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**OCTOBER ISSUE**

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**IN THIS ISSUE**

- Tricks and Treats: Halloween History | P4
- Halloween Pet Safety Tips | P5
- Recipe: Mom's Chili | P8

# Does Your Commercial Lease Protect You?

*A small business owner must make every effort to secure favorable terms when negotiating the commercial lease to ensure their business is protected.*

## The Lease Term

**T**he first most important legal protection that a small business owner should consider during negotiation of the lease is the lease "term." From a tenant's perspective, the shorter the lease term, the better. A business, especially a new business, may experience fluctuations in cash flow, so the wise move is to keep the lease as short as possible.

Although the landlord may favor a longer term, shorter terms with automatic renewals may be a reasonable compromise.



SEE

PAGE 2

Automatic renewals in lease agreements, also called “option to extend” or “right to renew” clauses, allow the tenant flexibility to choose to continue with the lease or end the lease after a particular time. These clauses protect the small business when unexpected changes occur. For example, the business may increase its operations to a point that it needs to expand into a new space, the business may find a better opportunity, or the business may experience a decrease in profits and need to downsize into a smaller space. The automatic renewal clause will give the business room to react to these realities.

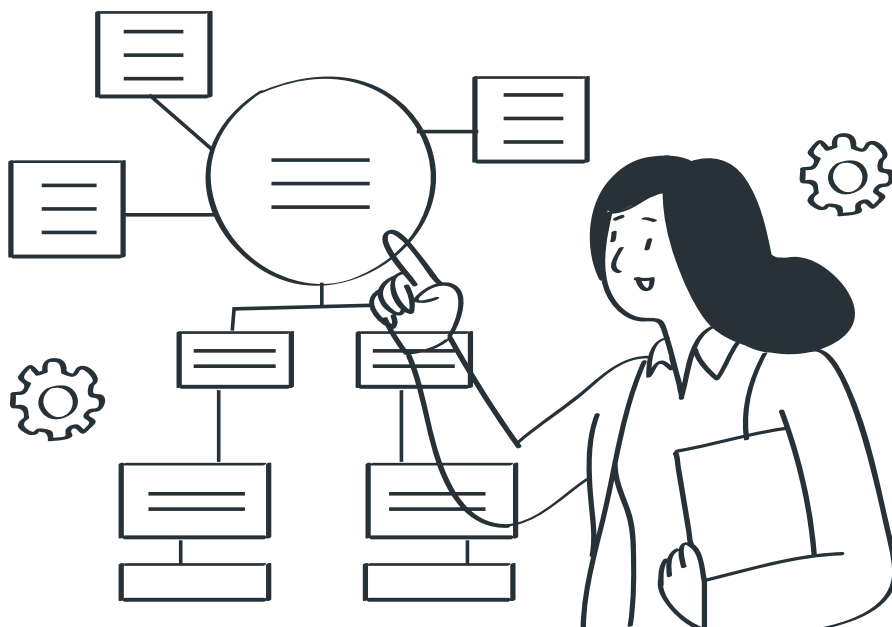
When negotiating for an automatic renewal clause, the small business owner should be aware of the conditions of automatic renewal like how much notice to the landlord is required of the business’s desire to renew or not renew the lease, whether the rent will increase, decrease, or stay the same, and if additional rights or obligations accompany the renewal.


### The Rent

Another important consideration to negotiate in the lease agreement is the “rent”. In addition to making sure the rent is reasonable (i.e. comparable to similar spaces in the area), it is important to understand how the landlord is calculating the rent.

Two common ways landlords calculate rent are with a “gross lease” and a “net lease.” In a gross lease, the tenant pays a lump sum to the landlord. From this sum, the landlord pays the operating expenses (i.e. utilities, repairs, taxes, and insurance). A net lease requires the tenant to pay a smaller amount for base rent plus the actual operating expenses which may vary every month.

Rent is higher with a gross lease but a gross lease allows the small business owner to better forecast business expenses and concentrate on his or her business operations. With a net lease, the business owner pays only the operating expenses





**“A business, especially a new business, may experience fluctuations in cash flow, so the wise move is to keep the lease as short as possible.”**

the business actually incurs during the month allowing the business owner some control over these expenses.

To provide maximum protection in either type of lease, the business owner should make sure any annual increase in rent is capped. For example, the business owner could negotiate with the landlord to keep any annual increase to no more than 2%. This will protect the business should the landlord incur an extraordinary expense and attempt to pass it on to the business. If a small business

owner chooses a net lease, he or she should be sure to cap the amount that can be charged per month for operating expenses to protect the business from a drastic spike in monthly expenses.

