

# LEASING TIPS

By Lonnie C. Rich

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1. Get good professional help – broker, CPA, insurance agent, attorney; architect, space planner, contractor, if to be improvements
  - Get referrals from friends or other professionals.
  - Use attorney time wisely – mark up lease provisions you don't understand or don't like in order to focus attorney time.
2. Talk with other tenants about how the landlord operates (promptly, fairly, reasonably, amicably – or otherwise)
3. What are you renting and paying for vs. how much you can actually use? Is it sufficient for your intended use? Too much?
4. Is the lease consistent with the LOI? In other words, are all LOI terms in the lease? (option to renew)
5. What contingencies do you need in your lease? Professional permit for day care? (Playground space) Proper zoning/land use permits? (SUP for restaurants and auto-related uses; parking)
6. Guaranty – who is required to sign (all members of LLC; spouses); termination of guaranty after some period of time
7. What responsibility does landlord have for anything? Maintenance/replacement of plumbing, electricity, HVAC, roof?
8. What expenses are added to your rent? Are vendors bid out and arms-length? Beware the brother-in-law plumber!

9. How do you exercise any option to renew? How much in advance of end of term must you exercise the option? If option period rent is not fixed, then largely worthless.
10. Check for balance? Is every term one-way – solely to protect or benefit the landlord? (remedy for default, limits on liability, attorney's fee, indemnification, landlord consent)
11. Is landlord liability limited to its equity in the property? Might not be much.
12. Read all documents (LOI; lease) yourself – carefully. Who is to do what, when? What notice is required for cure, for subletting, for option periods?