



HERITAGE PALMS  
POWER SUITES

*Heritage Palms Professional Building*

**OFFICE SERVICE AGREEMENT**

This Agreement is made this \_\_\_ day of \_\_\_\_\_ 200\_\_ , by and between Heritage Palms, L.L.C. ("Center") having offices in the building located at 13912 Stardust Blvd., Sun City West, AZ (the "Building", or the "Facility", or the "Premises") and \_\_\_\_\_ ("Client") a[n] corporation, limited liability company, partnership, individual, with an address of \_\_\_\_\_ for a term of \_\_\_ months, commencing on the \_\_ day of \_\_\_\_\_, 200\_\_ at 9 a.m. (the "Commencement Date") and ending on the \_\_ day of \_\_\_\_\_, 200\_\_ at 5 p.m. (the "Initial Term") unless renewed in accordance with Paragraph 3.

In consideration of the foregoing, the parties for themselves, their heirs, legal representatives, successors and assigns, agree as follows:

**1. Center's Obligations.**

a. Subject to the terms and conditions of this Agreement, Center hereby agrees to provide Client for the Term (as defined below in Paragraph 3): (a) the exclusive use of Unfurnished Private Offices number(s) \_\_\_\_\_ located in the Premises; and (b) the non-exclusive use of the following services:

- Furnished, Decorated Reception Room
- 12 hours of Conference Room per month subject to prior scheduling and use by other Clients
- Notary Services
- Business Identity on Directory
- Partial Kitchen Facilities
- Parking Space
- 24 Hour Facility Access

## 2. Use.

The Premises shall be used by Client for \_\_\_\_\_

and such other normally incident uses and for no other purpose, in strict accordance with the Operations Standards, which are annexed hereto as Schedule A. Client shall not offer at the Premises any services which Center provides to its Clients, including, but not limited to, those services described in Paragraph 1. Client shall neither make nor permit to be made any use of the Premises, Facility or Building which would violate any of the terms of this Agreement or which, directly or indirectly, is forbidden by law, rule or regulation, which may be dangerous to life, limb or property or which could in any way impair, interfere or tend to impair or interfere with the high quality character, reputation or appearance of the Building or the Facility or with any services performed by Center for Client or for others. The foregoing provisions shall also apply to Client's Users (as defined in Paragraph 9).

## 3. Renewal.

Upon expiration of the Initial Term and on any subsequent renewal term (each, a "Renewal Term" and together with the Initial Term, the "Term") of this Agreement, the Agreement automatically shall be extended for an additional two year period subject to the terms set forth on Schedule B, unless either party notifies the other in writing within the period hereinafter specified that the Agreement shall not be extended.

Such notice shall be given at least sixty (60) days prior to the expiration of the Initial Term.

## 4. Monthly Office Charge.

a. For and during the Term of this Agreement, Client shall pay to Center, on or before the first day of each month after the Commencement Date, the total sum of \$ \_\_\_\_\_ as **Monthly Office Charge** (subject to increase in accordance with Paragraph 3 above) for the Premises, plus taxes thereon, if any. If any payment of Monthly Office Charge or other charge due under this Agreement is not received within five (5) calendar days after its due date, the Client shall also pay, in addition to Monthly Office Charge, a late payment charge which shall be an amount equal to ten percent (10%) of any amount owed to Center or fifty dollars (\$50.00), whichever is greater. The financial terms of this Agreement are strictly confidential and Client agrees not to knowingly or willfully divulge this information to any other Client or potential Client of Center.

b. The Monthly Office Charge is based on the value of the use of the Premises and services to be used by 1 person only. If more than said number of person(s) regularly use the Premises or services, Center may either (1) declare Client in default of this Agreement, or (2) increase the Monthly Office Charge in an amount equal to Two Hundred Fifty Dollars (\$250) for each such additional person.

c. If a Client **check** is **returned** for any reason, Client shall pay an additional charge of **One Hundred Dollars (\$100.00)** per returned check and, for the purpose of considering default and/or late charges, it shall be as if the payment represented by the returned check had never been made.

