

MODEL LEASE CLAUSE

Set Conditions if You Give Tenant Right to Install Sign on Pylon

The following Model Lease Clause was drafted by New Jersey attorneys Evelyn S. Leonard and Marc L. Ripp. Use it in your lease if the tenant wants to install an identification sign on your shopping center's pylon.

The clause assumes that your center has only one pylon sign. If your center has more than one pylon sign and the tenant will be allowed to install an identification sign on some or all of them, you'll need to revise the clause so it applies to those pylon signs, says Leonard. If your center has several pylon signs but the tenant will have installation rights to only one of them, the clause

should list the exact location of the appropriate pylon sign so that there's no confusion, she advises.

Paragraph a gives the tenant the right to install a sign on the pylon subject to certain conditions; par. b gives you the right to cancel the tenant's pylon sign rights if certain events occur; and par. c sets out your rights if the tenant fails to remove its identification sign at the end of the lease. Make sure you define "Tenant's Work" elsewhere in the lease.

Show this clause to your attorney before putting it into your lease. **CLLI0031**

PYLON SIGN

- a. Right to Install Sign on Pylon.** Subject to Tenant obtaining and keeping current, at its expense, all required governmental approvals and permits and delivering original counterparts thereof to Landlord prior to the commencement of the installation work, as part of Tenant's Work, Tenant shall install, at its sole expense, an identification sign on the existing Shopping Center pylon sign ("Pylon"), on the following terms and conditions:
- (i) Tenant's identification sign shall be supplied, installed, maintained, and repaired by Tenant, at its sole expense, in the location selected solely by Landlord and shall be of a size, color, and design approved by Landlord, in writing, in Landlord's sole and absolute discretion;
 - (ii) Tenant's identification sign installer shall not perform any work on the Pylon unless Landlord has first given its approval, in writing, of such identification sign installer, which Landlord may grant, deny, or condition in its sole discretion;
 - (iii) Tenant shall, at all times, maintain its identification sign in good order and condition, properly lit, and in conformity with all governmental requirements;
 - (iv) Tenant shall pay Landlord, as Additional Rent, its proportionate share (based on total square footage of signage allocated to tenants) of all costs Landlord incurs to operate, illuminate, and maintain (including necessary replacements) the Pylon, including without limitation, insurance and utility costs;
 - (v) If Landlord chooses to refurbish or replace the Pylon, Tenant shall pay as Additional Rent its proportionate share (based on total square footage of signage allocated to tenants) of the refurbishment or repair costs, as indicated on Landlord's invoice, within *[insert #]* days after receipt of such invoice. After Landlord completes its work, Tenant, at its expense, shall, at Landlord's option, either reinstall its identification sign or supply a new identification sign acceptable to Landlord by a date established by Landlord;
 - (vi) If Landlord deems it necessary, in its sole and absolute discretion, to temporarily remove Tenant's identification sign from the Pylon, Landlord shall have the right to do so, providing it causes the same to be removed and re-installed at Landlord's expense;
 - (vii) Tenant shall remove its identification sign from the Pylon at the expiration or earlier termination of this Lease, install a blank panel on the Pylon immediately thereafter, and repair any damage caused by such removal; and
 - (viii) During the Lease Term (or any extension or renewal thereof), Tenant shall promptly comply, at its expense, with such other terms and conditions relating to use of the Pylon then imposed on other tenants identified on the Pylon.
- b. Cancellation of Pylon Sign Right During Lease Term.** If Tenant:
- (i) Defaults under the Lease;
 - (ii) Assigns the Lease;
 - (iii) Sublets any part or all of the Premises; or
 - (iv) Fails to occupy, or operate in, the entire Premises;
- then, at Landlord's sole option, Tenant's rights under this Clause shall be cancelled immediately, Landlord shall cease to have any obligations under this Clause, and Landlord may remove Tenant's identification sign from the Pylon at Tenant's sole expense.
- c. Failure to Remove Sign at End of Lease Term.** If Tenant fails to strictly comply with Paragraph a(vii) hereof, then, Tenant shall be deemed a holdover tenant of the Premises until Tenant strictly complies with such Paragraph, and, in addition to any rights and remedies Landlord may have at law, in equity, or under this Lease, Landlord may, at Tenant's sole expense:
- (i) Remove Tenant's identification sign from the Pylon;
 - (ii) Keep Tenant's identification sign without compensation to Tenant;
 - (iii) Discard Tenant's identification sign without liability to Landlord;
 - (iv) Install a blank panel on the Pylon in place of Tenant's identification sign; and/or
 - (v) Repair any damage that removal of Tenant's identification sign may have caused.