

**Wednesday, October 23, 2019
2:00 PM – 3:15 PM**

Workshop 4

Found Money! Creative Methods for Monetizing Underutilized Real Estate

Stephen E. Friedberg

Partner
Mintz, Levin, Cohn, Ferris, Glovsky and
Popeo, P.C.
Chrysler Center
666 Third Avenue
New York, NY 10017
sefriedberg@mintz.com

Melissa McBain

Partner
Daoust Vukovich LLP
20 Queen Street West, Suite 3000
Toronto, ON M5H 3R3
mmcbain@dv-law.com

- I. Introductions
- II. Part One: Monetizing Shopping Centers from a Landlord's Perspective
 - A. Examples of Monetizing Strategies
 - 1. Pop-Ups
 - 2. Food Halls
 - 3. Entertainment Uses
 - 4. Performance Stages
 - 5. Markets
 - 6. Easement and Operating Agreements
 - 7. Conservation Easements
 - B. Legal Considerations
 - 1. Governing documentation: lease versus license
 - 2. Rent or fee structure
 - 3. Construction and Design
 - 4. Parking and No Builds
 - 5. Use Clause and Existing Restrictive Covenants
 - 6. Permits, Approvals, Zoning and Municipal Requirements
 - 7. Insurance
 - 8. Hours of Operation
 - 9. Security and Crowd Control
 - 10. Noise
 - 11. Termination Rights
 - C. Concluding Thoughts for Part One
 - D. Group Exercise and Discussion
 - 1. Workshop participants will be given time to review pertinent clauses from governing documents (including leases, easement and operating agreements/shared facility agreements) as well as a site plan of a shopping center

2. Group discussion regarding possibilities for monetizing the center and the legal issues/impediments to be addressed

III. Part Two: Use of Sale/Leaseback Transactions to Monetize Real Estate

A. Advantages

1. Economic
2. Accounting/Tax (Past and Present)
3. Operations/Control over Real Estate

B. Properties Eligible for Sale/Leasebacks

C. Potential Concerns/Considerations

1. Bond-type Lease
2. Failure to Complete Construction
3. Casualty/Condemnation Issues
4. Potential Upside to Purchaser after the Term Ends

D. Description of the Transaction

1. Parties
2. Documentation
3. Additional Issues Related to Ground Leased Properties
4. Process/Timing
5. Post-Closing Issues

E. Concluding Thoughts for Part Two

F. Appendix with Rating Agency Criteria for Ground Leased Properties

G. Group Exercise and Discussion

1. Workshop participants will be given time to review a site plan for a shopping center to discuss the development of an outparcel from a sale/leaseback perspective and governing documents (including loan documents, restrictive covenants, declarations, leases and the like), in connection with such development
2. Group discussion regarding a possible sale/leaseback transaction to monetize an outparcel and the legal issues/impediments to be addressed