

# COMMERCIAL TRIPLE NET (NNN) LEASE AGREEMENT

Upon this date \_\_\_\_\_, 20\_\_\_\_, this Triple-Net (NNN) Lease Agreement ("Agreement") is made by and between the following parties:

**Landlord:** \_\_\_\_\_ whose mailing address is \_\_\_\_\_ ("Lessor")

AND

**Tenant:** \_\_\_\_\_, whose mailing address is \_\_\_\_\_ ("Lessee")

HEREINAFTER, Lessor and Lessee ("Parties") agree to enter into an Agreement for leasing commercial real estate with the terms set forth below:

- I. **PREMISES.** As part of the rental agreement, the Lessee agrees to rent the property located at \_\_\_\_\_ ("Premises"), as well as the right of ingress and egress to the premises, subject to the following terms and conditions:
- II. **RENTABLE SPACE.** Total rentable space in the Premises is \_\_\_\_\_ Square Feet (SF).
- III. **USE.** Premises shall be available for the Lessee to use for the following:  
\_\_\_\_\_

Henceforth, the aforementioned use(s) shall be referred to as the "Permitted Use(s)". Lessees may not use the property in a manner that does not correspond to the Permitted Uses without the prior written consent of the Lessor.

- IV. **INITIAL TERM.** There will be an initial term of \_\_\_\_ months beginning \_\_\_\_\_, 20\_\_\_\_, and ending on \_\_\_\_\_, 20\_\_\_\_ ("Initial Term").
- V. **MONTHLY RENT.** During the initial period, rent shall be: \_\_\_\_\_ Dollars (\$\_\_\_\_\_) paid on the \_\_\_\_ day of every month and: (select one)  
 - Shall remain unchanged during the initial period.  
 - Will increase as follows during the Initial Term:

From \_\_\_\_\_, 20\_\_\_\_, to \_\_\_\_\_, 20\_\_\_\_.

- Monthly Rent: \_\_\_\_\_ Dollars (\$ \_\_\_\_\_)
- From \_\_\_\_\_, 20\_\_\_\_, to \_\_\_\_\_, 20\_\_\_\_.
- Monthly Rent: \_\_\_\_\_ Dollars (\$ \_\_\_\_\_)
- From \_\_\_\_\_, 20\_\_\_\_, to \_\_\_\_\_, 20\_\_\_\_.
- Monthly Rent: \_\_\_\_\_ Dollars (\$ \_\_\_\_\_)

VI. **SECURITY DEPOSIT.** Under the terms of this Agreement: (select one)

To ensure Lessee's compliance with the terms and conditions of this Agreement, Lessee will be required to pay: \$\_\_\_\_\_ Dollars (\$\_\_\_\_\_ ) as a non-interest bearing security deposit. At the time of execution of this Agreement, the Lessee must pay the Lessor the Security Deposit. If Lessee fails to pay the Rent or otherwise defaults on any provision herein, Lessor may apply the full or part of the Security Deposit to any sum in default or to any damages that Lessee has suffered. If any portion of the Security Deposit is applied, Lessee, upon demand by Lessor, shall deposit an amount sufficient to return the Security Deposit to its original amount. At the end of the Term, if Lessee has complied with all of the covenants and conditions set forth in this Agreement, Lessee will receive the Security Deposit or any balance thereof within \_\_\_\_ days.

- No Security Deposit is required of the Lessee.

VII. **LATE FEE.** In the event that the Lessee fails to make any payment or charge due to the Lessor within \_\_\_\_ calendar days, the Lessor shall: (select one)

- Not charge a late fee.

- Charge a late fee in the amount of: (select one)

- \_\_\_\_\_ Dollars (\$\_\_\_\_\_ ) for each  day  occurrence Rent is late.

- \_\_\_\_% of balance shall accumulate for each  day  occurrence Rent is late.

VIII. **RENEWAL OPTIONS.** The Lessee shall: (select one)

- Not have the option to renew this Agreement.

Provide at least \_\_\_\_ days' notice before any ending termination date to renew this Agreement. As follows, the Lessee shall have \_\_\_\_ renewal period(s):

1<sup>st</sup> Renewal Period: From \_\_\_\_\_, 20\_\_\_\_, to \_\_\_\_\_, 20\_\_\_\_.

- Monthly Rent: \_\_\_\_\_ Dollars (\$\_\_\_\_\_ )

2<sup>nd</sup> Renewal Period: From \_\_\_\_\_, 20\_\_\_\_, to \_\_\_\_\_, 20\_\_\_\_.

