

# Commercial Lease (First-Time Tenant)

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## COMMERCIAL LEASE AGREEMENT

This Commercial Lease Agreement (this "Lease") is entered into as of [DATE] (the "Effective Date") between [LANDLORD NAME] ("Landlord") and [TENANT NAME] ("Tenant").

- 1. Premises and Term.** Landlord leases to Tenant approximately [NUMBER] rentable square feet at [ADDRESS] (the "Premises") for a term of [60] months commencing on [COMMENCEMENT DATE] and ending on [EXPIRATION DATE] (the "Initial Term"), with [TWO] options to renew for additional [60-month] terms upon [180] days written notice.
- 2. Base Rent.** Tenant shall pay Base Rent of \$[AMOUNT] per year (\$[AMOUNT/12] per month), payable in advance on the first day of each month. Base Rent shall increase by [3%] annually on each anniversary of the Commencement Date.
- 3. Common Area Maintenance (CAM).** Tenant shall pay its proportionate share of CAM expenses. CAM is capped at [5%] annual increase for controllable expenses. Capital improvements shall be amortized over their useful life and not included in CAM. Tenant shall have an annual audit right with a [3]-year look-back period.
- 4. Property Taxes and Insurance.** Tenant shall pay its proportionate share of property tax increases above the Base Year amount, capped at [5%] annual increase. Landlord shall maintain building insurance; Tenant shall carry general liability insurance with minimum limits of \$[1,000,000] per occurrence.
- 5. Tenant Improvements.** Landlord shall provide a tenant improvement allowance of \$[AMOUNT] per rentable square foot as an outright contribution (not amortized into rent). Tenant shall complete build-out within [120] days of the Commencement Date.
- 6. Use Clause.** The Premises shall be used for [USE DESCRIPTION] and any related lawful business purposes. Tenant may modify use upon [30] days written notice to Landlord, provided the new use does not violate applicable zoning or pose increased risk to the property.
- 7. Maintenance and Repair.** Tenant shall maintain the interior of the Premises and trade fixtures. Landlord shall maintain the roof, foundation, structural elements, exterior, parking areas, and HVAC systems serving the Premises. Each party's maintenance obligations are at its own cost.
- 8. Assignment and Subletting.** Tenant may assign this Lease or sublet the Premises with Landlord's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed. Assignment in connection with the sale of substantially all of Tenant's business shall not require Landlord consent.
- 9. Default and Cure.** Tenant shall be in default upon failure to pay Base Rent or other charges within [10] days after written notice. For non-monetary defaults, Tenant shall have [30] days to cure after written notice.
- 10. Holdover Rent.** If Tenant remains in possession after expiration without a written renewal, Tenant shall pay holdover rent at [150%] of Base Rent for the first [60] days, then on a month-to-month basis subject to termination by either party on [30] days notice.
- 11. Personal Guarantee.** [INCLUDE IF REQUIRED]. The owners of Tenant ("Guarantors") personally guarantee Tenant's obligations under this Lease. Guarantors' obligations are limited to [24] months of Base Rent and shall step down by [25%] after each [12] months of on-time payments. Guarantee carves out homestead property under applicable state law.

12. Termination Rights. Tenant shall have a one-time right to terminate this Lease effective at the end of month [36], upon (a) [180] days written notice and (b) payment of a termination fee equal to the unamortized portion of any tenant improvement allowance plus [3] months of Base Rent.

13. Governing Law. This Lease shall be governed by the laws of the State of [STATE].

[SIGNATURE BLOCKS]