CAPISTRANO REAL ESTATE ADVISORS

The Schema Field Guide

Twenty fields. Every lease. Every assertion cited to the section.

This is the field-by-field reference for the Capistrano lease abstract schema — the same twenty fields we apply to every lease, on every deal, in every engagement. The schema is what makes the lease abstract a structured handoff into the underwriting model rather than a summary. Each field below explains what it captures, why it matters, and the single most common way it gets misread.

This is a working document, not a marketing brochure. Use it.

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How to use this guide

Every field below carries three things: a short definition of what it captures, why it matters to the underwriting (and to the buyer), and the single most common way the field gets misread or omitted in a sloppy abstract. The gotchas are the parts you should read twice.

The fields are presented in the order they appear in the Capistrano lease abstract. Each field is also keyed to the lease abstract Underwriting Handoff block — meaning the answers you capture here drop into the underwriting model with no re-keying. That handoff is the whole point of the schema.

Three rules for every field:

1. **Cite the lease section.** Every assertion in a Capistrano abstract carries a section/article/page reference. If you can't cite where it says so, you can't say so.

2. **Use the consolidated current state.** Fold amendments into the operative answer. Don't show superseded original terms as if they were live.

3. **Mark unknowns honestly.** 'Confirm in DD' is a valid answer. Inventing one is not.

FIELD 01

PARTIES

What it captures. The legal entities to the lease — tenant (operating company), tenant's parent if any, guarantor (separate from tenant entity if applicable), and landlord. Names and entity types as they appear on the signature page.

Why it matters. Tenant credit depends entirely on which entity is actually on the hook. The marketing brochure says the tenant is 'a large public company' but the lease may be signed by a thinly capitalized subsidiary with no parent guaranty. The schema forces you to look at the signature page, not the cover page.

> ***Gotcha.*** *Most-missed: a guarantor that's a separate entity from the tenant. If there's a parent guaranty, it should be on its own line — and the abstract should note whether the guaranty survives lease assignment.*

FIELD 02

TERM

What it captures. Commencement date, rent commencement date (frequently different from possession), expiration date, total term, and remaining term at acquisition close. Calendar dates, not just durations.

Why it matters. Term determines rollover year — the single most important driver of the back-end of a 10-year hold. Off-by-one on the expiration year means the entire Year 8 cash flow is wrong.

> ***Gotcha.*** *Most-missed: a rent commencement date that lags the term commencement (a free-rent period, a buildout window, a deferred-rent arrangement). The lease term started in March; the rent commenced in September. Both dates matter for the Y1 NOI calculation.*

FIELD 03

BASE RENT

What it captures. The full base rent schedule from rent commencement through expiration. Every step. Period, monthly rent, annual rent, $/SF, and lease reference for each row.

Why it matters. Year 1 NOI for the hold ties to the contractual base rent on the close date — which means you need to know exactly what step you're walking into. A weighted average across an anniversary date in Year 1 is non-trivial and gets wrong constantly.

> ***Gotcha.*** *Most-missed: summarizing instead of itemizing. '$X/SF with 3% annual bumps through 2032' is not an abstract — it's a summary. Capistrano abstracts list every step year by year because that's what the model needs.*

FIELD 04

ESCALATIONS

What it captures. The contractual rent bump — annual percentage, fixed dollar steps, CPI, or a combination. Whether the escalation continues through option periods or resets at each option. Cite the section.

Why it matters. Escalations versus market rent growth is the mark-to-market story. Below-inflation bumps (2.0% versus 3.0% market growth) widen the rollover opportunity but compress the held cash flow.

> ***Gotcha.*** *Most-missed: CPI escalations with floors and caps. A 'CPI-based' bump with a 2% floor and a 4% cap behaves like a 2-4% escalation, not like CPI. Capture the floor and the cap, not just the index.*

FIELD 05

OPTIONS

What it captures. Renewal options — number, length, rent basis (fixed bump, continued escalation, or FMV reset), and the notice window for exercise. Also the option rent schedule in full if the rent is fixed or fixed-bump.

Why it matters. Options change the back-end of the hold completely. A 5-year option at 10% bump with continued escalations is materially different from a 5-year FMV reset. The optionality belongs to the tenant, not the landlord.

> ***Gotcha.*** *Most-missed: the notice window. 'Tenant shall provide notice not less than 9 months and not more than 12 months prior to expiration' creates a three-month window in Year 8 of the hold that determines whether the option happens. Track this date.*

FIELD 06

REIMBURSEMENTS

What it captures. What the tenant reimburses the landlord for. Taxes, insurance, CAM, management — itemized with the recovery rate (full pass-through, base-year stop, expense cap, gross-up provisions).

Why it matters. Reimbursement structure determines whether 'NNN' is actually NNN. The model's lease_structure field — absolute_nnn / nnn / modified_gross / gross — and the reimb_recovery percentage are calibrated directly off this field.

