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)

- Access to Premises
- Utilities (Power, Water, Heat)
- Improvements & Contents
- Personal & Corporate Liability
- Default for Non-Payment
- Restoration Provisions

IMPACTS TO BUSINESS

- No Access: Files, IT, Personal Property
- No Utilities: Impact to Equipment, People?
- Could Your Assets Now Belong to the LL?
- Who’s Liable, For How Much?
- What Are the Total Remedies to Landlord?
- 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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