

BIOTECHNOLOGY LEASING ISSUES

- I. **TENANT IMPROVEMENTS**
 - A. Who Can Borrow Cheapest?
 - B. Cost Controls
 - 1. Budgets
 - 2. Bidding Trades
 - 3. Approval Over Contractors
 - 4. Value Engineering
 - 5. GMAX
 - C. How is the Tenant Improvement Allowance Paid Out?
 - 1. Whose Dollars Are Used First?
 - 2. What Secures the Parties' Ability to Pay Their Respective Shares?
 - 3. What Are Lender's Requirements?
 - D. Permitting Risk and Tenant Delays
 - E. Construction Management Fees
- II. **FINANCIAL TESTS**
 - A. Extension Options
 - B. Expansion Options
 - C. Security Deposit Burn Downs
 - D. Assignment

III. ASSIGNMENT AND SUBLETTING

- A. Mergers and Assignments to Affiliates
 - 1. Is There a Net Worth Test?
- B. Bonus Rent and Recapture

IV. CAM CHARGES AND TAXES

- A. CAM Exclusions
 - 1. Capital Expenditures
 - 2. Compliance with Laws
 - 3. Haz Mat Cleanups
- B. Taxes
 - 1. Prop. 13 Protection

V. SECURITY DEPOSITS

- A. Cash vs. Letters of Credit
- B. Burn Down Schedules

VI. INSURANCE

- A. Type of Insurance
- B. Quality of Insurers

VII. SNDA FORMS; LENDER REQUIREMENTS

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