

Leasing and the Arts

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September 25, 2026

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Agenda

- Importance of Having a Lease
- Premises
- Rent and Understanding the Full Cost
- Term / Renewal Rights
- Permitted Use / Prohibited Uses
- Repairs / Improvements / Buildouts
- Personal Liability
- Termination and Expiration
- Due Diligence

Importance of Having a Lease

- It is important to have a written lease.
- Beware of relying on verbal promises.
- There are differences between residential and commercial leases.
- Do not sign the lease that is presented to you without first having read and understood the entirety of it, including exhibits and addenda. It may “look okay,” but could be missing important provisions that would protect you.

- What exactly is included in the rented space?
 - The space itself?
 - Storage space?
 - Loading areas?
 - Common areas?
 - Bathrooms?
 - Outdoor areas?
 - Event areas?
 - Parking?
 - Make sure the lease contains a specific description of the leased premises (sometimes called the “demised premises.”)
 - Confirm the exhibit showing the leased premises is legible and clear, and that it is aligned with your understanding of the space.

Rent and Understanding the Full Cost

- Landlords generally charge a “base rent” or “basic rent” or “minimum rent” which is the amount of money it costs to rent the leased premises.
- Base rent may not be the only cost.
- Ask whether you must pay for:
 - Utilities
 - Real estate taxes
 - Building insurance
 - Common area maintenance costs
 - Trash removal costs
 - Snow removal costs
 - Security costs
 - Internet costs
 - Pest control costs
 - Other fees?

- Term: Know when the lease commences and when it ends.
 - If you want long-term stability, ask whether you have a written renewal option or several renewal options. Determine how much advance written notice is required to exercise any renewal option, and how the rent will be calculated for any renewal option.

Permitted Use

- The lease should spell out exactly what uses are permitted in the leased space.
- The lease's use provision should clearly permit your actual activities you are planning to do there (i.e., painting, sculpture, music rehearsal, recording, classes, events, exhibitions, performances, retail sales, fabrication, food service, or public gatherings).
- Also consider zoning, condominium documents, permitting issues, noise ordinances, occupancy limits, and building code issues, which are your responsibility generally to vet outside of the lease process.

Prohibited Uses

- Leases often prohibit certain uses
 - Look for any “exclusive” uses
 - Look for so-called “noxious” uses that are generally prohibited:
- Any use that emits an obnoxious odor (excluding normal cooking odors associated with a restaurant or residence with proper ventilation), fume, dust, vapor, noise or sound (other than temporary periods of construction) which is not mitigated on-site or properly vented and can be heard or smelled outside of the Premises or from another premises.
- Any establishment selling or exhibiting materials considered to be obscene (excluding, however, bookstores selling bestsellers and other major market books and magazines);
- Any establishment that exhibits, either live or by other means to any degree, nude or partially clothed dancers or wait staff;
- Any massage parlor or similar establishment, excluding any therapeutic massage use(s) such as, by way of example and not limitation, Massage Envy, Elements and other massage operations typically found in first class shopping centers and except when an ancillary service to an otherwise permissible tanning center, spa, or health center;
- Any flea market or video arcade, pool or billiard hall, car wash or dance hall (provided the foregoing shall not prohibit the incidental installation of a video game or trivia game located in a bar or restaurant or virtual reality operation);
- Any so-called “head shop”, or other establishment primarily selling or exhibiting illegal drug-related paraphernalia, as opposed to a licensed marijuana dispensary, or other establishment selling or exhibiting legal marijuana or other cannabis products in a legal manner
- Any gambling facility or operation, including but not limited to: off-track or sports betting parlor; table games such as blackjack or poker; slot machines, video poker/blackjack, keno machines or similar devices; or bingo hall. Notwithstanding the foregoing, this prohibition shall not be applicable to government sponsored gambling activities, legal sports betting (e.g., DraftKings) or charitable gambling activities, so long as such activities are incidental to the business operation being conducted by the occupant.
 - Consider the space and where it is (i.e., is it in a mixed-use building, a standalone building, adjacent to residential units, the neighborhood) to determine what other stakeholders may have interest in regulating your use

- Consider what the space currently has, and what you may need to install to make it fit your proposed use:
 - Sinks?
 - Ventilation?
 - Soundproofing?
 - Lighting?
 - Storage?
 - Accessibility improvements?
 - Electrical upgrades?
- The lease should specify who is responsible for paying for, and performing, any improvements, who owns the improvements once installed, whether landlord approval for the improvements is required, and what the lease provides must be done with the improvements at the end of the term.

