

# COMMERCIAL LEASE INTERRUPTION NOTICE

## Enhanced Version for Business Interruption Claims

**Document Category:** Business/Commercial Claims

**Document Number:** 18 of 33

**Priority Level:** URGENT - BUSINESS CRITICAL

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### COMPANY INFORMATION

**[Company Legal Name]**

**DBA:** [Trade Name if different]

**[Business Address]**

**[City, State ZIP]**

**Business Phone:** [Number]

**24-Hour Emergency:** [Number]

**Email:** [Email Address]

**Federal Tax ID:** [EIN]

**State Tax ID:** [Number]

**[Date]**

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### RECIPIENT INFORMATION

**SENT VIA:** Certified Mail, Email, Fax, Hand Delivery

**[Insurance Carrier Name]**

**Commercial Claims Department**

**Business Interruption Unit**

**Attn:** [Adjuster Name], [Title]

**[Address]**

**[City, State ZIP]**

**CC: Senior Commercial Adjuster**

**CC: Business Interruption Specialist**

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### CLAIM IDENTIFICATION

**Re: Business Interruption Claim - Ongoing Lease Obligations During Restoration**

**Policy Number:** [Policy #]

**Claim Number:** [Claim #]

**Date of Loss:** [Date and Time]

**Type of Loss:** [Fire/Water/Wind/etc.]

**Business Name:** [DBA Name]

**Business Type:** [Industry/Operations]

**Location of Loss:** [Address]

**Period of Restoration:** [Estimated Start - End]

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## EXECUTIVE SUMMARY

Dear Commercial Claims Representative:

This letter provides formal notice and comprehensive documentation of business interruption losses specifically related to ongoing lease obligations during the period of restoration following the covered loss at our commercial premises. These continuing fixed expenses must be paid to preserve our business location and enable resumption of operations.

**CRITICAL:** Lease default will occur in [#] days without payment, resulting in permanent loss of location.

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## COMPREHENSIVE LEASE INFORMATION

**Primary Lease Details:**

Lease Component	Details	Amount	Documentation
Landlord	[Name/Entity]		Lease attached
Property Manager	[Company]		Contact info provided
Lease Commencement	[Date]		Page [#] of lease
Lease Expiration	[Date]		[Years] remaining
Total Square Footage	[#] sq ft		Floor plan attached
Monthly Base Rent		[\$amount]	Current invoice
Common Area Maintenance		[\$amount]	CAM reconciliation
Property Tax Pass-through		[\$amount]	Tax bill attached
Insurance Pass-through		[\$amount]	Insurance invoice
Utilities (if included)		[\$amount]	Utility bills
Other Charges		[\$amount]	Itemized list
TOTAL MONTHLY		[\$amount]	Due [Date]

### Additional Lease Terms:

**Percentage Rent:** [%] of gross sales over \$[threshold]

**Security Deposit Held:** \$[amount]

**Personal Guaranty:** ☐ Yes ☐ No - Guarantors: [Names]

**Acceleration Clause:** ☐ Yes ☐ No - Triggers full balance due

**Cross-Default Provisions:** ☐ Yes ☐ No - Affects other locations

## LOSS EVENT IMPACT ANALYSIS

**The [describe loss event] has rendered our leased premises:**

### 1. Physical Impact:

- ☒ Completely unusable as of [date/time]
- ☒ Structurally unsafe per building inspector
- ☒ Without utilities (electric/water/gas)
- ☒ Access restricted by authorities
- ☒ Red-tagged/Condemned status

### 2. Business Impact:

- Business operations: **100% suspended**
- Employees displaced: [#] people

- Daily revenue loss: \$[amount]
- Customers redirected: [#] per day
- Market share erosion: [%] estimated

### 3. Restoration Timeline:

- Initial assessment: [Date]
  - Permits anticipated: [Date]
  - Construction start: [Date]
  - Substantial completion: [Date]
  - **Total estimated period:** [#] months
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## LEASE OBLIGATIONS DURING INTERRUPTION

### Contractual Requirements Per Lease Agreement:

#### Section [#] - Casualty Loss Provision:

["Quote exact lease language regarding rent continuation during casualty"]

