

## LEASE AGREEMENT FOR INCUBATION COMPANIES

This Lease Agreement is made and entered into between Utah Valley State College, a public institution of higher education located at 800 West University Parkway, Orem, Utah 84058 (hereinafter referred to as "Landlord"), and \_\_\_\_\_, (hereinafter referred to as "Tenant").

### R E C I T A L S

A. Landlord, through its Small Business Development Center provides a wide variety of resources, including office and lab space, to assist in the incubation process of small start up businesses.

B. Tenant, as a small start up business, needs office and/or lab space for its start up business.

NOW THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party, the Parties mutually agree as follows:

1.. Leased Premises. Landlord leases to Tenant office space identified as,

\_\_\_\_\_ located in "Building L" at 1555 North Technology Way, Orem, Utah 8405. This leased office space is hereinafter referred to as the "Leased Premises". The Leased Premises is more particularly described and identified pursuant to the building floor plan attached hereto and incorporated herein as Exhibit A. Tenant is also granted the non-exclusive right to use the parking space, service drives, and sidewalks associated with Building L for its customers, employees, suppliers, and invitees. Tenant, and its customers, employees, suppliers, and invitees are also granted the nonexclusive right to use the Common Areas of Building L, which are the hallways, stairs, elevator, and foyer. Tenant may use other areas of Building L, such as conference rooms, work rooms, classrooms, upon coordination of time and use and upon further agreements with the Landlord.

2. Use. Tenant shall use and occupy the Leased Premises as an office area for purposes associated with Tenant's start up business. Tenant shall not at any time use or occupy or permit the Leased Premises to be used or occupied in any manner which would in any way violate any certificate of occupancy issued for the building, or violate any of the covenants and conditions of the Business Park in which Building L is located. The Tenant shall not use or permit the Leased Premises to be used or occupied in a manner which may violate the laws, orders, ordinances, rules, regulations, or requirements of any federal, state, or local government, or its agencies.

3. Term. The initial term of this lease will be for a period of one year commencing as

of \_\_\_\_\_ and ending on \_\_\_\_\_, with an automatic renewable one-year terms thereafter, pursuant to the same terms and conditions, unless either party provides written notice, at least 90 days prior to the end of the then existing term of the lease, that it will not renew the lease, and that the lease will be cancelled at the end of the then existing term.

4. Rent. Tenant agrees to pay Landlord a monthly rent of \_\_\_\_\_, without prior demand and without offset or deduction, and in advance, on the first day of each calendar month during the term of the lease of the Leased Premises, commencing at the beginning of the term of the lease. Tenant shall pay all rent and any other sums payable under this Lease to Landlord at 800 West University Parkway, Orem, Utah 84058 or such other address as Landlord may designate by written notice to Tenant.

5. Utilities. Landlord will pay the gas and electric utilities, sewer, garbage, water, and janitorial services. Tenant will be responsible for, and pay for, its own telephone and Data services. However, Landlord will be responsible for installation costs associated with telephone wiring and jacks.

6. Repair of Building. Landlord, at its sole cost and expense, will make all necessary improvements and repairs, as solely determined by the Landlord, to Building L, including the Common Areas, parking lot and sidewalks.

7. Maintenance and Regulation of Common Areas.

(a) Maintenance. Landlord will manage, operate, and maintain the Common Areas. Landlord will maintain the Common Areas in attractive and clean condition.

(b) Regulations. Landlord may adopt, from time to time, reasonable rules and regulations regarding the Common Areas, including the designation of parking areas for use of employees of Tenant, and the designation of parking areas for use by customers. Tenant agrees to abide by all such rules and regulations of the Landlord.

8. Right to Alter and Remodel. Tenant may, with prior written approval of the Landlord, and at its own expense, remodel or alter the Leased Premises if such remodeling or alteration promotes Tenant's business and is done in a good and workman-like manner. Tenant shall give Landlord prior written notice of any requested remodeling or alteration of the Leased Premises.

9. Signs. Tenant must receive prior written approval from the Landlord before installing any signage.

10. Quiet Environment. As long as tenant is not in default in its obligations to pay rent and complies with the terms of this Lease, Tenant will freely, peaceably, and quietly occupy and enjoy possession of the Leased Premises during the term of this Lease.

11. Access. Tenant will allow Landlord reasonable access to the Leased Premises at all reasonable times, in order for Landlord to fulfill any of Landlord's obligations under the lease, to make any necessary repairs or alterations, or to examine the Leased Premises for compliance. Landlord's right of access must not reasonably interfere with the conduct of Tenant's business.

12. Insurance and Indemnification. Tenant agrees to maintain personal property and personal liability insurance while using or leasing the Leased Premises at all times during the term of this Lease Agreement. Tenant shall provide a certificate of insurance naming the Landlord as additional insured, indicating amounts of liability coverage not less than \$500,000 per person and \$1,000,000 per accident. Tenant shall be responsible for all damages to all personal property it may locate in Building L and in the Leased Premises, except damage thereto caused by Landlord's negligence, and therefore Tenant's property insurance coverage shall be in such amounts as to fully cover the cost of Tenant's property located in Building L or in the Leased Premises. Landlord will not be liable for (i) any damage to Tenant's property, by theft, casualty or otherwise; or (ii) any personal injury or other property damage to others, unless caused by the sole negligence of Landlord. Tenant will not do anything on the Leased Premises that may subject Landlord to any liability for damage to person or property or by reason of any violation of law. Tenant will indemnify and hold harmless Landlord from all liability, and any other expense, due to (i) any breach of covenant contained in this Lease to be performed by Tenant; (ii) any work performed by Tenant on the Leased Premises; and (iii) any negligent acts or omissions of the Tenant.

