

COMMERCIAL LEASE AGREEMENT

This commercial lease agreement, dated _____,

is between _____

and _____

Landlord

The landlord and/or agent(s) is/are referred to in this lease agreement as "Landlord."

Tenant

The tenant(s) is/are referred to in this lease as "Tenant."

The parties agree as follows:

§1 Rental Property

The Landlord agrees to rent to the Tenant the property described as a

located at _____, which is referred to in this lease agreement as the "Leased Premises."

§2 Legal Description

The legal description for the Leased Premises is

Initials: _____

§3 Term of Lease

The Landlord hereby leases the Leased Premises to the Tenant, and the Tenant hereby leases the same from the Landlord, for an initial term of _____, beginning _____ and ending _____.

§4 Amount of Rent

The amount of the rent is \$ _____, to be paid _____. The total lease payment is \$ _____.

§5 Form of Payment

Payment of the rent will only be made by personal check, unless modified through provision below.

§6 Date Rent is Due

The rent is due on or before the _____ day of each month. This is the day by which the Landlord must have received the Tenant's rent payment.

§7 Late Fee

7.1 If rent or any other charges are not received by the Landlord within _____ days after the rent due date, the Tenant must pay a late fee of \$ _____ in addition to the rent.

7.2 Payments received by the Landlord when there are arrears, will be credited first to any outstanding balance, and then applied to the current amount due.

§8 Returned Payments for Insufficient Funds

A returned payment fee of \$ _____ will be added for all returned payments. If there are more than two instances of returned payments, the Tenant agrees that the Landlord may require all future payments to be made only by certified check, money order, or cash.

§9 Lease Renewal

This lease will automatically renew for an additional period of _____ per renewal term, unless either party gives written notice of termination no later than _____ days prior to the end of the term or renewal term. The lease terms during any such renewal term will be the same as those contained in this lease except that the lease installment payments will be \$ _____ per _____. Neither party must state, nor have grounds to give the other party notice of termination, nor to terminate the lease agreement or the renewal term lease agreement.

Initials: _____

§10 Condition of Property

The Tenant acknowledges that the Tenant has inspected the Leased Premises, and that at the commencement of this lease agreement, the interior and the exterior of the Leased Premises, as well as all equipment and any appliances, were found to be in an acceptable condition and in good working order. The Tenant concedes that the Landlord has not made any promises regarding the condition of the Leased Premises. The Tenant agrees to return the Leased Premises to the Landlord at the end of the lease agreement in the same condition it was at the beginning of the lease agreement.

§11 Possession

- 11.1 The Tenant is entitled to possession on the first day of the term of this lease, and will yield possession to the Landlord on the last day of the term of this lease, unless otherwise agreed to by both parties in writing.
- 11.2 The Landlord will use its best efforts to give the Tenant possession as near to the beginning of the lease term as possible. If the Landlord is unable to timely provide the Leased Premises, rent will abate for the period of delay. The Tenant makes no other claim against the Landlord for any such delay. At the expiration of the term, the Tenant will remove their goods and effects and peaceably yield the Leased Premises to the Landlord in as good a condition as when delivered to the Tenant, ordinary wear and tear excepted.

§12 Quiet Possession

The Landlord covenants and warrants that upon performance by the Tenant of its obligations hereunder, the Landlord will keep the Tenant in exclusive, quiet, peaceable, undisturbed and uninterrupted possession of the Leased Premises during the term of this lease.

§13 Default

- 13.1 If default is made in any of the covenants or conditions to be kept, observed and performed by the Tenant, and such default continues for 30 days after notice thereof in writing to the Tenant by the Landlord without correction thereof and having been commenced and thereafter diligently executed, the Landlord may declare the term of this lease ended and terminated by giving the Tenant written notice of such intention. If possession of the Leased Premises is not surrendered, the Landlord may reenter the said Leased Premises. The Landlord has, in addition to the remedy provided above, any other right or remedy available to the Landlord on account of any Tenant default, either in law or equity. The Landlord will use reasonable efforts to mitigate its damages.
- 13.2 The Tenant understands and agrees that if the Tenant files a petition of bankruptcy, it will not release the Tenant from the fulfillment of the terms and conditions of the lease agreement.

§14 Security Deposit

At the time of signing this lease agreement, the Tenant will give the Landlord a security deposit of \$ _____ . The security deposit will be held by the Landlord without liability for interest, and as security for the performance by the Tenant of the Tenant's covenants and obligations under this lease,

Initials: _____

it being expressly understood that the security deposit will not be considered an advance payment of rental or a measure of the Landlord's damages in case of default by the Tenant. Unless otherwise provided by mandatory non-waivable law or regulation, the Landlord may commingle the security deposit with the Landlord's other funds. The Landlord may, from time to time, without prejudice to any other remedy, use the security deposit to the extent necessary to make good any arrearages of rent, or to satisfy any other covenant or obligation of the Tenant hereunder. Following any such application of the security deposit, the Tenant will pay to the Landlord on demand the amount so applied in order to restore the security deposit to its original amount. If the Tenant is not in default at the termination of this lease, the Landlord will return the balance of the security deposit remaining after any such application to the Tenant. If the Landlord transfers its interest in the Leased Premises during the term of this lease, the Landlord may assign the security deposit to the transferee and after that will have no further liability for the return of the security deposit.

