

The background features a central horizontal white band. Above and below this band are sections with a textured, marbled appearance in shades of brown and tan. On the far left and right edges, there are solid vertical bars in a dark brown color.

Checklist & Glossary

Company: _____

Date: _____

Contact: _____

Project: _____

Abstract Checklist

Please check the lease provisions you need summarized in your lease abstract and fax to: 732-333-2801

Basic Information

- Landlord
- Tenant
- Sublease
- Property Address
- Floor #
- Suite #
- Rentable Square Feet
- Pro Rata Share
- Business Hours*

Term

- Lease Commencement Date
- Rent Commencement Date
- Lease Expiration Date
- Term
- Holdover

Rent

- Base Rent
- Renewal Rent
- Rent Abatement
- Security Deposit
- Late Fee
- Interest

Percentage Rent

- Gross Sales – Inclusions*
- Gross Sales – Exclusions*
- Breakpoints*
- Sales Reporting*
- Landlord Audit Rights*

Additional Rent

- CAM/Operating Expenses
- Real Estate Taxes
- Base Year/Expense Stop
- Gross Up
- Landlord's Insurance
- Utilities-Premises
- Marketing Fund*
- Tenant Audit Rights
- After Hours HVAC
- Landlord Services
- Repairs/Maintenance

Tenant Options

- Renewal
- Expansion
- Contraction
- Right of First Refusal
- Right of First Offer
- Termination
- Relocation
- Purchase

Landlord Options

- Termination
- Relocation

Use/Restrictions

- Permitted Use*
- Prohibited Use
- Exclusive Use
- Tenant Radius Restrictions*

- Continuous Operation/Go Dark*
- Co-Tenancy*
- Landlord Restrictions*

Legal/Financial

- Assignment & Subletting
- Subordination/SNDA
- Default
- Estoppel Certificate
- Landlord Notices
- Tenant Notices

Miscellaneous

- Tenant's Insurance
- Tenant Improvements
- Alterations
- Casualty
- Condemnation
- Signage
- Parking
- Merchant's Association*
- Environmental Provisions

Additional Information

- Guarantor
- Brokers
- Additional Documents
- Missing/Conflicting Information

*Applies only to retail leases.



Glossary

To help you decide which lease provisions you need in your abstract, we have prepared the following explanations of the items we normally cover under each of the most common lease provisions. If you have any questions on these items please call 877.56 LEASE.

Basic Information

Landlord: states the landlord's name and, if applicable, the landlord's state of incorporation/formation and *doing business as* (DBA) name.

Tenant: states the tenant's name and, if applicable, the tenant's state of incorporation/formation and DBA name.

Sublease: identifies any sublease. Each sublease will be abstracted separately.

Property Address: identifies the street address of the premises.

Floor#: identifies the specific floor on which the premises is located.

Suite#: identifies the suite, office or store number assigned to identify the precise location of the premises.

Rentable Square Feet: states the square footage of the premises.

Pro Rata Share: indicates the portion of the overall building that the tenant inhabits. This figure is typically used to calculate operating expenses, CAM charges, real estate taxes, etc.

Business Hours:* states the hours during which the tenant is required to remain open for business.

Term

Lease Commencement Date: determines the date the lease begins.

Rent Commencement Date: determines the date tenant's obligation to pay rent begins.

Lease Expiration Date: determines the date the lease ends.

Term: defines the length of time (typically expressed in years) from the day the lease begins until the day the lease ends.

Holdover: states the holdover rate (i.e., the rate the tenant will pay in the event it remains in the premises beyond the term of the lease) and explains whether or not a holdover provides the landlord with an automatic extension option (and the terms thereof).

Rent

Base Rent: indicates the schedule of current and future rent payments due under the lease. Base rent is stated as an annual and monthly total, as well as the annual and monthly rate per square foot.

Renewal Rent: indicates any scheduled rent increases. The renewal rent may be stated in dollars, fair market value (FMV), or relative to a change in the Consumer Price Index (CPI) or other financial benchmark.