- Monthly Rent: \_\_\_\_\_ Dollars (\$\_\_\_\_\_)

3<sup>rd</sup> Renewal Period: From \_\_\_\_\_, 20\_\_\_\_, to \_\_\_\_\_, 20\_\_\_\_.

- Monthly Rent: \_\_\_\_\_ Dollars (\$\_\_\_\_\_)

Any renewal period and the Initial Term shall be referred to as the "Term".

IX. **UPFRONT PAYMENT.** The Lessee shall pay the Lessor the following upon execution of this Agreement: (select one)

- Rent for the first month of \_\_\_\_\_ Dollars (\$\_\_\_\_\_)

- Rent for the last month of \_\_\_\_\_ Dollars (\$\_\_\_\_\_)

- Security Deposit of \_\_\_\_\_ Dollars (\$\_\_\_\_\_)

X. **THE PERIOD OF POSSESSION.** The period of possession will begin on \_\_\_\_\_, 20\_\_\_\_, unless otherwise agreed. It is the Lessor's responsibility to make every effort to give possession as close as possible at the start of the Term. If possession is delayed, the rent will be prorated accordingly, but the Term will not be extended as a result. If Lessor fails to take possession of the Premises within a reasonable period of time, Lessee shall make no further claim against it.

XI. **LESSOR INDEMNITY AND LIABILITY INSURANCE.** The Lessor shall indemnify, defend, and hold harmless Lessee from any loss, liability, costs, damages, and expenses incurred by Lessee with respect to any person or persons, or property on or to the common areas, resulting from any act done or omission by or through Lessor, its agents, employees, invitees, or any person. Lessor shall maintain, at all times during the Term, comprehensive general liability insurance with an insurance company licensed to do business in the state in which the common areas are located and satisfactory to Lessee, properly protecting and indemnifying Lessee with single limit coverage of not less than \_\_\_\_\_ Dollars (\$\_\_\_\_\_ ) for injury to or \_\_\_\_\_ Dollars (\$\_\_\_\_\_ ) for death of persons and \_\_\_\_\_ Dollars (\$\_\_\_\_\_ ) for property damage.

XII. **PROPORTIONATE SHARE.** In the case of multiple tenancy premises, the responsibility of Lessee for costs are determined by taking a percentage of the total cost of the expenses based upon the rentable floor space in said complex occupied by Lessee. In accordance with the agreement, the premises represent \_\_\_\_\_ Percent (\_\_\_\_%) of the total floor space within the building.

- A. With notice to Lessee, the landlord may elect to perform and provide certain maintenance and services related to the whole building or area within which the Premises are located, including landscaping, trash removal, lawn maintenance, lighting of common areas, watering, paving maintenance, and snow removal. In such event, Lessee shall reimburse Lessor for its Proportionate Share of such maintenance services.
- B. The Lessor shall provide the Lessee with a written statement covering the lease year just ended within ninety (90) days following the end of each lease year (measured from the Commencement Date), showing in reasonable detail a general breakdown of the total operating costs, the amount of Lessee's obligation relating thereto, and the total payments made by Lessee.

Lessee agrees to conduct its business in a lawful and legal manner and in a way that provides quiet enjoyment to the rest of the Lessees in the complex, including, but not limited to, mitigation and limitation of noise, vibration, odor, trash, or fumes. In the event Lessor receives complaints from other Lessees in the building or complex and determines, in its sole reasonable judgment, that Lessee is conducting its operations in a manner so as to be objectionable to other Lessees, Lessee shall, upon notice from Lessor, promptly modify its operations to eliminate such objections.

- XIII. **LESSOR'S RIGHT OF ENTRY.** At reasonable hours, Lessor or Lessor's agent may enter the Premises to inspect or show the Premises to prospective lenders and purchasers, or to do anything Lessor may be required to do hereunder or that Lessor may deem necessary for the Premises or any building of which they are apart. During the last \_\_\_\_ days of the Term, Lessor may display a "For Rent" sign on the Premises and show the Premises to prospective lessees.
- XIV. **DAMAGE BY CASUALTY.** During the Term or prior thereto, if the Premises are destroyed or damaged so as to be un-leaseable, the Lessor may terminate this Agreement from the date of such damage or destruction. Lessor shall exercise this option to so terminate this Agreement by notice in writing delivered to Lessee within \_\_\_\_ days after such casualty. Upon such notice, Lessee shall immediately surrender said Premises and all interest therein to Lessor, and Lessee shall pay Rent up until the date of casualty. If Lessor does not elect to terminate this Agreement, this Agreement shall continue in full force and effect, and Lessor shall expeditiously repair the Premises, placing the same in as good a condition as they were at the time of the damage or destruction. Rent shall be prorated taking into account the amount of time Lessee is unable to occupy the Premises. If the Premises are slightly damaged by fire or another casualty but still leasable, then Lessor shall expeditiously repair the same with no rent proration. Lessee may not make a claim for compensation because of any inconvenience or loss of business arising from the necessity of repairing any portion of the building or the Premises.

