

## SOUTH DAKOTA COMMERCIAL LEASE AGREEMENT

**The Parties.** This Commercial Lease Agreement ("Agreement") made this \_\_\_\_\_, 20\_\_ by and between:

**Landlord.** \_\_\_\_\_ [Landlord's Name], of \_\_\_\_\_ [Landlord's Street Address],  
State of \_\_\_\_\_, ("Landlord")

AND

**Tenant.** \_\_\_\_\_ [Tenant's Name], of \_\_\_\_\_ [Tenant's Street Address], State of \_\_\_\_\_,  
("Tenant").

Collectively, the Landlord and Tenant shall be referred to herein as the "Parties".

The Parties agree as follows:

**DESCRIPTION OF LEASED PREMISES:** The Lessor agrees to lease to the Lessee the following described \_\_\_\_\_  
square feet (SF) of \_\_\_\_\_ [type of space] located at \_\_\_\_\_  
\_\_\_\_\_ [street address], State of South Dakota.

Additional Description: \_\_\_\_\_

Hereinafter known as the "Premises".

**TERM OF LEASE.** The term of this Lease shall be for a period of \_\_\_\_ year(s) \_\_\_\_ month(s) commencing on the \_\_\_\_  
day of \_\_\_\_\_, 20\_\_ and expiring at Midnight on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_. ("Initial Term")

**PERMITTED USE.** Lessee agrees to continuously and at all times use and occupy the Premises during the Lease Term  
solely for the Permitted Use(s) as specified below ("**Permitted Use**"):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

No other use is permitted without prior written approval of Lessor, which approval Lessor may grant or withhold.

**RENT.** The Lessee shall pay the net amount of \$ \_\_\_\_\_ for every month for the duration of the Lease (herein  
after referred to as "**Rent**"). The rent shall be payable every \_\_\_\_ day of the month ("Due Date"), every month for the  
duration of the lease notwithstanding that the Due Date falls on a weekend or public holiday.

**OPTION TO RENEW:** (check one)

☐ - Tenant may not renew the Lease.

☐ - Tenant may have the right to renew the Lease with a total of \_\_\_\_ renewal period(s) with each term being \_\_\_\_ year(s) \_\_\_\_ month(s) which may be exercised by giving written notice to Landlord no less than 60 days prior to the expiration of the Lease or renewal period.

Rent for each option period shall: (check one)

☐ - Not increase.

☐ - Increase as calculated by multiplying the Base Rent by the annual change in the Consumer Price Index (CPI) published by the Bureau of Labor Statistics by the most recent publication to the option period start date.

☐ - Increase by \_\_\_\_%

☐ - Increase by \_\_\_\_\_ dollars (\$\_\_\_\_\_)

**EXPENSES.** The Parties agree that the responsibility for the expenses in relation to this Lease shall be borne as follows:

a. **Utilities.**

The Utilities including: electricity and water charges, communications, telephone and data charges, gas and \_\_\_\_\_, shall be borne and paid by (choose one) ☐ the Lessor ☐ the Lessee ☐ the Parties jointly.

b. **Maintenance.**

The Maintenance of the Premises including the following shall be borne and paid by (choose one) ☐ the Lessor ☐ the Lessee ☐ the Parties jointly: (Choose all that is applicable)

- ☐ Janitorial and pest control services
- ☐ Garbage removal
- ☐ Grease traps, drainage and pipes maintenance
- ☐ Parking maintenance
- ☐ Lawn maintenance
- ☐ Snow removal
- ☐ HVAC Maintenance
- ☐ Repairs other than Minor Repairs as defined herein.

c. **Insurance.** (Choose all that is applicable)

☐ Casualty Insurance. The Lessor ☐ The Lessee ☐ The Parties (jointly) shall be responsible for obtaining and maintaining casualty insurance for the Premises for losses against fire.

