

REAL ESTATE LEASE AGREEMENT

I or we, the undersigned, hereby agree to lease the portions of the premises per this agreement which is known as: 2203 Freemont Road, Memphis, TN. 38114, County of Shelby, State of Tennessee, to be used solely as a commercial establishment, upon the following TERMS and CONDITIONS:

PAYMENT: Rent shall be in the amount as follows: Payment to Glenn Leath in the amount of \$ 800.00 **per month**, payable in advance no later than the 1st day of each calendar month due at the following address: 2188 Freemont Road, Memphis, TN. 38114. In the event said rental amount is not received by the above listed addressee is within seven (7) days after due date, Lessee agrees to submit a late charge of \$ 75.00. Lessee further agrees to pay Lessor \$ 50.00 for each dishonored bank check. Additional rental cost as described herein listed on page 2, Conditions, A through K is to be an additional cost to the monthly rent.

DEFAULT: Any failure by Lessee to pay rent when due, or perform any part hereof, shall at the option of the Lessor, terminate all rights of Lessee hereunder. In the event that Lessee shall be absent from the premises for a period of 5 consecutive days, while in default, Lessee shall, at the option of the Lessor, be deemed to have abandoned the premises and any property left on the premises shall be considered abandoned and may be disposed of by Lessor as Lessor shall see fit or subject to lien in favor of Lessor, for payment of all sums due Lessor and will enforce Lessors rights to the maximum extent of the law in breach of this contract.

LEASE TERM: The term hereof shall commence of January 1, 2011, and continue for one full year (12 months) until December 30, 2011. On a month-to-month basis thereafter, until either party shall terminate same by giving the other party thirty (30) days written notice, delivered by certified mail.

Distress Clause: The Lessee under distress conditions only, with approval of the Lessor, has the right to terminate the lease at an earlier date than specified in the lease term. A 60 day written notice will be required. The full amount of the deposit will be forfeited. This Agreement will remain fully enforceable until the new lease termination date is met and the lease terminated.

SECURITY DEPOSIT: The amount of \$ 800.00 is hereby set forth to secure the Lessee's performance while at said property. The deposit, in full or part, shall be applied to remedy any repair or replacement damages including cleaning, as deemed necessary by Lessor to return the premises to the full order and repair as they were at the start of the lease. The deposit, or any balance remaining, shall be returned to the Lessee within 15 days of releasement of premises and or completion of cleanup or repairs made.

Modifications: All modifications to the building or property will require written approval of the Lessor. If required by the Lessor at the end or termination of the lease any or all modifications must be removed and the building or property must be returned to its original condition. If such corrections are not made to the satisfaction of the Lessor or if Lessor must make corrections to bring the building or property back to its original condition the Lessee will forfeit the deposit along with any additional cost that the Lessor might incur in this process.

Lessee

Lessor

Conditions: The undersigned Lessee, at Lessee's own expense, having examined the premises, further agrees to the following:

- A) To accept the premises and contents consisting of Office Building, Front Storage Room and Left Storage Room in Rear Shop Building, in their present condition and to keep them in as good repair as they now are, returning them to Lessor in as good condition as when accepted. The Main Shop Building's general working area and the Exterior Yard area is not included in this Lease Agreement but will be available at Lessor's discretion for joint usage for both Lessor and Lessee.
- B) To and at all times, maintain the premises in a clean and sanitary manner including but not limited to repairs to Office building, roofs, wood doors and trim, plumbing and HVAC, etc. as needed due to weathered, usage and/or non-usage.
- C) To remedy for any unstopping of the plumbing that occurs after the first fifteen- (15) days of occupancy. To periodically check the water cut-offs and drains to promptly maintain in working order.
- D) To use cut-off and drains in the event of subfreezing temperatures, as well as heating provided for premise storage areas for own usage. To be responsible for any damage resulting from the freezing of said plumbing.
- E) To assume all risk of and liability for any damage done to person or property of ourselves, our agents, our employees, or visitors, occasioned by the present or future condition of the premises, both latent and manifest.
- F) To change air filter of air handling unit located in the attic of the premises on a regular bases of every thirty- (30) days.
- G) Lessee shall be responsible for payment of **all** utilities and services imposed by Memphis Light, Gas & Water.
- H) If during the term of this lease the leased premises are so damaged by fire, tornado, or other catastrophe or casualty as to render the same uninhabitable, this lease shall terminate.
- I) Lessee shall permit Lessor or Lessor's agents to enter the premises at reasonable and appointed times for the purpose of inspecting premises, showing the same to prospective tenants, or for determining or inspecting necessary repairs.
- J) All City of Memphis and County of Shelby Taxes to be paid by Lessor.
- K) Insurance for Lessee's contents or appliances including liability due by Lessee's actions or non actions to be furnished by Lessee. Lessor and its agents, employees, etc. shall be held harmless for any loses due thereof. Proof of coverage to be furnished to Lessor.

NOTE: All conditions as listed above to be as directed and approved by Lessor or Lessor's representative.

Lessee

Lessor

With the acceptance of this lease by signature below, it is to be understood that if there is default of payment as specified herein or that repairs are not made, or any other condition of Lease is not met by Lessees and that matters must be placed in the hands of an attorney for collection or if collection is made through bankruptcy or probate court proceedings, all attorneys fees and court costs will be paid by defaulter with the interest assessed at the maximum rate allowed by the laws of the county of SHELBY and/or the state of TENNESSEE.

Payment and deposit received and accepted this _____ day of _____.

By _____
LESSOR (S)

Business Name LESSEE

Signature - President LESSEE

Print LESSEE

Signature - Individual LESSEE

Print LESSEE

Street Address

City, State Zip Code

Signature - Individual LESSEE

Print LESSEE

Street Address

City, State Zip Code