



LEASES

The following is a list of some of the major differences between the various leases published by the AIR.

SINGLE TENANT NET v. SINGLE TENANT GROSS

Paragraph 7

Net - the tenant is responsible for all maintenance

Gross – the landlord is responsible for the maintenance of the roof and foundations, but the tenant retains responsibility for keeping the roof and roof drainage systems free of debris.

Paragraph 8

Net – tenant pay and/or reimburses landlord for all insurance premiums

Gross – with regard to the insurance obtained by the landlord, tenant only reimburses landlord for the premiums to the extent that they exceed the base year premiums

Paragraph 10

Net – tenant pays all of the real property taxes

Gross- tenant only pays the increase over the base year

SINGLE TENANT GROSS v. LAND LEASE

The Land Lease is designed for use where the property is vacant or minimally improved. It is not intended for use re properties that are improved with buildings.

Paragraphs 1.6 and 4.3

In the Single Tenant Gross lease, the tenant pays any owner's association fees but there are no corresponding provisions in the Land lease.

Paragraph 2

Since the Land lease is intended for use with vacant properties the Lessor's warranties are much more limited (2.2) and the provisions re governmentally mandated capital expenditures have been eliminated (2.3).

Paragraph 7.1

Since the property is vacant or minimally improved, the repair and maintenance obligations of the tenant have been reduced, service contracts are limited to the landscaping (b) and the 'replacement' provisions (d) have been eliminated.

Paragraph 7.2

The landlord's maintenance and repair obligations have been eliminated.

Paragraph 9

Again, since it is contemplated that the property is vacant or only minimally improved, the provisions regarding damage and destruction in the Land lease are substantially more limited.

Paragraph 30.3

Unlike the Single Tenant Gross lease, in the Land lease the landlord is not required to attempt to obtain a non-disturbance agreement from existing lenders.

SINGLE TENANT INDUSTRIAL/COMMERCIAL v. MULTI-TENANT INDUSTRIAL/COMMERCIAL

Paragraph 1.6

Multi – sets out tenant’s share of the CAMs

Single – no corresponding provision, but see paragraph 40 re situations where there are multiple buildings.

Paragraphs 2.6 – 2.10

Multi – common area definitions, rules, parking, etc.

Single – no corresponding provisions except paragraph 40.

Paragraphs 4.1 and 4.2

Multi – CAM charges defined, etc.

Single – no corresponding provision except paragraph 40

Paragraph 7.2

Multi – landlord responsible for maintenance of common areas including the roof subject to reimbursement via the CAM charges

Single – no corresponding provision since no common areas

MULTI-TENANT COMMERCIAL/INDUSTRIAL LEASES v. MULTI-TENANT OFFICE LEASES

Paragraph 1.2

Office – embraces the concept of ‘rentable square footage’

Industrial – no corresponding provision

Paragraph 1.12

Office – defines building hours, hours and days of operation

Industrial – no corresponding provision

Paragraph 1.13

Office – discusses services that the landlord will NOT be providing

Industrial – no corresponding provision

Paragraph 2.6

Office – provides for charging for parking

Industrial – no corresponding provision

Paragraph 4.2

Office – discusses CAMs in terms of 95% occupancy

Industrial – no corresponding provision

Paragraph 7.1 and 7.2

Office – landlord responsible for most maintenance within the Premises

Industrial – tenant responsible for interior maintenance

Paragraph 11

Office – landlord provides utilities (except those separately metered)

Industrial – tenant pays for all utilities

Paragraph 41

Office – landlord may move tenant to other space within the project

Industrial – no corresponding provision

Rules

Office – lease has attachment listing rules re operation and parking

Industrial – no corresponding provision

MULTI-TENANT COMMERCIAL/INDUSTRIAL LEASES v. MULTI-TENANT RETAIL LEASE

Paragraph 1.2

Retail – provides for name of shopping center

Industrial – no corresponding provision

Paragraph 1.6

Retail – percentage rent

Industrial – no corresponding provision

Paragraph 1.8

Retail – merchant's association

Industrial – no corresponding provision

Paragraph 1.11

Retail – restriction re tenant's trade name

Industrial – no corresponding provision

Paragraph 2.6

Retail – employee parking restrictions

Industrial – no corresponding provision

Paragraph 2.12

Retail – allows landlord to remodel the shopping center

Industrial – no corresponding provision

Paragraph 4.2e

Retail – allows landlord to treat major tenants differently re CAMs

Industrial – no corresponding provision

Paragraph 6.1

Retail – deals with trade names, required hours of operation, exclusive use, and similar items

Industrial – no corresponding provision

Paragraph 34

Retail – strict rules re signs

Industrial – rules re signs significantly more lenient

Paragraph 42

Retail – allows landlord to relocate tenant to other space in the center

Industrial – no corresponding provision

NOTE: The above list is not intended to be a complete list of all of the differences between the various leases.