





Your Reviewer: Jeff (jeff@leaseref.com)
Leases Reviewed: 2,038
Date: November 9, 2019






Needs to be corrected 
 Should be improved 
 Costly item 

Section	Item	Comments
1B	Premises	 While I am ok with the word "approximate" when describing the rentable area, landlords often re-measure or "re-certify" spaces. The problem is that they often do not inform you if the size decreases, and they increase the overall rent when the size increases, as they take your rental rate and apply the new square footage. Therefore I would recommend inserting "The Premises shall not be re-measured during the Term or any renewals."
1C	Term	As the commencement date is July 1, 2018, I presume the lease term as already started and you are seeking an opinion on this lease which is already in place.
1D	Annual Base Rental	As we are not a local brokerage service, we do not offer an opinion of value on the rent, so we trust you have done your due diligence. The escalations seem reasonable.
	Pro Rata Share of Operating Costs	<p>While it is good that they mention you will pay your pro rata share, most leases actually state what that percentage is within this clause.</p> <p>I can see from 4B that it is .58%.</p>
1I	Security Deposit	<p>I am good with this amount. I would prefer it to be a last month deposit. That way it applies to the last month and if you renew there is no security deposit for the renewal term.</p> <p>A security deposit for a deal of this size is not uncommon though.</p>
1M	Broker	Normally the lease stipulates whom the broker represented. I can't tell if the broker is the landlord's agent or yours.
3C	Holding Over	<p>If you stay as a month to month tenant at the expiry of the lease it will</p> <p>This is great - most landlords have 200% and some of them can be negotiated down to 150%.</p>
4C	Adjusted for Occupancy	<p>This clause allows the landlord to have 95% occupancy and yet charge as if the property was 100% occupied.</p> <p>In other words, if the property is 100% occupied and a tenant who has 5% of the total square footage moves out, the operating costs are not absorbed by the landlord.</p> <p>They are passed along to you and other tenants in the pro rata share.</p> <p>While this may not be substantial, most landlords do not have this clause. I would estimate we see this in about 10% of leases.</p> <p>I would try to get the clause removed if you can.</p>
4 F and G	Late Payment and Interest	Each of these penalties are fine, but it would be better if you only had one of them, not both.

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7E	Entry by Landlord	<p>Most leases allow for the landlord to exhibit the premises to prospective new lessees within the last 6 months of the lease.</p> <p>This lease allows the landlord to do so in the last 12 months, which is a bit excessive.</p>
8B	Surrender of Premises	<p>You do not have the obligation to restore the premises to a base building shell at the expiry of the lease (called a makegood provision).</p> <p>This is great - that is typically a \$5 - \$10 per square foot cost.</p> <p>However, you do have the obligation to restore "...any non-Building standard tenant improvements..."</p> <p>I presume this to mean very small offices, specialized lighting, anything that is not going to be re-usable by the landlord.</p> <p>The definition of this could be improved so it is more clear.</p> <p>I would also recommend inserting that if the landlord approves the leasehold improvement then it will therefore not be subject to you having to remove it.</p>
8C 1	Approval Required	<p>While it is normal to require the approval of the landlord for installation of leasehold improvements, it should also be stated that "such approval shall not be unreasonably withheld or unduly delayed."</p>
9	Insurance	<p>Have your insurance provider review this section. The amount is tenant-friendly.</p> <p>Some leases call for \$5M in coverage.</p>
10A 1	Consent Required (Subletting)	<p>Consent is required for subletting. That's fine, but it should also state "Said consent shall not be unreasonably withheld or unduly delayed."</p> <p>You have to pay the landlord's attorney fees for reviewing your sublet document.</p> <p>That is fine, but this is usually capped at \$1,500. \$2,500 max.</p>
11A	Fire and Other Casualty	<p>I was happy with the period of time for the landlord to assess the damage (30 days).</p> <p>I was very happy that you also get a right to cancel the lease - most only provide for the landlord to be able to cancel.</p> <p>270 days to repair is a bit excessive. Most leases obligate the landlord to repair in 180 days.</p>

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11C	No Liability	While it is common to have a waiver of liability clause, it also normally excludes the landlord's negligence and misconduct, which is not the case in this clause.
15A	Estoppel Certificates	<p>I am happy with this. An estoppel is a form you fill in (usually 2 pages) that verifies the terms of your lease to a potential buyer of the property.</p> <p>There can be steep penalties if you fail to fill in the form in a timely manner (such as being in default of the lease or a penalty of 10% of your month rent).</p> <p>Your lease just states that the landlord can verify the estoppel on your behalf.</p>
19	Relocation of Tenant	<p>The landlord has the right to relocate you.</p> <p>This is very common for small office tenants, as it allows for a landlord to accommodate other tenants that are growing.</p> <p> The new space will be comparable in size, but that should really be defined. I would suggest the new space be within 10% (plus or minus) of your existing size, otherwise you do not have to agree to be relocated.</p>
Missing	Personal Guarantee	Many leases have a personal guarantee and this one does not, so that's great.
Missing	Right to Renew	Usually there is a further right to renew at market rent for office leases.
Missing	Capital Costs	<p>What happens if the landlord resurfaces the parking lot or installs a new roof? Capital costs should be amortized over the useful life of the installation.</p> <p>I did not see any wording that addressed this.</p>

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