The Parties

A. DESCRIPTION AND SCOPE

This Paragraph sets forth the names, addresses, and types of entities of each party to the Lease. It also serves to identify the particular entity that is the Landlord.

B. ANALYSIS

1. Landlord’s Perspective

Landlord wants to ensure that the Lease lists the proper legal entity as Tenant and Tenant’s state of organization in the event Landlord must sue Tenant to collect rent, enforce Tenant’s obligations under the Lease, or evict Tenant.

2. Tenant’s Perspective

Tenant wants to ensure that the Lease lists the proper legal entity as Landlord and Landlord’s state of organization in the event Tenant must sue Landlord to enforce Landlord’s obligations under the Lease.

3. Lender’s Perspective

Lender wants to make sure that the Landlord described in the Lease and Lender’s borrower are the same entity, or that the borrower is a successor in interest to the stated Landlord. A Lender is also interested in the name of the Tenant obligor under the Lease for purposes of underwriting the credit of that particular Tenant. Additionally, Lender will request that the Lease be assigned to the Lender as additional collateral for the mortgage loan. An “Assignment of Leases and Rents” will be recorded on the land records and Tenant may be asked to acknowledge the existence of this document.
C. COMPROMISES AND ALTERNATIVES

The proposed Tenant may want to create a judgment proof subsidiary of a rated corporate parent to execute the Lease. Consideration should thus be given as to whether a full or partial Guaranty of the Lease by the corporate parent will be required. This should be of particular concern if substantial tenant improvement dollars are being spent by the Landlord in connection with the Lease, and Tenant is an unrated subsidiary of a corporate parent that is not providing credit support via a lease guaranty.

D. COMMENTS

Information should be verified as correct and complete. It is important to specify the type of entity and state of organization for both Landlord and Tenant so that appropriate service of process and credit information can be obtained.

E. TYPICAL PARAGRAPH

1. The Parties.
   (a) The name and address of Landlord is:

   __________________________
   __________________________

   Landlord is a [corporation, limited liability company, limited partnership, etc.] organized and existing under the laws of the State of ________. The Landlord named above and its successors and permitted assigns are hereinafter referred to as “Landlord.”

   (b) The name and address of Tenant is:

   __________________________
   __________________________

   Tenant is a [corporation, limited liability company, limited partnership, etc.] organized and existing under the laws of the State of ________. The Tenant named above and its successors and permitted assigns are hereinafter referred to as “Tenant.”