#### Key Lease Terms During Restoration:

1. **Rent Continues:** No abatement for casualty loss
2. **Tenant Responsible:** Must maintain continuous payment
3. **Insurance Required:** Tenant must have BI coverage
4. **Default Provisions:** Apply regardless of casualty
5. **Restoration Obligation:** Tenant responsible for improvements

#### Landlord's Position (Documented):

- Letter dated [Date]: "Rent must continue"
  - No rent relief offered
  - Default notice threatened
  - Acceleration possible
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## BUSINESS INTERRUPTION COVERAGE ANALYSIS

### Policy Coverage Provisions:

Coverage Type	Limit	Deductible	Waiting Period	Status
Business Income	[\$[limit]]	[\$[amount]]	[hours/days]	Triggered
Extra Expense	[\$[limit]]	[\$[amount]]	None	Active
Extended Business Income	[days]	N/A	After reopen	Pending
Civil Authority	[days]	N/A	[hours]	If applicable
Contingent BI	[\$[limit]]	[\$[amount]]	[hours]	If applicable

Policy Language Supporting Lease Coverage:

"Business Income means... continuing normal operating expenses incurred, including payroll... and fixed costs including lease payments..."

DETAILED CONTINUING LEASE EXPENSES

Monthly Fixed Lease Costs Breakdown:

Expense Category	Monthly Amount	Daily Rate	Documentation
Base Rent	[\$[amount]]	[\$[amount]]	Lease §[#]
CAM Charges	[\$[amount]]	[\$[amount]]	Exhibit [Letter]
Property Taxes	[\$[amount]]	[\$[amount]]	Tax bill
Property Insurance	[\$[amount]]	[\$[amount]]	Invoice
Merchant Association	[\$[amount]]	[\$[amount]]	Agreement
Signage Fees	[\$[amount]]	[\$[amount]]	Addendum
Parking Fees	[\$[amount]]	[\$[amount]]	Agreement
Storage Unit	[\$[amount]]	[\$[amount]]	Separate lease
Equipment Leases	[\$[amount]]	[\$[amount]]	Lease schedules
TOTAL MONTHLY	[\$[amount]]	[\$[amount]]	

Projected Period Costs:

Month	Base + CAM	Taxes/Ins	Other	Total	Due Date
Month 1	\${amount}	\${amount}	\${amount}	\${amount}	[Date]
Month 2	\${amount}	\${amount}	\${amount}	\${amount}	[Date]
Month 3	\${amount}	\${amount}	\${amount}	\${amount}	[Date]
Month 4	\${amount}	\${amount}	\${amount}	\${amount}	[Date]
Month 5	\${amount}	\${amount}	\${amount}	\${amount}	[Date]
Month 6	\${amount}	\${amount}	\${amount}	\${amount}	[Date]
<b>TOTAL</b>	<b>\${amount}</b>	<b>\${amount}</b>	<b>\${amount}</b>	<b>\${amount}</b>	

### Additional costs if unpaid:

- Late fees: [%] or \${amount} per month
- Default interest: [%] per annum
- Attorney fees: Estimated \${amount}
- Acceleration: Full lease term \${amount}

## MITIGATION EFFORTS UNDERTAKEN

### We have attempted to mitigate losses through:

#### 1. Landlord Negotiations:

- Date contacted: [Date]
- Rent abatement requested: **Denied** [Date]
- Partial abatement requested: **Denied** [Date]
- Deferment requested: **Denied** [Date]
- Documentation: Emails/letters attached

#### 2. Sublease Attempts:

- Sublease marketed: ☐ Yes ☐ No
- Reason if no: ☐ Prohibited ☐ Impossible ☐ Unsafe
- Broker engaged: [Name] License #[Number]
- Prospects contacted: [#]
- Result: No viable options due to damage

#### 3. Alternative Operations:

- Temporary location sought: ☒ Yes
- Pop-up locations evaluated: [#]
- Mobile operations considered: ☒ Yes
- Online operations expanded: ☒ Yes
- Cost/benefit analysis: Attached

#### **4. Expense Reduction:**

- Non-essential services cancelled
  - Utilities minimized
  - Staff reduced to skeleton crew
  - Inventory liquidated where possible
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### **TEMPORARY LOCATION ANALYSIS**

