

# GROSS COMMERCIAL LEASE AGREEMENT

**Premises:** [PREMISES ADDRESS] **Effective Date:** **Governing State:** [STATE]

This Commercial Lease Agreement (this "Lease") is entered into and made effective as of (the "Effective Date"), by and between [LANDLORD NAME], a Llc, with a notice address of [LANDLORD S NOTICE ADDRESS] ("Landlord"), and [TENANT NAME], a Llc, with a notice address of [TENANT S NOTICE ADDRESS] ("Tenant"). Landlord and Tenant are each a "Party" and together the "Parties."

## 1. Premises

Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the premises located at [PREMISES ADDRESS], consisting of approximately [RENTABLE SQUARE FOOTAGE] rentable square feet (the "Premises"), together with the non-exclusive right to use common areas of the building and any parking expressly designated for Tenant, subject to the terms of this Lease. The difference between rentable and usable square footage reflects Tenant's pro-rata share of building common areas (the "load factor") calculated in accordance with BOMA standards.

## 2. Term

The initial term of this Lease shall commence on \*\*\*\* (the "Commencement Date") and shall expire on \*\*\*\* (the "Expiration Date"), unless earlier terminated or extended in accordance with this Lease (the "Initial Term"). The Initial Term shall consist of approximately 5 years.

**Renewal option(s).** Provided Tenant is not in default beyond any applicable cure period, Tenant shall have 1 option(s) to extend the term for an additional period of 5 year(s) each, exercisable by written notice delivered to Landlord not less than nine (9) months and not more than twelve (12) months prior to the then-current expiration date.

**Fair Market Rent — appraisal procedure.** Base rent for each renewal period shall equal the then-current Fair Market Rent ("FMR") for comparable commercial space in the same submarket, determined, if the Parties cannot agree within thirty (30) days after Tenant's exercise notice, by a three-appraiser MAI procedure. Each Party bears the cost of its own appraiser; the third appraiser's fee is split equally.

## 3. Base Rent — Gross Lease Structure

Tenant shall pay to Landlord base rent in the amount of \*\*\*\* ( ) per month ("Base Rent"), payable in advance on or before the first (1st) day of each calendar month during the term, without demand, deduction, or offset. **This is a gross (full-service) lease: Base Rent is inclusive of real property taxes, building insurance, structural maintenance, and, to the extent provided in Section 7, utilities and common-area services.**

**Annual escalation.** Base Rent shall increase by **3%** on each anniversary of the Commencement Date, compounded annually.

**Late charges.** Any Base Rent or additional rent not received within 5 days of the due date shall bear a late charge equal to five percent (5%) of the overdue amount, plus interest at the lesser of twelve percent (12%) per annum or the maximum rate permitted by applicable law.

#### **4. Security Deposit**

Tenant shall deposit \*\*\*\* with Landlord as security for Tenant's faithful performance. Landlord may apply the deposit to cure any default. Any balance shall be returned within thirty (30) days after expiration and proper surrender, with an itemized statement of deductions.

#### **5. Permitted Use**

Tenant shall use the Premises solely for **[PERMITTED USE OF THE PREMISES]** and for no other purpose without Landlord's prior written consent. Tenant is solely responsible for obtaining all permits, licenses, and approvals. Landlord makes no representation that the Premises are properly zoned for Tenant's intended use.

#### **6. Expense Allocation — Gross Lease**

**Landlord pays.** Landlord shall pay, as a component of Base Rent and not as a pass-through: (a) all real property taxes and ad valorem assessments; (b) all premiums for building property and casualty insurance and common-area liability insurance; (c) all costs of structural maintenance, roof, exterior walls, foundation, and base building systems; (d) common area maintenance, landscaping, snow removal, and exterior lighting; and (e) Landlord's management and administrative costs. No CAM reconciliation, true-up, or expense pass-through applies to this Lease except as expressly provided herein.

#### **7. Utilities**

Tenant shall pay, directly to providers, all charges for electricity, gas, water, sewer, telecommunications, and trash removal serving the Premises.

#### **8. Maintenance, Repairs, and Alterations**

**Landlord obligations.** Landlord shall maintain the structural components, roof, foundation, exterior walls, and base-building systems. **Tenant obligations.** Tenant shall maintain the interior of the Premises, trade fixtures, and any alterations Tenant makes. **Alterations.** No structural alteration without Landlord's consent (not unreasonably withheld); non-structural alterations under \$10,000 require notice only. Tenant shall keep the Premises free of mechanic's liens and shall discharge any such lien within twenty (20) days.