> ***Gotcha.*** *Most-missed: management fee carve-outs. Many 'NNN' leases have a landlord-paid management fee that's not reimbursed. That's a real OpEx line item the underwriting carries above NOI. Don't lump it in with the property management responsibility.*

FIELD 07

EXCLUSIVES

What it captures. Tenant-specific use exclusives or non-competes that bind the landlord. The tenant has the exclusive right to operate a specific use on the property or in landlord-owned adjacent properties.

Why it matters. Exclusives restrict future leasing flexibility. In a multi-tenant context, an exclusive granted to one tenant can block re-leasing space to a credit replacement tenant. In a single-tenant context, exclusives in landlord-owned adjacent properties show up in the disposition analysis.

> ***Gotcha.*** *Most-missed: the geographic scope of an exclusive — within the property, within a defined trade area, or within landlord's broader holdings. The scope determines who's affected.*

FIELD 08

CO-TENANCY

What it captures. Tenant rights triggered by another tenant's presence, absence, or replacement. Anchor co-tenancy clauses, occupancy thresholds, and percentage-rent abatement triggers tied to anchor occupancy.

Why it matters. Co-tenancy clauses can collapse a multi-tenant center's economics on a single departure. The schema captures the trigger and the remedy explicitly so the model can stress-test the downside.

> ***Gotcha.*** *Most-missed: the remedy. A co-tenancy clause that gives the tenant rent abatement is different from one that gives termination right. Capture which one.*

FIELD 09

DEFAULTS

What it captures. Events of default and remedies. Monetary default thresholds, cure periods, landlord's remedies (termination, acceleration, re-entry), and any tenant remedies for landlord default.

Why it matters. Default structure determines what the landlord can actually do when something goes wrong. Long cure periods and limited landlord remedies materially change the recoverability analysis.

> ***Gotcha.*** *Most-missed: notice requirements before declaring default. A 30-day written notice with a 30-day cure period means a 60-day delay before remedies kick in. That's material for distressed scenarios.*

FIELD 10

PERCENTAGE RENT

What it captures. Rent based on a percentage of tenant sales above a defined breakpoint. The breakpoint formula, the percentage, the natural-versus-artificial breakpoint, and the sales reporting requirements.

Why it matters. Percentage rent is the upside in a retail deal. If the breakpoint is structured well and the tenant's sales are strong, the deal underwrites differently than the base rent alone suggests.

> ***Gotcha.*** *Most-missed: artificial breakpoints. An 'artificial' breakpoint is set lower than the natural breakpoint (base rent ÷ percentage rate), meaning percentage rent kicks in sooner. Always note which kind.*

FIELD 11

CAM (COMMON AREA MAINTENANCE)

What it captures. Allocation and recovery of common area maintenance expenses. Pro-rata share calculation method, controllable versus uncontrollable expense definitions, expense caps, and audit rights.

Why it matters. CAM is one of the easiest places for the landlord's underwriting to diverge from reality. The recovery rate assumed in the model has to match what the lease actually allows.

> ***Gotcha.*** *Most-missed: the controllable expense cap. Many leases cap year-over-year increases on controllable expenses (typically excluding taxes, insurance, and utilities) at a small percentage. That cap creates landlord-borne expense exposure that flows through to NOI.*

FIELD 12

LATE FEES

What it captures. The mechanism for late rent payment — interest rate, fixed late fee, or a percentage of the late amount. Grace period if any.

Why it matters. Late fees are a minor line item but signal landlord remedy speed. A 5-day grace period with a 5% late fee creates a different cash-flow pattern than a 30-day grace with no fee.

> ***Gotcha.*** *Most-missed: the lease's silence on late fees. Some leases don't address late fees at all, leaving the landlord with only judicial remedies. Note when the field is silent.*

FIELD 13

SECURITY DEPOSIT

What it captures. Cash deposit, letter of credit, or other security held against tenant default. The amount, the form, the release conditions, and any burn-down provisions.

Why it matters. Security deposits affect the loss-given-default math. A six-month security deposit is a meaningful credit enhancement; a one-month security deposit is barely a deterrent.

> ***Gotcha.*** *Most-missed: letters of credit that expire or burn down over the lease term. A burning-down LC at Year 3 is not the same enhancement as a static cash deposit.*

FIELD 14

HOLDOVER

What it captures. Tenant remaining in the premises past lease expiration. The rent rate during holdover (typically 125-200% of then-current rent), the conversion to month-to-month, and the landlord's remedies.

Why it matters. Holdover is the realistic outcome when a lease rolls in a tight market and the tenant hasn't found space. Underwriting a hard expiration date without modeling a holdover scenario understates the back-end cash flow.

> ***Gotcha.*** *Most-missed: the lack of a 'with landlord consent' clause. Holdover without consent gives the landlord remedies; holdover with consent makes it a month-to-month tenancy. The lease language matters.*

FIELD 15

ASSIGNMENT / SUBLEASE

What it captures. Tenant's right to assign the lease or sublet the premises. Whether landlord consent is required, the standard for that consent (sole discretion, reasonable, not unreasonably withheld), and any profit-sharing on sublease rent.

