

## MODEL LEASE CLAUSE

### Set Procedures for Tenant in Default to Terminate Lease

The following Model Lease Clause was drafted with the help of New Jersey attorney Marc L. Ripp. Use it if you agree to a tenant's demand that you include a "good guy" clause in its lease.

Paragraph a says that the lease terminates if, by a set date after getting your default notice, a tenant surrenders its space in the condition required by the lease and pays a "surrender payment." Paragraph b defines a "Surrender Payment" as the rent and

other charges owing up to and including the surrender date. Paragraph c lists certain conditions of the termination. Paragraph d notes that if the tenant doesn't follow the procedures set out in the clause, the clause becomes void. (Make sure you define "Security Deposit" elsewhere in the lease.)

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

CLLI0046

### GOOD GUY CLAUSE

- a. Termination by Tenant Upon Default.** Landlord and Tenant agree that if:
- (i) Tenant vacates and surrenders the Premises to Landlord in the condition required by Clause [insert # of surrender clause] of this Lease not later than [insert #, e.g., 5] days (time being of the essence) following Tenant's receipt of a default notice from Landlord ("Surrender Date"); and
  - (ii) Landlord receives from Tenant on or before the Surrender Date (time being of the essence) a certified check payable to the direct order of Landlord in the amount of the Surrender Payment (hereinafter defined), then, in that case, the Lease shall be deemed effectively terminated as of the Surrender Date.
- b. Surrender Payment.** For purposes of this Clause, the "Surrender Payment" shall mean all Minimum Rent, Additional Rent, and other charges that are due by Tenant under the Lease through and including the Surrender Date prorated for the month in which the Surrender Date occurs if the Surrender Date falls on a day other than the last day of the month.
- c. Consequences of Termination.** Notwithstanding the termination under Paragraph a hereof:
- (i) Tenant shall remain liable for all indemnities, liabilities, and obligations of Tenant that expressly survive the expiration or earlier termination of the Lease or that accrue on or before the Surrender Date;
  - (ii) Landlord shall retain the Security Deposit and Tenant shall forfeit its rights thereto;
  - (iii) Tenant shall not be entitled to offset the Surrender Payment or any other amounts owed to Landlord against the Security Deposit; and
  - (iv) Landlord shall be deemed released as of the Surrender Date from any and all claims, damages, obligations, liabilities, indemnities, causes of action, responsibilities, duties and commitments, including, but not limited to:
    - (A) Those that accrued on or before the Surrender Date;
    - (B) Those that expressly survive the expiration or earlier termination of the Lease; and
    - (C) Those that related to return of the Security Deposit or escalation overpayments.
- d. Voiding of Clause.** If Tenant fails to vacate and surrender the Premises and deliver a certified check, as required by Paragraph a hereof, then the provisions of this Clause shall automatically become null and void, without the need for any notice or other writing.