§15 Sublease and Assignment

The Tenant has the right, without the Landlord's consent, to assign this lease to a corporation with which the Tenant may merge or consolidate, to any subsidiary of the Tenant, to any corporation under common control with the Tenant, or to a purchaser of substantially all of the Tenant's assets. Except as is set forth above, the Tenant will not sublease all or any part of the Leased Premises, or assign this lease in whole or in part without the Landlord's consent, such consent not to be unreasonably withheld or delayed.

§16 Maintenance

16.1 The Landlord's obligations for maintenance include:

- the roof, outside walls, and other structural parts of the building
- the parking lot, driveways, and sidewalks including snow and ice removal
- the sewer, water pipes, and other matters related to plumbing
- the electrical wiring
- the air conditioning system
- all other items of maintenance not specifically delegated to the Tenant under this lease.

16.2 The Tenant's obligations for maintenance include:

Initials: _____

§17 Utilities and Services

The Tenant is responsible for all utilities and services incurred in connection with the Leased Premises.

§18 Alterations and Improvements

The Tenant, at the Tenant's expense, has the right following the Landlord's consent to remodel, redecorate, and make additions, improvements, or replacements to all or any part of the Leased Premises from time to time as the Tenant may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials. The Tenant has the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises, and fasten the same to the Leased Premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by the Tenant at the commencement of the lease term or placed or installed on the Leased Premises by the Tenant thereafter, will remain the Tenant's property free and clear of any claim by the Landlord. The Tenant has the right to remove the same at any time during the term of this lease, provided that all damage to the Leased Premises caused by such removal is repaired by the Tenant at the Tenant's expense.

§19 Property Taxes

The Landlord will pay, prior to delinquency, all general real estate taxes and installments of special assessments due during the lease term on the Leased Premises, and all personal property taxes with respect to the Landlord's personal property, if any, on the Leased Premises. The Tenant is responsible for paying all personal property taxes with respect to the Tenant's personal property at the Leased Premises.

§20 Property Insurance

- 20.1 The Landlord and Tenant will each maintain appropriate insurance for their respective interests in the Leased Premises and property located on the Leased Premises. The Landlord will be named as an additional insured in such policies. The Tenant will deliver appropriate evidence to the Landlord as proof that adequate insurance is in force issued by companies reasonably satisfactory to the Landlord. The Landlord will receive advance written notice from the insurer prior to any termination of such insurance policies. The Tenant will also maintain any other insurance that the Landlord may reasonably require for the protection of the Landlord's interest in the Leased Premises. The Tenant is responsible for maintaining casualty insurance on its own property.
- 20.2 If the Leased Premises or any other party of the building is damaged by fire or other casualty resulting from any act or negligence of the Tenant or any of the Tenant's agents, employees or invitees; rent is not to be diminished or abated while such damages are under repair, and the Tenant will be responsible for the costs of repair not covered by insurance.

§21 Liability Insurance

The Tenant will maintain liability insurance on the Leased Premises in a total aggregate sum of at least \$ _____. The Tenant will deliver appropriate evidence to the Landlord as proof that adequate insurance is in force issued by companies reasonably satisfactory to the Landlord. The Landlord will receive advance written notice from the insurer prior to any termination of such insurance policies.

Initials: _____

§22 Signs

Following the Landlord's consent, the Tenant has the right to place on the Leased Premises, at locations selected by the Tenant, any signs which are permitted by applicable zoning ordinances and private restrictions. The Landlord may refuse consent to any proposed signage that is in the Landlord's opinion too large, deceptive, unattractive, or otherwise inconsistent with or inappropriate to the Leased Premises or use of any other tenant. The Landlord will assist and cooperate with the Tenant in obtaining any necessary permission from governmental authorities or adjoining owners and occupants for the Tenant to place or construct the foregoing signs. The Tenant will repair all damage to the Leased Premises resulting from the removal of signs installed by the Tenant.

