Sample Questions

1. **True or False?** Although a commercial lease is a legal document, most of the language within a lease is of a "business nature."

2. **True or False?** By keeping the LOI provisions as narrow as possible, tenants are more likely to receive a tenant-friendly lease from the landlord.

3. **True or False?** If the initial use of a particular space is that of a nail salon, a strict landlord's draft should state that the premises may be used as a nail salon and for no other purpose.

4. **True or False?** If the premises are being delivered to the tenant in "as-is" condition, the landlord advocates should attempt to have the lease commencement date be the date that a fully executed lease is delivered to tenant or its attorney.

5. **True or False?** From a broker's perspective, the free rent period should be added to the desired term of the lease (rather than subtracted from the lease term), given that the longer the term of the lease, the larger their commission will be.

6. **True or False?** Instead of asking for (or granting) one hundred percent of a free rent concession to be granted up-front, landlord and tenant advocates sometimes agree to bifurcate the free rent requested by spreading it out over a period of months in either full or one-half month increments.

7. **True or False?** For a retail tenant, the existence of a renewal option does not make the value of that lease significantly stronger.

8. **True or False?** Decorating, snow and ice removal, and service contracts are all included in the operating expenses of a building.

9. **True or False?** In a jurisdiction where real estate taxes are calculated from the income generated by a given building, on a 4 floor mixed use building in which the (a) square footage for each of the 4 floors is equal, (b) first floor retail rent is $400,000 and (c) aggregate rent for the 3 residential floors is also $400,000, the pro-rata share of real estate taxes for the retail space should be no less than 50%.

10. **True or False?** It is in the tenant's best interest to increase the amount of security deposit it will pay upfront to the landlord.

11. **True or False?** At its most basic level, a good guy guaranty is a document wherein a tenant's principal or principals personally guarantee that the rent for the entire term of the lease will be paid, even if the tenant has surrendered the space and paid all rent through the date of surrender.

12. **True or False?** Loss factors are greater for a space on divided, multi-tenant floors than full floor spaces, since there is more common area on a divided floor.

13. **True or False?** In the letter of intent, a tenant's advocate should attempt to negotiate language stating "Landlord shall have no profit sharing rights for transfers to a related entity of tenant, a permitted transferee, or for permitted occupants."

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14. **True or False?** A direct electric provision in the lease is generally less cost-efficient for a tenant than a sub-metered electric provision.

15. **True or False?** Upfront costs to a landlord incurred on a typical office lease transaction may include free rent concessions, a tenant improvement allowance and brokerage commissions.

16. **True or False?** Generally stated, virtually all commercial landlords feel that it is their right to (a) receive all or the majority of rental profits from the space it leased to a tenant, and (b) control the "tenant mix" (i.e., who will occupy space in its building).

17. **True or False?** When seeking an architect, it is often in the tenant's best interest to create a Request for Proposal (RFP). The RFP among other things will detail the scope of the architect's work required, and outlines the project's administrative environment during the construction process.

18. **True or False?** Quite often an anchor tenant will pay a lower rental rate per square foot than ancillary tenants that follow it in the lease up of a mall or shopping center.

19. **True or False?** A "burndown" clause states that, so long as tenant not in default at a particular point in time during the lease term, then tenant's security deposit will be reduced pursuant to the terms and conditions contained in the lease.

20. **True or False?** A tenant advocate prefers to include language in the LOI and lease which states, "Landlord shall not be responsible for making any improvements or alterations therein or for spending any money to prepare the premises for tenant's occupancy."

About Certificate Programs

Lease Guru Development Certificate Program
Inside the Commercial Lease Negotiation Process (a 32-Hour Course)

Master Your Leasing Domain Certificate Program
A Deeper Look into the Commercial Lease Negotiation Process (a 48-Hour Course)*

The Master Your Leasing Domain Certificate Program is the Lease Guru Development Certificate Program plus an additional 16-Hour course.

The Lease Guru Development Certificate Program (a 32-Hour Course) will have approximately 500 final exam questions and the Master Your Leasing Domain Certificate Program (a 48-Hour Course)* will have approximately 250 final exam questions. The final exam questions are presented in True/False format. In addition to the final exam questions, each certificate program will have "Check Your Understanding" questions, which will appear within most lessons to reinforce concepts learned throughout each lesson. The "Check Your Understanding" questions will be presented in True/False format, and if a question is incorrect, an explanation will be given.

Answers

1.	True	11.	False
2.	False	12.	True
3.	True	13.	True
4.	True	14.	False
5.	True	15.	True
6.	True	16.	True
7.	False	17.	True
8.	False	18.	True
9.	True	19.	True
10.	False	20.	False

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