

## Commercial Lease Checklist

1. Free rent-does the Lease reflect the deal between Landlord and Tenant?
2. Are the premises in a land-marked building?
3. Request a copy of the most recent tax bill-Tenant should only pay its pro rata share of taxes
4. Is the electricity direct meter, sub-meter or rent inclusion?
5. Assignment and sub-let should be allowed for (a) Tenant's sale of its business, (b) merger of its business, (c) Tenant goes public, (d) assignment of its lease to a related entity or division. In a sublet or an assignment, for a proposed deal, the Tenant should be required to provide Landlord a term sheet of the material terms and conditions and not a complete assignment or sublease.  
- If the Lease allows Landlord recapture in an assignment or sublet situation, then the Lease should provide that if the Landlord elects to recapture space, the Tenant can withdraw its request for the right to an assignment or sublet.
6. Non-structural alterations should be allowed as a matter of right by Tenant
7. Security Deposit. Interest on security deposit should go to Tenant without request or notice once per year and returned to Tenant 30 days after lease ends. Security Deposit should decrease over time if no default by Tenant under Lease ("burn down") and Landlord cannot apply security deposit without notice to Tenant.
8. Landlord consent to particular use and assistance in getting a liquor license if it is a restaurant deal
9. Sprinkler installation, monitoring, and maintenance who pays? (What %)
10. Electricity capacity of present wiring and watts per square foot
11. Signage in lobby (directory), elevator, floor and door (window signage, flag if retail)
12. Right to make deliveries to the premises at any time of the day for retail tenant.
13. Sidewalk maintenance is not the responsibility of retail tenant-other than snow removal
14. Landlord should pre-approve the private carter for retail tenant
15. Tenant not pay Landlord's expenses for initial renovation plan review
16. Renovation-pre-approval by Landlord of plans or not unreasonably withheld standard for Tenants alterations
17. Water bills by direct meter for use other than of sink and toilet by Tenant.

18. Heating should be provided even if Tenant is in default of lease obligations
19. Vault taxes should be the responsibility of Landlord
20. Get copy of certificate of occupancy from Landlord and make sure that Tenant's use is permitted
21. Insurance rider should be reviewed by Tenant's insurance agent
22. Construction clause should be reviewed by Tenant's architect
23. Brokerage clause indemnification language should be mutual
24. Real Estate tax clause should permit increases to be paid by Tenant over 12 months
25. Move in and Move out-no charge for use of elevator by Tenant or employees, independent contractors or agents of Tenant.
26. Condition of Space. Upon commencement of lease Landlord should be responsible for structure of premises- HVAC, plumbing, bathrooms, electrical and fire panels and sprinkler. Premises must be free of hazardous materials and asbestos.
27. Non-disturbance, Attornment and Recognition Agreement should be provided for in Lease for a large Tenant from Landlord's mortgagee and/or ground lessor or superior tenant.
28. Landlord should take no more than 1 week to 10 days to review plans, specifications and contractors selected by Tenant.
29. Storage Space for Tenant-check if it is available in the building
30. Cleaning specifications should be referenced in Lease and attached to the lease
31. Sunset provision for escalations-any escalation bills from the Landlord should be void if they're not sent to the Tenant 90 days after the end of the lease. Any escalation bill from the Landlord that's two years beyond the applicable period should be null and void as well.
32. Discontinuance of electricity by Landlord –if the Landlord wants to discontinue electricity for the Tenant, then the Landlord must discontinue electricity for all Tenants in the building.
33. Holdover Provision-lease should provide for a partial holdover payment based on the number of days in the month, not solely for a full month's holdover by Tenant.
34. Mitigation of Damages-if the Tenant vacates the space, Landlord should agree to use reasonable efforts to lease the space to a third party and minimize the damage to Tenant.
35. Confidentiality Clause-if the Landlord wants the lease terms to be kept confidential, then this condition should be reciprocal and the Landlord should agree that it will not disclose any information regarding the lease that pertains to Tenant.