- If the landlord requires a personal guaranty, ask whether it may be limited or if it may “burn down” over time if all goes well.

Sharing / Collaboration / Subleasing

- If you and multiple other artists, bands, organizations, or occupants will be using the leased space, confirm whether sharing, subleasing, assignment, memberships, or license agreements are allowed under the lease.
- Subleases are arrangements where the original lease survives between you and the landlord, and then there's a second tier where you become the "sublandlord" and lease all or a portion of the space to another party, the "subtenant". The subtenant and the landlord do not have any contractual relationship. If you are participating in a sublease as the subtenant, it is important to note that if the lease above you is terminated, your sublease also is terminated.
- Assignment is where you, as tenant, assign your interest in the lease to another party and then exit the deal, so that the lease becomes between the landlord and the new party, as tenant.

Termination and Expiration

- The lease should specify when, and how, the lease can expire or terminate.
- Look for:
 - Termination rights
 - Relocation rights
 - Redevelopment clauses
 - Demolition clauses
 - Default provisions
 - Late fees and default interest (should try to narrow down to just one of these, not both)
 - Eviction procedures
 - You should understand what happens if you miss a payment, lose funding, need to exit the deal early, or if the building is sold or foreclosed upon.

- There are several inquiries to make, including without limitation:
 - Zoning
 - Permitting
 - Insurance
 - Condominium documents
 - Restrictive covenants and other title matters, including easements
 - You can negotiate for some landlord representations and warranties to protect yourself (i.e., the landlord represents to you that certain facts are true).
 - Oftentimes landlords will want to lease the space “AS IS” and it’s up to you to do the due diligence and become comfortable with the lease.

Overall Tips

- Make sure you read the entire lease, including all exhibits, rules and regulations, and any addenda.
- Do not rely on verbal promises!
- If possible, have an attorney review the lease before you sign it, especially where it involves a long term, substantial buildout costs, public events, shared uses, a personal guarantee, or a space that is essential to your creative work.
- It is possible to negotiate a lease amendment in the future, which opens the negotiation process up again, so try to get it right in the lease itself.
- If your lease is for a short term, you should still beware of agreeing to provisions you don't want, since the term may be extended and you would be stuck with the lease provisions going forward.

