

COMMERCIAL LEASE AGREEMENT

Fresh Valley Market - Denver, Colorado

PAGE 1: LEASE SUMMARY & PARTIES

COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement ("Agreement") is entered into on January 15, 2020, between the parties identified below:

LANDLORD: Rocky Mountain Property Group LLC

2150 17th Street, Suite 400

Denver, CO 80202

Phone: (303) 555-7890

Tax ID: 84-2341567

TENANT: FreshMart Grocery Chain

1200 Corporate Drive

Denver, CO 80202

Phone: (303) 555-4321

Tax ID: 87-9876543

PROPERTY ADDRESS: 3425 Peoria Street

Denver, CO 80207

LEASE TERM:

- **Commencement Date:** March 1, 2020
- **Expiration Date:** March 15, 2025
- **Initial Term:** 5 years and 14 days
- **Total Square Footage:** 28,500 square feet

MONTHLY BASE RENT: \$59,375.00 per month (\$25.00 per square foot annually)

SECURITY DEPOSIT: \$118,750.00 (equivalent to two months' base rent)

This Agreement shall be governed by the laws of the State of Colorado and the City of Denver municipal codes.

PAGE 2: PROPERTY DETAILS

PROPERTY DESCRIPTION: The leased premises consists of a single-story retail grocery store building located in the Stapleton neighborhood of Denver, Colorado. The property features modern refrigeration systems, wide aisles, ample natural lighting, and is fully compliant with ADA accessibility requirements.

TOTAL SQUARE FOOTAGE BREAKDOWN:

- **Total Retail Space:** 28,500 square feet
- **Produce Department:** 5,130 square feet
- **Dairy Section:** 3,420 square feet
- **Meat Department:** 4,275 square feet
- **Packaged Goods:** 7,125 square feet
- **Storage/Office/Other:** 8,550 square feet

PERMITTED USE: The premises shall be used exclusively for retail grocery operations, including the sale of food products, beverages, household items, and related merchandise typically found in a full-service grocery store. No alcoholic beverages may be sold without separate licensing approval.

PARKING SPECIFICATIONS:

- **Customer Parking:** 142 spaces (5 spaces per 1,000 sq ft)
- **Employee Parking:** 18 dedicated spaces
- **Handicap Accessible:** 8 spaces
- **Loading Dock:** 2 bays with hydraulic lifts
- **Cart Storage:** Covered area for 200 shopping carts

PROPERTY FEATURES: 24-hour HVAC system, LED lighting throughout, commercial-grade flooring, built-in security system with cameras, and fire suppression system meeting all local fire codes.

PAGE 3: FINANCIAL TERMS

BASE RENT SCHEDULE:

- **Years 1-2:** \$59,375.00/month (\$25.00/sq ft annually)
- **Years 3-4:** \$62,337.50/month (\$26.25/sq ft annually)
- **Year 5:** \$65,300.00/month (\$27.50/sq ft annually)

RENT ESCALATION: Base rent increases by 5% every two years, with the first increase effective March 1, 2022.

SECURITY DEPOSIT: \$118,750.00 held in interest-bearing escrow account. Interest accrues to Tenant benefit at current market rates. Deposit refundable within 30 days of lease termination, less any damages or unpaid amounts.

COMMON AREA MAINTENANCE (CAM) CHARGES: \$4.50 per square foot annually = \$10,687.50 monthly CAM includes:

- Parking lot maintenance and striping
- Landscaping and snow removal
- Exterior building maintenance
- Common area utilities and lighting
- Property management fees
- Insurance for common areas

ADDITIONAL COSTS:

- **Property Taxes:** Tenant responsible for pro-rata share
- **Utilities:** Tenant responsible for all interior utilities
- **Waste Management:** \$425/month for commercial dumpster service

LATE PAYMENT PENALTY: 5% of monthly rent if payment received after the 5th of each month, plus \$50 administrative fee.

ANNUAL RECONCILIATION: CAM charges reconciled annually by March 31st. Tenant billed for overages or credited for under-charges within 60 days.

PAGE 4: TENANT RESPONSIBILITIES

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

- All interior walls, floors, and ceilings
- Plumbing fixtures and interior plumbing systems
- Electrical systems and lighting fixtures
- HVAC maintenance and filter replacement
- Refrigeration equipment maintenance

- Regular cleaning and sanitation
- Pest control services

INSURANCE REQUIREMENTS: Tenant must maintain the following insurance coverage:

- **General Liability:** \$2,000,000 per occurrence, \$4,000,000 aggregate
- **Property Insurance:** Full replacement value of fixtures and inventory
- **Workers' Compensation:** As required by Colorado law
- **Business Interruption:** Minimum 12 months coverage
- **Product Liability:** \$1,000,000 minimum coverage

Landlord must be named as additional insured on all policies. Certificates of insurance required annually.