### **The Space**

Another area of major concern for a small business owner is the physical space. Commercial real estate is almost always leased by the square foot. Commercial landlords use several different methods of measuring square footage.

Depending on the type of space and proportion rented, rent may be based on “gross square footage,” “usable square footage,” or “rentable square footage.” Gross square footage is measured from the outside wall of the building to the other outside wall. Usable square footage is measured from inside wall to inside wall and is the area that your business will occupy or have the right to occupy. It does not include common areas. Rentable square footage is usable square

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SEE

PAGE 7



# Tricks and Treats: Halloween History

*Halloween is one of the most popular and widely celebrated holidays in the United States. October 31st brings with it black cats, jack-o'-lanterns, ghost stories, and creative costumes, but where did these traditions come from?*

**A**lternately known as All Hallows' Eve or All Saint's Eve, most historians attribute

the earliest origins of Halloween to the Celts, who celebrated the end of the summer harvest

season each year with a festival called Samhain. This occurred directly before their November

1st New Year celebration, when it was thought that the boundary between the earthly realm and spiritual plane waned, increasing the chance for visitation by the souls of loved ones and supernatural beings like fairies.

To commemorate Samhain, the Celts would wear costumes and engage in practices like bobbing for apples and lighting bonfires. They would also try to tell each other's fortunes and communicate with the spirit realm.

In later centuries, the spread of Christianity via the expansion of the Roman Empire blended traditions like Samhain with events like All Souls' Day, which still occurs annually on November 2nd. All Souls' Day carried many of the same traditions as Samhain, such as dressing up in costume and parading around bonfires. Eventually, these varying holidays morphed into what we now refer to as Halloween.

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SEE

PAGE 6

# Halloween Pet Safety Tips

*The spookiest holiday is (lurking) right around the corner. As the leaves change color and the animatronic ghouls come out to play, it's good to remember that while Halloween can be fun for you, it might not be as fun for your pets.*

**S**ave the tricks for humans, and treat your furry friends to a safe Halloween with these tips:



With Halloween comes loud noises, potentially toxic decorations, and young pranksters who may not love animals as much as you. Keeping your pets inside will ensure they don't accidentally ingest anything that glows or vibrates, as well as keeping them safe from tricksters. When greeting trick or treaters at your door, you may even want to consider keeping your pet inside a bedroom to avoid startling or confusing them.

Hide any candy (even if it's tightly sealed!) in a designated spot that your pets can't reach, and consider using a safety latch or even a lockbox to store your Halloween goodies.

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SEE

PAGE 7

In America, observance of this hybrid holiday remained relatively limited until a wave of immigrants from Ireland and Scotland arrived in the middle of the 19th century. Bringing with them the traditions of their homelands, they helped popularize the concept of Halloween. By the early 20th century, All Hallow's Eve was widely celebrated in all corners of the country.

Various symbols came to be associated with Halloween over time, the most famous being the jack-o'-lantern. Traditionally carved out of a turnip in both Ireland and Scotland, Americans turned to a familiar, widespread alternative native to their new land: the pumpkin. Representative of souls trapped between heaven and

hell in folk tales dating back centuries, jack-o'-lanterns are now a familiar sight on porches and lawns each autumn season.

Superstitions surrounding black cats similarly predate the modern Halloween holiday by several hundred years. In the Middle Ages, it was a common belief that witches would disguise themselves as black cats to creep about unseen. As the ancient Samhain festival was believed to occur at a time when supernatural activity was at its peak, witches and black cats gradually evolved into steadfast symbols of Halloween trickery.

