

COMMERCIAL (GROSS) LEASE AGREEMENT

This **Commercial (Gross) Lease Agreement** made the ____ day of _____, 20____, by and between:

PARTIES

Lessor

Name of lessor: _____

Mailing address: _____

hereinafter referred to as "**Lessor**", and

Lessee

Name of lessee: _____

Mailing address: _____

hereinafter referred to as "**Lessee**",

Each party [lessor and lessee] collectively referred to as "parties", agree as follows:

DESCRIPTION OF LEASED PREMISES:

In consideration of the rental agreement, the Lessor agrees to lease to the Lessee the following described property[describe the property] consisting of _____ square feet (SF) of _____ [type of space] located at _____.

Additional Description: _____.

Hereinafter known as the "Premises".

USE OF LEASED PREMISES:

The Lessor is leasing the Premises to the Lessee and the Lessee hereby agrees to lease the Premises for the following uses and purposes:

Any change in use or purpose the Premises other than as described above shall be upon prior written consent of Lessor only.

TERM OF LEASE:

The term of this Lease shall be for a period of ____ year(s) ____ month(s) commencing on the ____ day of _____, 20____ and expiring at Midnight on the ____ day of _____, 20____. ("Initial Term")

BASE RENT: The monthly net payment will be \$_____ dollars, payable in installments on the ____ day of each month, with the first installment due at the conclusion of the Lease and the next installment due on the ____ day of every month thereafter. Said net monthly payment is-hereafter referred to as the "Base Rent". Rent for any period during the term hereon, which is for less than 1 month shall be a pro-rata portion of the monthly rent.

OPTION TO RENEW: (select one)

- Lessee may not renew the Lease.
- Lessee may have the right to renew the Lease with a total of ____ renewal period(s) with each term being ____ year(s) ____ month(s) which may be exercised by giving written notice to Lessor no less than 60 days prior to the expiration of the Lease or renewal period.

Rent for each option period shall: (select one)

- Not increase.
- Increase as calculated by multiplying the Base Rent by the annual change in the Consumer Price Index (CPI) published by the Bureau of Labor Statistics by the most recent publication to the option period start date.
- Increase by ____%
- Increase by _____ dollars (\$_____)

EXPENSES:

This Lease is intended to be considered a "Gross Lease" by the parties and as such, the Base Rent is the entirety of the monthly rent. Due to this, the Lessee is not obligated to cover any additional expenses relating to the ownership and operation of the Premises, including utilities, real estate taxes, insurance (except for personal property), charges, and expenses of any kind. Maintenance of the exterior structure and all major systems, such as heating, electrical, and plumbing, are the responsibilities of the Lessor. Parking lot and surrounding grounds shall be maintained by the Lessor, including the removal of any snow or environmental hazards. For the Premises, the Lessor shall maintain at their expense casualty insurance against fire losses, which may or may not include extended coverage. In this Lease, the Lessee must provide and maintain personal liability and property damage insurance with a limit of one million dollars (\$1,000,000.00), naming the Lessor as "also named insured", and provide such insurance certification or policy to the Lessor prior to its effective date.

SECURITY DEPOSIT:

Also, a deposit of _____ dollars (\$) is due and payable in advance or upon signing this Lease, referred to as the "Security Deposit". As security for faithful performance of the terms and conditions of the lease, the Lessor shall hold the deposit in escrow in a separate, interest-bearing savings account. Unless the Lessor grants written permission, the Security Deposit cannot be used to pay the last month's rent.

LEASEHOLD IMPROVEMENTS:

As part of this lease, the Lessee agrees that no leasehold improvements, alterations, or changes, (other than those listed in any attached addenda), will be made to the leasehold premises or exterior of the building without first obtaining the Lessor's written consent, which consent shall not be unreasonably withheld, and thereafter, any and all leasehold improvements made to the Premises which become affixed or attached to the leasehold Premises shall remain the property of the Lessor at the expiration or termination of this Lease Agreement. Furthermore, any leasehold improvements shall be made only in accordance with applicable federal, state or local codes, ordinances or regulations, having due regard for the type of construction of the building housing the subject leasehold Premises. If the Lessee makes any improvements to the Premises the Lessee shall be responsible payment, except the following

It shall not be construed that the Lease authorizes the Lessee or any other person acting on behalf of the Lessee to encumber with a mechanic's lien or any other type of encumbrance the rents or interest of the Lessee in the Premises or any other type of interest acquired by the Lessee under and through anyone else. Lessee shall not be construed as Lessor's agent, employee, or representative. Lessee will promptly pay liens placed against Premises that are caused by Lessee's actions and take steps to have them removed as soon as possible. Upon failure of the Lessee to remove the Lien, the Lessor shall take steps to remove the lien, and the Lessee shall be in default of this Lease.