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

- Electricity (including refrigeration systems)
- Natural gas for heating
- Water and sewer
- Telephone and internet services
- Waste management and recycling

OPERATING HOURS:

- **Monday-Sunday:** 6:00 AM to 11:00 PM
- **Holiday Hours:** As posted, minimum 8 hours on major holidays
- **24-Hour Access:** Permitted for restocking and maintenance with prior notice

COMPLIANCE REQUIREMENTS: Tenant must maintain all required licenses and permits including health department permits, business licenses, and any specialized food handling certifications.

PAGE 5: LANDLORD RESPONSIBILITIES & PROPERTY MANAGEMENT

LANDLORD MAINTENANCE OBLIGATIONS: Landlord shall maintain structural elements and common areas:

- Roof repairs and replacement
- Exterior walls and foundation
- Parking lot maintenance and snow removal

- Landscaping for common areas
- Exterior lighting in parking areas
- HVAC system major repairs (over \$1,000)

PROPERTY MANAGEMENT COMPANY: Rocky Mountain Property Services

Contact: Jennifer Martinez, Senior Property Manager

Office: (303) 555-7892

Mobile: (303) 555-7893

Email: j.martinez@rmpservices.com

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

EMERGENCY MAINTENANCE PROCEDURES:

- **Emergency Hotline:** (303) 555-HELP (4357) - Available 24/7
- **Primary Emergency Contact:** Mike Thompson, Facilities Manager
- **Emergency Mobile:** (303) 555-9988
- **Response Time:** 2 hours for emergencies, 24 hours for non-emergencies

BUILDING MANAGEMENT POLICIES:

- Monthly property inspections scheduled with 48-hour notice
- Quarterly HVAC system maintenance
- Annual fire system testing and certification
- Semi-annual parking lot striping and seal coating
- Seasonal landscaping maintenance

LANDLORD CONTACT INFORMATION: Primary Contact: David Chen, Asset Manager

Phone: (303) 555-7891

Email: d.chen@rockymtnprop.com

Legal/Administrative Contact: Address: Rocky Mountain Property Group LLC

2150 17th Street, Suite 400

Denver, CO 80202

Legal Counsel: Morrison & Associates Law Firm

Phone: (303) 555-6600

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 180 days prior to lease expiration (by September 15, 2024)
- Tenant must be current on all rent and charges
- No material defaults during the initial lease term
- Renewal rent to be negotiated at market rates, but not to exceed 110% of final year base rent

RENEWAL TERMS:

- **Notice Period:** 180 days written notice required
- **Rent Determination:** Professional appraisal if parties cannot agree
- **Lease Terms:** Substantially similar to original lease
- **Security Deposit:** May be adjusted based on renewed rent amount

EARLY TERMINATION CLAUSES:

- **Tenant Early Termination:** Permitted after Year 3 with 12 months written notice and penalty payment equal to 6 months base rent
- **Landlord Termination:** For cause only, with 90 days written notice
- **Condemnation:** If more than 25% of premises affected, either party may terminate
- **Casualty:** If restoration would take more than 180 days, Tenant may terminate

KEY CONTACT INFORMATION:

PRIMARY PROPERTY MANAGER: Jennifer Martinez, Senior Property Manager

Rocky Mountain Property Services

Phone: (303) 555-7892

Mobile: (303) 555-7893

Email: j.martinez@rmpservices.com

EMERGENCY MAINTENANCE: Mike Thompson, Facilities Manager

24/7 Emergency Hotline: (303) 555-HELP (4357)

Mobile: (303) 555-9988

Email: m.thompson@rmpservices.com

LANDLORD REPRESENTATIVE: David Chen, Asset Manager

Rocky Mountain Property Group LLC

Phone: (303) 555-7891

Email: d.chen@rockymtnprop.com

LEASE ADMINISTRATION: Sarah Williams, Lease Administrator

Phone: (303) 555-7894

Email: s.williams@rockymtnprop.com

RENT PAYMENT ADDRESS: Rocky Mountain Property Group LLC

Attention: Accounts Receivable

P.O. Box 12845

Denver, CO 80212

LEGAL NOTICES ADDRESS: Rocky Mountain Property Group LLC

2150 17th Street, Suite 400

Denver, CO 80202

Attention: Legal Department

TENANT CONTACT FOR NOTICES: FreshMart Grocery Chain

1200 Corporate Drive

Denver, CO 80202

Attention: Real Estate Department

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

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