## 5. Refundable Deposits.

a. Client shall **deposit** with Center \$\_\_\_\_\_ as a non-interest bearing **refundable default deposit**. Center may use the refundable default deposit to cure any default of Client under this Agreement, to restore the Premises, including any and all furniture, fixtures and equipment, provided by Center to its original condition and configuration, reasonable wear and tear excepted, to pay for repairs to any damage to the Premises, Facility and/or Building, caused by Client or Client's guests, or to pay any Monthly Office Charge or other charges that Client owes Center at or prior to the expiration of the Term of this Agreement.

b. The refundable default deposit (less any sums used by Center in accordance with the terms and conditions of this Agreement) shall be returned within sixty (60) days after the termination of any services rendered or expiration of the Term. Client may not direct or request that the refundable default deposit be applied in lieu of the final payment(s) of Monthly Office Charge or service charges under this Agreement.

c. In the event that Center applies any of the refundable default deposit pursuant to this Agreement, Center shall have the right to charge the Client, and Client shall pay, in addition to any Monthly Office Charge, such sums as are necessary to cause the refundable default deposit to be returned to its entire original amount.

d. Client has previously **deposited** with Center **\$150** as a non-interest bearing **telecommunication deposit** to secure the use and return in good condition of the **telephone(s)** identified on the telephone schedule attached hereto. Center acknowledges that Client has paid this deposit. This telecommunication deposit shall be returned to Client upon expiration of this lease and the return of said telephone(s) to Center in its/their original condition, reasonable wear and tear excepted.

## 6. Services.

a. Provided Client is not in default of this Agreement, **Center shall make available certain services to Client as more particularly described in Paragraph 1.** Charges for such services shall be included as part of the Monthly Office Charge.

b. Client shall pay a monthly amount to be established as per Center's then **monthly scheduled rates** as and for the Center's monthly service package (the "**Monthly Service Package**"). Payment of such amount shall be on the same terms and conditions as those governing those governing the

payment of the Monthly Office Charge. The Service Package shall entitle the Client to receive (a) weekly janitorial services, (b) receptionist services, together with receipt of mail and packages, from 8:30 a.m. to 4:30 p.m., Monday through Friday, excepting holidays as observed by the Maricopa County Superior Court, and (c) HVAC during normal business hours.

c. In addition to the Monthly Service Package, upon request, Center shall make available to Client additional services as Center may make generally available (such as clerical and/or word processing services), the charges for which shall be established as per Center's then **monthly scheduled rates** as determined by Center. Payment for these services shall be subject to the same terms and conditions as those governing the payment of the Monthly Office Charge. Center shall have no obligation to provide such services if Client is in default of this Agreement or if the anticipated charges exceed the amount of the refundable default deposit. When providing services to Client that involve third parties, Center shall have the right to require Client to pay, or to reimburse Center for, the fees and expenses of such third party in advance.

## **7. Telephone/Data Services.**

a. Provided Client is not in default of this Agreement, Center shall make available to Client a **telecommunications package**, the charges for which shall be established as per

Center's then **monthly scheduled rates** as determined by Center. Payment for these services shall be subject to the same terms and conditions as those governing the payment of the Monthly Office Charge. All costs of Client's telephone service, including hook-up, monthly service, long distance, advertising, etc., shall be placed in the name of Client and shall be the sole responsibility of Client. Client shall acquire no rights in the components of the telecommunications package whatsoever.

b. Client hereby agrees to indemnify, hold harmless and to reimburse Center for all charges associated with (1) any toll fraud traceable to telecommunications services provided by Center to Client including, but not limited to, unauthorized use of calling cards or telephone lines, and (2) any advertising costs of Client, including yellow pages advertising (it being understood that Center is under no obligation to procure such advertising and that any such advertising by Client is subject to the Operations Standards).