#### **Double Rent Situation:**

##### **Original Location (Damaged):**

- Must maintain lease: \$[amount]/month
- Cannot operate from location
- Must preserve for return
- Lease value: \$[amount] below market

##### **Temporary Location (Operating):**

- Address: [Address]
- Monthly rent: \$[amount]
- Additional costs: \$[amount]
- Setup costs: \$[amount]
- Customer confusion costs: Immeasurable

**Total Monthly Burden:** \$[amount]

**Compared to normal:** [%] increase

**Sustainability period:** [#] months maximum

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# LEASE DEFAULT CONSEQUENCES

## Failure to Pay Lease Will Result In:

### Immediate Consequences (0-30 days):

#### 1. Default Notice

- 3-day pay or quit notice
- Acceleration of rent option
- Late fees begin accruing
- Credit reporting threatened

#### 2. Legal Action (31-60 days):

- Unlawful detainer filed
- Eviction proceedings begin
- Legal fees added to amount
- Judgment sought

#### 3. Business Destruction (60+ days):

- Loss of valuable lease (below market)
- Loss of customer location (10 years)
- Franchise agreement breach
- Personal guaranty enforcement
- Business credit destruction
- Personal credit impact
- Bankruptcy consideration

### Quantifiable Losses from Default:

- Lease value (below market): \$[amount]
  - Customer goodwill: \$[amount]
  - Franchise value: \$[amount]
  - Moving costs: \$[amount]
  - New location premium: \$[amount]/month
  - **Total Impact:** \$[amount]
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# LANDLORD DOCUMENTATION

## Attached Correspondence Shows:

### 1. Pre-Loss Status:

- Current on all payments
- Good standing letter [Date]
- No prior defaults
- Lease renewal discussions

### 2. Post-Loss Demands:

- [Date]: Initial demand for rent
- [Date]: Rejection of abatement request
- [Date]: Threat of default proceedings
- [Date]: Acceleration warning
- [Date]: Attorney involvement threatened

### 3. Landlord's Insurance:

- Landlord has separate coverage
  - Building repairs underway
  - No assistance to tenant
  - Expects tenant compliance
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## DETAILED COVERAGE ANALYSIS

### These Lease Expenses Are Covered Because:

#### 1. Policy Definition of Business Income:

- "Continuing normal operating expenses"
- "Fixed costs and charges"
- "Contractual obligations"
- Lease specifically mentioned in examples

#### 2. Necessary Continuing Expense:

- Must maintain to resume operations
- Contractually obligated

- No viable alternatives
- Industry standard coverage

### 3. Fixed Operating Cost:

- Amount certain and determinable
- Continues regardless of operations
- Pre-loss obligation
- Not variable with sales

### 4. Required to Resume Operations:

- Same location crucial for customers
- Moving would destroy business
- Location has unique advantages
- Investment in improvements significant

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## FINANCIAL IMPACT ANALYSIS

### Without Lease Payment Coverage:

Impact Category	Immediate	6 Months	12 Months	Permanent
Cannot maintain lease	[\$amount]	[\$amount]	[\$amount]	Lost
Customer location lost	[#] daily	[#] total	[#] total	100%
Franchise agreement	Warning	Default	Terminated	Lost
Going concern value	Impaired	Critical	Destroyed	\$0
Personal guaranty	Threatened	Enforced	Judgment	Bankruptcy
Credit impact	30 days late	90 days	Charge-off	7 years

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## ADVANCE PAYMENT REQUEST

### Immediate Advance Required For:

### Next Month's Rent to Prevent Default:

Component	Amount	Due Date	Payee	Account
Base Rent	\${amount}	[Date]	[Landlord]	[Account#]
CAM/Taxes	\${amount}	[Date]	[Landlord]	[Account#]
Insurance	\${amount}	[Date]	[Company]	[Policy#]
<b>TOTAL</b>	<b>\${amount}</b>	<b>[Date]</b>		

### Payment Instructions:

- Wire transfer preferred for speed
- Payable to: [Exact name]
- Bank: [Bank name]
- Routing: [Number]
- Account: [Number]
- Reference: [Lease/Suite #]

