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CRAFT COUNSEL BLOG POST: LEASE TIPS - DOES YOUR LANDLORD OWN YOUR BEER TANKS?

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Somewhere buried in a lease that runs forty, fifty or even sixty plus pages may be a clause transferring ownership of all of the Tenant's equipment, fixtures and leasehold improvements to the Landlord.

What exactly does this mean? Well, it could very well mean that as soon as you have installed beer tanks on your leased space, you are no longer the owner of the beer tanks.

This of course poses various problems (in addition to the fundamental issue of your rights with respect to your/the Landlord's beer tanks), including issues raised by lenders who are using your beer tanks as security for their loans. Although individual clauses may differ with respect to when the ownership of the equipment transfers to the Landlord and what rights the Tenant has to remove the equipment the Landlord does not want at the end of the Lease, etc., the crux of the issue is that it is no longer within the Tenant's control.

Accordingly, it is imperative that these clauses are carefully negotiated and reviewed.

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