

# COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement ("Lease") is entered into on \_\_\_\_\_ [Date], by and between:

**LANDLORD:** \_\_\_\_\_ [Full Legal Name], a  
\_\_\_\_\_ [Entity Type], located at  
\_\_\_\_\_ [Address] ("Landlord").

**TENANT:** \_\_\_\_\_ [Full Legal Name], a  
\_\_\_\_\_ [Entity Type], located at  
\_\_\_\_\_ [Address] ("Tenant").

## 1. PREMISES

Landlord leases to Tenant the following commercial premises:

Address: \_\_\_\_\_

Suite/Unit: \_\_\_\_\_

Rentable Square Footage: \_\_\_\_\_ sq ft

Type: \_\_\_ Office \_\_\_ Retail \_\_\_ Industrial \_\_\_ Mixed-Use \_\_\_ Other: \_\_\_\_\_

## 2. TERM

Initial Term: \_\_\_\_\_ months, commencing on \_\_\_\_\_ [Commencement Date] and ending on \_\_\_\_\_ [Expiration Date].

Renewal Option: Tenant \_\_\_ shall have \_\_\_ shall not have an option to renew for \_\_\_\_\_ additional terms of \_\_\_\_\_ years each, exercisable by written notice at least \_\_\_\_\_ months before expiration.

Renewal rent: \_\_\_ Fixed at \$\_\_\_\_\_/sf \_\_\_ Then-prevailing market rate \_\_\_ CPI-adjusted \_\_\_ Other: \_\_\_\_\_

## 3. RENT STRUCTURE

Rent Type (select one):

\_\_\_ TRIPLE NET (NNN) — Tenant pays Base Rent + Property Taxes + Insurance + CAM

\_\_\_ MODIFIED GROSS — Tenant pays Base Rent + Tenant's pro-rata share of operating expense increases above Base Year \_\_\_\_\_

\_\_\_ GROSS (FULL-SERVICE) — Tenant pays Base Rent only; Landlord covers all operating expenses.

BASE RENT: \$\_\_\_\_\_ per month (\$\_\_\_\_\_ per sq ft per year), payable on the first day of each month.

ANNUAL ESCALATION: \_\_\_ Fixed at \_\_\_% per year \_\_\_ CPI-indexed \_\_\_ None

RENT ABATEMENT / FREE RENT: Tenant shall receive \_\_\_\_\_ months of free rent at the start of the Term.

## 4. SECURITY DEPOSIT

Tenant shall deposit with Landlord \$\_\_\_\_\_ as security for performance of Tenant's obligations. Deposit shall be returned within \_\_\_\_\_ days after expiration, less lawful deductions for damages or unpaid rent.

## 5. PERSONAL GUARANTY

Tenant's obligations under this Lease \_\_\_ shall \_\_\_ shall not be personally guaranteed by:

\_\_\_\_\_ [Guarantor Name]

Guaranty cap: \$\_\_\_\_\_ Burn-off: after \_\_\_\_\_ months of timely payment.

(A separate Guaranty Agreement is being executed concurrently.)

## 6. USE

Tenant shall use the Premises only for:

\_\_\_\_\_ [Permitted Use], and for no other purpose without Landlord's prior written consent.

Tenant shall comply with all laws, ordinances, and regulations applicable to the Premises and the permitted use.

## 7. EXCLUSIVITY

Landlord \_\_\_ shall \_\_\_ shall not grant Tenant an exclusive right to operate

\_\_\_\_\_ [type of business] within the building or shopping center.

## 8. OPERATING EXPENSES AND CAM

Tenant shall pay Tenant's Pro-Rata Share of Operating Expenses, defined as Tenant's Rentable Square Footage divided by total Rentable Square Footage in the building (currently \_\_\_%).

Operating Expenses INCLUDE: property taxes, building insurance, common area maintenance, utilities serving common areas, management fees (capped at 4% of gross rents).

