



Model Abstract

Each client's specific requirements dictate the length, detail & complexity of their abstract.

ABC, Ltd. / XYZ, Ltd.

Date Reviewed: 11/13/2005

Abstractor:

LPID: LPM-NV-001

B3-27 QC: B1-13

Standard Commercial Shopping Center Lease, dated February 22, 2003 ("Lease")

Basic Information

Provision	Document	Section	
Landlord:	Lease SNDA	1.1a Recitals	XYZ, Ltd., a Texas limited partnership
Tenant:	Lease Assign	1.1c Recitals	ABC, Ltd., a Texas limited partnership, ultimate successor in interest to Maxi's Cinema North, Inc., dba Maxi's Cinema
Sublease:	Sublease	Recitals	A portion of the premises is subleased to The Goods Store. Sublease is seperately abstracted.
Notes:	Consent Assign	2 8.1	Maxi's Cinema North, Inc. was converted to Maxi's Cinema North, Ltd. Maxi's Cinema North, Ltd. assigned the Lease to ABC, Ltd.
Property Address:	Lease	1.1f	1572 Star Blvd., Austin, TX 78759
Floor #:			No Lease provision.
Suite #:	Lease	1.1f	TBD
Rentable Square Feet:	Lease	1.1g	Approximately 71,512 sq ft. plus mezzanine.
Pro Rata Share:	Lease	1.1q	10.198%
Business Hours:			No Lease provision.

Term

Provision	Document	Section	
Lease Commence- ment Date:	Lease Consent	1.1h, 3.2 3	Unable to determine date from documentation provided. Per Consent, ED is 05/31/2013, and per lease 1.1h, Term is 120 months. Based on the terms of 1.1h, Lease CD is between 05/02/2003 and 06/01/2003.

Provision	Document	Section	
Rent Commencement Date:	Lease	4.1	Same as Lease CD
Lease Expiration Date:	Consent	3	5/31/2013
Term:	Lease	1.1h	Approximately 10 years (Abstractor calculated)
Holdover:	Lease	21.1	Month-to-month, at rate of 125% of the minimum rent.
Rent			

Provision	Document	Section	<i>Period</i>	<i>Annual*</i>	<i>Monthly*</i>	<i>Annual PSF</i>
Minimum Rent:	Lease Consent	1.1k 3	Rent CD- 05/31/2008	\$643,608.00	\$53,634.00	\$9.00
			06/01/2008- 05/31/2013	\$740,149.20	\$61,679.10	\$10.35
Renewal Rent:	Adden.	Renewal	06/01/2013- 05/31/2018*	\$850,992.80	\$70,916.07	\$11.90
			06/01/2018- 05/31/2023*	\$978,284.16	\$81,523.68	\$13.68
			<i>*Abstractor calculated</i>			
Rent Abatement:	Lease	4.1	None			
Security Deposit:	Lease Assign	1.1o, 19.8	\$29,100.00, non-interest bearing			
	Consent	4, 5	T agreed to deposit \$20,000.00 with LL (Special Deposit) to secure payment for water usage charges only, to be returned to T on 07/31/2006, provided that T is current on its water charges.			
Late Fee:	Lease	25.1	If payment after date due, then the greater of (i) \$100.00 or (ii) 10% of past amount due.			
Interest:	Lease	27.9	If payment after 10 days, then the lesser of (i) 18% per annum or (ii) maximum legal rate from date due.			

Percentage Rent

Provision	Document	Section	
Gross Sales Inclusions:	Lease	5.07(b)(1)	The aggregate of adjusted receipts from the Box Office, concessions and games, and short-term rentals to a third party.
Exclusions:	Lease	5.07(b)(2)	(i) Discounts or refunds, (ii) returns and transfers to another store of T, (iii) credits, (iv) interest paid for an extension of credit, (v) taxes, (vi) sales of fixtures, and (vii) sales to employees, not to exceed 2% of all other Gross Sales.

Provision	Document	Section	<i>Period</i>	<i>Amount</i>	<i>Percentage</i>
Breakpoints:	Lease	1.01(h), 5.07	Rent CD - 05/31/2008	\$5,850,981.82	11%
			06/01/2008- 05/31/2013	\$6,728,629.09	11%
Sales Reporting:	Lease	5.08	Monthly: within 30 days of month end. Annually: within 90 days of calendar year end.		