Rent Abatement: describes the amount of any reduction or elimination of a continuing charge (e.g., base rent, expense recoveries or percentage rent) that the tenant is normally required to pay under the lease.

Security Deposit: specifies the type of security (e.g., cash or letter of credit), the amount, and whether or not the deposit is held in an interest or non-interest bearing account, and any applicable reductions or increases in deposit amounts and/or any applicable substitution rights.

Late Fee: states the penalty for the late payment of rent and/or other fees due under the lease, including details on the amount, rate, grace period and any notice requirements.

Interest: indicates the rate of interest that applies to payments of rent and other fees due under the lease, the grace period and any notice requirements.

Percentage Rent

*Gross Sales Inclusions:** refers to items included in the definition of gross sales for the purpose of calculating percentage rent.

*Gross Sales Exclusions:** refers to items excluded from gross sales for the purpose of calculating percentage rent.

*Breakpoints:** states the dollar amount of gross sales that triggers a percentage rent obligation.

*Sales Reporting:** explains the method and frequency with which the tenant must report its sales to the landlord. The reported sales are then used to calculate percentage rent.

*Landlord Audit Rights:** defines the landlord's right to audit the tenant's gross sales records and the time frame in which the landlord must begin and/or complete the audit.

Additional Rent

CAM/Operating Expenses: explains the type of expenses to be recovered by the landlord, how they will be recovered (i.e., net or gross), the base year, expense stops, recovery caps or floors and any non-standard inclusions (e.g., capital expenditures, depreciation & amortization, management and/or administrative fees, structural repairs, roof maintenance and replacements).

Real Estate Taxes: specifies which party is obligated to pay the real estate taxes and assessments, whether or not taxes are assessed on rentals and, if so, who pays those taxes.

Base Year/Expense Stop: defines the point at which the tenant is required to pay a proportionate share of recoverable expenses. This point may be expressed as a year (either fiscal or calendar) or as a fixed amount.

Gross Up: defines the landlord's right (if any) to gross up expenses as if the building had a specific percentage leased or if the lease states that for purposes of calculating PRS, the occupied square footage

will be grossed up to a certain percentage leased.

Landlord's Insurance: lists the type(s) of insurance and amount(s) of coverage required by the landlord under the lease. This provision also covers any self insurance options that may apply and indicates which related expenses, if any, the landlord can pass through to the tenants.

Utilities-Premises: identifies the party responsible for paying the utilities and describes how the payments are to be made (i.e., directly or reimbursed).

*Marketing Fund:** indicates the amount or the basis of the tenant's contribution to a marketing fund if the landlord establishes one.

Tenant Audit Rights: describes the tenant's right to audit the landlord's operating expense records and when the tenant must begin and/or complete the audit.

After Hours HVAC: describes the landlord's charges for after-hours use of HVAC.

Landlord Services: specifies the services the landlord is required to provide and who is responsible for the cost of those services.

Repairs/Maintenance: describes the responsibilities of the landlord and the tenant with regard to repairs and maintenance of the premises.

Tenant Options

Renewal: describes the renewal terms, notice requirements, renewal rent and how the tenant's option to renew must be exercised.

Expansion: explains all aspects of the tenant's improvement allowance including the effective date, description of encumbered space, notice requirements, whether or not the option is automatic and rental terms.

Contraction: includes the effective date, description of encumbered space, notice requirements, whether the option is automatic, tenant improvement allowance and contraction fee (i.e., fee for reducing the rental space).

Right of First Refusal: explains whether or not the tenant has the right of first refusal to purchase or lease the premises, including the notification requirements, description of encumbered space, whether the option is one-time or continuous, rental terms, whether the option is subject to the rights of other tenants and any other information necessary to describe the option.

Right of First Offer: explains whether or not the tenant has the right to make the first offer to purchase or lease the premises, including notification requirements, description of encumbered space, rental terms, whether option is one-time or continuous and/or subject to rights of other tenants and any other information necessary to describe the option.

Termination: describes any termination options including the effective date, notice requirements, termination fee, payment schedule and any special conditions that trigger the option to terminate (excluding casualty and/or condemnation).

Relocation: describes any relocation options available to the tenant.