Operating Expenses EXCLUDE: (a) capital expenditures (other than improvements that reduce operating costs, amortized over useful life); (b) financing and refinancing costs; (c) leasing commissions; (d) marketing; (e) landlord's general overhead; (f) costs reimbursed by insurance or third parties.

Cap on Controllable Expenses: 5% annual increase, cumulative compounded.

Audit Right: Tenant may audit Landlord's Operating Expense statement once per year. If overstated by more than 5%, Landlord pays audit costs.

## 9. TENANT IMPROVEMENT ALLOWANCE

Landlord shall provide a Tenant Improvement Allowance of \$\_\_\_\_\_ per sq ft (total \$\_\_\_\_\_), to be used for improvements per plans approved by Landlord. Tenant pays any excess.

## 10. UTILITIES

Tenant shall pay directly for: \_\_\_ Electric \_\_\_ Gas \_\_\_ Water \_\_\_ Trash \_\_\_ Internet \_\_\_ Telephone

Landlord shall provide: \_\_\_ HVAC during normal business hours \_\_\_ Janitorial of common areas

## 11. MAINTENANCE AND REPAIRS

Landlord: structural elements, roof, exterior walls, foundation, common areas.

Tenant: interior of the Premises, including HVAC servicing the Premises (with annual service contract), interior glass, fixtures.

## 12. ASSIGNMENT AND SUBLEASE

Tenant may not assign or sublease without Landlord's prior written consent, NOT TO BE UNREASONABLY WITHHELD. Permitted Transfers to affiliates, successors by merger, and parent/subsidiary do not require consent.

### 13. DEFAULT AND REMEDIES

Events of Default: (a) failure to pay rent within 10 days of due date; (b) failure to perform any other covenant for 30 days after written notice; (c) bankruptcy of Tenant; (d) abandonment of Premises.

Remedies: terminate Lease, accelerate rent (discounted to present value), recover possession, recover damages, exercise lien on Tenant's personal property to extent permitted by law.

### 14. INSURANCE

Tenant shall maintain throughout the Term:

- (a) Commercial general liability: \$\_\_\_\_\_ per occurrence / \$\_\_\_\_\_ aggregate
- (b) Property insurance covering Tenant's personal property and improvements
- (c) Business interruption insurance covering 12 months of rent
- (d) Workers' compensation as required by law

Landlord named as additional insured. Certificates provided annually.

### 15. INDEMNIFICATION

Tenant shall indemnify Landlord against claims arising from Tenant's use of the Premises, except claims caused by Landlord's gross negligence or willful misconduct.

### 16. SURRENDER

At expiration, Tenant shall surrender Premises in broom-clean condition, ordinary wear excepted. Tenant's alterations \_\_\_ shall \_\_\_ shall not be removed (Landlord's election at notice 30 days before expiration).

### 17. HOLDOVER

Holdover rent shall be 125% of Base Rent for the first month, increasing to 150% thereafter. Holdover does not extend the Lease term.

### 18. GOVERNING LAW AND VENUE

This Lease shall be governed by the laws of the State of

\_\_\_\_\_. Exclusive venue: courts of  
\_\_\_\_\_ County, State of \_\_\_\_\_.

### 19. ATTORNEYS' FEES

Prevailing party in any litigation arising from this Lease shall recover reasonable attorneys' fees and costs.

### 20. ENTIRE AGREEMENT

This Lease constitutes the entire agreement and supersedes all prior negotiations. Amendments must be in writing and signed by both parties.

**IN WITNESS WHEREOF**, the parties have executed this Lease as of the date first above written.

**LANDLORD:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

\_\_\_\_\_

**TENANT:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_

\_\_\_\_\_

*DISCLAIMER: This template is provided for informational purposes only and does not constitute legal advice. Commercial leases involve substantial multi-year commitments. For any commercial lease, engage a commercial real estate attorney to negotiate and review.*