

This Lease Agreement may not be modified in any manner without prior approval of the Director of Real Estate, UNM or University Counsel. Form Approved, February, 1996

LEASE OF REAL PROPERTY

between

**The Regents of the University of New Mexico,
A body corporate of the State of New Mexico, Tenant**

and

, Landlord

Date:

UNIVERSITY OF NEW MEXICO
LEASE OF REAL PROPERTY

This lease is entered into as of _____, 20__ between _____, Landlord, and The Regents of the University of New Mexico, a body corporate of the State of New Mexico, on behalf of _____, Tenant.

WITNESSETH:

Landlord and Tenant agree as follows:

1. PROPERTY LEASED. In consideration of the conditions and agreements in this lease (the "Lease"), Landlord leases to Tenant, and Tenant hires from Landlord, a portion of the real property situated in _____, County of _____, New Mexico, described as:

- (a) Street address of property, including room or suite number(s) if applicable:
- (b) Square footage:
- (c) Parking facilities and capacity:
- (d) Storage building(s):
- (e) Other:

Attach as exhibits:

- "A" Scaled floor plan showing leased premises;
- "B" Inventory of Landlord's property, if any;
- "C" Tenant's improvements provided by Landlord;
- "D" Legal description.
- "E" Insurance certificates.
- "F" Covered Parking
- "G" Storage Spaces

The leased property is referred to herein as the "premises".

2. TERM. The initial term of this Lease is for ___ months commencing _____, and terminating _____.

3. OPTION TO RENEW. In partial consideration for the rent paid under this Lease, Landlord grants Tenant, its successors and assignees an option to renew this

Lease. The renewal shall be for ___ consecutive terms of ___ months each, and shall be subject to the same conditions and agreements set forth in this Lease for the initial term, except as follows:

[specify or indicate "None"]

Tenant may exercise this option by giving Landlord written notice at least ___ days prior to the expiration of the initial term, or the then current option term.

4. DELIVERY OF POSSESSION. Landlord warrants that the premises will be vacant and suitable for occupancy on the first day of the initial term. Landlord will put Tenant in possession of the premises on such date. If possession by Tenant is delayed, for reasons caused by the Landlord, rent shall abate proportionately or, at Tenant's discretion, the Lease may be terminated without further liability by Tenant at any time prior to Tenant assuming possession.

5. HOLDING OVER. Tenant's holding over or continued use or occupancy shall be construed as a tenancy from month to month at the same monthly rent and subject to the same conditions set forth in this Lease.

6. RENT. In consideration of this lease, Tenant shall pay rent in the amount of _____ (\$_____) per month, payable in advance on the first day of each month. Tenant shall mail all payments to Landlord at the address specified in Paragraph 31 herein, unless advised otherwise in writing by Landlord.

6.1. RENT ESCALATION.

7. FUNDING AUTHORITY. Tenant's obligations under this Lease shall be subject to availability of annual funding for the program identified on the first page of this Lease. In the event that funding is terminated, Tenant may cancel this Lease with 60 days written notice to Landlord. (See Section 13-1-152, NMSA 1978.) Any obligation created under this Lease shall be subordinate to Tenant's obligations under any present or future system revenue bond(s).

8. USE OF LEASED PREMISES. Tenant shall use the leased premises for purposes of carrying on University business. More particularly, Tenant shall use leased premises for, among other things:

- General office use
- Patient care
- Instructional purposes
- Storage of materials
- Other:specify)

Landlord warrants that the premises are zoned _____ which allows these purpose(s).

9. UTILITIES AND JANITORIAL SERVICES. Utilities, services and supplies, and taxes and assessments shall be paid for by the party indicated by an "X".

LANDLORD TENANT (UNM)

| | | |
|---|--|--|
| (a) water | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) sewer | <input type="checkbox"/> | <input type="checkbox"/> |
| (c) refuse disposal | <input type="checkbox"/> | <input type="checkbox"/> |
| (d) natural gas | <input type="checkbox"/> | <input type="checkbox"/> |
| (e) electricity | <input type="checkbox"/> | <input type="checkbox"/> |
| (f) janitorial service & supplies | <input type="checkbox"/> | <input type="checkbox"/> |
| (g) landscaping, grounds, and parking lot maintenance | <input type="checkbox"/> | <input type="checkbox"/> |
| (h) property taxes | <input type="checkbox"/> | <input type="checkbox"/> |
| (i) fire & extended coverage insurance | <input type="checkbox"/> | <input type="checkbox"/> |
| (j) general liability insurance | <input checked="" type="checkbox"/> each | <input checked="" type="checkbox"/> each |
| (k) other: (specify) | <input type="checkbox"/> | <input type="checkbox"/> |
| <u>None</u> | | |