LICENSES AND PERMITS:

All copies of permits acquired by the Lessee that are required for use of the Premises shall be kept on-site and readily accessible at all times and available upon request by the Lessor and/or their agents, as well as any local, state, or federal officials.

OBLIGATIONS OF LESSEE:

Maintenance and general upkeep of the entranceway into the Premises shall be the Lessee's primary responsibility whenever necessary. All minor repairs and maintenance of the leasehold premises will also be the responsibility of the Lessee, especially those that need immediate attention and that the Lessees, or their employees, are able to handle and perform on their own. This includes, but is not limited to, replacing light bulbs, repairing and cleaning windows, cleaning and clearing toilets, etc., as well as maintaining the Premises in a clean, safe, and good condition by the Lessee. All rubbish

and hazardous wastes shall be properly and promptly removed and disposed of according to all local, state, or federal laws, rules, regulations, and ordinances.

If and when the Premises structure is damaged by the Lessee, their employees, agents, business invitees, or independent contractors serving the Lessee, or in any other way as a result of the Lessee's use or occupancy of the Premises, the Lessee is primarily responsible for filing the proper claims with his or her insurance company or the damaging party's insurance company. In addition, the Lessee is responsible for ensuring that the building is safeguarded from said damage and that all notices relating to said damage are given in a timely manner, including to the Lessor and the party responsible. Lessees will be responsible for any damage not covered by insurance.

It shall be the Lessee's sole responsibility, during the term of this Lease, and in the event of renewal, to keep the interior of the Premises in good repair, except for reasonable wear and tear. Any plate glass that has been damaged due to the neglect or actions of the Lessee or the guests or invitees of the lessee would be replaced under this obligation. A Lessee shall not knowingly commit or permit to be committed any act or thing that violates the rules and regulations. prescribed from time to time by any federal, state, or local authorities and shall expressly not be allowed to store hazardous waste materials. A lessee is also responsible for bringing her contemplated operation and business activity into compliance with any federal, state, or local laws or regulations.

INSURANCE:

Whenever the Lessee fails to obtain or maintain the insurance required hereunder throughout the term, the Lessor has the option, but not the obligation, to obtain such insurance and charge the Lessee as additional rent. Also, lessee agrees to not keep any articles or goods on the Premises that may be prohibited by the standard form of fire insurance policy. In case the insurance rates applicable to fire and extended coverage covering the Premises increase as a result of Lessee's use of the Premises, Lessee shall pay Lessor, upon demand, such increase in insurance premiums as shall be caused by said use or Lessee's proportionate share.

SUBLET/ASSIGNMENT:

The Lessee may not transfer or assign this Lease, or any right or interest hereunder or sublet said leased Premises or any part thereof without first obtaining the prior written consent and approval of the Lessor.

DAMAGE TO LEASED PREMISES:

Whenever the Lessee's occupancy of the Premises is adversely affected by a fire or other casualty other than one caused by the Lessee's intentional acts or neglect, the rent set forth herein shall be abated or adjusted in proportion to the extent to which the Leased Premises have become unfit for use and occupation by the Lessee, and until the demised Premises have been restored to a condition, at least as close to the condition of the Premises that existed immediately before such damage, at the Lessor's expense. As a result, it is understood that in the event of total or substantial destruction

of the Premises, the Lessor shall not be obligated to restore, replace, or rebuild more than the amount of insurance proceeds that are available for reconstruction

DEFAULT AND POSSESSION:

