

COMMERCIAL OFFICE LEASES

1. Term
 - a. Start upon “substantial completion.”
 - b. Evergreen?
2. Permitted Use
3. Rent
 - a. Base Rent
 - b. Additional Rent (Operations and Maintenance Charge)

“all sums incurred (even if not yet payable) in connection with the operation of the Building as deemed by the Landlord to be reasonable, appropriate and in the best interests of the Building and the cost of which is shared by a majority of the other office holders...”

- c. Examples of Additional Rent
 - Storm damage
 - Water and sewer
 - Electric
 - Steam
 - Gas
 - Telephone
 - Other Utilities
 - HVAC
 - Electrical
 - Fire detection and suppressers
 - Pest control
 - Identification Signs
 - Directory Signs
 - Parking Lots
 - Plate Glass
 - Janitorial Service
 - Depreciation of Machinery
 - Legal Fees
 - Salaries and benefits for personnel engaged in the cleaning, maintenance and management of the Building
 - Snow and Ice Removal
 - Trash Removal
- d. Tenant’s Percentage
- e. Annual Estimate; mid-term adjustment; annual reconciliation
- f. Retail and Office Allocations

4. Buildout (Fit out or Landlord's Work)
 - a. Allowance; cap
 - b. Construction drawings, "Nickel Plan" and Final Plan
5. HVAC Hours
6. Care of Building and Premises
 - a. Landlord Maintenance
 - Common Areas
 - Notice of problems
 - Fix within reasonable time
 - No Landlord repairs to:
tenant personal property; or
damage due to Tenant's acts or omissions
 - No liability for interference with Tenant's business during repairs
 - b. Tenant Maintenance
 - Everything except Paragraph a
 - If Tenant fails to repair, Landlord will repair and bill Tenant
7. No assignment or subletting without Landlord consent
 - a. Criteria
 - Reputation, financial responsibility, type of business, conflict with commitment to another tenant
 - b. Even with Landlord consent, Tenant remains liable
8. Fire or Other Casualty
 - a. If Premises are damaged Landlord will repair promptly at its expense; provided Landlord receives adequate insurance proceeds.
 - b. If, in Landlord's sole opinion, either (1) the Premises are substantially uninhabitable by reason of fire or other casualty or (2) 20% or more of the Premises is damaged and less than six months of the term will be remaining upon completion of the repairs, Landlord may elect not to make the repairs and the tenancy ends as of the date of the fire or other casualty occurrence.
 - c. If Building is substantially damaged, regardless of the whether or to what extent the Premises are damaged, the Landlord may terminate the tenancy.
9. Insurance
 - a. Tenant must obtain minimum kinds and amounts of coverage.
 - b. Landlord named as Loss Payee or Additional Insured.
 - c. Endorsement providing no termination of coverage without advance written notice to Landlord.

10. Eminent Domain

“Tenant waives all rights against Landlord and condemning authority except Tenant’s right to claim and prove “loss” in a separate proceeding.”

11. Default and Remedies

a. Default

- Failure to take possession within 15 days of notice that Premises are ready or “Landlord’s Work” is substantially completed.
- Abandonment of Premises by Tenant
- Failure to pay rent
- Failure of Tenant to comply with the Lease and failure continues for more than twenty days after notice from Landlord.
- Tenant’s insolvency
- Subletting, assignment or improper use

b. Remedies

- Landlord cures the default and recovers cost through additional rent
- Accelerate rent
- Terminate Lease
- Reenter and repossess
- Commence suit, in law and equity
- Confession of Judgment

12. Subordination

a. Lease subordinate to mortgage and lien of Building and/or Premises by Lender

b. Attornment

In the event of any foreclosure under any mortgage, Tenant, upon the mortgagor’s, purchaser’s or Landlord’s request, shall attorn to and recognize the mortgagor or purchaser as Landlord under this Lease.

13. Surrender and Holdover

a. Tenant shall return the Premises in the same condition, normal wear and tear excepted.

b. If Tenant holds over, the rent shall be 200% of the Base Rent plus Additional Rent

14. American With Disabilities Act

15. Moving Allowance; Relocation
 - a. Moving allowance
 - b. Relocation within the Building
 - Comparable location
 - Frequency
 - Reimbursement of costs