

BUSINESS ISSUES VS. LEGAL ISSUES IN LEASING TRANSACTIONS

Business Issue	Legal Issue
Tenant Name/Guarantor Name	Verification of Legal Entity
References/Financial Analysis	
Size of Premises	Definition of Premises
Length of Term/Renewal Options	Definition of Term/Renewal Options
Amount of Rent	Definition of Rent/Payment Terms
Requirement to Pay Operating Expenses	Definition of Operating Expenses/Payment Terms
Right to Audit Operating Expenses	Parameters of Audit Right/Procedure
Amount of Late Charge/Fees	Definition of Late Charges/Fees
Amount of Security Deposit	Definition of Security Deposit/Landlord's Right to Apply Security Deposit Upon Default
Holdover Rate (1.5 x vs. 2 x Base Rent)	Any Modification to Holdover Provisions
Permitted Use (Concept)	Definition of Permitted Use
Changes to Building Std. Services (Concept)	Definition of Building Std. Services/Service Interruption Provisions
Changes to Std. Repair Obligations (Concept)	Definition of Landlord and Tenant Repair Obligations
Amount of Tenant Improvement Allowance	Terms of Tenant Improvement Agreement
	Modification of Std. Casualty Provisions
	Modification of Std. Condemnation Provisions
	Modification of Std. Landlord Reps. and Warranties
	Modification of Std. Subrogation Provisions
	Modification of Std. Indemnity Provisions
Quantity of Required Insurance for Tenant	Modifications of Std. Insurance Provisions

Business Issue	Legal Issue
Std. of Landlord Discretion on Subletting and Assignment (sole vs. reasonable discretion)	Modifications of Std. Subletting and Assignment Provisions
	Modification of Std. Tenant Default and Landlord's Remedies Provisions
Importance of Statutory Landlord's Lien	Modifications of Std. Landlord's Lien Provisions
Right to Relocate Tenant	Modifications of Std. Relocation Provisions
	Modification of Std. Force Majeure Provisions
	Modification of Std. Attorneys' Fees Provisions
	Modification of Std. Limitation of Landlord's Liability Provisions
Reserved and Non-Reserved Parking Rights	Definition of Parking Rights
	Modification of Std. Bankruptcy Provisions
	Modification of Std. Hazardous Materials Provisions
	Modification of Std. Limitations on Tenant Remedies Against Landlord
Special Provisions (Concept)	Drafting of Special Provisions
	Any Other Changes to Form Lease

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NOTE: This site includes a summary of certain legal issues facing landlords today. This site does not, and is not intended to, give legal advice. Reference should be made to full text of the statutes, regulations and legal documents for complete analysis. Consultation with competent counsel is strongly recommended.