☐ Comprehensive General Liability Insurance. The Lessee shall procure and maintain a valid Comprehensive General Liability Insurance indemnifying the Lessor with minimum coverage of \$\_\_\_\_\_ for personal injury and \$\_\_\_\_\_ for damage to property.

d. **Taxes.**

The Lessee shall bear all Taxes and fees that are payable under Laws in connection with other payments made by the Lessee, the Lessee's interests under this Lease, the Lessee's improvements and property at the Premises, and the Lessee's activities at the Premises.

The Lessor ☐ The Lessee ☐ The Parties (jointly) shall bear all Taxes and fees that are payable under Laws in connection with the Rent.

The Lessor ☐ The Lessee ☐ The Parties (jointly) shall pay all Taxes and fees payable in connection with this Agreement under Laws to the extent that such Taxes and fees are payable under the applicable Laws by owners of buildings that are of a similar nature to the Premises, or by sub-lessors of land use rights (for example, real property, real estate and/or personal property taxes).

**SECURITY DEPOSIT.**

In addition to the above, a deposit in the amount of \_\_\_\_\_ dollars (\$\_\_\_\_\_), shall be due and payable in advance or at the signing of this Lease, hereinafter referred to as the "Security Deposit", and shall be held in escrow by the Landlord 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 Landlord.

**OBLIGATIONS OF THE LESSEE:**

- A. The Lessee shall keep the premises in a clean, sanitary, neat and presentable condition.
- B. The Lessee shall be responsible for the repairs, outside of ordinary wear and tear, of any part of the Premises that do not affect the structural parts of the building or structure in which it is located or those that are generally considered as minor repair ("**Minor Repairs**") including but not limited to replacing light bulbs, cleaning or repairs of windows, doors, toilets and similar appurtenances.
- C. The Lessee shall, at its sole expense restore, repair and/or rectify any damage, outside of ordinary wear and tear, to the Premises caused by the Lessee or others that the lessee permits into the Premises that are not covered or compensable by any insurance.

**LICENSES AND PERMITS.** A copy of any and all local, state or federal permits acquired by the Tenant which are required for the use of the Premises shall be kept on site at all times and shall be readily accessible and produced to the Landlord and/or their agents or any local, state, or federal officials upon demand.

**OBLIGATIONS OF LESSEE:** The Lessee shall be primarily responsible whenever needed for the maintenance and general pickup of the entranceway leading into the Premises, so that this is kept in a neat, safe and presentable condition. The Lessee shall also be responsible for all minor repairs and maintenance of the leasehold Premises, particularly those items which need immediate attention and which the Lessees, or their employees, can do and perform on their own, including but not limited to, the replacement of light bulbs, as well as the normal repair and

cleaning of windows, cleaning and clearing of toilets, etc., and the Lessee shall properly maintain the Premises in a good, safe, and clean condition. The Lessee shall properly and promptly remove all rubbish and hazardous wastes and see that the same are properly disposed of according to all local, state or federal laws, rules regulations or ordinances.

In the event the structure of the Premises is damaged as a result of any neglect or negligence of Lessee, their employees, agents, business invitees, or any independent contractors serving the Lessee or in any way as a result of Lessee's use and occupancy of the Premises, then the Lessee shall be primarily responsible for seeing that the proper claims are placed with the Lessee's insurance company, or the damaging party's insurance company, and shall furthermore be responsible for seeing that the building is safeguarded with respect to said damage and that all proper notices with respect to said damage, are made in a timely fashion, including notice to the Lessor, and the party or parties causing said damage. Any damage that is not covered by an insurance company will be the liability of the Lessee.

The Lessee shall, during the term of this Lease, and in the renewal thereof, at its sole expense, keep the interior of the Premises in as good a condition and repair as it is at the date of this Lease, reasonable wear and use excepted. This obligation would include the obligation to replace any plate glass damaged as a result of the neglect or acts of Lessee or her guests or invitees. Furthermore, the Lessee shall not knowingly commit nor permit to be committed any act or thing contrary to the rules and regulations prescribed from time to time by any federal, state or local authorities and shall expressly not be allowed to keep or maintain any hazardous waste materials or contaminates on the Premises. Lessee shall also be responsible for the cost, if any, which would be incurred to bring her contemplated operation and business activity into compliance with any law or regulation of a federal, state or local authority.

