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LAW OFFICES

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**MASTER LEASE AGREEMENT REVIEW CHECKLIST**

**A. INTRODUCTORY INFORMATION:**

1. \_\_\_\_\_ Designation as Master Lease
2. \_\_\_\_\_ Schedule is subject to and part of Master Lease
3. \_\_\_\_\_ Schedule prevails over Master Lease in conflict

**B. LEASE TERM AND PAYMENT OF RENT:**

1. \_\_\_\_\_ Acceptance Certificates specified
2. \_\_\_\_\_ Acceptance commences on or before 5<sup>th</sup> day after delivery and approved for maint.
3. \_\_\_\_\_ Interim Rent provision
4. \_\_\_\_\_ Automatic extension at end of lease term
5. \_\_\_\_\_ Number of days notice for termination
6. \_\_\_\_\_ Rent due in advance on first of month-due date set in Schedule
7. \_\_\_\_\_ Rent paid in all events not subject to off-set, etc.

**C. NET LEASE PROVISIONS:**

1. \_\_\_\_\_ Lease provides for a net lease
2. \_\_\_\_\_ All costs of maintenance and repair payable by Lessee
3. \_\_\_\_\_ Lessee has obligation to maintain equipment with maintenance contract

**D. TAXES:**

1. \_\_\_\_\_ Lessee is liable for all Federal, state and local taxes
2. \_\_\_\_\_ Lessee responsible for preparation and filing of sales, use, and property tax returns.
3. \_\_\_\_\_ Lessee to pay taxes directly (List:  
  
4. \_\_\_\_\_ Lessee's indemnification of Lessor for payment of all Federal, state and local taxes.

E. WARRANTIES:

1. \_\_\_\_\_ Warranties exculpatory
2. \_\_\_\_\_ Lessee's representations regarding:
  - \_\_\_\_\_ (a) execution and delivery of lease
  - \_\_\_\_\_ (b) no consent required
  - \_\_\_\_\_ (c) this lease agreement is valid, binding and enforceable
  - \_\_\_\_\_ (d) Lessee is a corporation validly existing
  - \_\_\_\_\_ (e) no action, suits, proceedings pending or threatened against Lessee

F. POSSESSION, USE AND MAINTENANCE OF EQUIPMENT:

1. \_\_\_\_\_ Lessor's right of inspection
2. \_\_\_\_\_ Restrictions on relocation without consent of Lessor
3. \_\_\_\_\_ Right of Lessor to label equipment
4. \_\_\_\_\_ Reasonable use of equipment by Lessee to comply with laws, manufacturers requirements, etc.
5. \_\_\_\_\_ Equipment to remain personal property and not affixed to real estate
6. \_\_\_\_\_ Restrictions on upgrading equipment
7. \_\_\_\_\_ Equipment kept free of liens, encumbrances, etc.
8. \_\_\_\_\_ Location at Lessee's address
9. \_\_\_\_\_ Additions become property of Lessor is not removed
10. \_\_\_\_\_ Lessee has no title or interest in Equipment

G. TRANSPORTATION:

1. \_\_\_\_\_ Transportation, transit insurance, installation paid by Lessee
2. \_\_\_\_\_ Lessee pays for cost of return
3. \_\_\_\_\_ Returned to any location within continental United States  
(Limitation: \_\_\_\_\_)
4. \_\_\_\_\_ Equipment qualifies for manufacturer's maintenance upon return
5. \_\_\_\_\_ Requirement that Equipment be returned in original state
6. \_\_\_\_\_ No provision to return substitute Equipment

H. RISK OF LOSS:

1. \_\_\_\_\_ Lessee's risk of loss commences upon delivery of equipment
2. \_\_\_\_\_ Lessee is fully liable for all risks associated with equipment
3. \_\_\_\_\_ Notification of Lessor in the event of loss
4. \_\_\_\_\_ Obligation to pay rent to continue
5. \_\_\_\_\_ Casualty provisions:

- \_\_\_\_\_ (a) Repair of equipment
- \_\_\_\_\_ (b) Casualty Value
- \_\_\_\_\_ (c) Replacement

I. INSURANCE PROVISION:

- 1.\_\_\_\_\_ Insurance casualty value
- 2.\_\_\_\_\_ 30 day cancellation notice
- 3.\_\_\_\_\_ Insurance certificate
- 4.\_\_\_\_\_ Lessor, Assignee, additional party insured
- 5.\_\_\_\_\_ Self-insurance provision

J. LESSEE INDEMNITY:

- 1.\_\_\_\_\_ Lessee indemnifies Lessor for all risks associated with the equipment
- 2.\_\_\_\_\_ Attorneys' fee
- 3.\_\_\_\_\_ Indemnity survives termination of lease
- 4.\_\_\_\_\_ Lessee to give notice of any claim

