

MODEL LEASE CLAUSE

Add Chronic Violations Clause

The following lease clause was drafted by Alan Eidler, CEO of Spiegel Associates; Toronto attorney Harvey M. Haber; and New Jersey attorney Marc L. Ripp. Use it to discourage tenants from chronically violating their leases.

The clause gives you the right to take one or more actions (in addition to any other legal or lease remedies you may have) if the tenant violates the lease more than a set number of times during a 12-month period. Paragraph a lets you increase the

security deposit. Paragraph b lets you charge a violation fee. Paragraph c lets you cancel special perks given to the tenant. Paragraph d lets you choose to have the tenant pay rent in advance, in quarterly installments. Paragraph e lets you demand that the tenant pay rent and other charges by automatic transfers. Paragraph f lets you call the tenant's chronic violations an "event of default" and use lease remedies available for that.

Show this clause to your attorney.

CHRONIC VIOLATIONS

Notwithstanding anything in this Lease to the contrary, and without limiting Landlord's other rights and remedies provided for in this Lease or at law or equity, if Tenant is in default under any covenant, condition, or agreement of this Lease more than *[insert #, e.g., 1]* time within any twelve (12)-month period, irrespective of whether or not such default is cured, Landlord, at its sole election and in its sole and absolute discretion, may do one or more of the following:

- a. Increase Security Deposit.** Increase the Security Deposit by an amount that Landlord determines, in its sole and absolute discretion, is necessary to protect its interests; provided that such amount does not exceed *[insert #, e.g., 3]* months of the then applicable monthly Rent. Such increase shall be paid by Tenant immediately upon demand by Landlord;
- b. Charge Violation Fee.** Charge a fee, on the *[insert appropriate ordinal #, e.g., second]* occurrence of Tenant's violation of such covenant, condition, or agreement and each time thereafter, as Additional Rent, of \$*[insert amount]*. Such fee shall increase by *[insert %, e.g., 25]* percent with each additional violation of this Lease;
- c. Cancel Options and Rights.** Cancel Tenant's right to exercise the option(s) and right(s) granted to Tenant under Clauses *[insert #s of rights/options clauses]* of this Lease;
- d. Require Quarterly Rent Payments.** If such defaults concern overdue Minimum Rent, Additional Rent, or any other charges owing under this Lease, require that, beginning with the first monthly installment of Minimum Rent next due, the Minimum Rent shall no longer be paid in monthly installments, but shall be payable in advance on a quarterly basis, on the first day of the first month of the quarter;
- e. Require Automatic Transfers.** If such defaults concern overdue Minimum Rent, Additional Rent, or any other charges owing under this Lease, require Tenant to pay all Minimum Rent, Additional Rent, and other charges due under this Lease by automatic transfer, in accordance with Clause *[insert # of automatic transfer clause]* of this Lease; and
- f. Declare Event of Default.** Declare a noncurable Event of Default as defined in Clause *[insert # of Event of Default clause]* hereof and pursue its remedies under Clause *[insert # of remedies clause]* hereunder.