



COMMERCIAL LEASE | LOI CHECKLIST

- ☐ **Premises.** Have the proposed premises been clearly defined regarding location and size? Consider including a floor plan as an exhibit, if available.
- ☐ **Right of Relocation.** If the landlord can require you to move to a different location, what rights, if any, do you have regarding the relocation? For example, what sort of notice must the landlord provide, how often can the landlord force a relocation, and will the landlord reimburse you for relocation costs?
- ☐ **Parties.** Are the landlord and the tenant both appropriately defined? For example, if you are renting the space through a separate business entity you have established, confirm that the business is listed as the tenant (and that you are not individually named).
- ☐ **Guarantor.** Ensure you are comfortable with any proposed guarantor language (including named guarantors and length of guaranty).
- ☐ **Permitted Use.** If your permitted use is defined, ensure that the language is flexible enough to cover your immediate use as well as any reasonably anticipated expanded use.
- ☐ **Commencement Date.** If work needs to be completed before you can move in, are you entitled to damages or able to terminate the lease if such work is not completed in a timely manner?
- ☐ **Landlord's Work; Tenant's Early Access and Allowance.** If build-out work or repairs need to be completed before you begin operations, ensure that any work, early access, or allowance that the Landlord has agreed to provide is sufficiently detailed.
- ☐ **Lease Term.** Ensure the proposed lease term is acceptable to you.
- ☐ **Renewal Options.** Review the term and cost of any renewal options. Consider proposing renewal options if none are included.
- ☐ **Reduction/Expansion Rights and Termination Rights.** Review any rights you have to expand/reduce the amount of space rented or to terminate the lease. Consider proposing such rights if none are included.
- ☐ **Rent and Other Lease Costs.** Review all rent terms (e.g., rent rates, commencement date for rent, and any free rent period). Beware of rent increases tied to fair market rental rate and be sure that you understand and agree with any terms beyond base rent (e.g., common area maintenance and triple net expenses), which can substantially increase your ongoing costs.
- ☐ **Restrictions; Requirements.** If you will be subject to restrictions or supplemental requirements (e.g., you can't operate a certain type of business within the premises or you are required to provide certain financial records), ensure such restrictions are reasonable/feasible, and consider making restrictions mutual, when appropriate.
- ☐ **Amenities and Services Provided by Landlord.** Be sure any landlord obligation to provide critical amenities/services is detailed, such as parking, conference rooms, receptionist services, access periods, HVAC services, kitchen facilities, or janitorial services.
- ☐ **Insurance Requirements.** Review any insurance requirements with your insurance provider.