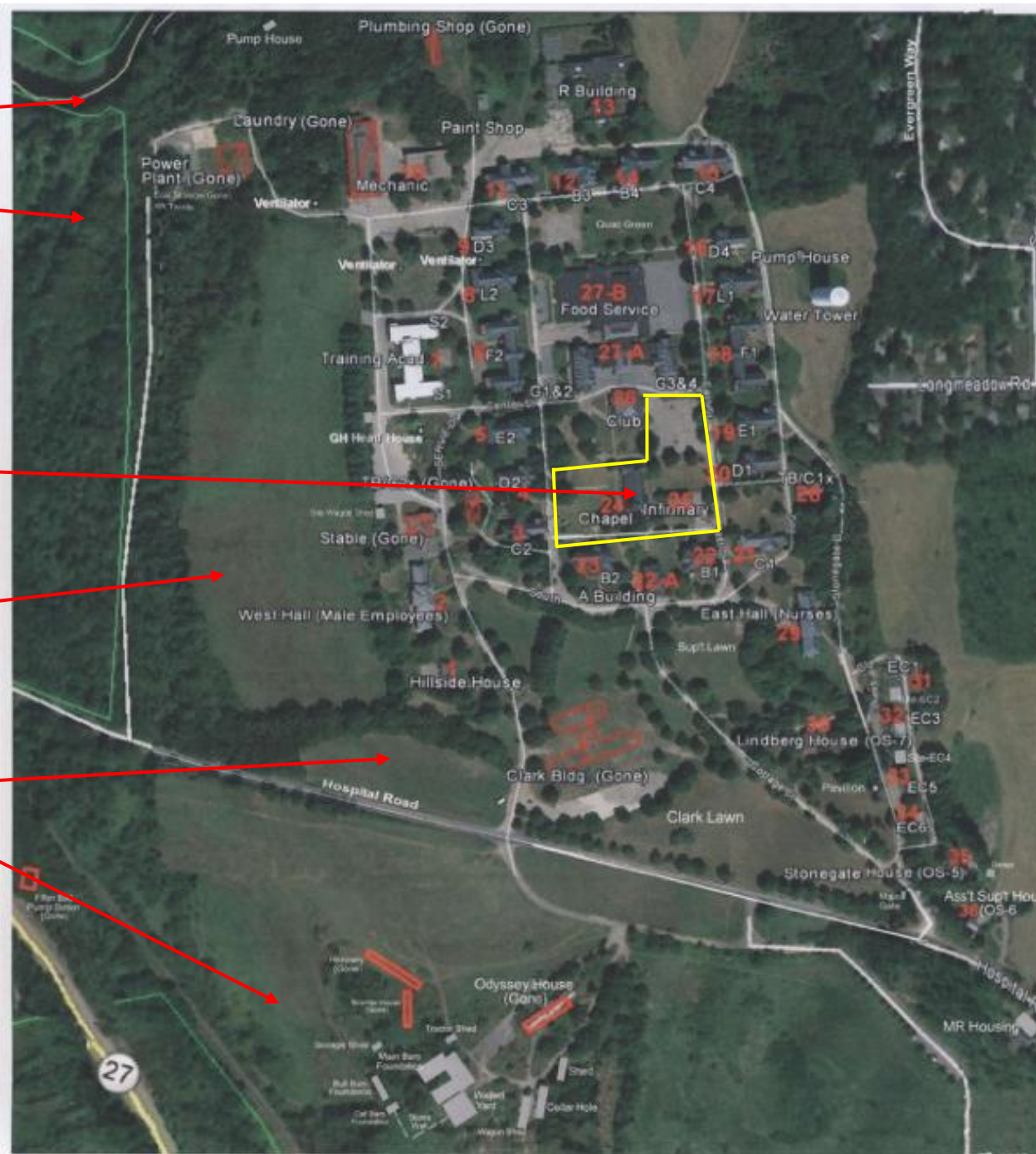
Questions?

Charles River
Bay Circuit Trail

Bellforge leased
Property (phase 1)

