



WE SIGNED THE LEASE!...WHAT'S NEXT?:

ITEMS TO CONSIDER AFTER YOU SIGN THAT LEASE

MAY 29, 2025

Presented by:

KEITH O. HINDER, JR.

OF COUNSEL, WOMBLE BOND DICKINSON (US), LLP



Post-Execution Roadmap

“Check the Box” - Legal / Lease Administration

- Organizational Actions to Take Once Executed Lease in Hand

“The Clock is Ticking” - Construction & Operational Issues to Navigate





LEASE SUMMARY OR ABSTRACT

- *Prepare a High-Level Summary of the Basic Lease Terms*
 - Base Rent Payments During Term
 - CAM Responsibilities / Payment Terms / Tenant's Proportionate Share
 - Options – Renewals; Purchase, ROFO Space
 - Alteration Requirements

Databases, Critical Dates & Addresses

Depending on volume of Leases, a Lease database can be helpful

Tracks/calendars renewal options, expansion rights, termination rights, important changes to lease terms (change in rent)

Distribute Critical Dates Reports - Outlook Invites Work

File Addresses for delivery of Notices per Lease and rent payments

Notice addresses can be changed. Tenants customarily want legal notice sent to the Premises, Attn. Legal Dept.

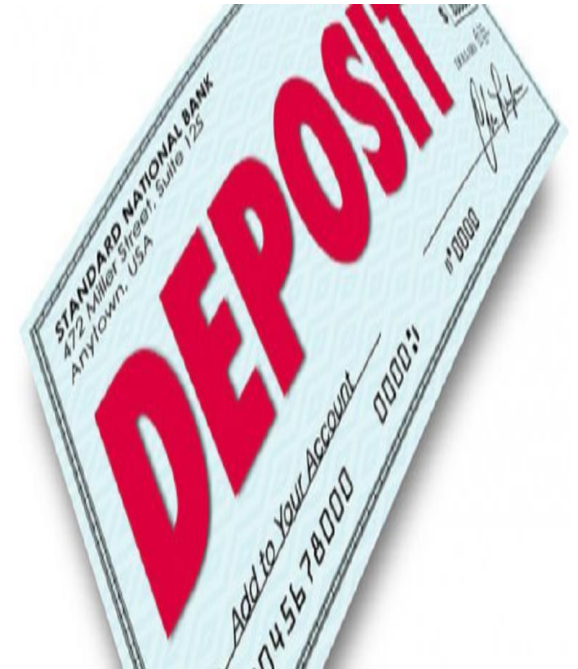
Mindful of Notice post-lease termination. Landlord wants to give proper notice Tenant vacates.



Security Deposits



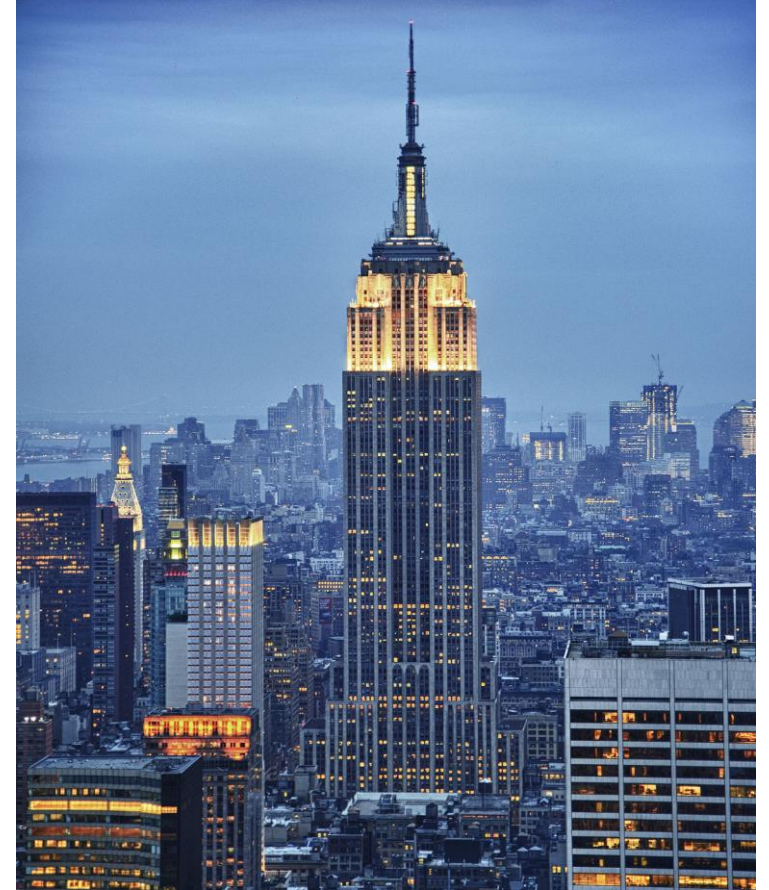
- Keyed to Execution –
 - Delivery coincides with Lease signing
 - Cross-reference restrictions/return date
 - Letter of Credit – Increase usage; parties to track renewal/replacement requirements



