

# COVID-19 Lease Provisions

Allan J. Weiner, Aaron D. Rosenfeld, Emilie A. Sickles

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In the wake of COVID-19, commercial landlords are facing unprecedented challenges as they strive to mitigate new risks while maintaining the rapport they have built in their professional communities and with their tenants. As such, it is important for all parties to a lease transaction to determine whether their respective rights and obligations are impacted by COVID-19 and address the relevant lease provisions accordingly. The following chart highlights a handful of lease provisions that commercial landlords may want to consider when they enter into their next lease or lease amendment.

<b><i>Lease Provision</i></b>	<b><i>Example Language*</i></b>
Rent Abatement	<p>If a Force Majeure Event occurs during the Term of this Lease which reasonably precludes Tenant from constructing, renovating, opening or operating the Permitted Use at the Premises and Tenant in fact ceases such operation in the Premises, then Rent shall abate for the period commencing on the later of (a) the date on which such Force Majeure Event occurs or (b) the date on which Tenant ceases operation of the Permitted Use at the Premises, and ending on the earlier of (c) the date on which such Force Majeure Event concludes or (d) Tenant resumes operating the Permitted Use at the Premises. Notwithstanding the immediately foregoing provision, in no event shall such rent abatement continue for more than [six (6) months], it being understood and agreed that at the end of such [six (6) month] period, Tenant shall resume payment of Rent, in full, regardless of whether the Force Majeure Event has concluded or Tenant has resumed operating the Permitted Use in the Premises.</p>
Force Majeure	<p>Neither party shall be held responsible for delays in the performance of its obligations hereunder when caused by a declared state of emergency, public health emergency or pandemic or epidemic (including, but not limited to, the COVID-19 pandemic); government mandated closures; the closure of government buildings, airports, harbors, railroads, or pipelines, or other infrastructure due to a public health emergency, pandemic or epidemic; industry wide strikes, lockouts or labor disputes; acts of God; inability to obtain labor or materials or reasonable substitutes therefor that could not reasonably have been anticipated; governmental restrictions, regulations or controls; delay in issuance of permits beyond time periods typical for the jurisdiction in which the Building is located; enemy or hostile governmental action; civil commotion; fire or other casualty; and other causes beyond the reasonable control of such party (each, a "Force Majeure Event"), provided that a Force Majeure Event and the ongoing effects thereof</p>

Landlord Limitation on Liability	<p>shall not excuse any failure of Tenant to timely comply with any monetary obligations hereunder.</p> <p>Landlord reserves the right, exercisable in Landlord’s reasonable discretion, to impose reasonable requirements on tenants of the Building, their employees and invitees, for the purpose of reducing the presence of bacteria, viruses, contagions and diseases in the Building, provided, however that in no event shall Landlord’s enactment or enforcement of such requirements (or failure to do the same) impose any duty or liability on Landlord or imply any warranty made by Landlord in connection therewith.</p>
Continuous Operation	<p>During the Term of this Lease, Tenant shall continuously and actively operate the Permitted Use in the Premises except to the extent prohibited by applicable laws or precluded by a Force Majeure Event. Without limiting the rights of Landlord otherwise set forth in this Lease, Landlord shall have the right, but not the obligation, to perform the following actions, in each event as Landlord may reasonably determine necessary to preserve tenant safety and wellbeing during an epidemic, pandemic or public health emergency (including, but not limited to, the COVID-19 pandemic) applicable to the jurisdiction in which the Building is located or as Landlord may be required by applicable laws: (i) limit or otherwise restrict access to, and the operating hours of, the Building; (ii) amend or otherwise promulgate rules and regulations from time to time; (iii) reduce permitted elevator capacity; (iv) reduce permitted Building capacity; (v) reduce or otherwise modify the provision of any and all Building services on the part of Landlord to perform under this Lease; (vi) perform changes to the heating, ventilation and air conditioning systems serving the Building; (vii) delineate passages of ingress and egress in common areas of the Building; and (viii) perform any other physical changes to the Building, including the interior thereof.</p>
Landlord’s Rights	<p>For the avoidance of doubt, an epidemic, pandemic or public health emergency (including, but not limited to, the COVID-19 pandemic) shall not be considered a “casualty” as such term is used herein.</p>
Casualty	<p>If Landlord reasonably determines or is required under applicable laws to suspend or modify a service that Landlord is otherwise obligated to provide to Tenant pursuant to this Lease as a result of an epidemic, pandemic or public health emergency (including, but not limited to, the COVID-19 pandemic), then such suspension or modification shall not be deemed a breach hereunder and Landlord shall have no liability hereunder therefor.</p>
Interruption of Services	<p>Notwithstanding any provision to the contrary set forth herein, if Landlord reasonably determines that it is precluded from performing, or that it is impracticable to perform, any obligation set forth herein on the part of Landlord to perform for a period of [six (6) months] or longer as a result of a Force Majeure Event, then Landlord shall have the right to terminate this Lease at any time after the conclusion of such [six (6) month] period by delivering written notice thereof to Tenant.</p>
Termination Right	<p>Notwithstanding any provision to the contrary set forth herein, if Landlord reasonably determines that it is precluded from performing, or that it is impracticable to perform, any obligation set forth herein on the part of Landlord to perform for a period of [six (6) months] or longer as a result of a Force Majeure Event, then Landlord shall have the right to terminate this Lease at any time after the conclusion of such [six (6) month] period by delivering written notice thereof to Tenant.</p>

\* This language is intended to serve as an example only, and may be impacted by applicable state

laws, mandates and ordinances as well as the specific language and economic provisions in the lease. Please contact our offices for additional information and guidance.