# Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preface</td>
<td>vii</td>
</tr>
<tr>
<td>About the Authors</td>
<td>ix</td>
</tr>
<tr>
<td><strong>PART ONE</strong></td>
<td></td>
</tr>
<tr>
<td>Restaurants</td>
<td>1</td>
</tr>
<tr>
<td><strong>Chapter 1</strong></td>
<td></td>
</tr>
<tr>
<td>Computation of Rental Charges and Rent Offsets</td>
<td>3</td>
</tr>
<tr>
<td>Base Rent</td>
<td>3</td>
</tr>
<tr>
<td>Percentage Rent</td>
<td>5</td>
</tr>
<tr>
<td>Ancillary Lease Charges</td>
<td>9</td>
</tr>
<tr>
<td>Utilities and HVAC Charges</td>
<td>10</td>
</tr>
<tr>
<td>Unique Charges for Pad Deals</td>
<td>12</td>
</tr>
<tr>
<td>Rent Abatements, Offsets, and Termination Clauses</td>
<td>13</td>
</tr>
<tr>
<td>Co-Tenancy</td>
<td>19</td>
</tr>
<tr>
<td><strong>Chapter 2</strong></td>
<td></td>
</tr>
<tr>
<td>Operational Issues for Restaurants</td>
<td>25</td>
</tr>
<tr>
<td>Defining the Use</td>
<td>25</td>
</tr>
<tr>
<td>Hours of Operation</td>
<td>30</td>
</tr>
<tr>
<td>Go Dark Provisions</td>
<td>32</td>
</tr>
<tr>
<td>Definition of Premises</td>
<td>37</td>
</tr>
<tr>
<td>Patios, Sampling, and Food Courts</td>
<td>38</td>
</tr>
<tr>
<td>Radius Clauses</td>
<td>41</td>
</tr>
<tr>
<td>Exclusives</td>
<td>44</td>
</tr>
</tbody>
</table>
Chapter 3
Construction Issues for Restaurants 51
  Condition of Premises 51
  Due Diligence 57
  Title and Survey 62
  Plan Approval by Landlord 63
  Completion Date for Tenant’s Work 66
  Construction Allowances 69
  Repairs and Maintenance of the Premises 72
  Surrender of the Premises 76

Chapter 4
Exhibits for Restaurants Leases 79
  Access and Visibility 79
  Protected Zones 80
  Parking 82
  Staging, Loading, Trash, Storage, and Temporary Areas 85

Chapter 5
The Emergence of Grocerants 89

Appendix
Restaurant Leasing Clauses 91
  Computation of Rental Charges and Rent Offsets 91
    CPI Increases 91
    Rent Stabilization Clause 91
    Fair Market Rental Value 92
    Gross Sales Exclusions 95
    Historical Tip Percentage 95
    Sales Tax on Rents 96
    Fixed CAM Charge 96
    Landlord Right to Redistribute Utilities 97
    Check Meter 97
    Direct Metering of Utilities 98
    Separate Tax Parcel 98
    Ring Road Maintenance Fee 99
    Self-Help 100
    Rent Abatement for Non-Payment of Construction Allowance 100
    Opening Co-Tenancy 100
    Operating Co-Tenancy 101
Example B: Assignment to a Franchisee  140
Example C: Franchisor’s Right to Inspect the Premises  140
Example D: De-identification Clauses  141

Chapter 8
Experienced Manager  143
   Employment Agreement  146
   Recitals  146

Chapter 9
Architect and General Contractor  155
   Construction Contract  161
   Witnesseth  161
      Exhibit “A-1”  167
      Exhibit “A-2”  169
      Exhibit “B”  170

Chapter 10
The Franchisor and the Franchise Agreement  171
   Simple Rider: Rider to Lease Agreement  176
   Complex Rider: Rider to Lease  179
      Recitals  179
      Agreement  179

Chapter 11
The Lender  183
   Part Two Conclusion  188

Index  191