

Results from RILA Survey: COMMON AREA MAINTENANCE

ID	Question	Responses	Responses	Responses	Responses	Responses
1	Provide Revenue Range (<\$10 billion, 10-25b, 25-50b, >\$50b)	>\$50B	25b-50b	>\$50B	25-50b	>50B
2	Total Stores (Global)	>1500	1206	2200	1429	>7000
3	Number of stores outside of the US?	None	303	232	7 open by end of 2007	>2500
4	Do you own or lease your buildings? % of each?	Approx. 25% lease/75% own	Own 2.7% Lease 97.3%	87% owned (GL), 13% leased	65-70% owned	20% leased 80% owned
5	What is your CAM expense as a percentage of revenue?	0.17% for 3rd Party Operators	0.13% (Fiscal FY07 year end)	17%	0.036%	+/- .01%
6	Do you prefer to self maintain CAM for your sites?	50% Self Maintained/No preference at this time.	Proprietary	Yes	Yes	Depends on ownership
7	If you self maintain CAM, describe the key factors in the decision making process?	Cost, Complexity of site/obtaining vendors, Demographics, PRS %, Site Layout, Relationship with Developer/Property Management Company	Proprietary	First, the level of service received from 3rd Party. Second, the ease of maintenance (e.g. is the CAM easily segregated from other owners). Third, is the cost savings.	Controlling cost and responsibility	Layout the center is in, the geographic area of the site, etc.
8	Is the decision to self maintain made at the time the deal is in progress or do you open the store as a 3rd Party maintained site and opt out once the store is open based on service?	We most often open the store party to the CAM pool. We are working with our Real Estate negotiators to look at making the decision to self-maintain early on in the process. In many cases it makes sense and eliminates the need to opt out at a later date.	Proprietary	We open the store as a 3rd Party maintained site and opt out the store based on level of service.	While deal is in progress. If we do not self-maintain we typically negotiate an opt-out provision	Normally made at time deal is in progress.
9	If you have 3rd Party maintained CAM sites, do you utilize a standard Operating Easement Agreement (OEA)?	Std OEA is used when possible.	Proprietary	Yes, however some Developers are trending toward a CAMA (Common Area Maintenance Agreement, which further defines the CAM.	Typically our own form of ECCR	Yes
10	Do you prefer to base CAM agreements on a fixed fee or pro-rata share?	It depends on the Operator and the size of the center (PRS), but typically start with pro-rata and assess later.	Proprietary	Both	Fixed is easier to budget, however only a small percent are fixed or flat	Pro-rata
11	Do you opt out of the CAM liability insurance at your 3rd Party maintained sites?	Our current shell OEA allows for this and we have been taking advantage. It is difficult to do so at most of the existing/mature locations because there is no language to allow.	Proprietary	Depends on the location	Yes, when available	Depends on contract language
12	How many property manager employees do you have on staff? A property manager for this purpose is defined as being responsible for working with the developers, vendors and/or management companies to ensure brand integrity is maintained at the location as defined by the company or by the legal agreement (i.e. OEA). Also responsible for working through any disputes with the developer, vendor and/or management company at a particular location.	Five	Proprietary	42	Four (4)	>20
13	How many CAM audit employees do you have on staff to approve budgets and complete reconciliations?	5 Staff Accountants and 1 Supervisor. In addition, we have 2 CAM Auditors who focus on new locations and locations where invoice support not required.	Ten	Two	One (1)	>20
14	What is the avg. # of sites each employee manages?	Approx. 300 for Property Managers and 200 for CAM Budget/Recon.	280	250	400+	>100
15	Do you perform a full or partial review for each location-specific budget for your 3rd Party maintained sites?	Full	Yes	Both	Full review if required by underlying document	Some sites do not receive budgets. Those where budgets
16	Do you utilize parameters as part of your review process? For example, do you only review budgets that have seen a 5% increase over LY budget or LY actuals?	No, parameters are not used.	No	We use parameters as part of our review process.	Many sites are first year budget reviews. If older, we	Full review is performed.
17	Do you perform a full or partial review for each location-specific reconciliation for your 3rd Party maintained sites?	Partial	Yes	We perform a partial review for each location-specific reconciliation and	Full review both by in-house Analyst and utilizing 3rd party	Full review.
18	Do you utilize parameters as part of your review process? For example, do you only review reconciliations that have seen a 5% increase over the budget? Do you review all invoice support for each location?	Yes, parameters are used.	Yes/Yes	We use parameters as part of our review process. During a full audit, all supporting information is reviewed.	Same as 16. We review all supporting invoices	Full review is performed.
19	Do you use a 3rd Party CAM audit firm? If so, exclusively?	A 3rd Party audit firm is used, but we also have an internal team reviewing reconciliations	Yes/No	No	Yes. No.	Occasionally
20	Is 3rd Party CAM expense a concern for your organization? Specify the % growth in expense you seen for your existing stores?	Yes - Mature locations are seeing 6-8% growth.	Proprietary	Yes, 13.60%	Yes. Increase from 2005 to 2006 actuals rose 8.86% for	Concern as expense growth exceeds store growth
21	What categories are you concerned about or monitoring more closely? (i.e. snow, landscape, etc.)	Capital expenses (parking lot overlays). Expenses for upgrades to landscape. Admin fees seem to be climbing into the 10% range.	Proprietary	Snow Removal, Security, R&M, and Management Fees	All, including snow, security, landscape and labor cost associated with 3rd party CAM operator employees.	Snow removal, insurance, security.
22	Are your store managers held accountable to CAM from both a brand perspective as well as a financial perspective?	No, they are only held accountable for the interior store.	Proprietary	No	More so if we self-maintain	To an extent.
23	Do you re-bill any of your CAM expenses when you are the CAM operator? If so, what system do you utilize for this?	Yes, SLIM (but it is a challenge)	Yes/SLIM	Yes, SAP	Yes, Excel	To an extent.

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24	What is your procurement strategy regarding CAM?	None.	Proprietary	Local to regional providers	Local and regional vendors and independent management companies	Per location/region, nothing global
25	What are your maintenance frequency practices for lot sweeping, striping, sidewalk steaming, etc? (i.e. 5x per week, 7x per week)	5 night sweep, yearly stripe n most areas, sidewalk steam cleaning monthly or as needed based on demographics.	Varies by location	Stripe every year, sweep 3-7x per week depending on volume	Varies by location, but 4x is probably the average	Site specific
26	Do you utilize external day porters at your self-maintained sites for trash pick-up? Is this the responsibility of the store or do you hire a 3rd Party to do for you?	No porters on the self maintained sites. The location should be monitoring.	N/A	Yes, 3rd Party	Store responsible	Site specific
27	What system do you utilize to process CAM work orders received from your sites? (i.e. Maximo)	Maximo	N/A	Total Maintenance System (TMS)	Remedy, Access & Excel	Internal software
28	What system do you utilize to review CAM budgets and reconciliations at 3rd Party maintained sites? (i.e. SLIM)	SLIM	SLIM	Microsoft Excel & Access	In-house Analyst and 3rd party audit firm	Internal software