Additional Rent

Provision	Document	Section	
CAM/Operating Expenses:	Lease	6	T pays PRS of Common Area Costs (“CAM”). CAM includes (i) management fees not to exceed 15% of CAM, (ii) salaries, (iii) roof repairs (not replacement) not to exceed \$5,000 (annually), (iv) plate glass replacement, (v) reserves for replacement of capital expenditures, (vi) depreciation of machinery and equipment, and (vii) replacement of parking surfaces. Cap of 5% on annual increase of controllable CAM calculated on a cumulative compounded basis, not to exceed 10% annually. Cap on initial CAM of \$5,500 per month.
Real Estate Taxes:	Lease	18.2	T pays PRS of RE taxes and assessments, including taxes on rent.
Base Year / Expense Stop:			No Lease provision.
Gross Up:			No Lease provision.
Landlord’s Insurance:	Lease	13.3	T pays PRS.
Liability:			In amounts LL deems necessary.
Property:			Fire and extended coverage in amounts LL deems necessary.
Rental Loss:			In amounts LL deems necessary.
Utilities-Premises:	Lease Consent	12 5	T pays all utilities. T shall be responsible for installation of meters, other than water.
After Hours Utilities/ HVAC:	Lease	8	T shall pay \$30.00/hour, subject to reasonable increases.
Repairs / Maintenance – Premises:	Lease	8, 12	LL responsible for structural repairs including roof and repairs to utility lines and mains servicing the Premises. T pays all utilities. T, at its cost, to maintain a maintenance/service contract for HVAC. T shall keep the Premises in good clean condition and make all needed repairs and replacements.

Tenant Options

Provision	Document	Section	
Renewal:	Adden. Consent	Renewal 3	Two additional 5 year terms, by written notice at least 180 days prior to ED (12/02/2012 <i>Abstractor calculated</i>).
Termination:	Lease	2.6	None remaining.
Purchase:			No Lease provision.

Landlord Options

Provision	Document	Section	
Termination:	Lease	8.5	If after the 5 th Lease Year T ceases operations, LL may terminate.
Relocation:	Lease	3.4	LL may relocate T to a similar size premises, provided (i) such relocation shall not be between 9/1-12/31 of any year, (ii) T may terminate Lease if it determines the new location to be unacceptable and (iii) all relocation costs shall be at LL's sole expense.

Use/Restrictions

Provision	Document	Section	
Permitted Use:	Lease	1.1e,j, 7.1	Only for a movie theater restaurant with concessions area, bar including music and other entertainment of similar nature and equal class. T may only use Maxis Cinema as Trade Name.
Prohibited Use:	Lease	7.3	T may not use Premises in a manner which would disturb the other tenants or be inconsistent with the operation or that might injure the reputation of the Shopping Center. T may not violate restrictions per § 7.3.
Exclusive Use:	Adden.	Exclusive	Movie theater or cinema.
Radius Restrictions:	Lease	7.4	2-mile radius.
Go Dark:	Lease	7.1	If T fails to operate for 30 consecutive days, LL may terminate 30 days after written notice.
Co-tenancy:	Lease	30.2	If less than 75% of the retail floor area located within the Project is occupied for at least 30 days, then T may pay Substitute Rent (10% of Net Sales in lieu of Minimum Annual Rent, CAM & Insurance Contribution, RE Taxes and other charges).
Landlord Restrictions:	Adden.	Exclusive	LL may not rent space for use of a movie theater or cinema (other than existing) within a 2 mile radius.
	Adden.	Noise Interfer.	LL shall not allow the continual material disturbance by noise within LL's reasonable control to cure not less than 15 days after written notice from T. If such failure to cure shall occur more than twice in a 12 month period, the Minimum Guaranteed Rental shall be reduced by 50% during the continuation of the noise.

Provision	Document	Section	
Notes:	Lease	7.1	T must obtain passing scores from Department of Health. 3rd failure shall constitute a default. No notice required.

