

COMMERCIAL LEASE AGREEMENT

Riverside Grocery Co - Nashville, Tennessee

PAGE 1: LEASE SUMMARY & PARTIES

COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement ("Agreement") is entered into on December 1, 2019, between the parties identified below:

LANDLORD: Music City Commercial Real Estate Trust

150 Fourth Avenue North, Suite 1000

Nashville, TN 37219

Phone: (615) 555-5000

Tax ID: 62-8765432

TENANT: FreshMart Grocery Chain

1200 Corporate Drive

Denver, CO 80202

Phone: (303) 555-4321

Tax ID: 87-9876543

PROPERTY ADDRESS: 2245 Music Valley Drive

Nashville, TN 37214

LEASE TERM:

- **Commencement Date:** December 15, 2019
- **Expiration Date:** December 5, 2024
- **Initial Term:** 4 years and 355 days
- **Total Square Footage:** 15,500 square feet

MONTHLY BASE RENT: \$40,541.67 per month (\$31.25 per square foot annually)

SECURITY DEPOSIT: \$121,625.00 (equivalent to three months' base rent)

This Agreement shall be governed by the laws of the State of Tennessee and the Metropolitan Government of Nashville and Davidson County.

PAGE 2: PROPERTY DETAILS

PROPERTY DESCRIPTION: The leased premises consists of a charming neighborhood grocery store located in the historic Music Valley area of Nashville. The property features traditional architecture with modern amenities and is positioned to serve both local residents and tourists visiting nearby attractions.

TOTAL SQUARE FOOTAGE BREAKDOWN:

- **Total Retail Space:** 15,500 square feet
- **Produce Department:** 2,635 square feet
- **Dairy Section:** 1,705 square feet
- **Meat Department:** 2,325 square feet
- **Packaged Goods:** 3,875 square feet
- **Storage/Office/Deli/Other:** 4,960 square feet

PERMITTED USE: The premises shall be used exclusively for retail grocery operations, including the sale of food products, beverages, prepared foods, local specialty items, and tourist-oriented merchandise appropriate for the Music Valley location.

PARKING SPECIFICATIONS:

- **Customer Parking:** 62 spaces (4 spaces per 1,000 sq ft)
- **Employee Parking:** 8 dedicated spaces
- **Handicap Accessible:** 4 spaces
- **Tour Bus Parking:** 2 designated spaces during peak tourist season
- **Loading Area:** 1 loading dock with hydraulic lift
- **Cart Storage:** Covered storage for 100 shopping carts

PROPERTY FEATURES: Hardwood flooring in select areas, exposed brick accent walls, vintage-style lighting fixtures, 10-foot ceilings, traditional storefront windows, and integrated music sound system reflecting Nashville's musical heritage.

PAGE 3: FINANCIAL TERMS

BASE RENT SCHEDULE:

- **Years 1-2:** \$40,541.67/month (\$31.25/sq ft annually)
- **Years 3-4:** \$42,568.75/month (\$32.81/sq ft annually)

- **Year 5:** \$44,596.88/month (\$34.44/sq ft annually)

RENT ESCALATION: Base rent increases by 5% every two years, with the first increase effective December 15, 2021.

SECURITY DEPOSIT: \$121,625.00 held in interest-bearing escrow account with First Tennessee Bank. Interest at 2% annually accrues to Tenant benefit. Deposit refundable within 30 days of lease termination, less any damages or unpaid amounts.

COMMON AREA MAINTENANCE (CAM) CHARGES: \$6.50 per square foot annually = \$8,395.83 monthly CAM includes:

- Parking lot maintenance and seasonal decorations
- Landscaping with seasonal flowers and maintenance
- Exterior building maintenance and historical preservation
- Common area utilities and decorative lighting
- Property management fees
- Tourist season promotional activities

ADDITIONAL COSTS:

- **Property Taxes:** Tenant responsible for pro-rata share (estimated \$7,200/year)
- **Utilities:** Tenant responsible for all interior utilities
- **Waste Management:** \$385/month for commercial waste service

SEASONAL ADJUSTMENT: 10% rent reduction during January and February (off-tourist season)

LATE PAYMENT PENALTY: 8% annual interest on overdue amounts plus \$75 administrative fee if payment received after the 10th of each month.

ANNUAL RECONCILIATION: CAM charges reconciled annually by January 31st. Tenant billed for overages or credited for under-charges within 45 days of reconciliation.

PAGE 4: TENANT RESPONSIBILITIES

MAINTENANCE OBLIGATIONS: Tenant shall maintain the interior of the premises in good condition, including:

- All interior surfaces, fixtures, and period-appropriate features
- Plumbing systems and fixtures

- Electrical systems and vintage-style lighting fixtures
- HVAC system maintenance and filter replacement
- Refrigeration equipment and temperature monitoring
- Daily cleaning and maintenance of hardwood floors
- Preservation of historical architectural elements

INSURANCE REQUIREMENTS: Tenant must maintain the following insurance coverage:

- **General Liability:** \$1,500,000 per occurrence, \$3,000,000 aggregate
- **Property Insurance:** Full replacement cost including historical features
- **Workers' Compensation:** As required by Tennessee law
- **Business Interruption:** 12 months minimum coverage
- **Product Liability:** \$1,000,000 coverage
- **Historical Property:** Additional coverage for period fixtures and features

Landlord must be named as additional insured on all policies. Certificate updates required 30 days before expiration.

