

COMMERCIAL LEASE AGREEMENT

Lease of commercial premises for business use

Important: Commercial leases are typically negotiated in greater detail than residential leases and have far fewer tenant-protection defaults. Key economic terms — rent type (gross, modified gross, NNN/triple net), CAM charges, escalation, taxes, insurance — vary widely. Have a qualified real-estate attorney review this template before use.

This Commercial Lease Agreement (the “Lease”) is entered into as of ____ day of _____, 20__ (the “Effective Date”), by and between:

LANDLORD

Full Legal Name	
Address	
Email	
Telephone	
Authorized Representative	
Tax ID / Reg. No.	

TENANT

Full Legal Name	
Address	
Email	
Telephone	
Authorized Representative	
Tax ID / Reg. No.	
Type of Entity	
State / Country of Formation	

PREMISES

Building / Property Address	
Suite / Unit Number	

Approximate Rentable Area (sq ft / sq m)	
Permitted Use	
Common Areas Available	

1. Lease Term

1.1 Initial Term. The initial term begins on _____ (the "Commencement Date") and ends on _____ (the "Expiration Date").

1.2 Renewal Option. The Tenant shall have shall not have the option to renew this Lease for _____ additional term(s) of _____ year(s) each, by giving written notice at least _____ (____) months before the then-current Expiration Date. Rent during any renewal term shall be as set forth in Exhibit C or otherwise mutually agreed.

2. Rent

2.1 Base Rent. The Tenant shall pay base rent of \$_____ per _____ (month/year), payable in monthly installments of \$_____ on the first day of each month, in advance, without setoff or deduction.

2.2 Rent Type. (Select one.)

- (a) Gross Lease — Landlord pays all operating expenses;
- (b) Modified Gross — Landlord and Tenant share expenses as described in Exhibit C;
- (c) Triple Net (NNN) — Tenant pays its pro-rata share of property taxes, insurance, and common area maintenance (CAM), in addition to Base Rent.

2.3 Rent Escalation. Base Rent shall increase by _____% per year (or by the increase in the applicable Consumer Price Index, whichever is greater/lesser), beginning on the first anniversary of the Commencement Date.

2.4 Late Charges. Rent not received within _____ (____) days of its due date shall accrue a late charge of \$_____ (or _____%) and interest at _____% per month (or the maximum rate permitted by law).

3. Security Deposit

Upon execution, the Tenant shall deposit \$_____ with the Landlord as security for the Tenant's performance under this Lease. The Landlord may apply the Deposit to cure any default. Any unapplied portion shall be returned within _____ (____) days after the Tenant vacates the Premises in accordance with this Lease.

4. Additional Rent and Expenses

In addition to Base Rent, the Tenant shall pay, as Additional Rent, its share of the following (collectively, "Operating Expenses"), as applicable under the rent type selected in Article 2:

- (d) Property taxes and assessments;
- (e) Building insurance premiums;
- (f) Common area maintenance and utilities for common areas;
- (g) Property management fees up to ____% of Base Rent;
- (h) Any other operating costs reasonably incurred by the Landlord.

The Landlord shall provide an annual reconciliation statement showing actual Operating Expenses and the Tenant's share.

5. Use of Premises

5.1 Permitted Use. The Tenant shall use the Premises solely for the Permitted Use stated above and for no other purpose without the Landlord's prior written consent.

5.2 Compliance with Laws. The Tenant shall comply with all applicable laws, regulations, zoning, certificates of occupancy, and any covenants or rules affecting the Premises, including all licensing requirements for the Tenant's business.

5.3 Hazardous Materials. The Tenant shall not use, store, or dispose of any hazardous materials on the Premises except in compliance with all applicable environmental laws.

6. Utilities and Services

The Tenant shall be responsible for, and pay directly, all utilities serving the Premises (including electricity, gas, water, sewer, telecommunications, and refuse), except as otherwise provided in Exhibit C. The Tenant shall arrange and pay for any services beyond those provided by the Landlord.

7. Maintenance, Alterations, and Surrender

7.1 Tenant Maintenance. The Tenant shall keep the interior of the Premises and any equipment exclusively serving the Premises in good repair and condition.

7.2 Landlord Maintenance. The Landlord shall maintain the structural elements of the building (roof, foundation, exterior walls, and base building systems), except for damage caused by the Tenant.

7.3 Alterations. The Tenant shall not make any alterations or improvements to the Premises without the Landlord's prior written consent (not to be unreasonably withheld). All approved alterations shall comply with applicable law and, unless otherwise agreed, shall become the Landlord's property at the end of the Term.

7.4 Surrender. At the end of the Term, the Tenant shall surrender the Premises in good condition, ordinary wear and tear excepted, and shall remove its trade fixtures, signage, and personal property and repair any resulting damage.