9.1 PARKING, SERVICES AND UTILITIES.

10. DUTY TO INSURE.

(a) During the term of this Lease and any extension thereof, Tenant shall provide coverage for liability of Tenant and its "public employees," as defined in the New Mexico Tort Claims Act, and for its personal property and Tenant's improvements and betterments, as required by New Mexico law.

(b) During the term of this Lease and any extension thereof, Landlord shall maintain in force a policy or policies of insurance providing:

(1) "Commercial general liability" coverage of not less than \$1,000,000 limit per occurrence, including coverage for property damage, bodily injury and wrongful death (which limit may be increased by written notice from Tenant to correspond to any increases in the limits specified in the New Mexico Tort Claims Act; such insurance shall cover contractual liability which may arise under this Lease; and

(2) fire and extended coverage, or "all risk" coverage, for at least 80% of the

actual cash value of the premises.

Such insurance policy or policies shall name Tenant as an additional insured. A certificate evidencing such insurance shall be furnished and attached to this lease prior to the commencement date.

(c) To the extent permitted under their respective insurance policies, Landlord and Tenant waive all rights for damages arising out of any damage to or destruction of the premises caused by fire or other perils insured against under the insurance Landlord is required to carry under this Lease. In the event of loss or damage to the premises or its contents, the parties shall look first to insurance in their favor before making any claim against the other party.

11. **CONDITION OF PREMISES.** Landlord warrants that the premises will be in good and safe condition, structurally sound and of safe design and that it complies with all applicable laws, ordinances, rules and regulations prior to the commencement date of this Lease or within such additional period granted by Tenant in writing. Landlord's warranty provided in this paragraph shall continue for the term of this Lease, and any extensions thereof. Failure to correct any dangerous conditions after reasonable notice to Landlord constitutes grounds for immediate termination of the Lease at Tenant's discretion.

12. **HANDICAPPED ACCESS.** Landlord warrants that the leased premises meet the standards for physically handicapped persons' access required by law for public buildings, and/or for the programs Tenant has indicated will be using the leased premises, or will meet such standards prior to commencement of the Lease.

13. **IMPROVEMENTS BY LANDLORD.** Landlord agrees to make the following improvements or alterations prior to the commencement date of the Lease:

[Note: Specify or indicate "None". Attach separate list Exhibit "C" as necessary.]

14. **DUTY TO MAINTAIN PREMISES.**

(a) Landlord has the duty to reveal to Tenant all structural defects of which he knows or reasonably should know, and to repair all structural defects in the premises.

(b) Landlord has the duty to maintain the exterior of the premises, including roof systems, all glass, any grounds and parking lots, in safe condition and in good repair and condition. Tenant has no duty to inspect and notify Landlord of exterior conditions.

(c) Landlord has the duty to maintain and repair heating, ventilation, and air conditioning systems, and the interior of the premises, except improvements installed by Tenant with Landlord's written permission.

15. **RIGHT OF ENTRY.** Landlord or his agent has a right to enter the premises to

inspect, to make repairs, and for other reasonable purposes but only with Tenant's prior permission, which shall not be unreasonably withheld. In an emergency, such as fire, Landlord or his agent may enter the premises without securing Tenant's prior permission, but shall give Tenant notice of entry as soon thereafter as practicable.

16. DAMAGE TO PREMISES. If all or any part of the premises shall be so damaged or destroyed through any cause, other than Tenant's willful act, as to be rendered unfit for Tenant's occupancy, Tenant may declare this Lease terminated and rent shall be payable only to the date of the damage. Alternatively, Tenant in its sole discretion, may continue to occupy any portion useful to it, and the rent shall abate in proportion to the portions not useful to Tenant.

If all or any part of the leased premises shall be damaged through any cause (other than Tenant's willful act or ordinary wear and tear), but shall not be rendered unfit for Tenant's occupancy, Landlord shall repair the premises with all reasonable promptness at Landlord's expense, and the rent shall abate proportionately until repairs are completed. However, if Landlord fails to promptly commence or to expeditiously complete repairs necessary to restore the premises to their former condition, Tenant may declare this Lease terminated and rent, including any fair abatement thereof, shall be payable only to the date of termination.

