

I have a dispute with my landlord. What now? Review your lease to see if it states how the dispute should be resolved. Keep a record of the problem and copies of any related letters or receipts.

- **Lockouts:** Your landlord can lock you out for nonpayment of rent or for abandoning the property. If the lockout is for nonpayment, the landlord must post a written notice on the front door with contact information for the person or company who can provide a new key during normal business hours. You must pay the delinquent rent to get the key. Lockouts can also be for remodeling, construction, repairs, or in an emergency.
- **Security deposits:** A security deposit is separate from your rent and you cannot use it as a substitute for rent. Your landlord must refund your security deposit within 60 days of your move or from the date you provide a forwarding address. Your landlord cannot deduct for normal wear and tear to the rental property. Deductions can be made for damage caused by you or your patrons, including damage caused by removing your equipment when you move out. If deductions are made for repairs, your landlord must provide an itemized list of each repair, the cost, and the remaining balance of the deposit, if any. If your landlord won't refund your security deposit, you can sue in justice court (small claims court) for the refund along with court fees and costs.

How can I get out of my commercial lease? Read the termination clause in your lease. If you quit the lease early, you are responsible for the balance of the lease. For example, if the lease term is one year and you leave after 5 months, you can be liable for the remaining 7 months of rent – the balance of the lease term. Consider negotiating a shorter lease term until you're sure you'll stay.

If I vacate, can my landlord keep my equipment? It depends on the terms of your lease. It also depends on whether the equipment is considered a *trade fixture* or an *improvement*.

- **Trade fixtures** are things that you purchased and installed or attached to the site for business purposes (for example, display counters, signage, or other equipment). A trade fixture can be removed if: 1) it's necessary for your business; 2) it can be removed without damage to the property; and 3) you remove it promptly. If you move and leave property behind, you have 60 days from the date the landlord stores the property (either on the site or another location) to claim it. If you don't, the property is considered abandoned and the landlord is free to sell it or dispose of it. The landlord is required to send a letter by certified mail to your last known address informing you of the deadline.
- **Improvements** include property that is stuck to the ground in a more permanent way, like storage shed or fence built onto the property. Improvements usually remain the property of the landlord, even if you installed the improvement. If you aren't sure whether it is a fixture or an improvement, consult a lawyer before removing it.

Should I sign the lease under my name? If you are in a partnership, LLC, or corporation, you should sign it on behalf of the business, not you as an individual. If you are a sole proprietor (unincorporated), you must sign as an individual. By signing individually, you agree to be personally responsible for rent and other expenses under the lease; otherwise, the business entity is responsible.

Does the lease have to be in writing? No, but it is nearly impossible to protect your legal rights without a written lease. If the lease agreement is not in writing or has expired, the lease term is automatically considered a month-to-month. This means you could be forced out on short notice. Also, any lease for a term longer than one year must be in writing to be enforced. Bottom line: If you want to protect your legal rights and avoid future disputes with your landlord, get a written, signed lease!

Can I negotiate the terms of a commercial lease? Yes. A lease is a contract and its terms are negotiable. A landlord's "form" lease favors the landlord; you don't have to accept all the terms as written. Instead, look at the form lease as a starting place for negotiations. Make changes directly to the lease form by striking out or adding the language that you want. You and your landlord should place your initials next to each agreed change. Important points to negotiate include:

- the *duration or term* of the lease;
- the amount of *rent*, when it's due and where to pay it;
- if *deposits* are required;
- *utilities and maintenance*, including cleaning services;
- terms of *access to common areas*, including restrooms;
- if you are allowed to *sublet*;
- if there are any *restrictions* on the type of business allowed, and
- type of *signage* and advertising on or outside the building.