



End of Year Round Up: Reviewing Your Agreements for Upcoming Obligations

As the holidays creep closer and the busy season takes over, now is the time to dust off your contracts and leases for an end of year review. Oftentimes these documents fall by the wayside after execution, only to be pulled out in the event of a dispute. However, many agreements contain ongoing obligations outside of routine rent or other payments, including notice for renewals or terminations that you may not have on the forefront of your mind. Looking ahead, it is a great idea to review your leases and other agreements to prepare yourself for upcoming obligations that may sneak up and make sure your 2022 calendar includes the deadlines for these important notices.

Whether a lease or a service agreement, it is important to remain aware of the expiration date of each agreement's term. This is important for leases or contracts that you do not want to let expire and can be doubly important for leases or contracts that you do not want to let auto-renew.

In the case of a lease, this end-of term timeline can affect when and whether you can extend your stay at your current premises. Many leases contain renewal options, where the tenant has the option to extend the term of the lease under the same or similar terms. These options often come with specific advance renewal notice requirements and deadlines, some of which require notice as far in advance as 270 or 180 days prior to expiration of the current term. Some have specific windows during which notice must be given, such as "no more than 12 months but no less than 9 months" before expiration of the current term. If the tenant fails to provide timely notice, this option can be waived, in which case the lease will expire. Therefore, if you aren't looking to relocate any time soon, make sure to double check your lease for renewal deadlines and calendar any of these deadlines that may fall in the coming year.

Regardless of renewal, leases often contain other deadlines related to end of term matters. For example, there may be deadlines to schedule inspections with your landlord that affect the amount of a security deposit to be refunded. These should be noted on your calendar as well.

The last day of a lease's or other agreement's term can also determine whether (and when) you need to send notice of your intent to terminate. This is more typical in service contracts than in an office lease agreement. If you are looking to change service providers, do not assume that silence is sufficient for termination. Some contracts include automatic renewals where, unless advance notice of termination is provided, the contract is automatically extended for additional

time. In this case, if you do not provide the required notice in time, you may find yourself locked into an unwanted contract, sometimes for a new term equal to the length of the original term.

Understanding how notices must be given is just as important as knowing when and whether any notice is required. Sending an email to your typical contact may not be sufficient. Notice provisions range from requiring nothing more than oral confirmation to requiring multiple forms of written notice, with copies to corporate offices and counsel. Delivery of written notice can be required, for example, by sending via certified or overnight mail delivery, hand delivery, or via overnight courier. Nowadays many agreements allow notice by email, which is the quickest and most convenient method, but some require that notices given via email be followed with a copy given by another method. However, it is not safe to assume that all agreements allow for this. If your lease or contract requires written notice by certified mail, an email sent at 4:59 pm on the deadline will not suffice. Even if your lease or contract permits notices via email, there may be a 5:00 pm deadline after which the notice is deemed given the next business day. When notice is required, make sure you understand how you will have to give it, so you can allocate additional time to avoid missing a deadline.

As you plan for the coming year, it is important to review leases and other contracts that may expire in 2022 or even early 2023 and understand applicable deadlines to extend or terminate. You will want to be sure to calculate and calendar them well in advance—with plenty of reminders for the person who will be responsible for giving them.

For more information, please contact [Katie Gourley](#).