

# MICHIGAN COMMERCIAL LEASE AGREEMENT

This **Michigan Commercial Lease Agreement** made on \_\_\_\_\_ (mm/dd/yyyy) by and between \_\_\_\_\_, the "Landlord" and \_\_\_\_\_, the "Tenant". The Landlord and Tenant are collectively referred to in this Lease Agreement as the "Parties".

Landlord is the owner of land and improvements commonly known and numbered as \_\_\_\_\_ (Building Name) situated in \_\_\_\_\_ (Building Address), and legally described as follows (the "Building"): \_\_\_\_\_, (Legal Description of Building).

**THEREFORE**, in consideration of the mutual promises herein, contained and other good and valuable consideration, it is agreed:

- 1. LEASE TERM.** Landlord hereby leases the Leased Premises to Tenant, and Tenant hereby leases the same from Landlord, for an "Initial Term" beginning \_\_\_\_\_ (mm/dd/yyyy), and ending on \_\_\_\_\_ (mm/dd/yyyy). Landlord shall use its best efforts to give Tenant possession as nearly as possible at the beginning of the Lease term. If Landlord is unable to timely provide the Leased Premises, rent shall abate for the period of delay. Tenant shall make no other claim against Landlord for any such delay.
- 2. RENT.** Tenant shall pay to Landlord during the Initial Term rental of \$\_\_\_\_\_ per year, payable in installments of \$\_\_\_\_\_ per month. Each installment payment shall be due in advance on the first day of each calendar month during the lease term to Landlord at \_\_\_\_\_ or at such other place designated by written notice from Landlord or Tenant. The rental payment amount for any partial calendar months included in the lease term shall be prorated on a daily basis.
- 3. SECURITY DEPOSIT.** In addition to the above, a deposit in the amount of \$\_\_\_\_\_ shall be due and payable in advance or at the signing of this Lease



Agreement, hereinafter referred to as the "Security Deposit", and shall be held in escrow by the Lessor in a separate, interest-bearing savings account as security for the faithful performance of the terms and conditions of the Lease. The Security Deposit may not be used to pay the last month's rent unless written permission is granted by the Lessor.

- 4. **USE.** Notwithstanding the forgoing, Tenant shall not use the Leased Premises for the purposes of storing, manufacturing or selling any explosives, flammables or other inherently dangerous substance, chemical, thing or device.
  
- 5. **EXPENSES.** Check whether this lease will be Triple Net (NNN), Modified Gross, or Gross.

- **Triple Net (NNN).** Landlord and Tenant acknowledge and agree that this Lease is intended to operate, function, and be interpreted as a triple net lease. Accordingly, except as expressly provided in this Lease, (i) Tenant shall be responsible for all costs and expenses associated with the Building and Premises, and (ii) Landlord shall have no responsibility for making any expenditure or for incurring any obligation, cost, expense, or liability of any kind whatsoever in connection with this Lease or the ownership, alteration, maintenance, operation, repair, or replacement of the Building and Premises.

- **Modified Gross.** This Lease is hereby considered a Modified Gross Lease; the Lessor shall pay the following expenses for the duration of the lease:

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The Lessee shall pay the following monthly expenses in addition to the Base Rent:

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- **Gross Lease.** This shall be a gross Lease; however, it is intended that



Base Rent shall be paid to Landlord absolutely net of all costs and expenses other than Operating Expenses each year equal to Tenants Proportionate Share of Base Year Operating Expenses, except as otherwise specifically provided to the contrary in this Lease. The provisions for payment of increases in Operating Expenses and the Operating Expense Adjustment are intended to pass on to Tenant and reimburse Landlord for all costs and expenses incurred in connection with the ownership, management, maintenance, repair, preservation, replacement and operation of the Building and its supporting facilities and such additional facilities in excess of the Base Year Operating Expenses, now and in subsequent years as may be determined by Landlord to be necessary or desirable to the Building, provided that Landlord shall use its reasonable efforts to minimize Operating Expenses in a manner consistent with good business practices.