## COMPREHENSIVE DOCUMENTATION PROVIDED

### 1. Lease Documentation:

- ☒ Fully executed lease agreement (all pages)
- ☒ All amendments and addenda
- ☒ Rent roll showing payment history
- ☒ Current rent invoices
- ☒ CAM reconciliation statements
- ☒ Tax and insurance bills
- ☒ Estoppel certificate (if available)

### 2. Loss Documentation:

- ☒ Loss notice to landlord
- ☒ Building inspection reports
- ☒ Condemnation/red tag orders
- ☒ Photos of damage
- ☒ Restoration timeline
- ☒ Contractor estimates

### **3. Landlord Correspondence:**

- ☒ All written communications
- ☒ Email exchanges
- ☒ Demand letters
- ☒ Default threats
- ☒ Attorney letters

### **4. Mitigation Attempts:**

- ☒ Sublease marketing materials
- ☒ Temporary location searches
- ☒ Expense reduction measures
- ☒ Alternative operation plans

### **5. Financial Documentation:**

- ☒ Profit and loss statements (3 years)
  - ☒ Balance sheets
  - ☒ Tax returns
  - ☒ Bank statements
  - ☒ Credit card statements
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## **BUSINESS INCOME CALCULATION**

### **Include in BI Calculation:**

#### **Gross Earnings Loss:**

- Average daily sales: \$[amount]
- Days closed: [#]
- Total sales loss: \$[amount]

#### **Continuing Expenses:**

- Lease payments: \$[amount]
- Payroll (key employees): \$[amount]
- Insurance: \$[amount]

- Utilities (minimum): \$[amount]
- Other fixed: \$[amount]
- **Total Continuing:** \$[amount]

#### Extra Expenses:

- Temporary location: \$[amount]
- Moving/setup: \$[amount]
- Expediting costs: \$[amount]
- Marketing to reopen: \$[amount]
- **Total Extra:** \$[amount]

#### Extended Period:

- Ramp-up period: [days]
- Lost income during: \$[amount]
- Extra marketing: \$[amount]

## TIME ELEMENT COVERAGE

#### Coverage Timeline:

Event	Date/Time	Coverage Triggered	Documentation
Loss occurred	[Date/Time]	Yes	Incident report
Operations ceased	[Date/Time]	BI starts	Notice to customers
Waiting period ends	[Date/Time]	Payments due	Policy terms
Restoration begins	[Date]	Continuing	Contractor agreement
Expected completion	[Date]	Through date	Timeline provided
Extended period	[Date]	Additional [days]	Policy provision

## COORDINATION WITH PROPERTY CLAIM

#### Related Claims:

#### Property Damage Claim:

- Claim #: [Number if different]

- Adjuster: [Name]
- Amount: \$[amount]
- Status: [Status]

#### Restoration Details:

- General contractor: [Name, License #]
- Start date: [Actual/Projected]
- Completion: [Estimated date]
- Permits: [Status]

#### Known Delays:

- Permit approval: [# weeks]
- Material availability: [Issues]
- Weather windows: [Constraints]
- Inspector availability: [Delays]

**Realistic Timeline:** [#] months minimum

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## LEASE TERM STRATEGIC CONSIDERATIONS

#### Critical Lease Dates:

Event	Date	Action Required	Impact if Missed
Option Notice	[Date]	Written notice	Lose option rights
Option Exercise	[Date]	Payment + notice	Lease terminates
Renewal Negotiation	[Date]	Begin talks	Unfavorable terms
Market Review	[Date]	Rent adjustment	Locked into rate
Co-tenancy	[Date]	Verify compliance	Reduced rent right

#### Strategic Value:

- Current rent: \$[amount]
- Market rent: \$[amount]
- Monthly benefit: \$[amount]
- Option period value: \$[amount]

- Total lease value: \$[amount]
- 

## **SUBLEASE MITIGATION DETAILS**

### **Sublease Attempts Documentation:**

#### **Why Sublease is Impossible:**

##### **1. Physical Impossibility:**

- Premises destroyed/unsafe
- No access permitted
- Utilities disconnected
- Certificate of occupancy revoked

