

COMMERCIAL LEASE AGREEMENT

In Consideration of the rent reserved and the mutual promises made by the parties to this agreement, _____ (the "Landlord") hereby agrees to rent to _____ (the "Tenant"), and Tenant hereby agrees to rent from Landlord the premises described below (the "Premises") upon the following terms and conditions:

1. **Premises and Use.** The Premises referred to in this agreement shall be the property containing _____ square feet of space located at:

The Premises shall be used by the Tenant only for the purpose of:

2. **Term.** The term of this lease shall begin on _____ and expire on _____ (the "Initial Term"). Either Landlord or Tenant may terminate the tenancy at the expiration of the Initial Term by giving written notice to the other at least thirty days prior to the expiration date of the Initial Term. In the event such written notice is not given or if the Tenant holds over beyond the Initial Term, the tenancy shall automatically become a month-to-month tenancy upon the same terms and conditions contained herein and may thereafter be terminated by either Landlord or Tenant by giving the other thirty days' written notice prior to the last day of the then-current period of the tenancy.

3. **Rent.** During the tenancy created by this Agreement:

3.1 Tenant shall pay, without notice, demand, or deduction to Landlord or as Landlord directs, monthly rental in the amount of \$_____ per month during the Initial Term. The first rental payment, which shall be prorated if the Initial Term commences on a day other than the first day of the applicable rental payment period, shall be due at the commencement of the Initial Term and shall constitute payment for the period ending on the first day of the month following the month in which the Initial Term commences.

Thereafter all rentals shall be paid in advance on or before the first day of each subsequent calendar month for the duration of the tenancy.

3.2 In addition to, and as a part of such rent, if any installment of rent is not received within five days of the date it is due, or if Tenant's check shall be returned for insufficient funds, Tenant shall pay as additional rent a late payment fee of \$_____, which additional rent shall be due immediately without demand therefor and shall be added to and paid as a part of the installment payment of rent with respect to which it is incurred. Tenant understands and agrees that the additional rent shall constitute liquidated damages to reimburse Landlord for expenses and other damages incurred by Landlord as a result of Tenant's late payment of the rental installment.

3.3 Following the Initial Term, the Landlord may from time to time, at his/her/its option, and upon thirty days' notice to Tenant, increase the monthly rent hereunder.

4. **Security Deposit.** Upon execution of this Agreement, the Tenant shall deposit with the Landlord the sum of \$_____ to secure the faithful performance of the Tenant's promises and duties contained herein (the "Security Deposit"). The Security Deposit shall be held, and upon the termination of the tenancy be applied, in the manner and for the purposes set forth below.

4.1 Upon any termination of the Tenancy created in this agreement, the Landlord may deduct from the Security Deposit amounts sufficient to pay:

4.1.1 Any damages sustained by the Landlord as a result of the Tenant's non-payment of rent or nonfulfillment of the Initial Term or any renewal periods including the Tenant's failure to enter into possession;

