lease.

XXIII. Waiver

No waiver of any default of Landlord or Tenant hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Landlord or Tenant shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

XXIV. Memorandum of Lease

The parties hereto contemplate that this Lease should not and shall not be filed for record, but in lieu thereof, at the request of either party, Landlord and Tenant shall execute a Memorandum of Lease to be recorded for the purpose of giving record notice of the appropriate provisions of this Lease.

XXV. Headings

The headings used in this Lease are for the convenience of the parties only and shall not be considered in interpreting the meaning of any provision of the Lease.

XXVI. Successors

The provision of this Lease shall extend to and be binding upon Landlord and Tenant and their respective legal representatives, successors and assigns.

XXVII. Consent

Landlord shall not unreasonably withhold or delay its consent with respect to any matter for which Landlord's consent is required or desirable under this Lease.

XXVIII. Performance

If there is a default with respect to any of the Landlord's covenants, warranties or representations under this Lease, and if the default continues more than fifteen (15) days after notice in writing from Tenant to Landlord specifying the default, Tenant may, at its option and without affecting any other remedy hereunder, cure such default and deduct the cost thereof from the next accruing installment or installments of rent payable hereunder under Tenant shall have been fully reimbursed for such expenditures together with interest thereon at a rate equal to the lesser of twelve percent (12%) per annum or the highest lawful rate. If the lease terminates prior to Tenant's receiving full reimbursement, Landlord shall pay the unreimbursed balance plus accrued interest to Tenant on demand.

XXIX. Compliance with Law

Tenant shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to Tenant's use of the Leased Premises. Landlord shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

XXX. Final Agreement

This agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further written agreement that is duly executed by both parties.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year written.

LANDLORD: The City of Lorain, Ohio

By: _____

Safety/Service Director

Witness

Print Name: _____

TENANT:

By: _____

Witness

Print Name: _____