c. It is expressly acknowledged and agreed that Center shall be the sole and exclusive provider of telecommunication and data communication services to Client. Client hereby agrees and covenants that it shall use only (1) the Center's telephone/data service, and equipment and (2) the telephone/data carrier(s) as directed by Center.

d. Center shall not be liable for any interruption or error in the performance of its services to Client under this Paragraph 7. Client waives any recourse against Center arising from the provision of such services, including, without limitation, any claim of business interruption or for any indirect, incidental, special, consequential or punitive damages, except for claims arising out of willful misconduct by Center.

e. Client shall be responsible for any and all costs and expenses associated with his or her computer anti-virus program, the updating thereof, as well as any costs and expenses resulting from the remedy and repair of viral infections emanating from his or her computer

## **8. Indemnity.**

a. Client shall indemnify and hold harmless Center from and against any loss, damage, injury, liability or expense to or of person or property occasioned by or resulting from any willful misconduct or grossly negligent act on the part of Client or Client's Users. Center shall not be liable to Client or to any other person on account of loss, damage or theft to any business or personal property of Client. Center shall not be liable for any loss, damage, injury, liability, or expense to or of person or property except as may result from Center's willful misconduct or grossly negligent acts. Center shall indemnify and hold harmless Client from and against any loss, damage, injury, liability or

expense to or of person or property occasioned by or resulting from any willful misconduct or grossly negligent act on the part of the Center, its agents, employees, or invitees, or persons permitted on the Premises by Center.

b. Center shall not be liable for any claim of business interruption or for any indirect, incidental, special, consequential exemplary or punitive damages arising out of any failure to furnish any service or facility, any error or omission with respect thereto, or any delay or interruption of same. Center's liability under this Agreement shall in no event exceed the amount paid by Client for the services for which the claim arose. The parties agree to the allocation of risk contained herein.

c. The provisions of this Paragraph 8 shall survive the expiration or earlier termination of the term of this Agreement.

## **9. Operating Standards.**

The Operating Standards attached to this Agreement as Schedule A are hereby made an integral part of this Agreement. The Operating Standards may be amended and modified by Center without advanced notice to Client. Client, its employees, agents, guests, invitees, visitors and/or any other persons caused to be present in and around the Premises by the Client ("Client's Users") shall perform and abide by the Operating Standards then

in effect, inclusive of all amendments thereto and modifications thereof.

**10. Employment of Center's Employees.**

Client agrees that it shall not, during the Term of this Agreement and for a period of one year thereafter, directly or indirectly, employ or offer to employ any person who is or has been an employee of Center without prior consent from Center. If Client hires either an employee of Center or any person who has been an employee of Center within six months prior to the time such person is hired by Client, Client shall be liable to Center for liquidated damages equal to six months wages of the employee, at the rate last paid that employee by Center. The provisions of this paragraph shall survive the Term of this Agreement.

**11. Access.**

Center and its agents shall have the right of access to the Premises at any time for the purpose of (i) making any repairs, alterations and/or inspections which it deems necessary in its sole discretion for the preservation, safety or improvements of the Premises, or (ii) to show the Premises to prospective Clients, without in any way being deemed or held to have committed an eviction (consecutive or otherwise) of or trespass against Client.

**12. Assignment and Subletting.**

No assignment or subletting of the Premises, this Agreement or any part thereof shall be made by Client without Center's prior written consent, which consent may be withheld in Center's sole discretion. Center may assign its rights and its obligations under Agreement in whole or in part without Client's consent.

**13. Termination.**

a. On expiration or earlier termination of the Term, Client shall, without demand, promptly surrender and deliver the Premises, including any furniture, fixtures and equipment provided by Center, to Center in its original condition and configuration, reasonable wear and tear excepted. If Client fails to so surrender and deliver the Premises, Client agrees to pay Center, as liquidated damages, a sum equal to twice the Monthly Office Charge for each month or portion thereof that the Client remains in possession of the Premises.

b. If Client vacates the Premises and leaves behind any property, whatsoever, such property shall be deemed abandoned by Client and may be disposed of by Center at Client's expense and without liability to Center.

c. In the event the Premises, the Facility or the Building is damaged, destroyed or taken eminent domain either party may terminate this Agreement without liability on (30) days written notice to the other party.