§23 Landlord's Right of Entry

- 23.1 The Landlord, with 24 hours written notice, has the right during the term of this lease agreement to enter during reasonable hours to inspect the Leased Premises, make repairs or improvements, or to show prospective buyers and/or tenants the property. As provided by law, in the event of an emergency, the Landlord reserves the right to enter the Leased Premises without notice. It is required that the Landlord have a working set of keys and/or security codes to gain access to the Leased Premises. Therefore, the Tenant will not change locks, install additional locks, bolts, or security systems without the written consent of the Landlord. Unauthorized installation or changing of any locks will be replaced at the Tenant's expense. The Tenant is responsible for any and all damages that may occur as a result of forcible entry during an emergency where there was an unauthorized placement of a lock.
- 23.2 During the last three months of this lease, or any extension of this lease, the Landlord is allowed to display the usual "For Rent" signs and show the Leased Premises to prospective tenants.

§24 Parking

The Tenant is entitled to use _____ parking space(s) for the parking of the Tenant's customers'/guests' motor vehicle(s).

§25 Damage, Destruction and Condemnation

- 25.1 If the Leased Premises are damaged or destroyed by fire or other casualty to the extent that enjoyment of the dwelling unit is substantially impaired, the Landlord in its sole discretion may elect to repair the Leased Premises or terminate the lease upon 30 days written notice to the Tenant. If the Leased Premises are condemned or cannot reasonably be repaired, this lease will terminate upon 20 days written notice by either party. The Tenant will give the Landlord immediate notice of any damage to the Leased Premises.
- 25.2 If any legally constituted authority condemns the building or such part thereof which makes the Leased Premises unsuitable for leasing, this lease will cease when the public authority takes possession, and the Landlord and Tenant will account for rent as of that date. Such termination will be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party has any rights in or to any award made to the other by the condemning authority.

§26 Notice

Any notice required by the terms of this lease will be in writing.

Notices sent to the Landlord will be sent to:

Notices sent to the Tenant will be sent to:

Notice may be given by either party to the other in any manner provided for by law, or in any of the following: regular mail, personal delivery, or email.

§27 Brokers

The Tenant affirms that the Tenant was not shown the Leased Premises by any real estate broker or agent, and that the Tenant has not otherwise engaged in any activity which could form the basis for a claim of real estate commission, brokerage fee, finder's fee or other similar charge in connection with this lease.

§28 Rules and Regulations

The Tenant will comply with the rules of the building adopted and altered by the Landlord from time to time, and will cause all of its agents, employees, invitees and visitors to do so. All changes to such rules will be sent by the Landlord to the Tenant in writing. The initial rules for the building are attached hereto as "Exhibit A" and incorporated herein for all purposes.

§29 Security Not Promised

The Tenant has inspected and acknowledges that all door and window locks, fire extinguishers, security alarm systems and/or carbon monoxide detectors are in sound working order. The Tenant further understands and acknowledges that, although the Landlord makes every effort to make the Leased Premises safe and secure, this in no way creates a promise of security.

§30 Abandonment

If the Tenant vacates the Leased Premises before the end of the lease term without written permission from the Landlord, the Leased Premises is then considered to be abandoned and the Tenant is in default of this lease agreement. Under these circumstances, the Tenant may be responsible for damages and losses allowed by state, federal and local regulations.

Initials: _____

§31 Joint and Several Liability

The Tenant understands and agrees that if there is more than one Tenant that has signed the lease agreement, each Tenant is individually and completely responsible for all obligations under the terms of the lease agreement.

§32 Mechanics' Liens

Neither the Tenant, nor anyone claiming through the Tenant, has the right to file mechanics' liens or any other kind of lien on the Leased Premises, and the filing of this lease constitutes notice that such liens are invalid. Further, the Tenant agrees to (1) give actual advance notice to any contractors, subcontractors or suppliers of goods, labor, or services that such liens will not be valid, and (2) take whatever additional steps necessary in order to keep the Tenant Premises free of all liens resulting from construction done by or for the Tenant.

§33 Arbitration

Any controversy or claim relating to this contract, including the construction or application of this contract, will be settled by binding arbitration under the rules of the American Arbitration Association, and any judgment granted by the arbitrator(s) may be enforced in any court of proper jurisdiction.

§34 Misrepresentation

If any information provided by the Tenant in application for this lease is found to be knowingly incorrect, untruthful and/or misleading, it is a breach of the lease.

§35 Storage

The Tenant is entitled to store items of personal property in _____ during the term of this lease. The Landlord is not liable for loss of, or damage to, such stored items.

§36 Keys

The Tenant will be given _____ key(s) to the Leased Premises and _____ mailbox key(s). If all keys are not returned to the Landlord following termination of the lease, the Tenant will be charged \$ _____.

§37 Lockout Fees

If the Tenant becomes locked out of the Leased Premises, the Tenant will be charged \$ _____ to regain entry.

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§38 Termination upon Sale of Premises

Notwithstanding any other provision of this lease, the Landlord may terminate this lease upon 60 days written notice to the Tenant that the Leased Premises have been sold.