XV. **NOTICES.** Any notice hereunder shall be sufficient if sent by certified mail and addressed to:

Lessor: \_\_\_\_\_

Lessee: \_\_\_\_\_

XVI. **OPERATING EXPENSES.** Unless otherwise modified under this Agreement, Lessor and Lessee agree that this Agreement shall be considered a triple net lease. Lessee agrees to pay directly or reimburse Lessor for one hundred percent (100%) of all costs of operating and maintaining the building and related parking areas which shall include, without limitation, real estate and personal property taxes and assessments, management fees, heating, electricity, water, waste disposal, sewage, operating materials and supplies, service agreements and charges, lawn care, snow removal, restriping, repairs, repaving, cleaning and custodial, security, insurance, the cost of contesting the validity or applicability of any governmental acts which may affect operating expenses, and all other direct operating costs of operating and maintaining the building and related parking areas, unless expressly excluded from operating expenses ("Operating Expenses"). Notwithstanding the foregoing, Operating Expenses shall not include any amount related to (i) a capital account or capital improvement; (ii) ground leases; (iii) principal or interest payments on any mortgage or deed of trust on the Premises; (iv) any amount for which Lessor is reimbursed through insurance, by third persons, or directly by other Lessees of the Premises; (iv) repair costs as a result of fire, windstorm, or other casualty, (v) leasing commissions and other expenses incurred in connection with leasing any other area located on the premises to any other party; and (vi) costs of items and services for which Lessee reimburses Lessor or pays third persons directly.

XVII. **TAXES.** The Lessee is responsible for paying all real estate taxes, including any special assessments, associated with the Premises during the term of this Lease (collectively, the "taxes"). Lessee shall pay to Lessor one-twelfth (1/12) of the estimated annual amount on a monthly basis upon Lessor's request. Any fractional calendar year will be prorated during the term hereof. The Lessee will be in default if any tax payment is not made under this Lease.

XVIII.

XIX. **PROPERTY INSURANCE.** Except in case of multiple tenancy complex as provided in Section 12, Lessee shall, throughout the term of this Agreement and any extensions thereof, pay for fire and extended coverage casualty insurance for the building and other improvements on the Premises, with such comprehensive endorsements and in such amounts as Lessor may deem reasonably necessary, and shall show the Lessee and the Lessor, and Lessor's lender, if any, as the insured thereon. Lessee shall also obtain and pay for loss of rent coverage. Lessee shall ensure the insurance remains in force throughout the Term and provide Lessor with copies of any policies or certificates evidencing

such coverage. The policies shall be in form and content reasonably required by Lessor and shall be issued by an insurance company reasonably approved by Lessor and shall contain a clause that the insurer will not cancel, materially modify, or fail to renew the insurance without first giving Lessor thirty (30) days prior written notice. If Lessee fails to keep the insurance in effect, Lessee shall be in default hereunder and Lessor may, at its option, immediately obtain insurance coverage as provided for herein and charge Lessee for the cost thereof.

- XX. **ASSIGNMENT AND SUBLETTING.** There may be no assignment, transfer, or sublet by the lessee without the Lessor's prior written consent and approval. For the purpose of this provision, any transfer of a majority or controlling interest in Lessee (whether in one or more related or unrelated transactions), whether by transfer of stock, consolidation, merger, transfer of a partnership interest or transfer of any or all of Lessee's assets or otherwise, or by operation of law, shall be deemed an assignment of this Agreement. Notwithstanding any permitted assignment or subletting, Lessee shall at all times remain directly, primarily, and wholly responsible and liable for the payment of the Rent herein specified and for compliance with all of its other obligations under the terms and provisions of this Agreement.
- XXI. **SIGNAGE AND ALTERATIONS.** The lessee shall not erect any signs, billboards, or advertisements upon the Premises without the prior written consent of Lessor. Any permitted signage must be paid for by the lessee. Lessee shall not make any material or structural alterations or additions in or to the Premises without the prior written consent of Lessor.
- XXII. **TOXIC OR HAZARDOUS MATERIALS.** Lessee is not permitted to store, use, or dispose of any toxic or hazardous materials in, on, or about the Premises without the prior written consent of Lessor. Lessee is solely responsible for defending, indemnifying, and holding Lessor, and its agents and employees, harmless from and against all claims, costs, and liabilities, including attorney's fees and expenses, arising from or in connection with the Lessee's storage, use, or disposal of any hazardous or toxic materials on, near, or on the Premises. The obligations of the Lessee under this paragraph shall survive termination of the Agreement.
- XXIII. **CONDITION OF PREMISES.** Lessee acknowledges that it has inspected the Premises and Lessee accepts the Premises in its current condition. Lessee shall (i) return the Premises to the Owner in the same condition that existed at the beginning of the Term, excluding reasonable wear and tear, at the end of the Term; (ii) have removed all of Lessee's property from the Premises; (iii) have repaired any damage to the Premises caused by the Removal of Lessee's Property; and (iv) leave the Premises clean and free of trash and debris.
- XXIV. **PERSONAL PROPERTY.** Lessor shall not be liable for any loss or damage to any inventory, goods, fixtures, improvements, or personal property of Lessee on