#### 14. Default and Remedies.

a. Client shall be deemed to be in default of this Agreement if Client fails to fulfill any of its terms, conditions, covenants or provisions of this Agreement, including but not limited to (1) payment of Monthly Office Charge and/or any other charges hereunder within ten days of the date such charges become due; (2) the abandonment and/or vacation of the Premises by the Client prior to expiration of the Term; or (3) Client becomes insolvent, makes an assignment for the benefit of creditors or files a voluntary petition, or has an involuntary petition filed against it, under any bankruptcy or insolvency law.

b. In case of such default, the Center may, at its sole discretion, terminate this Agreement upon five days notice to Client. Upon the expiration the five day period, Client shall vacate the Premises. Should Client fail to vacate the Premises, the Center may:

- i. re-enter and remove all property therefrom;
- ii. disconnect any telephone lines installed for the benefit of Client;
- iii. cease supplying Client with the services described in Paragraph 1 hereof; and
- iv. change the locks.

If Client defaults and Center takes any of the foregoing action, or changes the locks, removes Client's property, or otherwise denies access to Client, Center shall not be liable for any damages to the Client.

c. *In addition to the foregoing*, Center may elect to accelerate all of Client's obligations hereunder, including without limitation, Monthly Office Charge and other monthly recurring charges, for all or part of the term. Center shall make reasonable efforts to mitigate its damage(s) upon a default by Client.

d. Should Center be unable to enter into another office service agreement relating to the Client's office(s), or should Center enter into another office service agreement relating to Client's office(s) for less than the Monthly Office Charge which Client is obligated to pay under this Agreement, Client shall pay the amount of the monthly office charge or such deficiency, plus the expenses of entering into such other service agreement relating to Client's office(s), immediately in one lump sum, to Center upon demand and/or at Center's option as such obligations accrue hereunder.

e. In connection with any default by Client under this Agreement, if Center incurs attorney's fees and/or costs of collection or of ensuring performance, Client shall pay all such sums with interest, and such sums shall be deemed to be owed by Client in addition to the Monthly Office Charge hereunder, and if the Term has expired at the time of incurring such sums, such sums shall be recoverable by Center as damages.

**15. Mail & Telephone Forwarding.**

Upon expiration of the Term, Center shall, unless otherwise instructed by Client in writing no later than 30 days prior to the expiration of the Term, forward mail to Client at its new address and give out Client's new telephone number via a voice mail message for a period of three months at the rate of One Hundred and Fifty Dollars (\$150.00) per month, which sums shall be deducted from any amounts deposited with the Center from the refundable default deposit deposited hereunder or shall otherwise be paid to the Center in advance. Unless the Client pays the Charge set forth herein to the Center in advance, Center shall have no obligation to provide the services set forth in this paragraph. Except as expressly provided herein, Center shall have no obligation to notify any person or entity of Client's new telephone number and address.

**16. Notices.**

Any notice under this Agreement shall be in writing and shall be either delivered by hand, first class mail or by overnight courier to the party at the address set forth below.

Center hereby designates its address as:

**Heritage Palms, L.L.C.**  
13912 W. Stardust Blvd.  
Sun City West, AZ 85375  
Attn: Management

Client hereby designates its address (which address must be an address within the United States), as

\_\_\_\_\_  
Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_

If such mail is properly addressed and mailed as above, it shall be deemed notice for all purposes, given when sent or delivered, even if returned as undelivered.

**17. Severability.**

The invalidity of any one or more of the sections, subsections, sentences, clauses or words contained in the Agreement or the application thereof to any particular set of circumstances, shall not affect the validity of the remaining portions of this Agreement or of their valid application to any other set of circumstances. Regardless of whether or not either party has elected to consult with legal counsel in reviewing this Agreement, it is the intent of the parties that in no event shall the terms, conditions or provisions of this Agreement be construed against either party as the drafter of this Agreement.