4.1.2 Any damages to the Premises for which the Tenant or its employees, invitees or licensees are responsible;

4.1.3 Any unpaid bills that become a lien against the Premises due to the Tenant's occupancy;

4.1.4 Any costs of rerenting the Premises after a breach of this Agreement by the Tenant;

4.1.5 Any court costs incurred by the Landlord in connection with terminating the tenancy; and,

- 4.1.6 Any other damages of the Landlord that may then be a permitted use of the Security Deposit under applicable law.
- 4.2 After having deducted the above amounts, the Landlord shall, if the Tenant's address is known to him or her, refund to the Tenant, within thirty days after the termination of the tenancy and delivery of possession, the balance of the Security Deposit along with an itemized statement of any deductions.
- 4.3 If the Tenant's address is unknown to the Landlord, the Landlord may deduct the above amounts and shall then hold the balance of the Security Deposit for the Tenant's collection for a six-month period beginning upon the termination of the tenancy and delivery of possession by the Tenant. If the Tenant fails to make demand for the balance of the Security Deposit within the six-month period, the Landlord shall not thereafter be liable to the Tenant for a refund of the Security Deposit or any part thereof.
- 4.4 The Tenant shall in no circumstance be entitled to receive interest on the Security Deposit.
5. **Assignment.** The Tenant shall not assign this Agreement or sublet the Premises in whole or in part. If the Tenant is a corporation, limited partnership, or limited liability company, the sale or encumbrance of a majority of its outstanding voting stock, memberships, or other ownership interests shall be deemed to be an assignment of this lease.
6. **Tenant's Duties Upon Termination.** Upon any termination of the tenancy created hereunder, whether by the Landlord or the Tenant, and whether for breach or otherwise, the Tenant shall:
- 6.1 Pay all utility bills due for services to the Premises for which Tenant is responsible;
- 6.2 Have all such utility services discontinued, or, at the Landlord's option, transferred into the name of the Landlord or a person designated by the Landlord;
- 6.3 Vacate the Premises removing therefrom all Tenant's personal property of whatever nature; provided, however, that Tenant hereby covenants and agrees that all additions and other improvements installed in the demised premises by Tenant, including, without limitation, all electric wiring, electric fixtures, air-conditioning systems, and carpeting, shall immediately become the property of Landlord and shall not be removed by Tenant unless requested to do so by

Landlord, in which event Tenant agrees to do so and to repair promptly any damage caused by any such removal.

6.4 Properly sweep and clean the Premises, including plumbing and other fixtures, removing therefrom all rubbish, trash, and refuse, failing which the Tenant shall become liable to the Landlord, without notice or demand, for a cleaning fee of \$_____ ;

6.5 Make such repairs and perform such other acts as are necessary to return the Premises, and any appliances or fixtures furnished in connection therewith, in the same condition as when this Agreement was executed, ordinary wear and tear excepted;

6.6 Fasten and lock all doors and windows;

6.7 Return to the Landlord the keys to the Premises; and,

6.8 Notify the Landlord of the address to which the balance of the Security Deposit may be returned.

7. **Acceptance of Premises.** The Tenant acknowledges that he/she has inspected the Premises and he/she agrees that the Premises and any common areas used in connection with them are in a safe, fit, and habitable condition and, where applicable, that the electrical, plumbing, sanitary, heating, ventilating, air-conditioning, and other appliances furnished with the Premises are in a good and proper working order. The Tenant also acknowledges that no representation as to the condition or state of repair of the Premises has been made.

8. **Landlord's Obligations.** Unless otherwise agreed upon, the Landlord shall:

8.1 Comply with the applicable building codes to the extent required by such codes; and,

8.2 Keep all common areas, if any, used in conjunction with the Premises in a clean and safe condition.

9. **Tenant's Obligations.** Unless otherwise agreed upon by Landlord and Tenant, the Tenant shall:

9.1 Use the Premises for the purpose stated in paragraph 1 above and for no other purpose;

9.2 Not use the Premises for any unlawful or immoral purposes or occupy them in such a way as to constitute a nuisance;

- 9.3 Keep the Premises, including, but not limited to, all plumbing fixtures, facilities and appliances, and any common areas and yards used by him/her/it in connection with the Premises in a clean, safe, sanitary, and presentable condition;
- 9.4 Comply with any and all obligations imposed upon tenants by applicable building codes and local, state, and federal laws, rules, ordinances, and regulations;
- 9.5 Use in a proper, reasonable, and careful manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning, and other facilities and appliances, located at the Premises, and Tenant shall be liable to Landlord for any damages caused by his/her/its failure to comply with this requirement;
- 9.6 Dispose of all refuse, rubbish, garbage, and other waste in a clean and safe manner and comply with all applicable ordinances concerning garbage collection, waste, and other refuse;
- 9.7 Not deliberately or negligently destroy, deface, damage, or remove any part of the Premises (including all facilities, appliances, and fixtures) or permit any person, known or unknown to the Tenant, to do so;
- 9.8 Be responsible for and liable to the Landlord for all damage, to defacement of, or removal of property from the Premises whatever the cause, except such damage, defacement, or removal caused by ordinary wear and tear and natural forces;
- 9.9 Permit the Landlord (and the Landlord hereby reserves the right) to enter the Premises during reasonable hours for the purpose of:
 - 9.9.1 Inspecting the Premises and the Tenant's compliance with the terms of this Agreement;
 - 9.9.2 Making such repairs, alterations, improvements, or additions thereto as the Landlord may deem appropriate; and,
 - 9.9.3 Showing the Premises to prospective purchasers or tenants (the Landlord shall have the right to display "For Sale" or "For Rent" signs in a reasonable manner upon the Premises);
- 9.10 Pay the costs of all utility services to the Premises, including, but not limited to, water, electric, telephone, cable, and gas or oil services;