13. Casualty.

(a) Repair and Restoration. Subject to subparagraph 12(d), if the Leased Premises or any part of it is damaged or destroyed by fire or other casualty, Landlord will, at its own cost, diligently repair, restore, and rebuild the same. Landlord will use reasonable efforts to start such repair, restoration, or rebuilding work within 30 days of the fire or casualty, so that the Leased Premises will be substantially the same as it was prior to the fire or casualty.

(b) Abatement of Rent. If damage or destruction by fire or other casualty causes a suspension of Tenant's business, the rent payable under this Lease will be abated from the date of such damage until the Leased Premises is repaired, restored, or rebuilt in accordance with subparagraph 17(a).

(c) Covenant Regarding Insurance and Claims. Landlord will carry sufficient replacement insurance to pay for repair and restoration of Building L, including the Leased Premises.

(d) Option to Cancel. If fifty percent or more of the building is destroyed by fire or other casualty, Tenant or Landlord may cancel this Lease by written notice to the other party, given within thirty (30) days after the fire or casualty. Such cancellation shall be effective on the date given.

14. Assignment and Subletting. Tenant may not assign or sublet any part of the Leased premises.

15. Encumbrances of Lease. Tenant will not mortgage, pledge, create any liens on, or otherwise encumber, this Lease or its interest in the Leased Premises.

16. Default. (a) Tenant shall be held in default if Tenant fails to comply with any provision of this Lease Agreement for at least ten (10) business days after Tenant receives written notice from Landlord specifying the nature of the non-compliance by Tenant. Upon receipt of such written notice, Tenant shall immediately and diligently proceed to cure such default within thirty (30) days. In the event of an uncured default by the Tenant, Landlord may terminate this Lease upon written notice to Tenant, which notice will operate as a notice to quit, and on the date stipulated in such note, this Lease and Tenant's estate under this Lease will terminate and Tenant must surrender the Leased Premises. Landlord may, if possession is not surrendered, proceed to recover possession at law. Upon such termination of this Lease, Landlord's obligations under this Lease will cease, but Landlord retains right to recover (I) all rent accrued up to the date of recovery of possession of the Leased Premises by Landlord; and (ii) damages, as provided in herein.

(b) Right to Re-Lease and Damages. If Landlord recovers possession pursuant to subparagraph 22(a), above, it may relet the Leased Premises for such rent and on such terms as it deems appropriate. Thereafter, if Landlord is not able to rent the Leased Premises, or is only able to rent the Leased Premises at a rental rate less than paid by Tenant, Tenant shall remain liable for (I) any such deficiency in rent; and (ii) all other damages sustained by Landlord, including reasonable attorney's fees, brokerage fees, and expenses of preparing the Leased Premises for re-leasing and in enforcing any provision of the Lease.

(c) Other Remedies. Landlord may enforce its rights under this Lease through litigation or by any other remedy available at law or in equity.

(d) Cumulative Remedies. All rights and remedies of Landlord are separate and cumulative, and the use of one or more does not exclude or waive any other right or remedy.

(e) Cost and Expenses. In the event of any default hereunder, the Tenant shall pay all costs and expenses of Landlord, including attorney's fees, accrued in enforcing the terms of this Lease, whether such costs and expenses are incurred with or without suit or before or after judgement.

17. Landlord's Performance of Tenant's Obligations. If Tenant fails or neglects to perform any of its obligations set forth in this Lease, Landlord may, at its option and in addition to any other remedy available to it, perform such obligation or covenant on Tenant's behalf, and Tenant shall repay Landlord, on demand, all costs of such action.

18. Surrender of Demand Premises. At the expiration or termination of the term of this Lease, or any renewal term, Tenant will quit and surrender the Leased Premises broom clean and in good condition, except for reasonable wear and tear, and will remove all of its property from the Leased Premises.

19. Holdover. If the Tenant holds over in possession after expiration of the term of this Lease, or any renewal term, the term of this Lease will not be extended or renewed by such action. Rather, Tenant will continue in possession as a month-to-month tenant, and otherwise under the same terms and conditions contained in this Lease except that the Landlord may terminate such possessions by twenty (20) days prior written notice to Tenant.

20. Notices. Any notice, demand, or communication to either party must be given by registered, first-class mail, postage prepaid, addressed as follows:

Landlord: Utah Valley State College  
800 South University Parkway  
Orem, Utah 84058  
Attention: \_\_\_\_\_

Tenant: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

or at such other address as a party may hereafter designate to the other party in writing.

21. Successors and Assigns. This Lease shall be for the benefit of and binding on the parties to this Lease and its successors, if any.

22. Miscellaneous.

(a) Entire Agreement. This Lease is the entire agreement between Landlord and Tenant, and no earlier verbal statements or written agreements shall have any force or effect. Tenant agrees it is not relying on any representation or agreement except those contained in this Lease.

(b) Amendment. This Lease may not be amended, modified in any respect, or canceled, except by written agreement between the parties.

(c) Saving Clause. If any provision of this Lease is invalid or unenforceable, the remainder of this Lease will not be affected, but will remain valid and enforceable to the fullest extent permitted by law.

(d) Milestone Management Tenant, as a condition of entering into this Lease

Agreement, shall also complete UVSC's Milestone Management Incubation Program Application and at all times during the Lease reasonably comply with the management milestones set forth in UVSC's Milestone Management Incubation, copies of which are attached hereto and incorporated herein, as Exhibit B.

(e) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Utah, and any litigation shall be brought in courts of the State of Utah.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Agreement as of the day and year set forth below.

**Landlord**

**Tenant**

\_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_