

Commercial Landlord-Tenant
Rent Relief Guidance

WEBINAR

APRIL 9

10:00 - 10:30



P**Y****K** Lawyers
**PISKEL
YAHNE
KOVARIK**
A Professional Limited Liability Company

COVID-19 COMMERCIAL LANDLORD-TENANT RENT RELIEF WEBINAR

APRIL 9, 2020 AT 10:00 AM

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Update on Relevant COVID-19 Orders & Legislation



Historical Perspective



Rent Relief/Financial Workouts



Key Terms of Rent Relief Agreements



Q&A

DISCUSSION

UPDATE ON RELEVANT COVID-19 ORDERS & LEGISLATION

- STAY HOME, STAY HEALTHY – EXTENDED TO MAY 4, 2020
- CARES ACT – CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT
 - PAYCHECK PROTECTION PROGRAM (“PPP”)
 - ECONOMIC INJURY DISASTER LOAN PROGRAM (“EIDL”)
- MAYOR WOODWARD’S MORATORIUM ON ALL EVICTIONS
- WORKING WASHINGTON SMALL BUSINESS EMERGENCY GRANT – ADMINISTERED THROUGH GSI
- SIX STATES HAVE INTRODUCED LEGISLATION THAT WOULD REQUIRE INSURERS TO PAY UNDER THEIR BUSINESS INTERRUPTION POLICIES IF COVID-19 WAS THE REASON FOR THE CLOSURE

UPDATE ON RELEVANT COVID-19 ORDERS & LEGISLATION – HELPFUL LINKS

- AM I AN ESSENTIAL BUSINESS? CHECK [HERE](#)
 - STILL NOT SURE? ASK THE STATE DIRECTLY [HERE](#)
- WANT TO APPLY FOR THE EIDL? DO THAT [HERE](#)
- WANT MORE INFORMATION ABOUT THE WWBSEG? GET IT [HERE](#)
- WANT TO LOOK AT THE MAYOR'S AMENDED EXECUTIVE DECLARATION? FIND IT [HERE](#)

- DURING THE GREAT RECESSION WE SAW AN INFLUX OF TENANTS NEEDING RENT RELIEF. WE CAN UTILIZE SOME OF THOSE SAME STRATEGIES HERE.

HISTORICAL PERSPECTIVE

COMMERCIAL RENT RELIEF – TENANT'S PERSPECTIVE

- PRIOR TO REQUESTING RENT RELIEF FROM YOUR LANDLORD, CONDUCT YOUR DUE DILIGENCE AND DETERMINE WHETHER OR NOT YOU QUALIFY FOR ASSISTANCE THAT MAY HELP OR ENTIRELY COVER YOUR RENT OBLIGATION
- GRANTS OR LOANS MAY BE AVAILABLE – CONTACT YOUR LENDER TO DISCUSS YOUR OPTIONS
- DOES YOUR LEASE HAVE A FORCE MAJEURE CLAUSE THAT APPLIES TO EXCUSE YOU OF YOUR OBLIGATION TO PAY RENT?
- REVIEW YOUR INSURANCE POLICY TO DETERMINE WHETHER OR NOT YOU HAVE BUSINESS INTERRUPTION COVERAGE OR OTHER ENDORSEMENTS THAT MAY PROVIDE COVERAGE DUE TO FORCED SHUTDOWN OR OTHER ECONOMIC HARDSHIP

COMMERCIAL RENT RELIEF – LANDLORD'S PERSPECTIVE

- UPON RECEIVING A REQUEST FOR RENT RELIEF DUE TO COVID-19 A LANDLORD SHOULD ASK THE TENANT WHY SUCH RELIEF IS BEING REQUESTED AND WHAT TYPE OF RENT RELIEF THE TENANT BELIEVES IS NECESSARY
 - WAS THE BUSINESS FORCED TO SHUT DOWN?
 - DID THE BUSINESS VOLUNTARILY SHUT DOWN?
 - WAS THE BUSINESS OTHERWISE AFFECTED BY COVID-19?
 - IS THE BUSINESS STILL UP AND RUNNING?
- REMAIN FLEXIBLE IN ORDER TO MAINTAIN THE RELATIONSHIP FOR THE MUTUAL BENEFIT AND FUTURE OF BOTH TENANT AND LANDLORD

RENT RELIEF DUE DILIGENCE



Review the lease



Review applicable
loan documents



Review insurance
policies



Contact your tax
advisor



Contact your
attorney

RENT REDUCTION

RENT DEFERMENT

RENT ABATEMENT

LOAN CONVERSION

LEASE EXTENSION

SECURITY DEPOSIT

TYPES OF RENT RELIEF

LEASE TERMINATION

NEW LEASE

SUBLET/ASSIGNMENT

GET IT IN WRITING

- WHY DO I NEED MY RENT RELIEF AGREEMENT IN WRITING?
 - ENFORCEMENT
 - NOTARIZE YOUR AGREEMENT
 - CLEAR TERMS
 - EXPLICIT EXPECTATIONS

KEY TERMS

Arbitration

Non-disclosure/Confidentiality

Include Guarantors

Default

Time

Release

Assignment/Subletting

Severability

Compliance with all CDC Guidelines

Remedies upon default (e.g., right to recapture)

Additional security/guaranty

Remedies upon bankruptcy filing

Tenant financial reporting

Modify existing lease

OPTINAL TERMS TO CONSIDER



QUESTION & ANSWER SESSION