- 9.11 Conduct him- or herself and require all other persons on the Premises with Tenant's consent to conduct themselves in a reasonable manner and so as not to create a nuisance; and,
- 9.12 Not abandon or vacate the Premises during the Initial Term or any renewals or extensions thereof. The Tenant shall be deemed to have abandoned or vacated the Premises if Tenant removes substantially all his/her/its possessions from the Premises.
- 9.13 Not permit any mechanic's, materialman's, or similar lien to stand against any portion of the premises for any labor or material furnished in connection with any work performed or caused to be performed by the Tenant.
- 9.14 Within ten days of a request by the Landlord, certify by a duly executed and acknowledged written instrument to any person designated by the Landlord, as to the validity and force and effect of this lease, as to the existence of any default on the part of any party thereunder, as to the existence of any offsets, counterclaims, or defenses on the part of Tenant, and as to any other matters as may be reasonably requested by the Landlord.
- 9.15 Make all repairs to the Premises except as may be necessitated by ordinary wear and tear to keep the Premises in a fit and habitable condition; provided, however, that Landlord shall be responsible for maintenance and repair of the roof and exterior walls. The Landlord shall not, however, be required to make any repairs necessitated by the Tenant's intentional or negligent misuse of the Premises.
- 9.16 Promptly repair all facilities and appliances that are a part of the Premises, including electrical, plumbing, sanitary, heating, ventilating, and air-conditioning systems.
10. **Tenant's Default.** In the event the Tenant shall (a) fail to pay the rentals herein reserved as and when the same shall become due hereunder; or, (b) fail to perform any other promise, duty, or obligation herein agreed to by him/her/it or imposed upon him/her/it by law, and such failure shall continue for a period of five days from the date the Landlord provides Tenant with written notice of such failure; then in either of such events and as often as either of them may occur, the Landlord, in addition to all other rights and remedies provided by law, may, at its option and with or without notice to Tenant, either (a) terminate this Agreement or (b) terminate the Tenant's right to possession of the Premises without terminating this Agreement.

- 10.1 Regardless of whether Landlord terminates this Agreement or only terminates the Tenant's right of possession without terminating this Agreement, Landlord shall be immediately entitled to possession of the premises and the Tenant shall peacefully surrender possession of the Premises to Landlord immediately upon Landlord's demand. In the event Tenant shall fail or refuse to surrender possession of the Premises, Landlord shall, in compliance with applicable law, reenter and retake possession of the Premises.
- 10.2 In the event Landlord terminates this Agreement, all further rights and duties hereunder shall terminate and Landlord shall be entitled to collect from Tenant all accrued but unpaid rents and any damages resulting from the Tenant's breach.
- 10.3 In the event Landlord terminates the Tenant's right of possession without terminating this Agreement, Tenant shall remain liable for the full performance of all the covenants hereof, and Landlord shall use reasonable efforts to relet the Premises on Tenant's behalf. Any such rentals reserved from such reletting shall be applied first to the costs of reletting the Premises and then to the rentals due hereunder. In the event the rentals from such reletting are insufficient to pay the rentals due hereunder in full, Tenant shall be liable to the Landlord for any deficiency.
- 10.4 In the event Landlord institutes a legal action against the Tenant to enforce this Agreement or to recover any sums due hereunder, Tenant agrees to pay Landlord reasonable attorney's fees in addition to all other damages. The Landlord's damages shall in no way be limited by the amount of the Security Deposit described in paragraph 4.
11. **Landlord's Default, Limitations of Remedies, and Damages.** No defaults by the Landlord in the performance of any of the promises or obligations herein agreed to by him/her/it or imposed upon him/her/it by law shall constitute a material breach of this agreement, and the Tenant shall have no right to terminate this Agreement for any such default or suspend his/her performance hereunder, until the Tenant notifies the Landlord in writing of the alleged default and affords the Landlord a reasonable time within which to cure the default.
- 11.1 In no event and regardless of their duration, shall any defective condition or conditions of or failure or failures to repair, maintain, or provide any common area, fixture, or facility used in connection with the Premises, including, but not limited to, parking areas or garages, constitute a material breach of this