Tenant's decision as to whether all or any part of the premises is unfit for occupancy shall be final, but Tenant's decision shall be reasonable in the circumstances.

17. ALTERATIONS. Tenant shall obtain the Landlord's prior written permission before making any alterations or improvements which cannot be removed without damage to the premises.

18. OWNERSHIP OF IMPROVEMENTS. All alterations and improvements made to the premises by Tenant which can be removed without damage to the premises are and shall remain the Tenant's property except as the parties mutually agree otherwise in writing. Such alterations and improvements shall be removed from the premises at the termination of this Lease or any renewal thereof or within such additional time as granted by the Landlord in writing. Alterations and improvements of a permanent nature which cannot be removed without undue damage to the premises shall immediately become Landlord's property except as the parties mutually agree otherwise in writing.

19. CONDITION OF PREMISES UPON SURRENDER. At the termination of this Lease, Tenant shall surrender the premises in the condition in which they were on the commencement date of this lease, excepting:

(a) deterioration caused through reasonable use and ordinary wear and tear;

(b) alterations, improvements or additions made with Landlord's express

approval;

(c) any change, damage or destruction not resulting from Tenant's negligent or willful act; and

(d) conditions required to be repaired by Landlord or covered by insurance which Landlord is required to carry under this Lease.

20. HAZARDOUS WASTE. Landlord warrants that there are no hazardous waste substances, toxic waste substances, radioactive waste substances, regulated substances, asbestos, PCBs or other substances (the word "substance" includes liquids, solids and gases) potentially dangerous to human health or the environment or which may require remedy at the behest of any governmental authority located on, in or under the premises and Landlord has received no notice and has no independent knowledge of the possible or actual disposal or use of any such substances on, in or under the premises or any violation or claimed violation of the laws, rules and regulations relating to hazardous waste substances, toxic waste substances, radioactive waste substances, regulated substances, asbestos, PCBs or other similar substances; to the extent any of the above-mentioned substances are removed from or remediated at the premises by the Landlord, Landlord will also provide verification of such removal or remediation. The Landlord warrants that the premises do not contain any underground treatment or storage tanks or gas or oil wells. Landlord shall indemnify and hold Tenant harmless from, and defend Tenant against, any and all loss, cost or liability (including, without limitation, court costs, attorney's fees, consultant's fees, clean-up costs, fines, penalties, damages and amounts paid in settlement, and all direct, indirect, incidental or consequential losses incurred) arising out of any event or condition constituting a breach or inaccuracy of the representations and warranties set forth in this paragraph, or any liability, penalty, cleanup or remediation cost, etc., arising from use or condition of the Premises prior to commencement of this Lease. Landlord's indemnification provided herein shall survive the expiration or termination of this Lease Agreement.

21. COMPLIANCE WITH ENVIRONMENTAL LAWS. Tenant and Landlord mutually agree that individually they shall at all times and in all respects comply with all federal, state and local laws, ordinances and regulations ("Hazardous Materials Laws") relating to industrial hygiene, environmental protection of the use, analysis, generation, manufacture, storage, presence, disposal or transportation of any oil, petroleum products, flammable explosives, PCBs, asbestos, formaldehyde, radioactive materials or waste, or other hazardous toxins, contaminated or polluting materials, substances or waste, including, without limitations, any "hazardous substances", "hazardous materials", "toxic substances" or "regulated substance" under any such laws, ordinances or regulations (collectively, "Hazardous Materials").

22. PAYMENT OF ASSESSMENTS, ETC. Landlord shall pay as they become due all assessments, charges, mortgages, liens and taxes payable in respect to the leased premises during the initial term of this Lease, and any renewal or extension thereof. If

Landlord defaults in paying any such amounts, Tenant, in its sole discretion, may pay any such assessment, charge, mortgage, lien or tax. Upon doing so, Tenant shall be subrogated to the creditor's rights and may deduct the cost of such payment from rent.

23. RIGHT TO ASSIGN OR SUBLEASE. Tenant has the right to assign or sublease the leased premises or any part to any other University administered programs including without limitation, any University auxiliary, collaboration or joint venture, for any remaining term of this Lease or extension thereof. Tenant shall not otherwise assign or sublease the leased premises without first obtaining the written consent of Landlord, which shall not be unreasonably withheld.