**18. Execution by Client.**

The party or parties executing this Agreement on behalf of the Client warrant(s) and represent(s): (1) that such executing party (or parties) has (or have) complete and full authority to execute this Agreement on behalf of



Client; and (ii) that Client shall fully perform its obligations hereunder.

**19. Miscellaneous.**

a. Failure of the Center to insist upon the strict performance of any term or condition of this Agreement or to exercise any right or remedy available for a breach thereof, or acceptance of full or partial payment during the continuance of any such breach, shall not constitute a waiver of any such breach or any such term or condition. No term or condition of this Agreement required to be performed by Client and no breach thereof, shall be waived, altered or modified, except by a written instrument executed by Center.

b. Time is of the essence as to the performance by Client of all covenants, terms and provisions of this Agreement.

c. This Agreement embodies the entire understanding between the parties relative to its subject matter, and shall not be modified, changed or altered in any respect except in writing signed by all parties.

d. This Agreement may be executed in two or more counterparts, each which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Center and Client have executed this Agreement as of the date first above written.

**Heritage Palms LLC**

By: \_\_\_\_\_

**CLIENT:** \_\_\_\_\_

*(If an entity)*

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CLIENT:** \_\_\_\_\_

*(If an individual or partnership)*

By: \_\_\_\_\_

By: \_\_\_\_\_

Summary of Monthly Charges

Monthly Office Charge	\$
Monthly Service Package	\$
Telecommunications Package	\$
Total	\$

Summary of Deposits

Default Deposit	\$
Telecommunications Deposit	\$
Total	\$

## SCHEDULE A

### OPERATING STANDARDS

1. Clients and their guests shall
  - a. conduct themselves in a businesslike manner;
  - b. dress in proper attire at all times; and
  - c. maintain the noise at such level so as not to interfere with or annoy other Clients.
2. Patio and French doors shall be closed at all times except for the limited purpose of opening and closing the same to allow passage through the door.
3. Client shall not provide or offer to provide any services to Center's customers if such services are available from Center.
4. Client shall not prop open any corridor doors, patio doors, outside doors or doors connecting corridor during or after business hours.
5. Client shall not conduct any activity within the Premises, Facility or Building which in the sole judgment of the Center shall create excessive traffic or is inappropriate to a shared office environment, or which may increase Center's insurance rates.
6. Client may not conduct business in the corridors or any other areas except in its designated offices or conference rooms without the written consent of Center.
7. Corridors and halls shall not be obstructed by Client or used for any purpose other than normal egress and ingress.
8. No advertisement, identifying signs or other notice shall be inscribed, painted or affixed on any part of the Premises, including corridors, doors, windows or public areas without the Center's prior written consent.
9. Without Center's prior written consent, Client is not permitted to place "mass market", direct mail or advertising (i.e. newspaper, classified advertisements, yellow pages, billboards) using Center's assigned telephone number or take any such action that would generate an excessive number of incoming calls.
10. Client shall not solicit clients of Center or their employees in the Building without first obtaining Center's prior written consent.
11. Immediately following Client's use of conference room space and/or audio/visual equipment, Client shall clean up and return the space and equipment to the state and condition it was in prior to Client's use. If not, Center may charge Client for any other expenses required to restore the conference space and/or equipment to its original condition.