or about the Premises.

- XXV. **APPLICATION OF LAW.** Lessee shall comply with all laws, ordinances, regulations and other legal requirements regarding the Premises, and Lessee shall indemnify, defend and hold Lessor harmless from any expense or damage resulting from failure to comply.
- XXVI. **FIXTURES.** Apart from Lessee's personal property and trade fixtures, all buildings, repairs, alterations, additions, improvements, installations, and other non-trade fixtures installed or erected on the Premises, whether by or at the expense of Lessor or Lessee, shall belong to Lessor and shall remain on and be surrendered with the Premises at the expiration or termination of this Agreement. Lessee may, at Lessor's option, remove Lessee's alterations or improvements prior to the expiration of this Agreement and restore the Premises to its original condition.
- XXVII. **EMINENT DOMAIN.** If the Premises are taken under eminent domain so that they are unfit, in Lessee's reasonable opinion, for Lessee's use, then the term of this Agreement shall terminate as of the date that title shall vest in the acquiring authority and the Rent and other charges shall be adjusted as of the date of such taking. The Lessor shall be entitled to the proceeds of the eminent domain award made to Lessor. There is no prohibition herein against Lessee pursuing a claim against the requisite authority separately, provided, however, that no award to Lessee shall reduce the award to Lessor. This Agreement shall not entitle Lessee to recover any unexpired term from Lessor.
- XXVIII. **WAIVER OF SUBROGATION.** The parties will each look to their own insurance for recovery of any loss resulting from fire or another casualty. Lessor and Lessee release one another from such claims and waive any right of recovery of insured claims by anyone claiming through them, by way of subrogation or otherwise, including their respective insurers. This release and waiver shall remain effective despite either party's failure to obtain insurance. If either party fails to obtain insurance, it bears the full risk of its own loss.
- XXIX. **DEFAULT AND REMEDIES.** If: (a) Lessee fails to comply with any term, provision, condition, or covenant of this Agreement; (b) Lessee deserts or vacates the Premises; (c) any petition is filed by or against Lessee under any section or chapter of the Federal Bankruptcy Act, as amended, or under any similar law or statute of the United States or any state thereof; (d) Lessee becomes insolvent or makes a transfer in fraud of creditors; (e) Lessee makes an assignment for the benefit of creditors; or (f) a receiver is appointed for Lessee or any of the assets of Lessee, then in any of such events, Lessee shall be in default and Lessor shall have the option to do any one or more of the following: (i) enter the Premises either with or without process of law and to expel, remove and put out Lessee or any other persons thereon, together with all personal property; (ii) terminate this Agreement; (iii) Rent said Premises or any part

thereof for such term or terms and at such terms and conditions as Lessor in its sole discretion may deem advisable, with the right to repair, renovate, remodel, redecorate, alter, and change said Premises. At the option of Lessor, rents received by Lessor from such reletting shall be applied in order as follows: to the payment of any indebtedness from Lessee to Lessor other than Rent due; to the payment of any costs and expenses of such reletting, including, but not limited to, attorney's fees, advertising fees, and brokerage fees, and to the payment of any repairs, renovation, remodeling, redecorations, alterations, and changes in the Premises; to the payment of Rent and additional Rent due and payable hereunder and interest thereon; and, if after applying said rentals there is any deficiency in the Rent and additional rent and interest to be paid by Lessee under this Agreement, Lessee shall pay any such deficiency to Lessor and such deficiency shall be calculated and collected by Lessor monthly. No such re-entry or taking possession of said Premises shall be construed as an election on Lessor's part to terminate this Agreement unless a written notice of such intention is given to Lessee. Notwithstanding any such reletting without termination, Lessor may at any time terminate this Agreement by reason of any default, in addition to any other remedy it may have.

