

Handler Information and Score Sheet

Background

Feisty & Stickler (“F/S”) is a small, but reputable law firm. F/S is seeking a new location for its office. Its current space is too small, as the firm has added a number of new partners over the past year. The firm is looking for a modest, but presentable location that will match its reputation as sensible, strictly-business professionals. F/S also wants an office that is convenient and comfortable for its partners and associates.

The just vacated, small office building owned by Handler Holdings, is a perfect location for F/S. It is ideally located, convenient, up-scale, but not too over-the-top for straight-laced types like the lawyers of F/S.

Handler Holdings is a long-established owner of numerous small office buildings throughout the area, but only this one fits the needs of F/S. This property has been a bit of a headache in the past for Handler. Previous tenants have created a number of difficulties – the last tenant was a fly-by-night movie producing company with few movies but lots of melodramatic excuses for late rent. Handler is eager for a reliable, long-term tenant.

The office building is 3,000 square foot with a spacious conference room and plenty of parking. Similar office space in the area rents from between \$12 -15 per square foot annually.

Your team are the lawyers handling the lease negotiations for one of the two parties, and the negotiations are about to begin. In addition to the above information, each team is provided a set of individualized information (“for your eyes only”) concerning the party you represent. The additional information includes a scoring matrix showing how many points you will receive for various lease terms that you can secure in a lease agreement with the other side.

Instructions

You are the lawyers for Handler. F/S looks like the perfect tenant. After years of bad tenants (one of whom did not carry insurance, which created some major headaches at one point), F/S may be the long-term lessee that Handler has hoped to find.

Even better, F/S is a professional firm, so everyone at Handler has huge expectations for long-term revenue. As the CEO made perfectly clear to you, “we could use a nice bump in the rent here. Everyone here is looking to you to lock in some serious dough – don’t let them out-manuever you on this money stuff, just because they are a bunch of lawyers! For goodness sakes, that’s what we’re paying *you* for!”

Given the past history at the building, the enthusiasm for F/S as a tenant could not be higher – and since it is now vacant, Handler is in a hurry to get F/S moved in. In addition, everyone at Handler is expecting the building to be occupied by F/S lawyers for the long term. Even if there are no annual rent increases, a high enough starting rent will ensure that Handler does well if it can get as long a lease term as possible.

Also important, Handler wants to avoid future tenant problems by maintaining its control over who else can occupy the building. Any sublease would undermine the benefit of renting to a reputable group like F/S and would be a real problem for Handler.

Notwithstanding any of the above, your team will receive points depending on which particular lease terms, if any, you are able to secure. **Points are good, and the more points the better.**

You will only receive points for options that are explicitly listed in the attached scoring matrix. (You may not show the matrix or discuss point totals with the other team, until after the agreement is signed.) For example, if the lease you negotiate includes rent at \$42,000 per year, your team will receive 50 points. For each issue, you may only have one option from the list. Of course **if you fail to negotiate an agreement on the lease, your team will receive 0 points.**

All agreements must be in writing and signed by both teams. Also, the agreement must include a point total for each team.

Scoring Sheet for Handler

ISSUE	OPTIONS (ONLY ONE PER ISSUE)	HANDLER POINTS
Rent	\$45,000 / Year \$42,000 / Year \$39,000 / Year \$36,000 / Year	100 50 -50 -100
Renewal	Automatic renewal provision Renewal with 90 days notice Renewal w/rent increase in \$1k / year No renewal – must renegotiate terms	-40 -20 20 40
Tenant Possession	w/n 60 Days w/n 90 Days w/n 120 Days w/n 150 Days	60 30 0 -30
Tenant Insurance	Standard coverage	50
Lease Term	10 years 7 years 5 years 3 years	60 30 -30 -60
Sublease	No sublease rights Only w/ landlord consent Only w/ reasonable landlord consent Unlimited subleasing rights	80 40 -40 -80
Sign	Tenant designs all signage	0
Drafting	Handler drafts the lease	20
Floor Plans	Handler provides detailed floor plans	-10