##### **2. Legal Prohibition:**

- Lease prohibits subletting
- Landlord consent required and denied
- Zoning restrictions
- Insurance restrictions

##### **3. Market Conditions:**

- No demand for damaged space
- Area stigma from event
- Competition from vacant units
- Timeline too short for subtenant

#### **Documentation:**

- Broker opinion letter
  - Marketing attempts
  - Inquiries received: [#]
  - Reasons for rejection
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## **REQUEST FOR IMMEDIATE CONFIRMATION**

### **Please Confirm Coverage For:**

1. ☒ **Full lease obligations during entire restoration period**

- Base rent: \$[amount] × [months]
- Additional charges: \$[amount] × [months]
- Total confirmed: \$[amount]

2. ☒ **Double rent during temporary relocation**

- Original location: \$[amount]
- Temporary location: \$[amount]
- Overlap period: [months]

3. ☒ **Lease-related professional fees**

- Legal fees: \$[amount]
- Broker fees: \$[amount]
- Accounting fees: \$[amount]

4. ☒ **Default prevention costs**

- Late fee avoidance
- Legal cost prevention
- Credit protection expenses

## PAYMENT INSTRUCTIONS FOR LEASE

### To Prevent Default, Pay Directly To:

#### Landlord Payment:

- **Payee:** [Exact legal name]
- **Reference:** Lease Account #[number]
- **Property:** [Address/Suite]
- **Amount:** \$[amount]
- **Due date:** [Date]

#### Method:

- ☐ Wire transfer (preferred)
- ☐ ACH payment
- ☐ Check overnight delivery

#### Confirmation to:



- Tenant: [Email/phone]
  - Property manager: [Contact]
- 

## **ONGOING REPORTING COMMITMENT**

### **We Will Provide Monthly:**

#### **1. Lease Payment Documentation**

- Rent invoices
- Payment confirmations
- Receipt acknowledgments
- Account statements

#### **2. Restoration Progress**

- Contractor reports
- Timeline updates
- Permit status
- Inspection results

#### **3. Business Income Updates**

- Sales reports (when resumed)
- Expense reports
- Mitigation efforts
- Recovery progress

#### **4. Additional Documentation**

- As requested
  - Within [#] days
  - In format specified
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## **CONCLUSION AND URGENT REQUEST**

Our lease obligations continue despite the covered loss making our premises completely unusable. These necessary expenses are not optional - they must be paid to preserve our business location, maintain our market presence, and enable eventual resumption of operations.

The value of our below-market lease, established customer base, and significant tenant improvements make abandoning this location financially catastrophic. Our business's survival depends on maintaining these lease obligations during the restoration period.

Without immediate coverage confirmation and advance payment of at least next month's rent, we face:

- Immediate default proceedings
- Loss of valuable lease rights
- Destruction of business value
- Personal guaranty enforcement
- Potential bankruptcy

**Please confirm coverage and arrange immediate payment to prevent these irreversible consequences.**

Time is of the absolute essence in this matter.

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**Respectfully submitted,**

[Signature]

[Name]

[Title]

[Company]

[Date]

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## **COMPLETE ATTACHMENT LIST**

1. ☒ **Complete lease agreement with all amendments**
2. ☒ **Current rent invoices and payment history**
3. ☒ **Landlord correspondence (all)**
4. ☒ **Property damage documentation**
5. ☒ **Business income worksheets**
6. ☒ **Financial statements (3 years)**
7. ☒ **Tax returns (2 years)**
8. ☒ **Temporary location agreements**
9. ☒ **Mitigation documentation**

- 10. ☒ **Professional opinions/reports**
  - 11. ☒ **Employee records**
  - 12. ☒ **Customer loss documentation**
- 

## **DISTRIBUTION**

**cc:** [Landlord] - Notice Only, No Waiver

**cc:** [Property Manager] - Information

**cc:** [Business Attorney] - [Name]

**cc:** [CPA/Accountant] - [Name]

**cc:** [Public Adjuster] - [Name]

**cc:** [Franchise Office] - If Applicable

**cc:** File

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## **URGENT - LEASE DEFAULT IMMINENT WITHOUT IMMEDIATE PAYMENT**

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