8. Insurance

Throughout the Term, the Tenant shall maintain, at its own expense, the following insurance, naming the Landlord and its property manager as additional insureds (where applicable):

- (i) Commercial General Liability with limits of at least \$_____ per occurrence and \$_____ aggregate;
- (j) Property insurance covering the Tenant's personal property, equipment, and improvements;
- (k) Workers' Compensation as required by law and Employer's Liability of at least \$_____; and
- (l) Business interruption insurance and any other coverages reasonably required by the Landlord.

Certificates of insurance shall be delivered to the Landlord before the Commencement Date and on each renewal.

9. Indemnification and Limitation of Liability

9.1 Indemnification. To the fullest extent permitted by law, the Tenant shall indemnify and hold harmless the Landlord and its affiliates from any claims, damages, losses, and expenses (including reasonable attorneys' fees) arising from (a) the Tenant's use or occupancy of the Premises, (b) the Tenant's breach of this Lease, or (c) the negligence or willful misconduct of the Tenant or its employees, agents, or invitees.

9.2 Waiver of Subrogation. The Parties waive any claims against each other for losses covered by their respective insurance policies.

9.3 Limitation. Except for indemnification obligations, neither Party shall be liable for indirect, incidental, or consequential damages.

10. Assignment and Subletting

The Tenant shall not assign this Lease or sublet all or any portion of the Premises without the Landlord's prior written consent (not to be unreasonably withheld, subject to reasonable conditions including financial review of the proposed assignee/subtenant). Any permitted assignment or sublease shall not release the Tenant from its obligations under this Lease.

11. Default and Remedies

11.1 Tenant Default. The Tenant is in default if it (a) fails to pay Rent within ____ (__) days after written notice, (b) breaches any other material term and fails to cure within ____ (__) days of written notice, (c) becomes insolvent or files for bankruptcy, or (d) vacates or abandons the Premises.

11.2 Landlord's Remedies. Upon default, the Landlord may, subject to applicable law, terminate this Lease, re-enter and re-let the Premises, accelerate Rent, and recover damages, costs of re-letting, and reasonable attorneys' fees.

11.3 Landlord Default. The Landlord shall be in default if it fails to perform any material obligation under this Lease and does not cure within ____ (___) days of written notice. The Tenant's remedies shall be limited to those available at law or in equity, subject to any limitations in this Lease.

12. Damage, Destruction, and Condemnation

12.1 If the Premises are damaged by fire or other casualty, the Landlord shall determine whether the damage can be repaired within ____ (___) days. If yes, the Landlord shall repair, and Rent shall be abated proportionately for the unusable portion. If no, either Party may terminate this Lease upon written notice.

12.2 If all or substantially all of the Premises are taken by eminent domain or condemnation, this Lease shall terminate as of the taking. The Landlord shall be entitled to the condemnation award, except that the Tenant may pursue a separate award for its trade fixtures and moving expenses if allowed by law.

13. Signage

The Tenant may install signage on the Premises subject to the Landlord's prior written approval, applicable law, and any building signage criteria. All signage shall be removed by the Tenant at the end of the Term, and any damage repaired.

14. Holdover

If the Tenant remains in possession after the Expiration Date without the Landlord's written consent, the tenancy shall be a month-to-month holdover at a Rent equal to ____% of the then-current Base Rent, plus all Additional Rent. The Landlord may also pursue any remedies available at law.

15. Estoppel, Subordination, and Notices

15.1 Estoppel Certificates. The Tenant shall, within ____ (___) days of request, deliver to the Landlord an estoppel certificate confirming the status of this Lease.

15.2 Subordination. This Lease is subordinate to any present or future mortgage on the Premises, provided the lender agrees not to disturb the Tenant's possession so long as the Tenant is not in default.

15.3 Notices. All notices shall be in writing and delivered to the addresses set forth above by certified mail, recognized overnight courier, or email with confirmation of receipt.

16. Governing Law and General Provisions

16.1 This Lease shall be governed by the laws of _____.

16.2 Entire Agreement. This Lease, together with all exhibits, constitutes the entire agreement between the Parties and supersedes all prior discussions on its subject.

16.3 Amendments. Modifications must be in writing and signed by both Parties.

16.4 Severability. If any provision is held invalid or unenforceable, the remainder of this Lease shall continue in full force and effect.

16.5 Brokers. Each Party represents that it has not engaged any broker except: _____ (commission to be paid by _____).

16.6 Personal Guarantee. (Optional.) The Tenant’s obligations under this Lease are personally guaranteed by _____, who shall execute the Guaranty attached as Exhibit D.

16.7 Counterparts and Electronic Signature. This Lease may be signed in counterparts, including by electronic signature.

By signing below, the parties acknowledge that they have read, understood, and agree to be bound by all terms of this Agreement.

<p>LANDLORD</p> <hr/> <p>Signature</p> <p>Name: _____</p> <p>Date: _____</p>		<p>TENANT</p> <hr/> <p>Signature</p> <p>Name: _____</p> <p>Date: _____</p>
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— END OF AGREEMENT —

This template is for general informational purposes only and is not legal advice. Landlord-tenant law varies significantly by jurisdiction — consult a qualified attorney before use.