If the Lessee fails to pay rent, and expenses as set forth herein, or any part thereof, when the same are due and payable, or shall otherwise be in default of any other terms of said Lease for a period of more than 15 days, after receiving notice of said default, both parties hereto expressly agree that the Lessor may terminate the Lease and reenter the Premises immediately and take possession of the same along with any personal property of the lessee, equipment or fixtures left on the Premises which items may be held by the Lessor as security for the Lessee's eventual payment and/or satisfaction of rental defaults or other defaults of Lessee under the Lease. It is further agreed, that if the Lessee is in default, the Lessor shall be entitled to take any and all action to protect its interest in the personal property and equipment, to prevent the unauthorized removal of said property or equipment which threatened action would be deemed to constitute irreparable harm and injury to the Lessor in violation of its security interest in said items of personal property. Furthermore, in the event of default, The Lessee may expressly request that the Landlord undertake all reasonable efforts and preparations in order to release the Premises, including, but not limited to, removing all inventory, equipment, and leasehold improvements of the Lessee, without first seeking an order from a court, although the Landlord must undertake reasonable measures in the interim to protect Lessee's property, including the storage of the same, under reasonable terms and conditions at Lessee's expense, and, in addition, it is understood that the Lessor may sue the Lessee for any damages or past rents due and owing and may undertake all and additional legal remedies then available.

Should any legal action be required to enforce any of the terms or provisions of this Lease, then the prevailing party will be entitled to recover a reasonable attorney's fee along with all costs.

Defaulted rents exceeding _____ days after their due date shall accrue one of the following penalties: (select one)

- Interest at a rate of _____ percent (_____%) per annum on a daily basis until the amount is paid in full.

- Late fee of _____ dollars (\$_____) per day until the amount is paid in full.

To this end, all delinquent rental payments shall be applied first to interest due, followed by delinquent rental payments.

INDEMNIFICATION:

By using and occupying the Premises, the Lessee agrees to indemnify, defend, and hold the Lessor harmless from any and all claims or liabilities that may arise from any cause whatsoever, and shall further indemnify the Lessor in the event of any losses that the Lessor may suffer due to the Lessee's use, occupation, or care, custody, and control of the Premises. Moreover, the Lessee covenants and agrees to indemnify and hold harmless the Lessor from all claims or liabilities arising from latent defects in the

premises that the Lessor is unaware of at the time of signing the lease or any time during the Lease Term.

BANKRUPTCY - INSOLVENCY:

As part of the lease, the Lessee agrees that if all or a substantial portion of the Lessee's assets are placed in the hands of a receiver or trustee for a period of 30 days, or if the Lessee makes an assignment for the benefit of creditors or becomes bankrupt, or if the Lessee institutes any proceedings under the bankruptcy act or any amendment to it, such Lease or interest in and to the Leased Premises shall not become assets in such proceedings. In such a case, and in addition to any and all other remedies the Lessor has hereunder or under law, the Lessor may declare the term hereof to be terminated and reoccupy the leased land, take possession of the improvements on it and remove all persons from it, and the Lessee shall not have any further claim.

SUBORDINATION AND ATTORNMENT:

If the Lessor requests it, Lessee will subordinate its rights to any mortgage in force now or hereafter against the property or any portion thereof, to all advances made on that security, and to any ground or underlying lease of the property, provided that in such cases, the holder of the mortgage, or the Lessor under the lease, shall agree that this Lease shall not be divested or in any way affected by foreclosure, or other default proceedings under said mortgage, obligation secured thereby, or Lease, so long as the Lessee shall not be in default under the terms of this Lease. Lessee agrees that this Lease shall remain in full force and effect notwithstanding any such default proceedings under said mortgage or obligation secured thereby.

In the event of a sale or assignment of Lessor's interest in the building where the Premises are located, or if a foreclosure action is brought, or in the event that the Lessee exercises the power of sale under any mortgage on the Premises, the Lessee must attorn to the purchaser and recognize the purchaser as the Lessor.

