This Lease is made between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Lessor”), and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (“Tenant”).

Tenant hereby offers to lease from Lessor the real property located in the City of \_\_\_\_\_\_\_\_\_\_\_\_, State of California, with a common address of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (the “Real Property”), upon the following terms and conditions. (This document shall hereafter be referred to as the “Lease”).

TERMS AND CONDITIONS

1. Term and Rent. Lessor leases to Lessee the above Real Property for a term of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ years, commencing\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and terminating on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, or sooner as provided herein at the annual rental of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Dollars ($ ), payable in equal installments in advance on the first day of each month for that month’s rental, during the term of this Lease. All rental payments shall be made to Lessor at the address specified below.

2. Option to Renew. Provided that Tenant is not in default in the performance of this Lease, Tenant shall have the option to renew the Lease for one (or, if more than one option period given, insert number here \_\_\_\_\_\_\_\_\_) additional term(s) of \_\_\_\_\_\_\_\_\_\_\_ months commencing at the expiration of the initial Lease term. All of the terms and conditions of the Lease shall apply during the renewal term except that the monthly rent shall be the sum of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (subject to the restrictions of paragraph 4, below).

The option shall be exercised by written notice given to Lessor not less than \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ days prior to the expiration of the prior Lease term. (If no other time is inserted, notice shall be given ninety (90) days prior to the expiration of the prior lease term). If notice is not given in the manner provided herein within the time specified, this option shall lapse and expire. 3. Use. Tenant shall use and occupy the Real Property for the commercial purpose of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. The Real Property shall be used for no other purpose. 4. SBA Provisions. If this Lease is executed by a Lessor and/or Tenant, who are participating in the U.S. Small Business Administration 504 Loan Program, then the parties hereto agree and acknowledge that this Lease shall be construed to comply with the requirements of such program including, but not limited to, those found in Title 13 of the Code of Federal Regulations, the SBA Standard Operating Procedures 50-10 and all other relevant statutes laws, codes, regulations and procedures. Without limiting the applicability of all relevant law, the following conditions shall apply: (1) The Tenant shall lease from Lessor all of the Real Property; (2) This Lease shall be junior and subordinate to any and all deeds of trust in favor of the SBA which relate to the Real Property; (3) The annual rent hereunder shall not exceed the annual payments on the deed of trust in favor of the SBA secured by the Real Property, annual payments of deeds of trust senior to such SBA deed of trust, taxes, insurance and maintenance. (4) This Lease shall be assigned, for collateral purposes, to the SBA. (5) The term of this Lease shall not expire prior to the maturity date of the subject SBA 504 Loan. Provided, the Lease term may include options to renew the Lease, so long as the options are exercisable solely by the Tenant. (6) Any leases of the Real Property other than to the Tenant shall be between the Tenant and the third party subtenant. 5. Care and Maintenance of Real Property. Tenant acknowledges that the Real Property is in good order and repair, unless otherwise indicated herein. Tenant shall, at his own expense and at all times, maintain the Real Property in good and safe condition, including plate glass, electrical wiring, plumbing and heating installations and any other system or equipment upon the Real Property and shall surrender the same, at termination hereof, in as good condition as received, normal wear and tear excepted. (Check here if this provision applies.) \_\_\_ Tenant shall be responsible for all repairs required, excepting the roof, exterior walls,