

## Handout

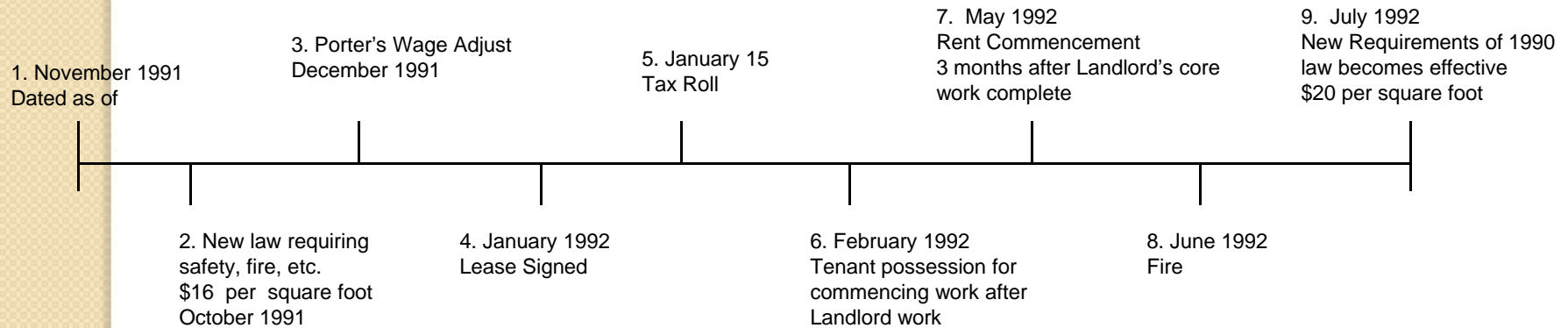
Lease: Contract Commencement

Construction / Possession Commencement

Term Commencement – Demising?

Operation Commencement

Rent Commencement



### Assumptions:

1. Tenant responsible for impact of "new" laws on construction.
2. Porter's Wage based on comparison of "calendar" year from date of lease.
3. Term for contractual liability, insurance and compliance with laws from which commencement?
4. Fire during pre-term commencement.
5. Loss of Tenant allowance.
6. Low Base Year Taxes.
7. Loss of Construction Abatement Period.

# Various Lease & Demising Commencement Dates from the “Time Line” Example

## Time Line Commencement Dates:

1. Contract Obligations Commencement- the “as of” issue.
2. Contract (“Executory Interval”) Commencement- Continues until deferred demising.
3. Utility, RIEF (rent inclusion electric factor), PILOT and other monetary terms Commencement.
4. Insurance, Casualty and Loss Commencement of Obligations, Loss and rebuilding.
5. Compliance with Laws Commencement.
6. Brokerage indemnity and representation Commencement.
7. Possession, rights to possess and Term Commencement.
8. Construction and Construction Abatement Commencement/Erosion.
9. Possession/Occupancy and Operation Abatement Commencement/Erosion.
10. Fixed Rent Commencement.
11. Percentage Rent Commencement.
12. Base years for additional rentals or Break Point Calculation Commencement.
13. Commencement of Grand Opening and Co-tenancy Benchmark.
14. Fire Destruction “Do-over” re-commencements for construction, restoration, free rent and occupancy Commencements.
15. “Full Occupancy and Building Operations” Commencement.