- XXX. **WAIVER.** The rights and remedies of Lessor under this Agreement, as well as those provided by law, shall be cumulative, and none shall be exclusive of any other rights or remedies. No waiver by Lessor of any breach or default of Lessee shall be considered or construed as a continuing waiver of such breach or default, nor as a waiver of or permission for subsequent breaches or defaults. It is agreed that the acceptance by Lessor of any installment of Rent subsequent to the date the same should have been paid shall not alter the covenant and obligation of Lessee to pay subsequent installments of Rent promptly upon the due date. Receipt by Lessor of partial payment after Lessee's default shall not be construed to be or constitute a cure of any such default. No receipt of money by Lessor before or after the termination of this Agreement shall in any way reinstate, continue, or extend the term above demised.
- XXXI. **SUBORDINATION.** This Agreement shall be subject and subordinate at all times to any existing mortgages and any mortgages hereinafter obtained on the Premises.
- XXXII. **SUCCESSORS.** The provisions, covenants, and conditions of this Agreement shall bind and inure to the benefit of the legal representatives, heirs, successors, and assigns of each of the parties hereto, except that assignees or sublessees of Lessee shall not be granted any rights without the written consent of Lessor.
- XXXIII. **QUIET POSSESSION.** During the Term, Lessee shall have peaceably and quietly possession, control, and enjoyment of the Premises so long as Lessee complies with all of the terms, covenants, and conditions of this Agreement. A right to quiet enjoyment shall be binding upon Lessor, its heirs, successors, and assigns, but only while such parties own the premises.



XXXIV. **AUTHORITY.** The Lessee and the Lessor further covenant and represent that each has full right, title, power, and authority to make, execute, and deliver this Agreement.

XXXV. **BANKRUPTCY.** Neither this Agreement nor any interest therein nor any estate hereby created shall pass to any trustee or receiver in bankruptcy or to any other receiver or assignee for the benefit of creditors by operation of law or otherwise during the Term or any renewal thereof.

XXXVI. **ESTOPPEL CERTIFICATES.** Lessee shall at any time upon written notice by Lessor, with notice providing Lessee no less than ten (10) days, execute, acknowledge, and deliver to Lessor or to any lender of or purchaser from Lessor a statement in writing certifying that this Agreement is unmodified and in full force and effect (or if modified, stating the nature of such modification) and the date to which the Rent and other charges are paid in advance, if any, and acknowledging that there are not, to Lessee's knowledge, any uncured defaults on the part of Lessor, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrances of the Premises or of the business of Lessor.

XXXVII. **ENTIRE AGREEMENT.** This Agreement contains the entire agreement between the parties, and no modification of this Agreement shall be binding upon the parties unless evidenced by an agreement in writing signed by Lessor and Lessee after the date hereof. Lessees, jointly and severally, named herein shall be bound by the provisions of this Agreement.

XXXVIII. **ADDITIONAL TERMS AND CONDITIONS.**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

XXXIX. **ATTACHMENTS.** Herein are incorporated the following attachments: (mark all that apply)

- Attachment A: \_\_\_\_\_
- Attachment B: \_\_\_\_\_
- Attachment C: \_\_\_\_\_

IN WITNESS WHEREOF, upon the dates, stated below, the parties have executed this Agreement in agreement with its terms.

**Lessor's Signature** \_\_\_\_\_ **Date** \_\_\_\_\_  
**Name in Print** \_\_\_\_\_

**Lessee's Signature** \_\_\_\_\_ Date \_\_\_\_\_  
Name in Print \_\_\_\_\_

**Agent's Signature** \_\_\_\_\_ Date \_\_\_\_\_  
Name in Print \_\_\_\_\_

**NOTARY ACKNOWLEDGMENT**

STATE OF \_\_\_\_\_  
\_\_\_\_\_ County, ss.

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me appeared \_\_\_\_\_, as **Lessee** and \_\_\_\_\_, as **Lessor** of this Agreement who proved to me through government issued photo identification to be the above-named persons, in my presence executed foregoing instrument and acknowledged that (s)he executed the same as his/her free act and deed.

\_\_\_\_\_  
Notary Public Signature

Name in Print: \_\_\_\_\_ Commission Expires: \_\_\_\_\_  
\_\_\_\_\_