6. **NOTICE.** Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

Landlord Notice Address: \_\_\_\_\_.

Tenant Notice Address: \_\_\_\_\_.

Landlord and Tenant shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.

7. **BROKERS.** Check One (1):

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

- Tenant was shown the property by \_\_\_\_\_ who is a licensed real estate agent in the State of \_\_\_\_\_ from \_\_\_\_\_ Agency. Landlord and Tenant agree to abide by the signing party's listing agreement and to pay the commission amount specified.



**8. DAMAGE AND DESTRUCTION.** If the Leased Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Tenant's purposes, then Tenant shall have the right within \_\_\_\_\_ days following damage to elect by notice to Landlord to terminate this Lease as of the date of such damage. In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unusable for Tenant's purposes, Landlord shall promptly repair such damage at the cost of the Landlord. In making the repairs called for in this paragraph, Landlord shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Landlord. Tenant shall be relieved from paying rent and other charges during any portion of the Lease term that the Leased Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Tenant's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Tenant. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Tenant's reasonable control and which renders the Leased Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Tenant's purposes.

**9. DEFAULT.** If default shall at any time be made by Tenant in the payment of rent when due to Landlord as herein provided, and if said default shall continue for \_\_\_\_\_ days after written notice thereof shall have been given to Tenant by Landlord, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Tenant, and such default shall continue for thirty (30) days after notice thereof in writing to Tenant by Landlord without correction thereof then having been commenced and thereafter diligently prosecuted, Landlord may declare the term of this Lease ended and terminated by giving Tenant written notice of such intention, and if possession of the Leased Premises is not surrendered, Landlord may reenter said premises. Landlord shall have, in addition to the remedy above provided, any other right or remedy available to Landlord on account of any Tenant default, either in law or equity. Landlord shall use reasonable efforts to mitigate its damages.



- 10. SUBLEASE AND ASSIGNMENT.** Tenant shall have the right without Landlord's consent, to assign this Lease to a corporation with which Tenant may merge or consolidate, to any subsidiary of Tenant, to any corporation under common control with Tenant, or to a purchaser of substantially all of Tenant's assets. Except as set forth above, Tenant shall not sublease all or any part of the Leased Premises, or assign this Lease Agreement in whole or in part without Landlord's consent, such consent not to be unreasonably withheld or delayed.
- 11. ALTERATIONS AND IMPROVEMENTS.** Tenant, at Tenant's expense, shall have the right following Landlord's consent to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Leased Premises from time to time as Tenant may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials. Tenant shall have 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 premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenant at the commencement of the Lease term or placed or installed on the Leased Premises by Tenant thereafter, shall remain Tenant's property free and clear of any claim by Landlord. Tenant shall have 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 shall be repaired by Tenant at Tenant's expense.
- 12. SIGNS.** Following Landlord's consent, Tenant shall have the right to place on the Leased Premises, at locations selected by Tenant, any signs which are permitted by applicable zoning ordinances and private restrictions. Landlord may refuse consent to any proposed signage that is in Landlord's opinion too large, deceptive, unattractive or otherwise inconsistent with or inappropriate to the Leased Premises or use of any other tenant. Landlord shall assist and cooperate with Tenant in obtaining any necessary permission from governmental authorities or adjoining owners and occupants for Tenant to place or construct the foregoing signs. Tenant shall repair all damage to the Leased Premises resulting from the removal of signs installed by Tenant.