12. Center must be notified in writing if Client desires to utilize the conference room or other common areas of the Facility during evening or weekend hours. Center may in its sole discretion deny the Client access to the conference room and common areas.
13. Client shall not, without Center's prior written consent, store or operate any large business machines, copier and postage equipment, heating equipment, stove, speaker phones, radios, stereo equipment or other mechanical amplification equipment, refrigerator or coffee equipment, or conduct a mechanical business, do any cooking, or use or allow to be used on the Premises oil, burning fluids, gasoline, kerosene for heating, warming or lighting. No article deemed extra hazardous on account of fire or any explosives shall be brought into said Premises or Facility. No offensive gases, odors on liquids shall be permitted.
14. Client shall not bring animals into the Premises or Facility except for those assisting disabled individuals.
15. Client shall not remove furniture, fixtures or decorative material from offices or common areas without the prior written consent of Center.
16. Client shall not make any additional copies of any Center issued keys and key cards. All keys and key cards are the property of Center and must be returned upon the request or by the close of the business on the expiration or sooner termination of the Agreement term. Any lost or unreturned keys or cards shall incur a Twenty Five Dollar (\$25.00) per item charge and the cost to re-card the office.
17. Client shall not smoke nor allow smoking in any area of the Facility, including the Premises, and shall comply with all governmental regulations and ordinances concerning smoking.
18. Client shall not allow more than three visitors in the reception lobby of the Premises at any one time.
19. Client shall limit the number of employees and automobiles (one vehicle per employee) in and about the premises to that number set forth in the Lease Application executed by Client.
20. Client's parking rights are one parking place for Client and for each of Client's employees, said parking places to be designated by the Facility. Neither Client nor Client's users shall permit vehicles to remain on the Premises overnight.
21. Any alterations to the Premises requested by Client, including affixing anything to the walls of the Premises, shall be done only (i) with the written permission of Center, which permission may be withheld by the Center for any reason whatsoever, and (ii) by an agent of the Center's choosing at the Client's sole cost and expense.
22. Any equipment desired to be used and or installed by the Client, other than those machines ordinarily used for regular office purposes (i.e.,

desktop/laptop computers, printers, copiers, calculators, adding machines, etc.) shall be subject to the Center's prior written consent to any such use or installation.

23. Client shall cooperate and be courteous with all other occupants of the Facility and Center's staff and personnel.
24. Upon request, Client shall use a chair mat.
25. Client shall bring no children onto the Premises or into the Facility.
26. Client shall limit the days and hours which it is open to the public to those set forth in the Lease Application executed by Client.
27. Client shall utilize only nails prescribed by the Center to hang pictures and wall attachments to its office walls.
28. Client shall not permit Center's telephone number to be used for incoming calls, Center shall have no responsibility to transfer to Client any incoming calls made on the Center's telephone number.
29. Client's movement of furniture and office equipment in, upon and about the Facility shall first be approved by the Center and such movement shall be done under the Center's supervision and in a manner agreeable to the Center.
30. Center reserves the right, without prior notice, to modify any of the foregoing and to make such other reasonable rules and regulations as in its sole discretion may from time to time be needed for the safety, care, appropriate operation and cleanliness of the Facility.
31. Client shall be responsible to maintain and update an anti-virus program for all computers which utilize the Center's internet service, said program to be approved by Center.

**MONTHLY SCHEDULED RATES**

**MONTHLY SERVICE PACKAGE**

<b>Receptionist/Mail – Packages Receipt</b>	<b>\$</b>
<b>Janitorial</b>	<b>\$</b>
<b>HVAC</b>	<b>\$</b>
<b>TOTAL</b>	<b>\$</b>

**TELECOMMUNICATIONS PACKAGE**

<b>High speed internet</b>	<b>\$</b>
<b>Access to Center’s Telephone System</b>	<b>\$</b>
<b>Web Site Identity/E-Mail Address</b>	<b>\$</b>
<b>TOTAL</b>	<b>\$</b>

**ADDITIONAL SERVICES**

<b>Word processing</b>	<b>\$ _____/hour</b>
<b>Copying</b>	
<b>Black &amp; White</b>	<b>\$ _____/page</b>
<b>Color</b>	<b>\$ _____/page</b>

**TELEPHONE SCHEDULE**

<b><u>Phone Description</u></b>	<b><u>Serial #</u></b>
1.	
2.	
3.	
4.	
5.	
6.	