Rent Changes; CAM & Tax Reconciliations



- Track Rent Change Dates and Adjust
- Estimated CAM & Tax Charges
- Landlord's Accounting Team
 - Expected to track CAM & Tax expenses
 - Year End Reconciliations
 - Tenant should consider Audit Right



Construction – Term and Rent Commencement Impacts

- **Tenant Responsible**
 - Typical Remedy is for Tenant to start paying rent while space is not buildout
- **Landlord Responsible**
 - Customary Remedy is Extension of Rent Commencement Date
 - Potential payment of Tenant of Tenant Holdover Rent or Right to Terminate



Condition at Lease Commencement

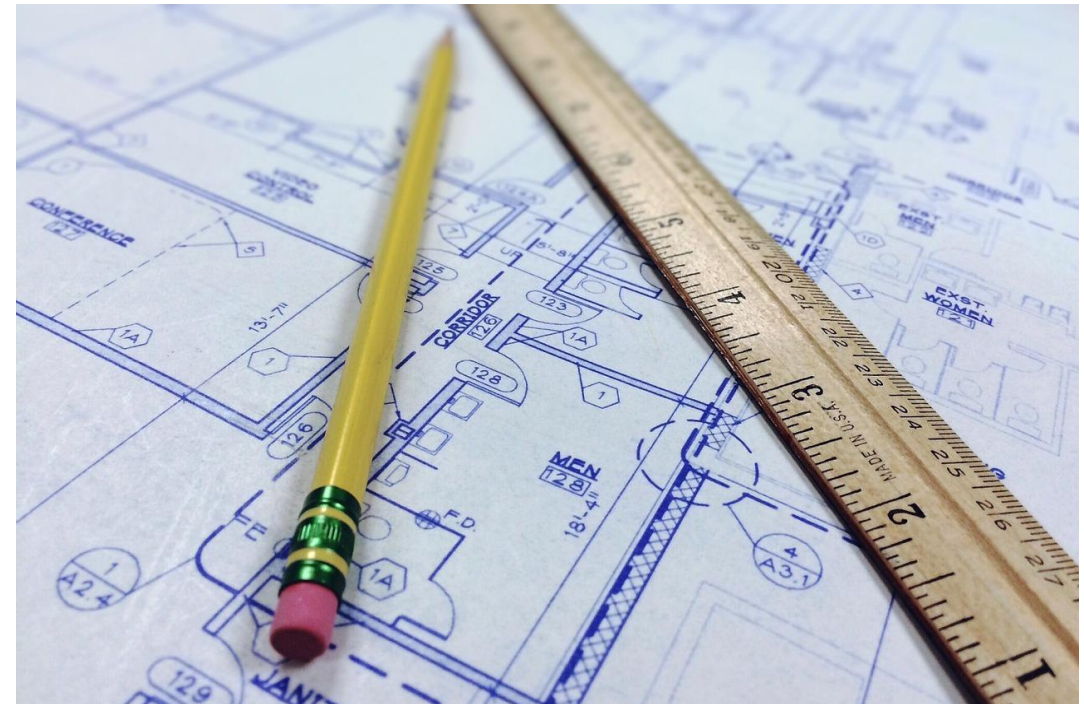


- Lease Term – Coincides with Lease signing before Tenant obligated to pay rent
- “Gap” period – Construction typically commences for Tenant’s buildout and often, all lease provisions are fully effective
- If Tenant Leading Buildout Tenant Items
 - Construction and Architect Agreements in Place
 - Insurance; Certificates of Insurance; Permits
 - Physical Inspection of Premises before taking possession
- Landlord
 - Verify Permits; Ensure Lien Waivers in Place



Construction

- Methods – Landlord Delivery of Possession
 - “Turnkey”
 - “Vanilla Shell”
 - “Warm Vanilla Shell”
- Landlord Work/Tenant Work
 - Lease Exhibit or Work Letter
 - Plans and Specifications
 - Allowance – Monitored by Landlord and Tenant; outlines payment conditions



Operations



- HVAC Responsibilities – confirm obligations and contract with third-party maintenance vendors
- Utility Services – coordination with providers
- Building Access/Services –
 - IT connectivity and roof access
 - Supplemental HVAC; special systems
- Notice of Delivery – Tenant-oriented request
- Parking Considerations



WOMBLE
BOND
DICKINSON

Thank you!

“Womble Bond Dickinson,” the “law firm” or the “firm” refers to the network of member firms of Womble Bond Dickinson (International) Limited, consisting of Womble Bond Dickinson (UK) LLP and Womble Bond Dickinson (US) LLP. Each of Womble Bond Dickinson (UK) LLP and Womble Bond Dickinson (US) LLP is a separate legal entity operating as an independent law firm. Womble Bond Dickinson (International) Limited does not practice law. Please see www.womblebonddickinson.com/us/legal-notice for further details.

Information contained in this document is intended to provide general information about significant legal developments and should not be construed as legal advice on any specific facts and circumstances, nor should they be construed as advertisements for legal services.

