

WAREHOUSE LEASE AGREEMENT

THIS LEASE AGREEMENT made ____ this day of __, **2008** between Richard C. Insley, Jr., 227 East Main Street, P.O.Box 1026, Salisbury, MD 21803-1026 Landlord, and _____, tenant, witnesseth, that Landlord hereby rents to Tenant, and Tenant does hereby rent from Landlord all that _____ warehouse property containing approximately ___ square feet, more or less, and situate and lying in the City of Salisbury, in Parsons Election District, of Wicomico County and State of Maryland, located on the Easterly side of **BUT NOT BINDING ON** Truitt Street, and being more particularly known and designated as **317 Truitt Street (6-3)**, hereinafter called the "premises" for the term of **One Year**, beginning on the **1st** day of **____, 2008** (or the date Landlord tenders possession of the premises to Tenant) and ending on the **25th** day of **____, 2009** at the rent of **Dollars (\$)** per **Year**, payable in **Monthly** installments of **Dollars (\$)** on the first day of each month in advance. This letting is upon the following conditions, covenants and agreements.

1. The Tenant hereby covenants and agrees to pay said rental to said Landlord on the day and time aforesaid at such place as said Landlord may from time to time direct without demand being made therefor and to pay as the same shall become due and payable all bills for gas, oil, electricity, including security light (if provided), water, sewer, heat and any other utilities used on said premises. Water and sewer fees shall be shared with other Tenants sharing the same meter based on a pro-rata share of the total ground floor square footage, unless all the parties (tenants) sharing the same meter agree on a more equitable basis. If outside security light is provided, Tenant agrees to maintain electric service to same and if for any reason Tenant does not Landlord may have electric service connected thru tenants meter and tenant will reimburse Landlord for the cost of same as each monthly bill is received by Landlord from electric company for said service. A late charge of **\$20.00** per month will be due at any time the full rental balance due is not paid on any day when the same ought to be paid.
2. The Tenant further covenants that he will not assign, sublet or transfer said premises or any part thereof without the Landlord's consent endorsed in writing hereon; also, that the written assent hereon to one assignment or transfer of this lease or subletting shall not be considered as a waiver of this covenant by the Landlord to any subsequent assignment, transfer, subletting, nor shall such written assent to any assignment or transfer, release said Tenant from liability hereunder.
3. It is hereby agreed between the parties hereto that any interior maintenance and repairs, or improvements will be made by the Tenant, including repairs and maintenance to the Heating, Plumbing, Electrical and Door Systems (locks, casings and jambs) including overhead doors, if any – provided that any improvements or alterations shall only be made by Tenant after receipt of Landlord's written consent; and exterior repairs and maintenance will be made by the Landlord, except Tenant will cut all grass around the leased premises within 25 feet of the leased premises. It is further agreed that any repairs, alterations or improvements made by the Tenant shall be made in a manner consistent with good workmanship, and said improvements shall become a permanent improvement to the premises and shall remain with the premises at the expiration of this lease and any renewal thereof without any reimbursement from Landlord to Tenant for same.
4. The Tenant may not store any materials or equipment outside the leased premises without the consent in writing of the Landlord.
5. Tenant shall keep the grounds within 25 feet surrounding the leased premises in a neat, clean and orderly manner, free and clear of any accumulation of trash and debris and grass cut to a height not to exceed six inches. Tenant shall weed and maintain flower and landscape beds, edge walkways, prune shrubs (if any), and remove any accumulation of snow and ice from sidewalks within 12 hours of its accumulation. Tenants failure to regularly perform these duties shall be sufficient cause for Landlord to have work done and to bill Tenant for same and no additional notice other than this from Landlord to Tenant shall be required. Tenant shall reimburse Landlord upon presentation of a bill for same.
6. The Tenant accepts said premises in their present condition and agrees to keep said premises in a good and clean condition. The Tenant shall not do anything or permit anything to be done in or about the premises which shall cause conflict with any city, county or state ordinance or statute. Tenant will not, without the prior written consent of Landlord, make any alteration, addition or change in or to the premises or the painting thereof. Tenant shall give Landlord prompt notice of any defects in or accident to any part of said leased premises, in order that the same may be repaired with due diligence, but if damage is caused by misuse or neglect of the Tenant, his family, agent or visitors, and if Landlord makes said repairs, Tenant agrees to pay the cost of same upon presentation of bill. Such bill shall be reasonable and comparable to local market prices for work done. All charges to Tenant for repair of damages or for Tenant duties performed by Landlord shall include a charge of Twenty percent (20%) of the cost of the work done for overhead and supervision. Tenant will not keep anything in the premises which will affect the insurance against fire or other hazards. Tenant agrees to reimburse Landlord for any increased insurance premiums incurred because of Tenant's use and occupancy of the premises. Tenant agrees to surrender the premises at the termination hereof in like condition as when taken, reasonable wear and damage by the elements excepted. Landlord acknowledges receipt of **(DOLLARS (\$0.00))** Security Deposit. If the premises are rented by more than one person, the Tenants agree that they will work out the details of dividing any refund among themselves. The Landlord may pay the refund to any Tenant identified in the first sentence of the first page of this Agreement. The Tenant understands that the Landlord will not apply the Security Deposit toward the last month's rent or toward repair charges owed by the Tenant.
7. Tenant further covenants and agrees that upon the expiration of said term, or upon the termination of the lease for any cause, he will at once peacefully surrender and deliver up the whole of the above described premises together with all improvements thereon to the Landlord, his agents and assigns. Provided that in case any rent shall be due and unpaid or if default shall be made in any of the covenants herein contained, or if said premises shall be abandoned, deserted or vacated, then it shall be lawful for the said Landlord, his agents, attorneys, successors or assigns to take any legal action (e.g. re- enter, repossess, evict, distraint, or any action in compliance with public local laws and State of Maryland laws). Upon re-entry this lease shall terminate. In the event of re-entry by the Landlord as herein provided, Tenant shall be liable for damages to said Landlord for all loss sustained.
8. The Tenant covenants that his occupancy of the said premises beyond the term of this lease shall not be deemed as a renewal of this lease for the whole term or any part thereof, but that the acceptance by the Landlord of rent accruing after the expiration of this lease shall be considered as a renewal of this lease for one month only. Either party hereto may terminate this lease at the end of said term (date lease expires) by giving the other written notice thereof at least two full calendar months prior thereto

