

MARKS PANETH & SHRON

REVENUE MAXIMIZATION CHECKLIST

Billings

- | | <u>Yes</u> | <u>No</u> |
|--|--------------------------|--------------------------|
| 1. We bill based on current year estimated operating expenses when leases allow, rather than on prior year actuals. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. We include all allowable gross-ups such as cleaning credits, trash removal credits, electric and security in our escalation charges. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Periodically, we have someone other than the assigned property accountant review tenant escalation calculations to ensure they are accurate. | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Annual capital expenditures are reviewed by operations to determine if they qualify as depreciable pass-through operating expenses due to operating cost savings. | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. We have reporting systems in place which allow us to perform retro billings (true-ups) within 90 days of the close of the escalation year-end. | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. CPI adjustments are reviewed to ensure that the correct index and base amount are being utilized. | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Common area maintenance charges are continually assessed to determine if all allowable charges are being billed to tenants. | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. We engage an energy consultant to assess common area electric charges that we can pass-through to tenants. | <input type="checkbox"/> | <input type="checkbox"/> |

Lease Abstracts

- | | | |
|--|--------------------------|--------------------------|
| 9. Prior to being entered into the billing database system, lease abstracts are reviewed for completeness and accuracy by someone other than the preparer. | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Lease modifications are entered into the database billing system in a timely matter. | <input type="checkbox"/> | <input type="checkbox"/> |

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Lease Audits

- | | | | |
|-----|--|--------------------------|--------------------------|
| 11. | For retail tenants that are required to pay a percentage of sales, our leases require that tenants report sales at least quarterly, if not more often. | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. | We have systems in place to monitor tenant compliance regarding submission of financial statements, both audited and unaudited. | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. | From time to time, we exercise our right to perform audits of tenants who are subject to paying us contingent rent such as percentage of sales, subletting profits, and other forms of participation rent. | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. | We strictly enforce lease provisions which require that certain tenants produce audited financial statements. | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. | Lease audits performed by our tenants have NOT resulted in our organization having to refund large sums to tenants. | <input type="checkbox"/> | <input type="checkbox"/> |
| 16. | Timely electric surveys are performed and tenant billings are adjusted accordingly. | <input type="checkbox"/> | <input type="checkbox"/> |

If you answered no to any question, you should contact Susan Nadler, Real Estate Partner at Marks Paneth & Shron LLP to arrange a complimentary consultation to discuss how we can assist you in maximizing your revenue stream. Susan can be reached by phone at 212.503.6304 or by email at snadler@markspaneth.com.