

Lease Summary Memo: Suite 210 Office Lease

To: Board Chair and Executive Director, Maple Row Family Counseling (fictional) | Re: Proposed lease from Harland Commercial Properties LLC (fictional), draft dated November 2, 2026

Bottom line: the rent is reasonable for the space, but the lease shifts several open-ended costs and risks to Maple Row. Three terms should be negotiated before signing: the **uncapped personal guaranty**, **uncapped operating-cost pass-throughs**, and the **landlord's right to relocate you**. Estimated total occupancy cost over five years is **about \$392,000**.

1. Summary of key terms

Term	What the lease says	Section
Parties	Harland Commercial Properties LLC (landlord); Maple Row Family Counseling (tenant)	Preamble
Premises	Suite 210, approximately 2,400 rentable square feet; 8 unreserved parking spaces at no charge	1.1, 16.2
Lease term	5 years: January 1, 2027 to December 31, 2031	2.1
Base rent, year 1	\$24.00 per sq ft per year = \$57,600 a year (\$4,800 a month), due on the 1st	3.1
Annual increase	3% each January 1	3.2
Late fee	5% of the overdue amount if unpaid by the 5th	3.4
Operating costs (NNN)	Tenant's share of taxes, insurance, and common-area costs. 2027 estimate: \$6.50 per sq ft (\$1,300 a month). No cap.	4.1 to 4.4
Security deposit	\$9,600 (two months' base rent), returned within 30 days after move-out, less deductions	5.1
Permitted use	General office and outpatient counseling; no medical procedures	6.1
Renewal option	One 5-year renewal at "fair market rent." Written notice at least 6 months before expiration.	17.1
Personal guaranty	Required from an officer of the organization. Unlimited in amount and duration.	Exhibit D

2. What it will cost

Year	Base rent	Operating costs (est.)	Total (est.)	Monthly (est.)
2027	\$57,600.00	\$15,600.00	\$73,200.00	\$6,100.00
2028	\$59,328.00	\$16,380.00	\$75,708.00	\$6,309.00
2029	\$61,107.84	\$17,199.00	\$78,306.84	\$6,525.57
2030	\$62,941.08	\$18,058.95	\$81,000.03	\$6,750.00
2031	\$64,829.31	\$18,961.90	\$83,791.21	\$6,982.60
Total	\$305,806.23	\$86,199.85	\$392,006.08	

Base rent is fixed by the lease. Operating costs are an estimate that assumes 5% annual growth from the landlord's 2027 figure; actual costs are uncapped and could be higher. Add the \$9,600 deposit and moving costs for first-year cash needs.

3. Clause-by-clause summary

Section	Topic	What it means for Maple Row
4.3	Operating-cost increases	No limit on yearly increases. Capital improvements can be passed through over their useful life.
4.4	Annual reconciliation	Landlord sends actual costs each April. Overpayments are credited; underpayments are due in 30 days. 90 days to dispute.
7.2	Compliance with laws	Tenant is responsible for accessibility and code compliance inside the suite, including future changes in law.
8.1 to 8.4	Maintenance and repairs	Landlord maintains roof, structure, and common areas. Tenant maintains the suite and must replace its HVAC unit if it fails.
9.1	Alterations	Any change needs landlord consent. Landlord may require removal and restoration at move-out.
10.1	Insurance	Tenant carries general liability of \$1M per occurrence / \$2M aggregate and contents coverage, naming landlord as additional insured.
11.1	Indemnification	Tenant indemnifies landlord for claims arising in the suite. Landlord's indemnity to tenant is limited to gross negligence.
12.1	Assignment and subletting	Landlord may refuse in its sole discretion, including in a merger.
13.1	Fire or casualty	Rent stops while the suite is unusable. Either party may terminate if repairs will take more than 180 days.
14.1	Landlord access	24 hours' notice except emergencies. No provision protecting session rooms or client confidentiality.
14.2	Relocation	Landlord may move tenant to comparable space in the building with 60 days' notice.
15.1	Default	Monetary default after 5 days' written notice; other defaults after 30 days to cure.
18.1	Surrender	Return the suite in original condition, less normal wear, with all alterations removed if requested.
19.1	Holdover	Staying past the end date costs 200% of the last month's rent.
20.2	Estoppel certificate	Tenant must sign and return within 10 days of request.

4. Risk flags and what to ask for

Risk	Why it matters	Ask for
High: Uncapped personal guaranty (Exhibit D)	An individual officer could be personally liable for all rent through 2031 if Maple Row cannot pay.	Cap at 6 to 12 months of rent, or end after 24 months of on-time payment.
High: No cap on operating costs (4.3)	Total monthly cost can rise without limit.	Cap increases in controllable costs at 5% a year; exclude capital improvements.
Medium: Relocation (14.2)	Clients who rely on a familiar location could be disrupted with 60 days' notice.	Delete, or require comparable space, landlord-paid moving costs, and 120 days' notice.
Medium: Landlord access (14.1)	Unannounced entry during sessions would compromise client confidentiality.	No entry into session rooms during scheduled hours except emergencies; tenant escort required.
Medium: HVAC replacement (8.4)	Replacing a unit can cost five figures late in the term.	Landlord replaces; tenant maintains.
Medium: One-sided indemnity (11.1)	Maple Row protects the landlord broadly; the reverse protection is narrow.	Make indemnities mutual, each party responsible for its own negligence.
Medium: Assignment (12.1)	A future merger could be blocked.	Consent not to be unreasonably withheld; permit transfer to a successor nonprofit.
Low: Holdover at 200% (19.1)	A delayed move doubles rent.	125% to 150% for the first 60 days.

5. Recommended negotiation priorities

If the landlord will only move on a few items, ask in this order:

1. Cap or sunset the personal guaranty. This is the only term that puts an individual's personal assets at risk.
2. Cap controllable operating costs. This protects the budget in every year of the lease.
3. Protect session rooms from landlord entry. This is a client-care issue, not just a business term.
4. Remove or limit the relocation clause.
5. Shift HVAC replacement to the landlord.

6. Dates and deadlines

When	What
Before signing	Board approval; decide who signs the guaranty; obtain insurance quotes
Before move-in	Deliver insurance certificates naming the landlord as additional insured (10.1)
1st of every month	Rent due; late fee applies after the 5th (3.4)
Each December	Landlord's operating-cost estimate for the coming year
Each April	Annual reconciliation arrives; 90-day window to dispute (4.4)
Within 10 days of any request	Return signed estoppel certificate (20.2)
June 30, 2031	Last day to give written notice to renew (17.1)
December 31, 2031	Lease ends; suite must be restored and vacated (18.1)

7. Questions to raise before signing

- What were actual operating costs per square foot for the past three years?
- Will the landlord provide a tenant-improvement allowance for soundproofing counseling rooms?
- Are any planned building projects likely to be passed through as operating costs?
- Is any neighboring tenant's use incompatible with confidential counseling sessions?
- Who pays for after-hours HVAC if evening sessions are held?
- How is "fair market rent" determined at renewal, and can it be capped?

Important: this memo summarizes the lease in plain language to support the board's discussion. It is not legal advice. Review final terms with a licensed attorney before signing.

All organizations, terms, and figures in this sample are fictional.