- 13. ENTRY.** Landlord shall have the right to enter upon the Leased Premises at reasonable hours to inspect the same, provided Landlord shall not thereby unreasonably interfere with Tenant's business on the Leased Premises.
- 14. PARKING.** During the term of this Lease Agreement, Tenant shall have the non - exclusive use in common with Landlord, other tenants of the Building, their guests and invitees, of the non-reserved common automobile parking areas, driveways, and footways, subject to rules and regulations for the use thereof as prescribed from time to time by Landlord. Landlord reserves the right to designate parking areas within the Building or in reasonable proximity thereto, for Tenant and Tenant's agents and employees.
- 15. BUILDING RULES.** Tenant will comply with the rules of the Building adopted and altered by 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 Landlord to Tenant in writing. The initial rules for the Building are attached hereto as Exhibit "A" and incorporated herein for all purposes.
- 16. QUIET POSSESSION.** Landlord covenants and warrants that upon performance by Tenant of its obligations hereunder, Landlord will keep and maintain Tenant in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Leased Premises during the term of this Lease.
- 17. CONDEMNATION.** If any legally, constituted authority condemns the Building or such part thereof which shall make the Leased Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession, and Landlord and Tenant shall account for rental as of that date. Such termination shall 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 shall have any rights in or to any award made to the other by the condemning authority.
- 18. SUBORDINATION.** 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 Tenant agrees that any such mortgagee shall have 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. 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 Tenant agrees upon demand to execute such further instruments subordinating this Lease or attorning to the holder of any such liens as Landlord may request. In the event that Tenant should fail to execute any instrument of subordination herein required to be executed by Tenant promptly as requested, Tenant hereby irrevocably constitutes Landlord as its attorney-in-fact to execute such instrument in Tenant's name, place and stead, it being agreed that such power is one coupled with an interest. Tenant agrees that it will from time to time upon request by Landlord execute and deliver to such persons as Landlord shall request 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 Landlord is not in default hereunder (or if Tenant alleges a default stating the nature of such alleged default) and further stating such other matters as Landlord shall reasonably require.

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

**20. MEMORANDUM OF LEASE.** The parties hereto contemplate that this Lease should not and shall not be filed for record, but in lieu thereof, at the request of either party, Landlord and Tenant shall execute a Memorandum of Lease to be recorded for the purpose of giving record notice of the appropriate provisions of this Lease.

**21. HEADINGS.** The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.



- 22. SUCCESSORS.** The provisions of this Lease shall extend to and be binding upon Landlord and Tenant and their respective legal representatives, successors and assigns.
  
- 23. CONSENT.** Landlord shall not unreasonably withhold or delay its consent with respect to any matter for which Landlord's consent is required or desirable under this Lease.
  
- 24. COMPLIANCE WITH LAW.** Tenant shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to Tenant's use of the Leased Premises. Landlord shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.
  
- 25. FINAL AGREEMENT.** 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.
  
- 26. GOVERNING LAW.** This Agreement shall be governed by the laws of the state of Michigan.

**27. REQUIRED DISCLOSURES / PROVISIONS**

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**IN WITNESS WHEREOF**, the parties hereto set their hands and seal this \_\_\_\_\_ day of \_\_\_\_\_ (month), 20\_\_\_\_\_.

**Landlord Signature:** \_\_\_\_\_ Date: \_\_\_\_\_ (mm/dd/yyyy)

Print Name: \_\_\_\_\_

**Tenant Signature:** \_\_\_\_\_ Date: \_\_\_\_\_ (mm/dd/yyyy)

Print Name: \_\_\_\_\_

**Tenant Signature:** \_\_\_\_\_ Date: \_\_\_\_\_ (mm/dd/yyyy)

Print Name: \_\_\_\_\_

**Agent Signature:** \_\_\_\_\_ Date: \_\_\_\_\_ (mm/dd/yyyy)

Print Name: \_\_\_\_\_

----- *WITNESS SIGNATURES OPTIONAL* -----

**Witness Signature:** \_\_\_\_\_ Date: \_\_\_\_\_ (mm/dd/yyyy)

Print Name: \_\_\_\_\_

**Witness Signature:** \_\_\_\_\_ Date: \_\_\_\_\_ (mm/dd/yyyy)

Print Name: \_\_\_\_\_

