STANDARD OF CARE ANALYSIS
Scolari’s Warehouse Market and Mrs. O’Kleen’s Laundromat
1375, Highway 40
Fernley, Nevada 89408

Date of Report
April 30, 2007

Prepared for:
Paul Malikowski
325 W. Liberty
Reno, Nevada 89501

Prepared by:
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8151 Easy Meadow Drive
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April 30, 2007

Paul Malikowski
Malikowski Law Offices, Ltd.
325 W. Liberty
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RE: Consulting Report - Standard of Care Analysis
Scolari’s Warehouse Market and Mrs. O’Kleen Laundromat

Dear Mr. Malikowski:

As per your request, I have prepared a consulting report with an analysis of the landlord/tenant relationship between Scolari’s Warehouse Market, Inc. and Mrs. O’Kleen Laundromat in the Fernley Plaza Shopping Center.

My analysis was based on a reading of the lease agreement between the two parties as landlord and tenant, my review of documents in the file as provided by you, my visit to the site of the old and new shopping centers on April 20, 2007, and conversations with you and your client, Chris Buchanan.

It needs to be stressed that this report is not an "appraisal" and I am not writing this report from the perspective of an "apraiser." The Uniform Standards of Professional Appraisal Practice requires that I make it clear from which perspective I am speaking or writing so that there will be no misunderstanding of the intent of my statements or the conclusions I reach.

The pages following this Transmittal Letter contain my understanding of the facts of the case, my explanation of the unique relationship that exists between a tenant and landlord in a shopping center environment as compared to other multi-tenant commercial property, descriptions of some relevant examples in which I have been personally involved over the years that apply to this type of relationship, and my conclusions about what, in my opinion, are the steps that a professional and ethical landlord/management team would have taken in the circumstances described.

Thank you for permitting me to serve you by preparing this consulting report. Should you have any questions on the report or my conclusions, please feel free to give me a call.

Sincerely,

[Signature]

Paul Lorenzen
CCIM, CPM, CSM
Preliminary Matters

Perspective of the Consultant. Because I am a licensed appraiser in Nevada and Texas, I am required to make it clear when I am speaking or writing as an appraiser and when I am speaking or writing from another perspective.¹ In this assignment, I have been asked to express my opinion regarding the administrative actions that would be appropriate to take in response to the problem defined below. There is no reference in this report to any valuation issues. I am addressing only property management, marketing, and administrative questions.

Therefore, notwithstanding the fact that I am a Certified General Appraiser, I am not speaking as an appraiser in this report but speaking as a real estate manager and real estate broker.

Client. The client for whom this report has been prepared is Paul Malikowski, Attorney, P O Box 9030, Reno, Nevada 89507. The client whom Paul Malikowski represents in the referenced action is Chris Buchanan, Successor Trustee of the H & V Family Trust dated February 25, 1993, as restated by Restated Revocable Trust Agreement, dated September 15, 1994, and as restated September 13, 1999, aka H & V McGowan Family Trust.

Intended Use/Intended User. The intended use of this report is as a presentation of the opinions to be related by me, Paul Lorenzen, as an Expert Witness in the pending litigation between Paul Malikowski's client referenced above and Scolari's Warehouse Markets, Inc. The Intended Users of this report are Paul Malikowski, his client, other attorneys involved in the referenced matter, and the officers of the Second Judicial District Court of the State of Nevada in and for the County of Washoe. No other use of this report is authorized by its author.

¹National Uniform Standards of Professional Appraisal Practice (USPAP) Course, page 15, "Individuals who provide appraisals may also be involved in other professional endeavors. Therefore, it is necessary to differentiate the activities that are described as appraisal practice, and thus subject to USPAP, from activities that are not appraisal practice but still may be related to value (other valuations services);" page 16, "Many appraisers have other professional roles in addition to their appraiser role. For example, some appraisers are also brokers, attorneys, accountants, mortgage brokers, or consultants. These other services may include valuation services but are not appraisal practice and, therefore do not require compliance with USPAP." The analysis and opinions required for this report fall under my experience and expertise as a real estate broker and property manager and, therefore, fall outside the requirements of USPAP. The reader is advised to keep in mind that in this report I am NOT speaking as a real estate appraiser but as a real estate manager and real estate broker.
**Scope of Work.** In preparation of this report, I have interviewed Paul Malikowski and his client, Chris Buchanan, performed an on-site visit to the coin-operated Laundromat location, visited the new Fernley Village Marketplace Shopping Center, interviewed parties involved in the Carson City Square condemnation case referenced below, reviewed the Independence Square case referenced below, consulted with numerous shopping center management colleagues, and reviewed shopping center development and management literature, and literature relating to coin-operated laundry facilities, as they relate to the subject and the issue at hand.

