

**MODEL LEASE
CLAUSE**

Ensure Free Rent Lease Clauses Give You Adequate Protection

When granting free rent can't be avoided, be sure to document the business arrangement in a clear and precise way that explains what the concession does and doesn't cover. The lease clause should also give you some recourse to nullify or recapture free rent if tenants breach their lease before, during, or after the free rent period. Here's a Model Lease Clause that you and your attorney can adapt for your own use. As acknowledged by the New York City attorney who wrote it, the Clause addresses the issues in a "Landlord-friendly manner" that you might have to tweak when dealing with a strong tenant.

FREE RENT

- a. Free Fixed Rent Period.** Subject to the remaining balance of this Section, Fixed Rent only that is attributable solely to the period November 1, 2025, through December 31, 2025 ("Free Fixed Rent Period"), and no arrearages that arose prior to the Free Fixed Rent Period shall be waived.
- b. Breaches before Free Fixed Rent Period.** If any breach of the Lease by Tenant occurs before November 1, 2025, then Fixed Rent shall be due for the entire Free Fixed Rent Period and the foregoing waiver shall be null and void.
- c. Breaches during Free Fixed Rent Period.** If a breach of the Lease by Tenant occurs on the first day of, during, or on the last day of the Free Fixed Rent Period, then:
 - (i) with regard to the Fixed Rent waiver that Tenant already enjoyed, Tenant shall pay Landlord a sum on Landlord's demand equal to the amount of such waived Free Rent as if the foregoing waiver had never been granted; and
 - (ii) with regard to that portion of the Free Fixed Rent Period that occurs on or after the date on which the breach has occurred, Fixed Rent shall be due as if the waiver had never been given.
- d. Breaches after Free Fixed Rent Period.** If a breach of the Lease by Tenant has occurred after the Free Fixed Rent Period or if after the Free Fixed Rent Period the Lease terminates or expires early for any reason whatsoever, Tenant shall pay Landlord upon Landlord's demand a sum equal to the amount of Fixed Rent that was waived for the Free Fixed Rent Period.
- e. Survival of Obligations & Remedies.** All obligations of Tenant under this Section shall survive the expiration or earlier termination of the Lease and shall be in addition to the rights or remedies of Landlord at law, in equity, and under the Lease.