## 9. Insurance

Tenant shall maintain: (a) CGL of **\$1,000,000.00** per occurrence / **\$2,000,000.00** aggregate, naming Landlord and lender as additional insureds on a primary and non-contributory basis; (b) property insurance on Tenant's personal property and improvements at replacement cost; (c) business interruption insurance covering at least twelve (12) months; and (d) Workers' Compensation as required by [STATE] law with Employer's Liability of \$1,000,000.

**Waiver of subrogation.** Each Party waives rights of recovery against the other for losses covered (or required to be covered) by property insurance, and shall cause its carriers to endorse a waiver in favor of the other Party.

## 10. Assignment and Subletting

No assignment or subletting without Landlord's prior written consent (not unreasonably withheld, conditioned, or delayed). Permitted transfers without consent to affiliates under common control, successors by merger/consolidation, or purchasers of substantially all assets, provided tangible net worth is maintained. 50% of net excess consideration over Base Rent is payable to Landlord.

## 11. Default and Remedies

**Events of Default.** (1) Non-payment uncured within 5 days after notice; (2) non-monetary breach uncured within 30 days after notice; (3) insolvency/bankruptcy/receivership; (4) abandonment; (5) material misrepresentation. **Remedies.** Termination with accelerated damages (present-valued at the federal mid-term rate), re-entry and reletting with deficiency recovery, recovery of attorneys' fees, reletting costs, unamortized TIA, and abated rent.

## 12. Holdover

Holdover rent equals **150%** of the last month's Base Rent, prorated daily, plus consequential damages. Acceptance of holdover rent shall not create a new tenancy.

## 13. Damage, Destruction, and Condemnation

**Casualty.** If repair can be completed within 180 days, Landlord shall restore the shell; Base Rent abates equitably. Otherwise either Party may terminate. **Condemnation.** Full taking terminates the Lease; partial taking rendering the remainder unsuitable permits termination. Base Rent abates proportionally; Tenant may pursue a separate award for fixtures, improvements it paid for, moving costs, and business interruption.

## 14. SNDA

This Lease is subordinate to existing/future mortgages and ground leases, subject to Landlord's commercially reasonable efforts to obtain a Subordination, Non-Disturbance and Attornment Agreement from each lender/ground lessor within sixty (60) days.

## 15. Estoppel Certificate

Each Party shall deliver an estoppel certificate within fifteen (15) business days of request, confirming status, rent paid, deposit, term dates, and defaults (if any). Failure to deliver is an Event of Default.

## 16. Indemnification

Tenant indemnifies Landlord (and vice versa) for claims arising out of the indemnifying Party's use, negligence, willful misconduct, or breach. **Waiver of consequential damages** except for intentional misconduct or holdover.

## 17. ADA — 42 U.S.C. §12181 et seq.

Landlord: base building and common areas as of the Commencement Date. Tenant: interior, alterations, and barriers from Tenant's use. Path-of-travel costs triggered by Tenant's alterations (28 C.F.R. §36.403) are Tenant's. Mutual indemnities within each area of responsibility.

## 18. Environmental — CERCLA/RCRA

Tenant shall not use, generate, store, release, or dispose of Hazardous Materials in violation of Environmental Laws (including CERCLA, 42 U.S.C. §§9601-9675, and RCRA, 42 U.S.C. §§6901-6992k). Mutual indemnity for environmental contamination caused by each Party's agents or invitees, including remediation, fines, and third-party claims.

## Good-Guy Guaranty (Exhibit G)

\*\*\*\* guarantees rent accruing through the date Tenant: (a) vacates and surrenders in required condition; (b) delivers keys; (c) is current on all rent through surrender; and (d) gave at least three (3) months' prior written notice. Upon all four conditions, prospective liability terminates.

## Force Majeure

Neither Party (except as to monetary obligations) shall be in default for delays caused by acts of God, war, terrorism, civil unrest, governmental orders (including pandemic/capacity orders), epidemic/pandemic, fire, flood, earthquake, or unavailability of materials. **Rent is not excused.** If the event continues more than **180** consecutive days and materially impairs Tenant's operation, either Party may terminate on 30 days' notice.

**19. Notices**

Notices by personal delivery, overnight courier, certified mail return receipt, or email with written confirmation of receipt, to the addresses in the preamble.

**20. State-Specific Provisions**

**21. General Provisions**

**Governing Law; Venue.** [STATE] law; county venue.

**Dispute resolution.** Exclusive jurisdiction in state/federal courts of the county where the Premises are located.

**Attorneys' fees.** Prevailing Party recovers fees and costs.

**Quiet Enjoyment. Entire Agreement. Severability. Binding Effect. Counterparts / ESIGN / UETA. Memorandum of Lease. Brokers.** Standard commercial provisions apply.

**Signatures**

**Landlord**

\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

**Tenant**

\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

**Guarantor**

**Guarantor**

\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
SIGNATURE

DATE

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