**Definition of the Problem**

In 1999, Mrs. O'Kleens Laundromat was operating as a reasonably successful coin-operated Laundromat in the Fernley Plaza Shopping Center, in Fernley, Nevada. The center was anchored by a Scolari's grocery store.

During that year, it was announced that Scolari's Warehouse Market, Inc., was planning an expansion and redevelopment of the shopping center then known as Fernley Plaza Shopping Center. Scolari's has recently purchased the last parcel between the existing center and Fremont Street on the South. This permitted an expansion of the shopping center. Their plans were to relocate the anchor tenant, Scolari's grocery store, to the parcel they had just acquired, several hundred feet South of its then-current location. They announced further, that they would be closing the old store and redeveloping the site where the old center was as a subsequent phase of the redevelopment plan.

Efforts to negotiate a new lease between the ownership of Mrs. O'Kleens Laundromat and Scolari's were unsuccessful. According to conversations with Chris Buchanan, owner of the Laundromat, and Paul Malikowski, his attorney, the unresolved issues were the level of rent in the new space and the cost of the interior tenant improvements to install the tenant's equipment. When the Scolari's grocery store closed in the old center, the other stores, which were on short term leases, closed or relocated elsewhere. Some of then were successfully relocated into the new center with Scolari's grocery store. However, Mrs. O'Kleens Laundromat was on a long-term lease with approximately eight years remaining, including one remaining five-year renewal option.

Scolari's did not lease the vacant spaces in the old building to new tenants and became less diligent in maintaining the buildings and common area.1 There was no effort to generate customer traffic to the old center with the result that Mrs. O'Kleens Laundromat had a dramatic decline in business and was forced to close.

**THE QUESTION:** How would responsible and ethical ownership/management of Fernley Plaza, dealing in good faith, handle the situation in which Mrs. O'Kleens Laundromat would be orphaned with a significant remaining lease term.

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1 This behavior is reminiscent of a husband who wants a divorce but does not want to initiate the action as it would be too costly. So the husband does everything he can to make himself unattractive to his wife, such as not shaving, refusing to "do the chores," lounging around all day drinking beer, etc., to motivate the wife to initiate the action for a divorce. In this case, the landlord appeared to behave in a manner that would discourage the existing tenants from continuing their business in the old center, which is what actually occurred.
General Principle of a Shopping Center

To answer this question, it is first important to understand the nature of a shopping center. The characteristics of a shopping center are different from any other kind of commercial or investment property.

In other multi-tenant properties, the relationship between the landlord/owner and the tenants is typically an arms-length relationship where each party is striving to achieve their best financial results without a major concern about how well the other parties' businesses are performing. The relative success between the various tenants in a project is not dependent upon the success of neighboring tenants.

For example, in an industrial park, if the space beside "Tenant A" is vacant it does not affect his/her business. In fact, it might be beneficial because more parking might be available for Tenant A and his customers. If other tenants in the project go out of business, it would not necessarily have a negative impact on the public perception of Tenant A's business. If the neighboring businesses were experiencing record profits, it would not necessarily mean that Tenant A's business would have any direct benefit.

Further, if Tenant A's business did especially well one year, the landlord would not be able to collect more rent from Tenant A. Nor could Tenant A necessarily credit the performance of the landlord with any of the record profits, beyond the landlord's ability to keep the common areas of the project reasonably well maintained.

In other words, in the typical multi-tenant commercial or industrial building there is a "win-lose" mentality. The landlord can win and the tenants can lose (as long as they can stay in business and pay the rent); or the landlord can lose and the tenants can win (for example, if the landlord has long term leases with below market rents, or there is a major structural maintenance problem on the property that the landlord is required to repair).

However, in a shopping center, each of the above scenarios are exactly opposite. In this environment, the landlord can be successful only if his tenants (the retail merchants) are successful. And each of the merchants can be more successful as a result of the success of the neighboring businesses.

Percentage Rent Clauses. Shopping center leases often have percentage rent provisions that require the tenant to pay a percentage of their gross sales to the landlord beyond the minimum rent or a specified sales level (the "breakpoint"). The rationale for the percentage rent is that if the landlord can create an environment that makes the tenant more productive, he can increase his revenue by having a share of the superior performance. The "breakpoint" in the gross sales of a retail lease is typically set at a level that will be exceeded only if the sales are higher than the typical sales of that retailer's merchandise category. Thus, the more successful a tenant is, the more rent a landlord can collect.

