

RENT ADJUSTMENT(S)
(ORIGINAL TERM)
STANDARD LEASE ADDENDUM

Dated:
By and Between
Lessor:
Lessee:
Property Address:

(street address, city, state, zip)

Paragraph:

A. RENT ADJUSTMENTS

The monthly rent for each month Base Rent during the Original Term of the adjustment period(s) specified below Lease shall be increased by using the method(s) indicated selected below:
(Check Method(s) to be Used and Fill in Appropriately)

I. Cost of Living Adjustment(s) (COLA) Consumer Price Index.

(a) The monthly Base Rent shall be increased on <OE Adjustment Dates> and every _____ months thereafter during the Original Term ("CPI Increase Date(s)") commensurate with the increase in the CPI (as herein defined) determined as follows: the monthly Base Rent scheduled for the first month of the Original Term shall be multiplied by a fraction the denominator of which is the Base CPI (as herein defined), and the numerator of which is the Comparison CPI (as herein defined). The amount so calculated shall constitute the new Base Rent until the next CPI Increase Date, but in no event shall any such new Base Rent be less than the Base Rent for the month immediately preceding the applicable CPI Increase Date. On (Fill in COLA Dates): _____ the Base Rent shall be adjusted by the change, if any, from the Base Month specified below, in the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for (select one): [] CPI W (Urban Wage Earners and Clerical Workers) or [] CPI U (All Urban Consumers), for (Fill in Urban Area): _____, All Items (1982-1984 = 100), herein referred to as "CPI".

(b) The term "CPI" shall mean the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for (select one): [CB] CPI W (Urban Wage Earners and Clerical Workers) or [CB] CPI U (All Urban Consumers), for (fill in Urban Area): <RA Urb Area> or [CB] the area in which the Premises is located, All Items (1982-1984 = 100). The term "Comparison CPI" shall mean the CPI of the calendar month which is 2 full months prior to the applicable Original Term CPI Increase Date. The term "Base CPI" shall mean the CPI of the calendar month which is 2 full months prior to the Commencement Date of the Original Term.

(b) The monthly Base Rent payable in accordance with paragraph A.1.a. of this Addendum shall be calculated as follows: the Base Rent set forth in paragraph 1.5 of the attached Lease, shall be multiplied by a fraction the numerator of which shall be the CPI of the calendar month 2 months prior to the month(s) specified in paragraph A.1.a. above during which the adjustment is to take effect, and the denominator of which shall be the CPI of the calendar month which is 2 months prior to (select one): the [] first month of the term of this Lease as set forth in paragraph 1.3 ("Base Month") or [] (Fill in Other "Base Month"): _____ The sum so calculated shall constitute the new monthly Base Rent hereunder, but in no event, shall any such new monthly Base Rent be less than the Base Rent payable for the month immediately preceding the Base Rent adjustment.

c. In the event If the compilation and/or publication of the CPI shall be is transferred to any other another governmental department or, bureau or agency or shall be is discontinued, then the index most nearly the same as the CPI shall be used to make such calculation. In the event that calculate the Base Rent increases hereunder. If the Parties cannot agree on such alternative index, then the matter shall be submitted for decision to the American Arbitration Association in accordance with the then rules of said Association and the decision of the arbitrators shall be binding upon the parties-, The with the cost of said Arbitration shall be such arbitration being paid equally by the Parties.

II. Market Rental Value Adjustment(s) (MRV) Fixed Percentage. The monthly Base Rent shall be increased on <OE Adjustment Dates> and every _____ months thereafter during the Original Term ("Percentage Increase Date(s)") by _____ percent (%) of the monthly Base Rent scheduled to be paid for the month immediately preceding the applicable Percentage Increase Date.

a. On (Fill in MRV Adjustment Date(s):- _____ the Base Rent shall be adjusted to the "Market Rental Value" of the property as follows:

1) Four months prior to each Market Rental Value Adjustment Date described above, the Parties shall attempt to agree upon what the new MRV will be on the adjustment date. If agreement cannot be reached within thirty days, then:

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~~(a) Lessor and Lessee shall immediately appoint a mutually acceptable appraiser or broker to establish the new MRV within the next 30 days. Any associated costs will be split equally between the Parties, or~~

~~(b) Both Lessor and Lessee shall each immediately make a reasonable determination of the MRV and submit such determination, in writing, to arbitration in accordance with the following provisions:~~

~~(i) Within 15 days thereafter, Lessor and Lessee shall each select an independent third party appraiser or broker ("Consultant" -check one) of their choice to act as an arbitrator (Note: the parties may not select either of the Brokers that was involved in negotiating the Lease). The two arbitrators so appointed shall immediately select a third mutually acceptable Consultant to act as a third arbitrator.~~

~~(ii) The 3 arbitrators shall within 30 days of the appointment of the third arbitrator reach a decision as to what the actual MRV for the Premises is, and whether Lessor's or Lessee's submitted MRV is the closest thereto. The decision of a majority of the arbitrators shall be binding on the Parties. The submitted MRV which is determined to be the closest to the actual MRV shall thereafter be used by the Parties.~~

~~(iii) If either of the Parties fails to appoint an arbitrator within the specified 15 days, the arbitrator timely appointed by one of them shall reach a decision on his or her own, and said decision shall be binding on the Parties.~~

~~(iv) The entire cost of such arbitration shall be paid by the party whose submitted MRV is not selected, i.e., the one that is NOT the closest to the actual MRV.~~

~~2) When determining MRV, the Lessor, Lessee and Consultants shall consider the terms of comparable market transactions which shall include, but not be limited to, rent, rental adjustments, abated rent, lease term and financial condition of tenants.~~

~~3) Notwithstanding the foregoing, the new Base Rent shall not be less than the rent payable for the month immediately preceding the rent adjustment.~~

~~b. Upon the establishment of each New Market Rental Value:~~

~~1) the new MRV will become the new "Base Rent" for the purpose of calculating any further Adjustments, and~~

~~2) the first month of each Market Rental Value term shall become the new 'Base Month' for the purpose of calculating any further Adjustments.~~

III. Fixed Rental Adjustment(s) (FRA)

The **monthly** Base Rent shall be increased to the following amounts on the dates set forth below:

On (Fill in FRA Adjustment Date(s)):

The New Base Rent shall be:

B. NOTICE

~~Unless specified otherwise herein, notice of any rental adjustments, other than Fixed Rental Adjustments, shall be made as specified in paragraph 23 of the Lease.~~

C. BROKER'S FEE:

~~The~~ For each adjustment in Base Rent specified above, the Brokers shall be paid a Brokerage Fee ~~for each adjustment specified above~~ in accordance with paragraph 15 of the Lease or if applicable, paragraph 9 of the Sublease.

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