

Talking Points & Action Items to Consider MANAGING RELATIONS WITH LANDLORDS, LENDERS, & VENDORS

DEVELOPING YOUR OVERALL EXECUTION STRATEGY

Review your **10-point cash management checklist** and update your 13-week cash flow analysis accordingly:

1. Obtain PPP loan & determine other sources of cash
2. Negotiate vendor credits and discounts
3. Negotiate more favorable lease terms
4. Negotiate more favorable loan terms
5. Review of all fixed and variable expenses
6. Prioritize in to essential vs. non-essential costs
7. Eliminate non-essential costs
8. Rationalize your head count
9. Re-assess employee benefit plans
10. Postpone or re-consider any capital investments

EFFECTIVE COMMUNICATION WITH LANDLORDS, LENDERS, AND VENDORS

- Communicate **early** and **often**.
- Use a **respectful** and **empathetic** tone.
- Understand **existing contractual obligations**.
- Be **clear** on your request.
- Understand **all perspectives** so you can anticipate how your request may be received.
- Have **preliminary discussions** to review general terms and suggest that you put those terms into a **follow-up email**.



BANKING RELATIONSHIPS

- Assess existing credit facilities and avoid breaches of loan covenants.
- Seek **immediate relief**, i.e. payment deferral, interest only terms, etc.
- Seek to re-negotiate more favorable terms.
- Consider alternative banking relationship.



This document is not intended to be construed as legal advice. It is suggested that you consult with your legal advisors regarding these issues.

Talking Points & Action Items to Consider MANAGING RELATIONS WITH LANDLORDS, LENDERS, & VENDORS

COMMERCIAL REAL ESTATE LEASE CONSIDERATIONS FROM A TENANT PERSPECTIVE

- You **must read** and **understand** your lease agreements and ask your attorney to review it to understand your legal rights and remedies.
- **Consider discussing with your landlord application of the Security Deposit to cover current rent obligations.** The landlord is likely to request the tenant replenish those funds in the future.

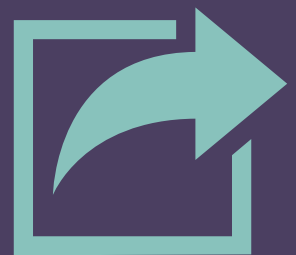


Key questions to consider

- Have you explored rent deferral or abatement opportunities with your landlord? Can you negotiate with your landlord a waiver of some portion of rent or some period of rent?
- Do you have an express right to terminate the lease early?
- Does your Commercial Property insurance Policy have coverage for losses caused by forced closure of property by civil authority?

GENERAL CONSIDERATIONS FOR MOVING FORWARD

- Use data to make better decisions.
- Know your general contract terms.
- Be proactive and transparent with key stakeholders.
- Consider strategic timing of negotiated considerations with lenders or landlords due to the timing limitations set forth in the PPP loan that you may receive.
- Integrate any re-negotiated payment terms in your 13-week cash flow forecast.
- Consider appropriate timing for transitioning 13-week "crisis mode" cash flow to a monthly forecast for the balance of the year and integrating that into revisions to your business plan.



For additional resources to aid your practice during this challenging time, visit <https://bsmconsulting.com/coronavirus-BSM-resources> or call us at 800-832-0609.

This document is not intended to be construed as legal advice. It is suggested that you consult with your legal advisors regarding these issues.