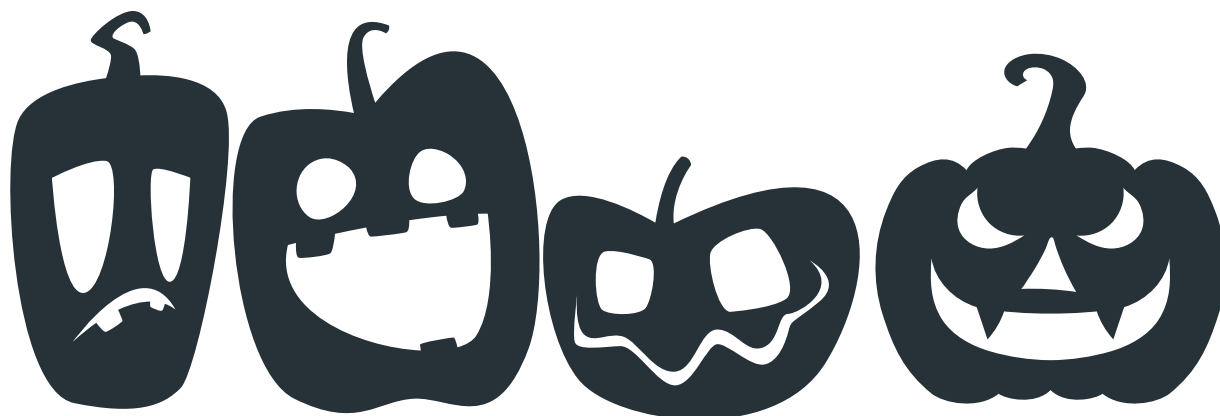
As for trick-or-treating itself, the origin of this particular act has its roots in both Celtic "guising" and Christian "souling." These traditions

involved dressing in costume to protect oneself from spirits or pay tribute to souls and saints, respectively. Food-wise, the Christian concept of households trading "soul cakes" to groups of children or parishioners in exchange for prayers for the dead may be the most direct origin of trick-or-treating as we know it today.

Halloween has a rich history full of individual customs that have merged to form the holiday we know and love. Whatever your particular trick or treat may be, we wish you a safe and happy All Hallow's Eve. 🍷

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*Illustrations by pch.vector*



footage plus a percentage of the square footage of the common areas of the building (lobby, loading dock, restrooms, etc.). With rentable square footage, the tenant pays for more space than the business actually occupies.

Rentable square footage is determined by computing a “load factor” that is multiplied by the usable square footage the tenant is renting to determine the total square footage for which the tenant will be paying rent. The load factor is the total rentable square footage of the entire building divided by the total usable square footage of the entire building. Looked at from another perspective, for the same rent, a tenant may have a choice between more usable square footage or less usable square footage and a more impressive lobby.



FROM PAGE 5

Better yet, consider keeping all eyeballs, cobwebs, and lights strictly outdoors—decorations can cause tangling, choking, or poisoning. You may be surprised to find that even pumpkins, though generally not poisonous to pets, can cause painful digestive issues in your animals when consumed in large quantities.

Make sure your pets have some of their own treats,

so they don't feel left out (and hopefully avoid any of the human treats)!

Costumes may be one of the best parts of this hair-raising holiday, but your pets might not feel the same—as cute as it might be to dress your dog up as Elvis, if your pet looks like they would rather be anywhere else than in their costume, it might be time to ditch the duds. ribbon

*Illustrations by pch.vector*

# Mom's Chili

## INGREDIENTS

- 1.5 T whole cumin
- 2 t whole coriander seeds
- 2 T olive oil
- 1 onion, chopped
- 4 cloves garlic, minced
- 1 pound beef stew meat
- 1 pound mild turkey italian sausage, casings removed
- 1 28-ounce can of chopped tomatoes
- 1 14-ounce can cannellini white kidney beans, rinsed and drained
- 1 14-ounce can kidney beans, rinsed and drained
- 1 14-ounce can black beans, rinsed and drained
- 1 jar roasted red peppers, drained and cut into 1" pieces
- 1 cup or so of dry red wine or water
- 3/4 ounce of chili powder
- 2 T dried basil
- 2 T dried oregano
- 2 zucchini, sliced in half and then chopped into half-circle pieces
- 2 ears fresh corn, slice kernels off
- Salt and pepper to taste
- Garnish with diced avocado, cucumber, red peppers, cilantro, green onion, sour cream, cheese and tortilla chips



## INSTRUCTIONS

Stir frequently so they don't burn. This only takes a minute or two. Remove seeds from pot and put in a molcajete or mortar and pestle. Grind the toasted seeds to a powder and set aside.

Add ground cumin and coriander and cook another 5 minutes until everything is soft.

Brown meat, stirring for about 15 minutes, until the meat is no longer pink. If there is a lot of rendered fat in the pan, pour off most of it.

Stir to mix and bring to a boil. Turn down heat and add chili powder, basil, oregano and zucchini. The vegetables and meat should be covered in liquid. If not, add more wine or water. Cook on low heat for 1 to 3 hours. Stir frequently and deeply as beans will stick to the bottom of the pan.

If you want to serve Hawaiian-style, put a scoop of rice in your bowl before you add the chili. Garnish with chopped vegetables of your choice, grated cheese, sour cream and tortilla chips.