MISCELLANEOUS TERMS:

- I. **Use by Lessee:** Lessee shall comply with all rules, regulations, and laws of any governmental authority with respect to use and occupancy. On the Premises, the Lessee will not conduct a business or permit any act which is contrary to or in violation of any law, rule, regulation, or requirement that may be imposed by an authority or any insurance company with which the Premises is insured, nor will the Lessee allow the Premises to be used in any way that invalidates or conflicts with any insurance policies. Extensive or extra hazardous materials may not be brought onto or retained on the premises. Moreover, Lessee shall not install or use any equipment that will interfere with other tenants' peaceable and quiet enjoyment of the Premises.
- II. **Signs:** Lessee shall not place on any exterior door, wall, or window of the Premises any sign or advertising matter without Lessor's prior written consent and the approval of the _____ [Municipality]. After initial approval by Lessor, Lessee agrees to maintain the sign or advertising matter in good condition and repair. A uniform reasonable sign policy or plan may also be imposed on Lessee by the Lessor with respect to the building. Lessee agrees to

remove all signs and repair all damages caused or resulting from such removal upon vacating the Premises.

- III. **Pets:** Except as otherwise provided for in this Lease Agreement, pets are not permitted on the Premises unless they are legally required for disability or handicap reasons.
- IV. **Premises Condition/Inspection by Lessee:** The Lessee has had the opportunity to inspect the Premises and acknowledges with its signature on this lease that the Premises are in good condition and comply in all respects with the requirements of this Lease. Further, the Lessor does not warrant or represent that the Premises will be fit or available for any particular purpose, and the Lessor is not liable for any patent defects. Moreover, the Lessee represents that the Premises have been inspected and that the Lessee is leasing and will take possession of the Premises in their "as is" condition.
- V. **Access to the Premises (right of entry):** The Lessor and its agents are hereby granted the right to enter the Premises at any time or times for the purpose of inspecting or showing the Premises, as well as making any necessary repairs to the building or equipment as may be required of the Lessor under this Lease or in connection with the inspection, maintenance or repair of the building as deemed necessary.

HOLDOVER:

If and when Lessee remains in possession of the Premises after the Lease expires, is canceled, or is terminated sooner, without executing a new Lease or addendum, such holding over in the absence of a written agreement to the contrary shall create and be construed as a monthly tenancy that may be terminated by either party upon thirty (30) days' notice if the Lessor elects.

ESTOPPEL CERTIFICATE:

A lessee shall, upon notice from Lessor of at least ten (10) days, execute, acknowledge, and deliver to Lessor, and/or to any other person, firm or corporation specified by Lessor, It is a statement certifying that the Lease is in full force and effect and unmodified, or, if it has been modified, that the same is in full force and effect except as modified, and stating the modifications, stating the payment dates for fixed rent and additional rent, stating whether or not the Lessor has been in default under this Lease and, if so, describing each such default.

WAIVER:

In the event that Lessor waives any default under this Lease, it shall not constitute a waiver of any subsequent default.

GOVERNING LAW:

Laws of the State of _____ shall govern this Lease.

NOTICES: Payments and notices shall be addressed to the following:

Lessor

Lessee

AMENDMENT:

No amendment of this Lease shall be effective unless reduced to writing and subscribed by the parties with all the formality of the original.

BINDING EFFECT:

In addition to this Lease and any amendments to it, this Lease shall be binding upon the Lessees, the Lessor, and the Lessees' successors, heirs, assigns, executors, and administrators.

IN WITNESS WHEREOF, the parties hereto set their hands and seal this ____ day of _____, 20____.

Signature of Lessee

Name in Print

Signature of Lessor

Name in Print

LESSOR'S ACKNOWLEDGMENT OF NOTARY PUBLIC

STATE OF _____

_____ County, ss.

On this ____ day of _____, 20____, before me appeared _____, as **LESSOR** of this Commercial Lease Agreement. The above-named person, who was verified by government-issued photo identification to me as such, executed the above-mentioned instrument in my presence and acknowledged the execution as their free act.

Notary Public
My commission expires: _____

LESSEE'S ACKNOWLEDGMENT OF NOTARY PUBLIC

STATE OF _____

_____ County, ss.

On this ____ day of _____, 20____, before me appeared _____, as **LESSEE** of this Commercial Lease Agreement. The above-named person, who was verified by government-issued photo identification to me as such, executed the above-mentioned instrument in my presence and acknowledged the execution as their free act.

Notary Public
My commission expires: _____