9. The Tenant shall not make or permit to be made any disturbing noises or do or permit any act, which will unreasonably interfere with the peaceful possession of the premises by other tenants.
10. Bad Checks – If any check issued by Tenant to Landlord or agent for payments due hereunder is returned without payment for any reason whatsoever except Landlord's fault, Tenant shall pay Landlord as liquidated damages a charge of \$25.00 for each time said check is returned in addition to any charges assessed to Landlord by Landlord's bank.
11. Tenant agrees that payments received will be applied as follows: Any arrears from previous month(s) will be credited first. In the current month, payment will be applied to any court costs owed, late fees or any other miscellaneous charges owed. Having those paid, the remainder of the payment will then be applied to the basic unit rent for the current month. A \$75.00 filing fee will be assessed for each time Landlord files in District Court/Landlord-Tenant Court for non-payment of rent or other breach of the lease by tenant.
12. The Tenant agrees that any fees, costs, charges or other payments associated with his/her tenancy, but owing in addition to Tenant's basic rental amount, will constitute and will be considered additional rent due and payable on the first day of the month following the Tenant's being informed of for same and non-payment of these items will be considered as non-payment of rent.
13. In the event that any of the material representations contained in the Application shall be found by the Landlord to be misleading, incorrect, or untrue, the Landlord shall have the right to forthwith cancel this lease and to repossess the leased premises. Tenant agrees to notify Landlord of any change in employment and failure to do so will be considered a breach of this lease agreement.
14. It is hereby agreed that the alleys on the North, South, East or West of said premises are for the use in common of all properties abutting thereon, and the Tenant hereby covenants and agrees that he will use the premises hereby demised in such a way as not to obstruct the free and uninterrupted use of the said alleys.
15. It is hereby covenanted and agreed by and between the parties hereto that no outside signs of any character shall be attached to or placed on the building hereby demised without the consent in writing of the said Landlord first had and received.
16. Tenant agrees that at the termination of this lease, or at such earlier time as he shall quit the premises, he will remove all personal property not belonging to Landlord from the premises, and any property not removed shall be considered as abandoned, and Landlord may dispose of the same without being accountable to Tenant for doing so. After the Tenant has given a notice of intent to move, the Tenant agrees to permit the Landlord to show the premises to prospective Tenants during reasonable hours. If the Tenant moves before this agreement ends, the Landlord may enter the premises to decorate, remodel, alter or otherwise prepare the premises for re-occupancy.
17. Keys and Locks – The Tenant agrees not to install additional or different locks or gates on any doors or windows of the premises without the written permission of the Landlord. If the Landlord approves the Tenant's request to install such locks, the Tenant agrees to provide the Landlord with a key for each lock. When this agreement ends, the Tenant agrees to return all keys to the premises to the Landlord. The Landlord may charge \$45.00 for each key not returned.
18. The Landlord or his representative shall have the right to enter the premises, at any time during emergencies, or at any reasonable hour by use of key or by force if necessary to inspect the premises or to perform routine repairs and maintenance.
19. The Tenant shall not assign or sublet the said premises or any part thereof or, in his or her absence or otherwise, permit others to occupy the premises without first having obtained the written consent of the Landlord. If the Tenant or subtenant violates the provisions of this paragraph the Landlord may immediately take possession of said premises and in event of litigation may sue and evict any person or persons occupying said premises without making the Tenant a party to said proceedings.
20. By this agreement, Tenant acknowledges that he has received the premises in good and clean condition and repair.
21. No defect in the premises or equipment shall constitute grounds for offset, abatement or reduction of rent or entitle Tenant to terminate this agreement.
22. Tenant agrees to take good care of the premises and its contents, to commit no waste on or about the premises, and at the termination of this agreement to return the premises and its contents clean and free from trash and in the same condition as when received except for such ordinary wear and tear as reasonable and careful use would have caused.
23. Tenant shall promptly pay for any damage to the premises, general premises, furnishings and equipment thereof which may be caused by Tenant, his guests or occupants.
24. Tenant is responsible for obeying all government ordinances and statutes and Tenant shall be responsible for all fines and penalties incurred by Landlord due to Tenants or guests non-compliance with same.
25. It is expressly understood and agreed that the Landlord shall not be responsible for loss, injury or damage to the personal property or person of Tenant, his guests or occupants, caused directly or indirectly by or arising from any cause related to the occupancy of said premises. The Tenant is to insure his liability and personal property at his own expense.
26. Unlicensed or inoperable vehicles are not permitted on the property and may be towed at the Tenant's expense. Mechanical or bodywork on vehicles including lubrication and changing of oil is likewise not permitted on the premises without the consent in writing of the Landlord.
27. Woodstoves are not permitted. Periodic changing of air filters in forced air furnaces (where provided) is Tenant's responsibility.

