

Quick Checklist for Emerging Company Leases

PERMITTED USE

- Does the lease allow for all of the intended current uses as well as the possible future uses at the premises? Consider broadening the use provision to allow what is allowed by local zoning or “any lawful office use”.

ASSIGNMENT / SUBLETTING

- Does tenant have the right to assign the lease to other entities without the landlord’s consent? What constitutes an assignment (e.g., merger, change of control, going public)? Are there rights to sublease all or a portion of the space? Consider excepting out future corporate restructurings from landlord’s consent.

EXPANSION / EXTENSION / TERMINATION RIGHTS

- Does the lease provide for enough flexibility in the event the tenant needs to grow, move, or dismantle its operations? Consider trying to negotiate expansion or relocation options, termination rights or other exit strategies which might hedge against future needs.

PARKING

- Does the lease contain explicit parking rights? What is the cost for parking? Is there a right to expand the number of parking spaces? Consider what parking benefits the tenant needs now and what they may need in the future.

TENANT IMPROVEMENTS / SURRENDER OF THE PREMISES

- Does the lease include contemplated tenant improvements? Will landlord or tenant complete the improvements and who will pay? Will any improvements need to be removed at the end of the lease term? A detailed addendum for the improvement work may be needed.

REPAIRS / COMMON AREA CHARGES / LANDLORD SERVICES

- Are there other charges the tenant is obligated to pay besides base rent? Who takes care of the HVAC? Will the landlord providing any services, such as security? Consider what needs and expectations the tenant has with respect to repairs and services and make sure the lease adequately details what will be provided by whom.

CONFIDENTIALITY

- Are there landlord or third party access issues which might be problematic for a tenant with confidentiality needs? Does the lease provide that the landlord agrees to keep all information it discovers confidential? Does the tenant have a right to accompany the landlord or its representatives when they inspect or show the premises? Consider the particular confidentiality needs of the tenant and/or if certain areas of the premises should have restricted access.

DOGS, BIKES AND PICNIC TABLES (OH MY!)

- Does the lease allow the tenant to have outdoor eating areas or bikes or dogs in the building? Has the tenant discussed its expectations with respect to special amenities it might want to provide its employees? Discuss these issues early and explicitly provide in the lease for landlord’s consent to any unusual services or amenities the tenant may want at the premises.

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