



# TO PAY, OR NOT TO PAY – THE RENT

## COVID-19 CRISIS

### OUTLINING RISK AND REWARD STRATEGIES

CRRE- Corporate Infrastructure Advisory Group  
Real Estate | Information Technology | Operations

#### LEASE PROVISIONS

(in the event of Default)



#### IMPACTS TO BUSINESS

- Access to Premises ..... No Access: Files, IT, Personal Property
- Utilities (Power, Water, Heat) ..... No Utilities: Impact to Equipment, People?
- Improvements & Contents ..... Could Your Assets Now Belong to the LL?
- Personal & Corporate Liability ..... Who’s Liable, For How Much?
- Default for Non-Payment ..... What Are the Total Remedies to Landlord?
- Restoration Provisions ..... How to Quantify This Exposure?

## THINK BEFORE YOU ACT

### Short & Mid-Term Consequences (2 – 4 Months):

- Potential Lack of Access to Space
- Impacted Use/ Loss of IT / Data Center
- Loss of Security Deposit or Letter of Credit



### Long-Term Consequences (5 – 9 Months):

- Lawsuits (Costs, Time, Aggravation)
- Corporate and Personal Liabilities
- Complete Loss of Access to Space
- Full Assessment of Penalties & All Provisions

## NEXT STEPS/RECOMMENDATIONS

- Diligent Assessment of Your Liabilities & Risk
  - Define “WHAT-IF” contingency plans
- Create Data Migration Plans, Timeline and Process
  - Quantify Risk to Business, Operations, Data, Personnel & Intellectual Property
  - Underwrite Extent of Financial Liability

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