Why it matters. Assignment rights determine the velocity of credit substitution. A 'consent not unreasonably withheld' clause limits the landlord's leverage to block an assignment to a weaker credit.

> ***Gotcha.*** *Most-missed: the recapture right. Many leases give the landlord the right to recapture the space (terminate the lease) rather than consent to an assignment. That's a powerful landlord tool — note when it exists.*

FIELD 16

SUBORDINATION

What it captures. Tenant's lease relative to landlord's mortgage. Subordination, non-disturbance, and attornment (SNDA) provisions, and any tenant requirements for an SNDA at lease execution.

Why it matters. Subordination determines whether a lender's foreclosure terminates the lease or leaves it in place. A non-disturbance clause protecting the tenant is also lender comfort.

> ***Gotcha.*** *Most-missed: an automatic subordination clause without a corresponding non-disturbance. The lender's interest is protected; the tenant has no parallel protection. That's a tenant-side weakness that may motivate negotiation at lease renewal.*

FIELD 17

ESTOPPELS

What it captures. Tenant's obligation to deliver an estoppel certificate confirming key lease terms, no defaults, and no offsets. Time period for delivery, deemed-delivery provisions, and the form of estoppel.

Why it matters. Estoppels are required at virtually every acquisition and refinancing. A short delivery window (10-15 business days) with a deemed-delivery provision is materially better than a 30-day window without one.

> ***Gotcha.*** *Most-missed: a lease that requires estoppels in a specific form attached as an exhibit. If the form is restrictive, lender comfort suffers. Pull the exhibit and review it during diligence.*

FIELD 18

SIGNAGE RIGHTS

What it captures. Tenant's rights to building signage, monument signage, and pylon signage. Required dimensions, design approval rights, exclusivity, and any signage permit costs.

Why it matters. Signage rights matter for retail, restaurant, and visible service tenants. They also matter to replacement tenants — restrictive signage can limit the universe of credit replacements.

> ***Gotcha.*** *Most-missed: signage exclusivity. A tenant with exclusive monument signage rights may block a future co-tenant's signage, affecting that co-tenant's willingness to lease the space.*

FIELD 19

PARKING

What it captures. Tenant's parking allocation — designated spaces, ratios, exclusive areas, and any cost allocation. Critical for retail, restaurant, and office.

Why it matters. Parking ratios drive both the property's marketability and the cost basis. A 5/1000 parking ratio for an office tenant is institutional; 3/1000 is restrictive in most markets.

> ***Gotcha.*** *Most-missed: the assigned-versus-shared distinction. Designated reserved spaces are different from shared lot rights. Capture which the tenant has.*

FIELD 20

MISCELLANEOUS

What it captures. Everything else that affects the value of the lease — radius restrictions, continuous-operation covenants, going-dark rights, gas-station-specific environmental indemnities, kick-out rights, ROFR/ROFO provisions, casualty/condemnation responses, and any tenant-specific clauses.

Why it matters. The 'miscellaneous' field captures the deal-specific oddities that don't fit a standardized template but materially affect value. ROFR/ROFO provisions in particular have transaction implications.

> ***Gotcha.*** *Most-missed: a continuous-operation covenant. A 'go-dark' tenant that continues to pay rent but stops operating is not the same investment as a tenant operating at full strength. The continuous-operation clause is what allows the landlord to compel operations.*

THE THREE FIELDS THAT MATTER MOST

Roof. Structure. HVAC.

Three building systems get a separate Repair-versus-Replacement determination in every Capistrano abstract. The lease almost always splits responsibility differently between the two: tenant handles routine repair and maintenance; landlord handles replacement when the system reaches end of useful life. The split is sometimes capped at a dollar amount, sometimes deferred to option periods, and sometimes ambiguous enough that diligence has to confirm intent with both parties.

These three clauses are the most-misread part of any net-lease abstract. An 'NNN' lease where the landlord carries roof and structural replacement during option periods isn't absolute NNN once the lease rolls — it carries an embedded landlord OpEx that the model has to reflect. Capistrano calls this out explicitly and shows the repair-versus-replacement split for each of the three systems, with the lease reference for each.

The Underwriting Handoff

The schema ends in a structured handoff block — building_sf, inplace_annual_rent for Year 1 of the hold, inplace_psf, suggested_rollover_year, suggested_months_in_rollover, escalation_pct, lease_structure, and renewal_options_text. These are the exact fields the underwriting model consumes. The lease abstract emits a sidecar uw-config.json file that drops into the model build with zero re-keying.

That handoff is the entire point of the schema. The abstract is not a summary you read and put in a folder. The abstract is the structured input that builds the underwriting model, which produces the deliverables that go to investment committee and to investors. Every deliverable downstream depends on the schema upstream being right.

If you find this guide useful — or if you hit the limits of doing this work yourself on a complex lease, on a multi-amendment lease, or on a portfolio of fifty — Capistrano does this for a living. Reach out at Cody@capistranore.com or book a 30-minute introductory call at www.capistranore.com.

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