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This level of gross sales can be determined by consulting retail industry resources such as Dollars & Cents of Shopping Centers. As an example, in the 1990 edition, the median gross sales of an independent barber shop in a neighborhood shopping center was $131.61 per square foot. The typical percentage rent rate was 6.0%. The median minimum rent per square foot was $10.70. Using a "natural breakpoint," I would divide the rent of $10.70 by the percentage rent rate of 6.0% and arrive at $131.67 per square foot as the breakpoint. If the barber shop produced more than the typical barber shop performance of $131.61 per square foot, he would be approaching his breakpoint and would be soon paying percentage rent. Thus, superior performance by the barber would generate extra "overage rent" for the landlord. A win-win situation.
Likewise, if a retail merchant in Space A is having an especially good month with high customer traffic, the merchant in Space B will benefit. Some of the extra customer traffic that passes B's store-front will also patronize B's store as well as his neighbor's. Merchants will often jointly advertise so that the same advertising dollars will bring customers to a group of stores rather than just to one store. This is especially true when a center has an active merchants' association.1

**Continuous Operation Clauses.** Shopping center leases also have "Continuous Operation" clauses that prohibit the merchant from closing the store ("going dark") or from shortening the hours of operation beyond certain minimum hours. That way, each merchant will be able to continue drawing merchants for their neighboring stores. Many court cases have been decided on this issue. For example, in *Mayfair Operating Corporation v. Bessemer Properties, Inc.* "the court found that a percentage lease required the defendant to continuously conduct business at the premises because of a provision which required the tenant to 'use its best efforts to . . . maintain the highest volume of business in the premises . . .’"2 The purpose of this provision in a shopping center lease is to enhance the synergism among the tenants and create cross traffic. In the Scolari's situation, the landlord and the anchor tenant are one and the same so there was no lease that would require the anchor tenant to remain open. Typically it would be in the best interest of the landlord to have the anchor tenant remain open for business while it would be in the best interest of the anchor tenant to close with the new store opening a short distance away. In this case, there was no adversarial interests between landlord and anchor tenant so the smaller shops suffered as a result.

**Redevelopment of a Center.** Actions taken by a landlord can have a dramatic impact on the sales performance of tenants in the center. A number of years ago I was retained by the attorney representing a group of tenants to serve as expert witness in a case between the retail merchants and the landlord of Northgate Mall3 in San Rafael, California just North of San Francisco. When the merchants had signed their leases, the main entrance to the mall was very close to the corridor in which they were located. Customer traffic was high because they were close to the main entrance to the mall. The landlord redesigned the center with a new main entrance. This resulted in customer traffic dropping in the corridor where the tenant group represented by the attorney who retained me was located. Their sales had dropped dramatically as a result and they were suing the landlord for relief in their minimum rent.

My assignment was to analyze the gross sales of the group of merchants, as well as the sales of the merchants near the new main entrance to the mall, both before and after the reconfiguration. My findings showed a dramatic shift in sales volume in the mall away from the merchants near the old main entrance to the merchants near the new entrance. Since the net gross sales in the mall, and resulting percentage rent paid by the respective tenants provided the same or better net result in rental revenue, the landlord was not terribly concerned about the shift in sales performance.

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1 Merchants' Association. "A merchants' association is a tenant organization present in most shopping centers that plans promotional, publicity, and advertising events for the center." *Managing the Shopping Center*, page 121. In many shopping center leases, there is a requirement that the landlord match the dues paid by the individual merchants, based on a formula in the lease, to help fund the promotional activity of the merchants' association.

2 *Shopping Center and Store Leases*, page 258. There an excellent discussion of this principle and use of this Continuous Operation clause in shopping center leases in this book on pages 256-266.

After reviewing my report showing the dramatic impact on the sales of the merchants near the old main entrance, they had a settlement conference and I was told that the landlord settled before the case went to court so I did not need to appear in court to explain my findings.

This is an extreme example of the role that the landlord has in creating and maintaining an environment that will assist the tenants in achieving high sales in their stores. Any redevelopment by a landlord of a center should **always consider the impact on existing stores** and honor the commitments made in the leases with those merchants.

**Importance of the Anchor Tenant.** The anchor tenant in a shopping center will do a tremendous amount of advertising which will draw customers to the center, who will also patronize the smaller line-shop merchants. Therefore, the better the customer traffic is to the anchor store, the higher the sales volume will be for all the retail merchants in the center. Because of the benefit that the anchor tenant brings to the other merchants in the center, it will often receive significant rent concessions from the landlord. "They [anchor tenants] pay low rents because they have high advertising budgets that supplement the center's own advertising, strong name recognition, and well-known reputations that draw customers to the center."1