24. LIABILITY. As between the parties, each party acknowledges that it will be responsible for claims or damages arising from personal injury or damage to persons or property to the extent they result from negligence of its employees or agents. The liability of the University of New Mexico shall be subject in all cases to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1 et seq., NMSA 1978, as amended.

25. DEFAULT. The following events shall be deemed to be events of default under this Lease:

(a) Tenant shall fail to pay any installment of rent or other monetary sums when due and shall not cure such failure within thirty (30) days after receiving written notice of default from Landlord.

(b) Either party shall fail to comply with any term, provision or covenant of this Lease, other than the payment of rent, and shall not cure such failure within thirty (30) days after written notice thereof except that no event of default shall be deemed to exist with respect to matters which cannot reasonably be cured within thirty (30) days, if steps to cure shall, in good faith, have been commenced within said thirty (30) days and shall be completed with diligence and continuity. The nondefaulting party shall be entitled to reasonable attorney's fees resulting from any event of default.

Upon the occurrence of any event of default as specified herein, either party may declare this Lease terminated, except that Tenant may not terminate this Lease due to nonpayment of rent, unless mutually agreed to by the parties. Within sixty days of such notice of termination Tenant shall surrender the premises and rent shall be due only to the date of such surrender.

26. LANDLORD'S RIGHT TO MORTGAGE, SELL OR ASSIGN; ATTORNMENT. Throughout the term of this Lease, and any extension thereof, Landlord shall have the right to mortgage, assign, sell or otherwise convey its interest in the Leased Premises and Tenant shall, at the request of Landlord, subordinate its interest to that of any mortgagee or other lender of Landlord; provided, however, that Tenant's quiet enjoyment of the premises shall not be disturbed so long as Tenant pays the rent and fulfills the other obligations imposed upon it by this Lease. Upon request of Landlord, Tenant will execute any

document reasonably required to give effect to this paragraph. In the event of a transfer or mortgage of Landlord's interest in the premises, or upon Landlord's written request, Tenant agrees to execute, acknowledge and deliver to Landlord, within ten (10) days after written request, in recordable form, a certificate certifying that the rights of Tenant in the premises are subordinate to and inferior to those of the mortgage lender and certifying, among other things, that this Lease is in full force and effect; that there are no deficiencies or offsets thereto, or stating those claimed by Tenant, as the case may be; that there are no uncured defaults in Landlord's performance thereunder; and that not more than the current month's rent has been paid in advance as of the date the written request was delivered. Tenant agrees that failure by Tenant to deliver such statement within such time shall be deemed conclusively to mean that this Lease is in full force and effect without modifications except as may be represented by Landlord and that the requested representations are true and correct. In the event any proceedings are brought for foreclosure under any mortgage or deed of trust made by the Landlord or any predecessor or any successor covering the Premises, the Tenant shall attorn to the purchaser upon any foreclosure sale and recognize such purchaser as the Landlord under this Lease.

27. QUIET ENJOYMENT. Landlord covenants that if and so long as Tenant pays the rent and performs the covenants hereof, Tenant shall peaceably and quietly have, hold and enjoy the premises for the term herein mentioned, subject to the provisions of this Lease.

28. LEASE BINDING ON HEIRS, ETC. This Lease is binding upon the heirs, executors, administrators, personal representatives, assignees and successors in interest of the parties.

29. AMENDMENTS TO BE IN WRITING. This Lease shall not be altered or amended except by instrument in writing executed by the parties.

30. MERGER OF PRIOR AGREEMENTS. This Lease incorporates all of the conditions, agreements and understandings between the parties concerning the subject matter of this Lease, and all such conditions, understandings and agreements have been merged into this written Lease. No prior condition, agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this written Lease.

31. ADDRESS FOR NOTICES, PAYMENT OF RENT, ETC. Notices required under this Lease and rental payments shall be made at the following addresses, except as changed by written notice to the opposite party:

(a) Landlord: **NAME & ADDRESS**

(b) Tenant: **The University of New Mexico**
(Department Name, Address and Contact)

with a copy to:

UNM Real Estate Office
ATTN.: Kim D. Murphy, Director
MSC01 1030
1 University of New Mexico
Albuquerque, NM 87131