§39 Habitability

The Tenant has inspected the Leased Premises and fixtures (or has had the Leased Premises inspected on behalf of the Tenant), and acknowledges that the Leased Premises are in a reasonable and acceptable condition of habitability for their intended use, and the agreed lease payments are fair and reasonable. If the condition changes so that, in the Tenant's opinion, the habitability and rental value of the Leased Premises are adversely affected, the Tenant will promptly provide reasonable notice to the Landlord.

§40 Holdover

If the Tenant maintains possession of the Leased Premises for any period after the termination of this lease (referred to as "holdover period"), the Tenant will pay the Landlord lease payment(s) during the holdover period at a rate equal to _____ % of the most recent rate preceding the holdover period (if less, the maximum amount allowed by law). Such holdover will constitute a month-to-month extension of this lease.

§41 Remodeling or Structural Improvements

The Tenant is allowed to conduct any construction or remodeling (at the Tenant's expense) only with the prior written consent of the Landlord. At the end of the lease term, the Tenant is entitled to remove (or will remove at the Landlord's request) such fixtures, and will restore the Leased Premises to substantially the same condition of the Leased Premises at the commencement of this lease.

§42 Indemnity Regarding Use of Premises

To the extent permitted by law, the Tenant agrees to indemnify, hold harmless, and defend the Landlord from and against any and all losses, claims, liabilities, and expenses, including reasonable attorney fees, if any, which the Landlord may suffer or incur in connection with the Tenant's possession, use or misuse of the Leased Premises, except the Landlord's act or negligence.

§43 Dangerous Materials

The Tenant will not keep or have on the Leased Premises any article or thing of a dangerous, flammable, or explosive character that might substantially increase the danger of fire on the Leased Premises, or that might be considered hazardous by a responsible insurance company, unless the prior written consent of the Landlord is obtained and proof of adequate insurance protection is provided by the Tenant to the Landlord.

Initials: _____

§44 Governing Law

The law under which this agreement will be governed, construed and interpreted will be those of the state of _____.

§45 Headings

The headings used in this lease are for convenience of the parties only and should not be considered in interpreting the meaning of any provision of this lease.

§46 Successors

The provisions of this lease extend to and are binding upon the Landlord and Tenant and their respective legal representatives, successors and assigns.

§47 Subordination

47.1 The Tenant accepts this lease subject and subordinate to any mortgage, deed of trust, or other lien presently existing or hereafter arising upon the Leased Premises, or upon the building, and to any renewals, refinancing and extensions thereof, but the Tenant agrees that any such mortgagee has the right at any time to subordinate such mortgage, deed of trust, or other lien to this lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. The Landlord is hereby irrevocably vested with full power and authority to subordinate this lease to any mortgage, deed of trust, or other lien now existing or hereafter placed upon the Leased Premises of the Building, and the Tenant agrees upon demand to execute such further instruments subordinating this lease or attorning to the holder of any such liens as the Landlord may request. In the event that the Tenant should fail to execute any instrument of subordination herein required to be executed by the Tenant promptly as requested, the Tenant hereby irrevocably constitutes the Landlord as its attorney-in-fact to execute such instrument in the Tenant's name, place and stead, it being agreed that such power is one coupled with an interest.

47.2 The Tenant agrees that it will from time to time upon request by the Landlord execute and convey to persons such as the Landlord requests a statement in recordable form certifying that this lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this lease have been paid, stating that the Landlord is not in default hereunder (or if the Tenant alleges a default stating the nature of such alleged default), and further stating such other matters as the Landlord reasonably requires.

§48 Waiver

No waiver of any default of the Landlord or Tenant hereunder is implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver affects any default other than the default specified in the express waiver, and only for the time and to the extent therein stated. One or more waivers by the Landlord or Tenant should not be construed as a waiver of a subsequent breach of the same covenant, term, or condition.

§49 Waiver of Notice

The Tenant waives the right to receive a notice of default from the Landlord unless such notice is required by state or local regulations.

§50 Compliance with Law and Regulations

The Tenant will comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to the Tenant's use of the Leased Premises. The Landlord will comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

§51 Cumulative Rights

The rights of the parties under this lease are cumulative, and will not be construed as exclusive unless otherwise required by law.

§52 Severability

If any part of this lease agreement is not valid, enforceable, binding or legal, it will not cancel or void the rest of this lease agreement. The remainder of the lease agreement will continue to be valid and enforceable by the Landlord to the maximum extent of the laws and regulations set forth by local, state and federal governments.

§53 Final and Entire Agreement

53.1 This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

53.2 By signing this lease agreement, the Tenant certifies that they have read, understood and agree to comply with all of the terms, conditions, rules and regulations of this lease agreement, including any addendums, and that they have received the following:

1. Copies of all addendums, rules and regulations, special terms and conditions, and applications.
2. All necessary key(s), security card(s), and/or auto stickers to the Leased Premises.

Tenant's Signature:

Landlord's Signature:
