

Message From Chris....

Knowing the basics pays dividends. At some point, it will make a big difference in the outcome of one of your deals. Accordingly, we're going to review some of the basic differences between leases, licenses and easements. **Why?** Each vehicle has its own different strengths/weaknesses and I've seen each used within the wrong context. Take a look below... (and don't forget to click on my Facebook or YouTube links below to also see my short video on this material).

Leases v. Licenses v. Easements

	Revocable?	Perpetual?	Assignable?
Lease	No	No	Yes
Easement	No	Yes	n/a
License	Yes	No	No

Absent certain language within the document and/or certain special circumstances, the foregoing table quickly summarizes the basic, legal discrepancies between each type of vehicle. **What practical effect do these differences have on you?**

Parking Situations: I've seen property owners grant *easements* to other adjoining property owners for parking space. While this may sometimes be in the best interests of the granting property owner, it's usually not. **Why?** Easements are not usually revocable and are usually perpetual (which makes the issue of whether they're assignable moot). This all makes granting a parking *easement* a little risky since you might not like the future owners of the adjoining property. Instead, you'd probably want to use either a *lease* or a *license* – depending upon the situation.

Vacating Right of Ways: I've seen back-to-back property owners discuss the possibility of jointly vacating an alley (which would result in each property owner getting back their half of the alley) just to overlook the possibility that, unless they enter into a "reciprocal *easement* agreement" at the time of vacation, the other property owner could ostensibly fence off their half of the alley thereby constructively blocking off the other's access to the back of their building (depending on the width of the alley). In other words, granting each other mutual leases or licenses upon the other's land won't long-term protect either them or their respective successors (since neither a lease nor a license is perpetual in duration).

Snowcone Stands, Parking Lot Nurseries, Christmas Tree and Pumpkin Lots: The big things here are: **1)** seasonal/temporary use, and **2)** your familiarity with the operators. It's okay for a property owner to grant a *lease* to an operator they've done business with for years for a 6

month term (i.e., Spring through Summer) to sell plants or to serve snow cones. However, it's likely unwise to grant a *lease* to a new and unknown operator who wants to sell pumpkins for just a few weeks. **Why?** As a property owner, you won't mind granting the lease with a hard, irrevocable, 6 month term to the repeat operator, but, with the new operator who only needs the space for a month or so, you'd probably want to use a *license* in order to retain the right to quickly revoke an unworkable/undesirable situation - especially since the term is so short....

What My Clients Are Saying

“Chris is a competent, hardworking attorney. Chris is always there when you need him and you don't have to wait a day to get a returned phone call. He does what he says he is going to do in a timely manner. He has the expertise to make problems simpler which makes them easier to solve. He is honest, consistent and reliable. He loves what he does and is active in the community.”

David Ostrowe / Owner, O & M Restaurant Group, Inc. / Oklahoma City, Oklahoma

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