

# Assumption or Rejection of Commercial Leases

Strafford Publications Tenant Bankruptcy Webinar

Speaking Engagement

March 10, 2011

New York

This CLE webinar provided attorneys with a review of commercial lease treatment under the Bankruptcy Code, the scope and consequences of the debtor's right to assume, reject or assign executory leases, and strategies for both landlords and tenants seeking to protect their rights and interests in the lease.

The Bankruptcy Code has a major impact on commercial real property leases in that it provides the debtor wide latitude in the assumption, assignment or rejection of unexpired leases. There are also provisions in the Code specific to shopping center leases.

Tenants can assume a lease by curing defaults and providing adequate assurance of future performance, which is not clearly defined in the Code and is subject to interpretive case law. Rejection of the lease leaves the landlord with an unsecured claim for unpaid rent, with a strict damages cap.

Retail tenants continue to struggle with BAPCPA's 120-day firm deadline for assuming or rejecting a lease that can hamper efforts to put together a reorganization plan. Landlords must be vigilant in taking advantage of this short time frame.

The authoritative panel of bankruptcy attorneys guided the listener through the maze of bankruptcy rules for assumption or rejection of leases in tenant bankruptcies and discussed strategies for landlords and tenants to protect their rights and interests in the lease.

## Related Services

Fashion and Retail

Bankruptcy and Restructuring