Legal/Financial

Provision	Document	Section	
Assignment & Subletting:	Lease Assign.	17.1	T may not assign or sublet without LL written consent. T and Guarantor remain liable. T pays LL 100% of all profits. LL may terminate. Lease has been assigned.
Subordination / SNDA:	Lease Adden. SNDA	22.1 Lender Subord.	The Lease shall be subordinate to any current or future mortgages. T will execute any document requested by LL confirming such subordination. LL to provide SNDA upon Lease execution. Lease is subordinate to mortgage with American Eagle Bank California, N.A., as Trustee for First Union National Bank.
Default:	Lease	19.1	Monetary: 10 days after LL written notice. Notice only required twice in a 12-month period, thereafter, immediately upon failure to pay on date due.
Estoppel Certificate:	Lease	27.8	Non-Monetary: 30 days after LL written notice. T shall provide an Estoppel Certificate to LL upon 10 days written notice.
Landlord Notices:	Lease Consent	1.1b, 24.1 7	XYZ, Ltd. 20960 Wilshire Blvd. Suite 1000 Los Angeles, CA 90024
With a copy to:	Lease Consent	1.1b, 24.1 7	Marks Management of Texas, Inc. 3922 Wilson St., Suite 700 Houston, TX 77098
Tenant Notices:	Assign.	3	ABC, Ltd. 1572 Star Blvd., Suite 1500 Austin, TX 78759 Attn: Shirley Smith
With a copy to:	Assign.	3	Maxi's Cinema North, Ltd. 3900 North Angels Lane Austin, TX 78757 Attn: James Roberts

Legal/Financial

Provision	Document	Section	
Tenant's Insurance:	Lease	13.2	
Liability:			Comprehensive general liability insurance with contractual liability endorsement with minimum limits of (i) \$1M for injuries or death per person, (ii) \$2M for injuries or death per occurrence and (iii) \$300,000.00 for property damage.
Property:			Fire and extended coverage for replacement cost of T's property.

Provision	Document	Section	
Business Interruption:			Loss of profits.
Other:			Liquor liability coverage. Lease silent as to amounts.
Tenant Improvements:	Lease	3.1, Ex. C	None remaining.
Alterations:	Lease	9.1	LL's prior written consent required.
Casualty:	Lease	15	LL may terminate if building is (i) substantially damaged by casualty not covered by LL insurance, (ii) rendered un-tenantable for more than 50% of the 1 st floor by casualty covered by LL insurance, or (iii) damaged such that remaining term is not sufficient to amortize construction costs, (iv) if Lender requires insurance proceeds to be applied to debt. T may terminate if LL elects not to terminate, but is unable to complete repairs within 1 year after casualty.
Condemnation:	Lease	16	If more than 20% of the floor area of the Premises is taken, Lease shall terminate. If any part of the Common Area shall be taken, the Lease shall not terminate, except that LL or T may terminate if parking area in reasonable proximity to Shopping Center & Premises is reduced to less than 90% of area prior to the taking.
Signage:	Lease	11, Sched.	T may not place any exterior sign without LL consent. T may install, at its cost, a sign panel on the pylon sign (LL approved). T may occasionally display banner on exterior of Premises. LL will cooperate with T to obtain an additional pylon sign for T's sole use adjacent to Highway 183. All signs to conform to LL criteria per Sched. E2 and Ex. D.
	Adden.	E2, Ex. D Signs	
Parking:	Adden.	Parking	Shopping Center parking lot may not fall below 1,238 parking spaces.
Merchant's Association:			No Lease provision.
Environmental Provisions:	Lease Adden.	28.1 Environ.	T shall not conduct any activity to produce or store hazardous substances on Premises. To LL's current actual knowledge, there are no hazardous substances to pose danger to human life at the Shopping Center.

Additional Information

Provision	Document	Section	
Guarantor:	Guaranty	Recitals, 1	Shirley Smith, David Johnson and Martin Mandel. Aggregate liability not to exceed \$200,000.00, with each Guarantor's individual liability not to exceed \$66,666.67.
Brokers:	Lease	27.7	Lincoln Property Company & Southwest Strategies Group
Additional Documents:			<ol style="list-style-type: none"> 1. Assignment of Lease, dated 07/16/2004 ("Assign"). 2. Consent to Assignment, dated 07/12/ 2004 ("Consent"). 3. Guaranty of Lease, dated 07/05/2004 ("Guaranty"). 4. Sublease, dated 11/16/2004 ("Sublease"). 5. Subordination, Non-disturbance and Attornment Agreement, dated 09/17/2003 ("SNDA"). 6. Undated Addendum ("Adden").