**RIGHT OF ENTRY.** The Lessor shall, upon giving \_\_\_\_days' notice, be granted by the Lessee access and allowed by the latter to enter the Premises to make necessary inspections, repairs or alterations on the property, or pursuant to any lawful purpose as the Lessor, provided that the time of entry requested is reasonable considering the purpose.

**INSURANCE.** In the event the Tenant shall fail to obtain insurance required hereunder and fails to maintain the same in force continuously during the term, Landlord may, but shall not be required to, obtain the same and charge the Tenant for same as additional rent. Furthermore, Tenant agrees not to keep upon the Premises any articles or goods which may be prohibited by the standard form of fire insurance policy, and in the event the insurance rates applicable to fire and extended coverage covering the Premises shall be increased by reason of any use of the Premises made by Tenant, then Tenant shall pay to Landlord, upon demand, such increase in insurance premium as shall be caused by said use or Tenant's proportionate share of any such increase.

**DAMAGE TO LEASED PREMISES.** If the event that the Premises and/or the structure or building in which it is located is damaged or destroyed by fire or other casualty without the fault or negligence of the Lessee or his agents, the Lessor shall, at its own expense, repair the damaged portion, the Premises, structure and/or building to restore the same to substantially the condition in which it was handed over to Lessee. The Rent shall be abated until such repairs are completed.

In the event such repair cannot be accomplished or of total destruction the Lease shall cease and terminate with no early termination or other liability accruing to either of the Parties.

**INDEMNIFICATION:** The Lessee hereby covenants and agrees to indemnify, defend and hold the Lessor harmless from any and all claims or liabilities which may arise from any cause whatsoever as a result of Lessee's use and occupancy of the Premises, and further shall indemnify the Lessor for any losses which the Lessor may suffer in connection with the Lessee's use and occupancy or care, custody and control of the Premises. The Lessee also hereby covenants and agrees to indemnify and hold harmless the Lessor from any and all claims or liabilities which may arise from any latent defects in the subject Premises that the Lessor is not aware of at the signing of the lease or at any time during the lease term.

**ENTIRE AGREEMENT.** This Lease and, if any, attached documents are the complete agreement between the Lessor and the Lessee concerning the Premises. There are no oral agreements, understandings, promises, or representations between the Lessor and the Lessee affecting this Lease. All prior negotiations and understandings, if any, between the Parties hereto with respect to the Premises shall be of no force or effect and shall not be used to interpret this Lease. No modification or alteration to the terms or conditions of this Lease shall be binding unless expressly agreed to by the Lessor and the Lessee in a written instrument signed by both Parties.

**GOVERNING LAW.** This Lease shall be governed by and its terms and conditions be interpreted according to the laws of the State of South Dakota.

**Lessee's Signature**

**Printed Name**

\_\_\_\_\_

\_\_\_\_\_

**Lessee's Signature**

**Printed Name**

\_\_\_\_\_

\_\_\_\_\_

**ACKNOWLEDGMENT OF NOTARY PUBLIC**

STATE OF \_\_\_\_\_

\_\_\_\_\_ County, ss.

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me appeared \_\_\_\_\_, as **LESSOR** of this Commercial Lease Agreement who proved to me through government issued photo identification to be the above-named person, in my presence executed foregoing instrument and acknowledged that they executed the same as their free act and deed.

\_\_\_\_\_

Notary Public

My commission expires:\_\_\_\_\_

## ACKNOWLEDGMENT OF NOTARY PUBLIC

STATE OF \_\_\_\_\_

\_\_\_\_\_ County, ss.

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me appeared \_\_\_\_\_, as **LESSEE** of this Commercial Lease Agreement who proved to me through government issued photo identification to be the above-named person, in my presence executed foregoing instrument and acknowledged that they executed the same as their free act and deed.

\_\_\_\_\_  
Notary Public

My commission expires:\_\_\_\_\_



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