28. Tenant is responsible for keeping the premises free from insect and rodent infestation.
29. If Tenant vacates before the term of the lease is complete; Tenant is responsible for remaining rent and all costs of re-renting until property is re-rented.
30. It is understood that fulfillment of the requirements of such notice of termination on or before the termination date is essential to permit Landlord to re-rent the premises or prepare for re-rental on a definite date; it is therefore agreed between parties that should Tenant hold over the premises beyond the termination date or fail to vacate on or before the termination date, the Tenant shall be liable for such damages as the loss of a prospective Tenant or otherwise as Landlord may suffer due to such holding over.
31. In the event Landlord is unable to deliver possession of the premises as agreed, because of the failure of the prior Tenant to vacate, or for any other reason, the agreed rental shall abate until the actual date of possession or the Landlord may return all prior payments to Tenant and cancel this Agreement without further obligation to the Tenant in any way. If the premises become uninhabitable due to loss or destruction, this occupancy agreement is cancelled.
32. After completion of the initial term specified in the lease, this Agreement is automatically renewed from month to month but may be terminated at any time by either party giving to the other, in writing, one full month prior notice of the intention to terminate. No oral notice or notice given by Tenant under which the termination date is not definite or Tenant does not completely vacate the premises within the said one month shall be effective. The Landlord shall have the right to show the premises to prospective Tenants after notice to vacate has been given.
33. Upon termination – (1) Tenant shall completely vacate the premises. (2) Tenant shall also deliver all keys, personal property, and appliances if furnished for Tenant’s use during the term of the Agreement to Landlord in good, clean and sanitary condition, reasonable wear and tear excepted. (3) Before departure Tenant shall leave his forwarding address and shall allow Landlord to inspect the premises in Tenant’s presence to verify the final condition of the premises.
34. The Violation of any of the conditions of this Agreement shall be sufficient cause for eviction from said premises. Tenant hereby agrees to pay all court costs and private process service costs related to the violation of any term or provision of the lease agreement. If Tenants violation of this lease agreement results in a monetary loss to Landlord, then Landlord shall be entitled to prejudgment interest at the rate of ten percent (10%) per annum on the amount due to Landlord, from the date Landlord mails a written list of damages to Tenant. In the event of employment of an attorney by Landlord because of the violation of any term or provision of this Lease Agreement, the Tenant agrees to pay said attorneys fees. In the event any provision or provisions of this Lease shall be deemed by a Court of Competent Jurisdiction to conflict with applicable law, such provision or provisions shall, at Landlords option, either be (1) deemed modified to the extent necessary to comply with such law, or (2) severed from this lease and shall cease to be a part thereof. If such provision or provisions are so severed, the remainder of this Lease shall remain in full force and effect.
35. This Lease contains the entire Agreement and Landlord has made no promises or representations except those stated in this Agreement and this lease and the agreements contained herein can only be changed in writing and signed by both Landlord and Tenants.
36. Landlord covenants that Tenant on payment of all of the foresaid installments and performing all the covenants shall and may peacefully and quietly have, hold and enjoy the said demised premises for the term aforesaid.
37. All payments of rents shall be made at the office of Richard C. Insley, Jr., 227 East Main Street, P.O. Box 1026, Salisbury, MD. 21803-1026, the Landlord, or at such other place as the Landlord may designate in writing.

EXECUTED in Duplicate.

AS WITNESS the hands and seals of the parties hereto the day and year first above written

WITNESS:

WITNESS

Richard C. Insley, Jr. Landlord

WITNESS

, Tenant

WITNESS

, Tenant

WITNESS