UTILITY RESPONSIBILITIES: Tenant responsible for all utilities serving the premises:

- Electricity (including vintage lighting systems)
- Natural gas for heating and equipment
- Water and sewer services
- Telecommunications and internet services
- Music licensing fees for sound system

OPERATING HOURS:

- **Monday-Saturday:** 7:00 AM to 9:00 PM
- **Sunday:** 9:00 AM to 8:00 PM
- **Tourist Season (April-October):** Extended hours permitted
- **Holiday Hours:** As appropriate for local community
- **Special Events:** Extended hours during Music Valley events

COMPLIANCE REQUIREMENTS: Tenant must maintain all required licenses including Tennessee Department of Health permits, Metro Nashville business licenses, and compliance with historical district guidelines.

PAGE 5: LANDLORD RESPONSIBILITIES & PROPERTY MANAGEMENT

LANDLORD MAINTENANCE OBLIGATIONS: Landlord shall maintain structural elements and exterior features:

- Building structure and historical exterior elements
- Roof maintenance and period-appropriate materials
- Parking lot maintenance and vintage-style lighting
- Landscaping with period-appropriate plantings
- Historical building compliance and preservation
- Exterior signage maintenance within historical guidelines

PROPERTY MANAGEMENT COMPANY: Nashville Heritage Property Management

Contact: Margaret Johnson, Property Manager

Office: (615) 555-7300

Mobile: (615) 555-7301

Email: m.johnson@nashvillehpm.com

Office Hours: Monday-Friday, 8:30 AM - 5:00 PM

EMERGENCY MAINTENANCE PROCEDURES:

- **Emergency Hotline:** (615) 555-HELP1 (4357) - Available 24/7
- **Primary Emergency Contact:** Billy Ray Thompson, Maintenance Coordinator
- **Emergency Mobile:** (615) 555-7310
- **Response Time:** 2 hours for emergencies, 6 hours for non-emergencies

BUILDING MANAGEMENT POLICIES:

- Monthly property inspections with focus on historical preservation
- Quarterly HVAC and electrical system maintenance
- Semi-annual parking lot and exterior maintenance
- Annual historical compliance review
- Seasonal tourist preparation and maintenance

LANDLORD CONTACT INFORMATION: Primary Contact: Susan Williams, Asset Manager

Phone: (615) 555-7305

Email: s.williams@musiccitycommercial.com

Historical Preservation Coordinator: Contact: Robert Lee, Heritage Specialist

Phone: (615) 555-7307

Email: r.lee@musiccitycommercial.com

Legal/Administrative Contact: Address: Music City Commercial Real Estate Trust

150 Fourth Avenue North, Suite 1000

Nashville, TN 37219

Legal Counsel: Nashville Commercial Law Partners

Phone: (615) 555-8800

PAGE 6: RENEWAL TERMS & CONTACT INFORMATION

LEASE RENEWAL OPTIONS: Tenant has the right to renew this lease for one additional 5-year term under the following conditions:

- Written notice of intent to renew must be provided 6 months prior to lease expiration (by June 5, 2024)
- Tenant must be current on all rent and charges
- No material defaults during initial lease term
- Continued compliance with historical district requirements

RENEWAL TERMS:

- **Notice Period:** 180 days written notice required
- **Rent Determination:** Market rate analysis with consideration for historical location
- **Historical Compliance:** Continued adherence to preservation guidelines
- **Seasonal Adjustments:** Off-season rent reductions continue in renewal
- **Security Deposit:** Reduced to two months' rent after successful first term

EARLY TERMINATION CLAUSES:

- **Tenant Early Termination:** Permitted after Year 3 with 6 months notice and penalty equal to 3 months base rent
- **Historical Compliance:** Either party may terminate if property loses historical designation
- **Tourist Industry Impact:** Rent adjustment provisions for significant tourism decline
- **Condemnation:** Either party may terminate if more than 20% of premises affected

KEY CONTACT INFORMATION:

PRIMARY PROPERTY MANAGER: Margaret Johnson, Property Manager

Nashville Heritage Property Management

Phone: (615) 555-7300

Mobile: (615) 555-7301

Email: m.johnson@nashvillehpm.com

EMERGENCY MAINTENANCE: Billy Ray Thompson, Maintenance Coordinator

24/7 Emergency Hotline: (615) 555-HELP1 (4357)

Mobile: (615) 555-7310

Email: b.thompson@nashvillehpm.com

LANDLORD REPRESENTATIVE: Susan Williams, Asset Manager

Music City Commercial Real Estate Trust

Phone: (615) 555-7305

Email: s.williams@musiccitycommercial.com

HISTORICAL PRESERVATION: Robert Lee, Heritage Specialist

Phone: (615) 555-7307

Email: r.lee@musiccitycommercial.com

LEASE ADMINISTRATION: Jennifer Davis, Lease Coordinator

Phone: (615) 555-7303

Email: j.davis@musiccitycommercial.com

RENT PAYMENT ADDRESS: Music City Commercial Real Estate Trust

P.O. Box 37000

Nashville, TN 37203

Attention: Rent Collection

LEGAL NOTICES ADDRESS: Music City Commercial Real Estate Trust

150 Fourth Avenue North, Suite 1000

Nashville, TN 37219

Attention: Legal Department

LOCAL MANAGEMENT OFFICE: Music Valley Property Management

2245 Music Valley Drive, Suite A

Nashville, TN 37214

Phone: (615) 555-7320

Hours: Monday-Friday, 10:00 AM - 4:00 PM

TENANT CONTACT FOR NOTICES: FreshMart Grocery Chain

1200 Corporate Drive

Denver, CO 80202

Attention: Southeast Regional Manager

This lease agreement has been executed on the date first written above.

SIGNATURES: [Signature blocks for both parties with date and witness lines]