Purchase: describes the purchase option, if any, available to the tenant including the notification requirements, effective date, purchase price agreement, and any other pertinent information.

Landlord Options

Termination: describes any termination options including the effective date, notice requirements, termination fee, payment schedule, and if applicable, special conditions that trigger the option to terminate (excluding casualty/condemnation and defaults).

Relocation: describes any relocation options available to the landlord, including notice requirements, new premises requirements and the party responsible for paying the relocation costs.

Use/Restrictions

Permitted Use:* describes the tenant's permitted use of the premises.

Prohibited Use: describes any prohibited use specific to the tenant and/or the premises.

Exclusive Use: describes the rights of use that are exclusive to the tenant.

Tenant Radius Restrictions:* includes specific prohibitions against the tenant opening a similar or competing operation within a defined area from the location of the premises.

Continuous Operation/Go Dark:* explains whether or not the tenant must operate continuously, including any stipulations regarding the tenant's right to cease operations but still pay rent, days the tenant is allowed to close, days the tenant must be open, whether or not the tenant may close for a set number of consecutive days, and if the landlord may terminate the lease in the event the tenant vacates.

Co-Tenancy:* stipulates whether or not the tenant is entitled to a rent reduction or waiver until a pre-set percentage of a retail center is occupied.

Landlord Restrictions:* describes any restrictions on the landlord, including limitations on the landlord's ability to allow specific types of business or activities in the Shopping Center, and restrictions on the landlord's right to lease premises for a similar use within a specific geographic area.

Legal/Financial

Assignment & Subletting: describes the conditions under which the tenant may assign or sublet the premises, including the requirements for landlord consent, the extent of the landlord's discretion to consent, the landlord's right to recapture the space and/or terminate the lease and the provisions for sharing any sub-lease profits.

Subordination/SNDA: explains whether the lease is subordinate or superior to existing and/or future lien holders and whether a non-disturbance agreement is required from existing and/or future lien holders.

Default (monetary and non-monetary): explains the conditions under which the lease will go into default status and whether landlord is required to notify the tenant.

Estoppel Certificate: defines the number of days each party has to respond to a request for an estoppel certificate and whether the requirement applies to both tenant and landlord.

Landlord Notices: provides the name and address of any landlord contacts to whom the tenant is required to provide notice.

Tenant Notices: provides the name and address of any tenant contacts to whom the landlord is required to provide notice.

Miscellaneous

Tenant's Insurance: includes the type(s) of insurance, the amount(s) of coverage required for each type of insurance and any self insurance the tenant is required to have.

Tenant Improvements: defines any allowances or remaining construction obligations the landlord owes to the tenant for improvements made by the tenant.

Alterations: explains the tenant's rights and duties regarding alterations to the premises.

Casualty: explains the rights of the landlord and/or the tenant to terminate the lease in the event of a casualty.

Condemnation: explains the rights of the landlord and/or the tenant to terminate the lease in the event the government takes the property through eminent domain.

Signage: explains the tenant's rights to signage in the lobby, on the exterior of the building, and/or signage on a pylon or other monument signs (excludes interior suite signage).

Parking: includes the number and location of all parking spaces, whether the spaces are reserved and/or non-reserved, the amount of rent the tenant must pay for parking spaces, the landlord's designation of tenant parking areas and the tenant's rights to additional parking areas.

Merchant's Association:* specifies whether or not the tenant is required to join a Merchant's Association and the terms of that membership.

Environmental Provisions: describes the obligations of both the landlord and the tenant (including a description of any prohibited activities) to comply with any applicable environmental laws, plus any representations made by either party regarding any history of environmental issues related to either the property or premises.

Additional Information

Guarantor: indicates the name of any guarantor and the amount of any guaranty, any scheduled reductions or additions and expiration or limits, if any.

Brokers: lists the names of the landlord's and the tenant's brokers.

Additional Documents: lists any documents, other than the lease, that are used to prepare the abstract.

Missing/Conflicting Information: lists any missing documents and conflicts between various portions of the lease and other documents in the file.

*Applies only to retail leases.