Agreement, and the Tenant shall have no right to terminate this Agreement or to suspend his/her performance hereunder.

11.2 In any legal action instituted by the Tenant against the Landlord, whether for partial or material breach or breaches of this Agreement or any obligation imposed by law upon the Landlord, the Tenant's damages shall be limited to the difference, if any, between the rent reserved in this Agreement and the reasonable rental value of the Premises, taking into account the Landlord's breach or breaches, and in no event shall the Tenant collect any consequential or secondary damages resulting from the breach or breaches, including, but not limited to, the following items: injury or destruction of furniture or other personal property of any kind located in or about the Premises, moving expenses, storage expenses, alternative interim housing expenses, and expenses of locating and procuring alternative housing.

12. **Alterations.** The Tenant shall not paint or decorate the Premises or make any alterations, additions, or improvements in or to the Premises without the Landlord's prior written consent and then only in a workmanlike manner using materials and contractors approved by the Landlord. All such work shall be done at the Tenant's expense and at such times and in such manner as the Landlord may approve. All alterations, additions, and improvements upon the Premises, made by either the Landlord or Tenant, shall become the property of the Landlord and shall remain upon and become a part of the Premises at the end of the tenancy hereby created.

13. **Waiver.** No waiver of any breach of any obligation or promise contained herein shall be regarded as a waiver of any future breach of the same or any other obligation or promise.

14. **Form and Interpretation.** In construing this Agreement, the following rules shall be applied:

14.1 Paragraph headings are used only for convenience of reference and shall not be considered as a substantive part of this Agreement.

14.2 Words in the singular shall include the plural and the masculine shall include the feminine and neuter genders, as appropriate.

14.3 The invalidity of one or more provisions of this Agreement shall not affect the validity of any other provisions hereof and this Agreement shall be construed and enforced as if such invalid provision(s) were not included.

- 14.4 If two or more persons are tenants hereunder, then the term "Tenant" shall refer to all such persons individually and collectively and their duties, obligations, and liabilities hereunder shall be joint and several.
15. **Notices.** Any notices required or authorized to be given hereunder or pursuant to applicable law shall be mailed or hand-delivered to the following addresses:
- 15.1 To Tenant at the address of the Premises.
- 15.2 To Landlord at the address to which rental payments are sent.
16. **Eminent Domain and Casualties.** The Landlord shall have the option to terminate this Agreement if the Premises, or any part thereof, are condemned or sold in lieu of condemnation or damaged by fire or other casualty.
17. **Tenant's Insurance, Release, and Indemnity Provisions.** The Tenant shall insure any of his/her/its personal property located or stored upon the premises against the risks of damage, destruction, or loss resulting from theft, fire, storm, and all other hazards and casualties. Such insurance shall be in an amount equal to the replacement value of the property so insured and shall be placed in such companies as are selected by the Tenant. Regardless of whether the Tenant secures such insurance, the Landlord and his/her/its agents shall not be liable for any damage to, destruction of, or loss of any of the Tenant's personal property located or stored upon the Premises regardless of the cause or causes of such damage, destruction, or loss. The Tenant agrees to release and indemnify the Landlord and his/her/its agents from and against liability for injury to the person of the Tenant or to any members of his/her household resulting from any cause whatsoever except only such personal injury caused by the negligent or intentional acts of the Landlord.
18. **Counterparts.** This Agreement is executed under seal this ____ day of _____, 20____, in two counterparts with an executed counterpart being retained by each party to the Agreement.

Tenant:

Landlord:
