

**RENT, OPERATING EXPENSES, MARKETING**  
**AND OTHER MONETARY ISSUES**

COURSE: SL602

January 14, 1998

**I. INTRODUCTION AND OVERVIEW**

- A) Base Rent
- B) Percentage Rent
- C) Operating Costs
- D) Real Estate Taxes
- E) Marketing Fund
- F) Security Deposits
- G) Construction Allowance

**II. BASE RENT**

- 1. Basis of Payments
- 2. Due Date/Grace Periods
- 3. Adjustments/Off Sets
- 4. Taxes/Penalties

**III. PERCENTAGE RENT**

- 1. Calculation of Breakpoint
- 2. Due Dates
- 3. Gross Sales Defined/Exclusions
- 4. Tenant Reporting
- 5. Audit Rights

**IV. OPERATING COSTS**

- 1) Definition
- 2) Exclusions
- 3) CAP on Increases/Flat Rates
- 4) Prorations
- 5) Tenant Audit Rights

**V. REAL ESTATE TAXES**

- 1) Definition
- 2) Exclusions
- 3) CAP on Increases
- 4) Tenant Right to Challenge

**VI. MARKETING FUND/MERCHANTS ASSOCIATION**

- 1) Initial Assessment/Grand Opening Charges
- 2) Co Tenancy
- 3) CAP on Increases
- 4) Participation in Ad Campaigns

**VII. SECURITY DEPOSITS**

- 1) Amounts/Interest
- 2) Earn-out/Reductions
- 3) Right to Access/Replenish
- 4) Conditions for Repayment

**VIII. CONSTRUCTION ALLOWANCE**

- 1) Calculation
- 2) Chargebacks/Offsets
- 3) Payment
- 4) Conditional Requirements