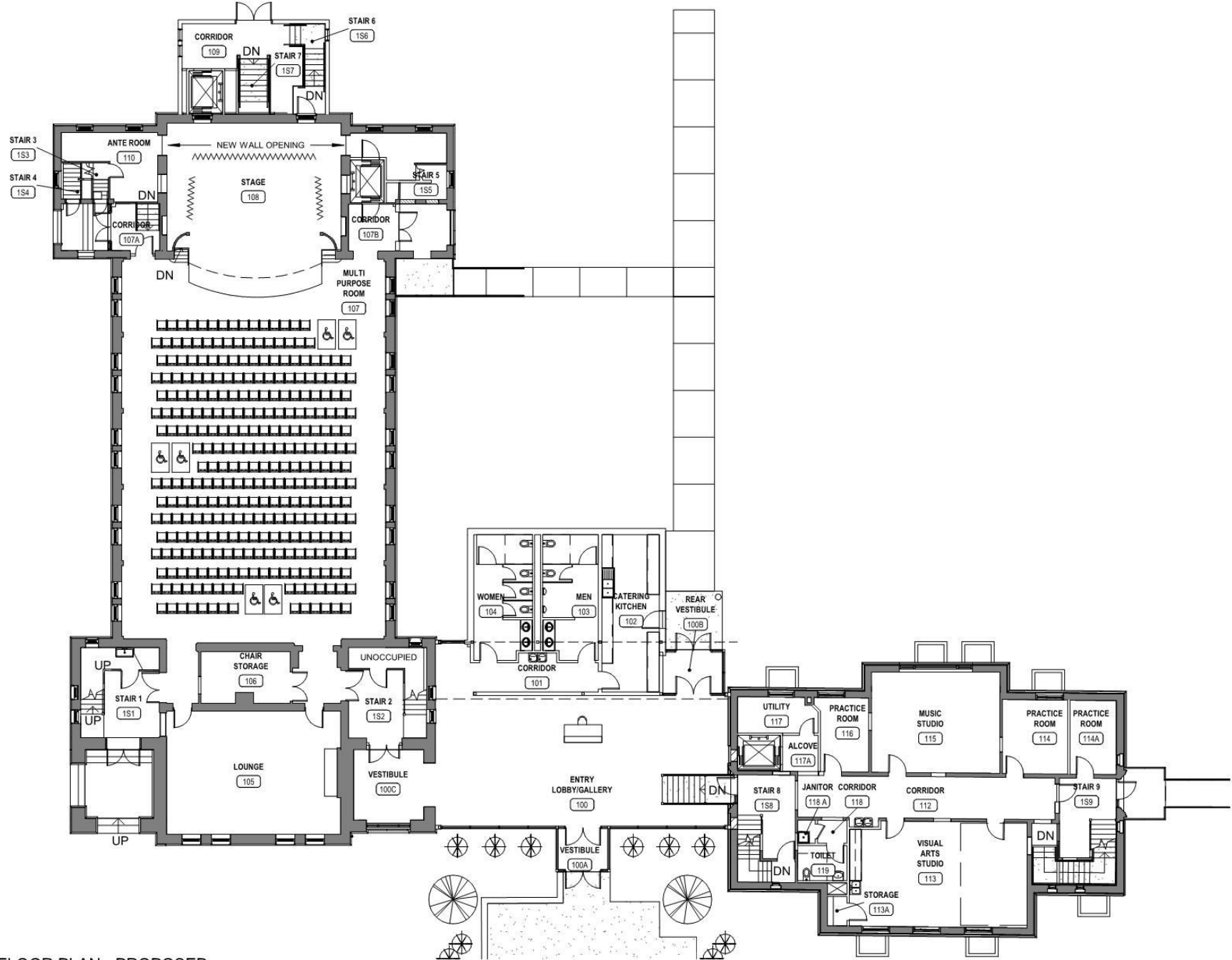
Ag field
(phase 2)

Culinary and
Visual arts
(phase 2)









1 FIRST FLOOR PLAN - PROPOSED
1/16" = 1'-0"









Thank you!

Jean Mineo,
Executive Director

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A new vision for a multidisciplinary arts center in
Gloucester, Massachusetts.

We celebrate and strengthen the creative community of Gloucester by supporting professional artists, providing multidisciplinary arts education and programs, and investing in affordable creative spaces.

GloArts Founding Partners



Alexandra Grace
Music Studio

HEARTH
ART
STUDIOS



- Median home sale prices for a single family home in Gloucester increased by nearly 48% between 2013 and 2023
- The median sale price for a single family home in 2025 was \$715,000

from the Gloucester Housing Compass



In 2025, we decided to combine our efforts and address the biggest barrier to making art on Cape Ann: the cost of space.





Negotiating &
Signing a Master
Lease

Creating & Administering
Subleases with Individual
Artists & Partners

Fundraising to Cover
Operational Costs &
Building Improvement

Providing an Anchor
Organization for
Artists in Gloucester



THE UMBRELLA COMMUNITY ARTS CENTER

- Founded in 1983
- 40,000 square foot high school built in 1929
- Home to 55+ artists, performing arts, arts education, and arts and environment
- Leased from the Town of Concord for \$1 per year



BEV ART

BEVERLY ARTS COMMUNITY CENTER



- Briscoe Middle School is 144,000 sq foot
- Built in 1923
- 75,000 sq feet of private, rentable space
- Capacity for 150-200 artists
- Rental income capacity: \$900,000 annually





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Learn more at gloarts.org or @gloartscenter