K. EVENT OF DEFAULT:

- 1.\_\_\_\_\_ Payment of rent default
- 1a.\_\_\_\_\_ Number of days notice for non-payment of rent default
- 2.\_\_\_\_\_ Failure by Lessee to perform any other obligation under lease
- 2a.\_\_\_\_\_ Number of days notice for non-payment or other default
- 3.\_\_\_\_\_ Lessee insolvency, bankruptcy
- 3a.\_\_\_\_\_ Number of days notice for bankruptcy default
- 4.\_\_\_\_\_ Lessee breach of any other warranty, covenant or representation
- 5.\_\_\_\_\_ Lease remains in full force and effect

L. DEFAULT REMEDIES:

- 1.\_\_\_\_\_ Cumulative remedies
- 2.\_\_\_\_\_ Liquidated damage provision for Casualty Value  
(\_\_\_\_\_ Stipulated Loss Value)
- 3.\_\_\_\_\_ Liquidated damage provision for discounted present value of rents. Discount rate:
- 4.\_\_\_\_\_ Right of Lessor to repossess equipment
- 5.\_\_\_\_\_ Right of Lessor to terminate Schedule
- 6.\_\_\_\_\_ Right of Lessor to enforce performance
- 7.\_\_\_\_\_ Right of Lessor to sell or release equipment
- 8.\_\_\_\_\_ Acceleration of rent
- 9.\_\_\_\_\_ Any other remedies provided in law or equity
- 10.\_\_\_\_\_ Reasonable attorneys' fees

M. SUBLEASE AND ASSIGNMENT BY LESSEE:

- 1.\_\_\_\_ Lessor must approve of all subleases
- 2.\_\_\_\_ No liens or encumbrances
- 3.\_\_\_\_ Lessee's obligation to pay rent continuing and unconditional in event of sublease
- 4.\_\_\_\_ Restrictions in caps
- 5.\_\_\_\_ Lessee may sublease or assign to parent, subsidiary, etc.
- 5a.\_\_\_\_ Lessee remains primarily liable

N. ASSIGNMENT BY LESSOR:

- 1.\_\_\_\_ Lessor can assign to an equity without consent of Lessee
- 2.\_\_\_\_ Lessor can assign to secured party without consent of Lessor
- 3.\_\_\_\_ Obligation of Lessee to pay directly to secured party rent in all events
- 4.\_\_\_\_ Lessee's obligation to pay rent continuing and unconditional in event of assignment by Lessor
- 5.\_\_\_\_ Lessee agrees to execute acknowledgement and other documentation as may be requested by Lessor and Secured Party.

O. GENERAL:

- 1.\_\_\_\_ Late payment rate
- 2.\_\_\_\_ Notice provision
- 3.\_\_\_\_ UCC provision
- 4.\_\_\_\_ Lessee's financial statements
- 5.\_\_\_\_ Lessee's opinion letter
- 6.\_\_\_\_ Chattel paper provision
- 7.\_\_\_\_ Further assurance documentation provision.
- 8.\_\_\_\_ Separate parts valid if some parts deemed invalid
- 9.\_\_\_\_ Waiver provision
- 10.\_\_\_\_ Indulgence provision
- 11.\_\_\_\_ Governing Law: State
- 12.\_\_\_\_ Jurisdiction: State
- 13.\_\_\_\_ Right of Lessor to make payments on behalf of Lessee
- 14.\_\_\_\_ Lessee to reimburse any payments made by Lessor
- 15.\_\_\_\_ Headings solely for convenience
- 16.\_\_\_\_ Cancellation of Master Lease provision

P. ADDITIONAL PROVISIONS:

- 1.\_\_\_\_ Early Termination Option
- 2.\_\_\_\_ Purchase Option
- 3.\_\_\_\_ Upgrade Option
- 4.\_\_\_\_ Renewal Option

Q. ARTICLE 2A PROVISIONS:

Schedule

1. \_\_\_\_\_ Schedule contains following language: "Lessee acknowledges that any assignment or transfer by Lessor permitted under this Lease shall not materially change Lessee's duties or obligations under this Lease or materially increase the burdens or risks imposed upon Lessee."

Certificate of Acceptance or Rent Assignment Letter

2. \_\_\_\_\_ Waiver of right to revoke acceptance under §2A-517.  
3. \_\_\_\_\_ Waiver of rights under §2A-401 and §2A-402 to suspend performance.  
4. \_\_\_\_\_ Generally waive lessee rights under §2A-508 to §2A-522.

COMMENTS:

LAWYERS' MENTOR