**The "Marriage Document."** Many times, while I have been going over a retail lease with a prospective tenant for a shopping center, the tenant will comment about how extensive and detailed the lease document is. They often run 30 pages or more with small type. My response to the tenant is typically that the lease is like a pre-nuptial agreement between a bride and groom. The tenant and landlord are preparing to "live together" for a long time and the lease document is intended to cover, in advance, most of the contingencies that might develop. That way, rather than try to decide in the "heat of the moment," the landlord and tenant can work out the details of the working relationship in advance. The point is that it is a working relationship in which each party has responsibilities and rights, just like a marriage. This marriage of landlord / tenant, in a shopping center especially, needs to be a win-win situation.2

**Relocation of Tenant Lease Provisions.** It is noteworthy that many office leases contain a provision for the landlord to be able to move the tenant from one space in the office building to another space after the lease is in force. The provision usually requires proper notice to

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1 Anchor Tenant -- “The major store within a shopping center that attracts or generates traffic for the facility, e.g. a supermarket in a neighborhood shopping center, a major chain or department store in a regional shopping center. Dictionary of Real Estate Appraisal.

2 “... a very desirable [anchor] tenant may be able to receive a rent that allows the property owner only enough income to break even on the space. In that case, it is the consequences of the [anchor] tenant's presence that the owner believes will offset the large concession.” Managing the Shopping Center, page 82.


4 Although not present in the lease between Scolari's and Mrs. O'Kleen's Laundromat, many shopping center leases contain a paragraph that states, in essence, that the lease does not constitute a "partnership" of any kind. This provision is felt necessary by many landlords because of the close working relationship between the landlord and the tenants in joint marketing of the center and in their mutual benefits when the center does well and gross sales exceed minimum expectations. This further substantiates the expected requirement of creating a win-win situation. For example, the suggested wording in Shopping Center and Store Leases, by Emanuel B. Halper, is "Notwithstanding the fact that a portion of the rent reserved under this Lease may be a percentage of Tenant's Gross Sales, and notwithstanding anything else to the contrary, Landlord shall not be deemed to be a partner of Tenant or a joint adventurer with Tenant." Page 678 Shopping Center and Store Leases, Emanuel B. Halper, Law Journal Seminars-Press, New York, NY, 1989.
the tenant, has the landlord cover all cost of installing appropriate tenant improvements, and pay for any costs incurred by the tenant in making the move to the new space. In an office building, however, it does not typically have an impact on the tenant's business success if it is located on the West end of the second floor or the East end of the third floor. The office user activity is not usually that sensitive to location within the office building. This provision is very rare in a retail lease, though, as the location with the development does have an impact on the success of the retailer's business. Retail tenants would have a hard time accepting such a provision. However, it is significant that in the office environment, when a landlord wishes to move a tenant, for the landlord's benefit, it is understood that, even though the tenant's business may not necessarily be adversely affected, that relocation is at the landlord's sole cost and expense. This principle can be compared to the treatment of Mrs. O'Kleen's in the negotiations to relocate the tenant to the buildings of the Scolari's shopping center.

It is clear that a shopping center is unique among multi-tenant commercial, industrial, or investment real estate in that it must be a "win-win" relationship between the landlord and the tenants. If the tenants do poorly, the center will have a poor reputation, not be able to attract retail merchants, not produce overage rent for the landlord, and will have poor levels of customer traffic resulting in low gross sales activity on the part of the retail merchants in the center. An additional result is that the rental value of the space falls, as it becomes vacant from tenant failure or from lease expirations. This loss of rents also causes a proportionate loss in Market Value of the real estate.

If, on the other hand, the landlord 1) does a good job of creating a strong tenant mix (discussed below), and 2) works in a cooperative manner with the tenants in jointly marketing and promoting of the center to draw in customer traffic (discussed in "management/marketing responsibilities" below), then more customers will come to the center and make the cash registers ring. This results in the center being more attractive to stronger retail merchants, producing higher total sales volume, requiring higher overage rent payments to the landlord. The tenants win with more successful businesses and the landlord wins with bonus rent payments and a higher caliber of successful retail tenants, enabling him to eventually sell the center for a greater price: Truly a "win-win" situation.

To accomplish this "win-win" environment, the landlord must give careful attention to two items in the marketing and management of the shopping center: Tenant Mix and Promotion of the Center.

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1 "Tenants often want to expand when all adjoining areas are occupied. Sometimes (usually for a large, profitable tenant) ownership will relocate a contiguous tenant to another suite in the building to permit the expansion. This requires a special lease clause with all details spelled out beforehand. Ownership sometimes absorbs the relocation costs, and is sometimes reimbursed by the expanding tenant; [italics added] depending on the market. Relocation expenses can include space planning, moving, tenant improvements (including over-standard improvements), and additional rent, and responsibility for these also depends on the desirability of the tenant and the strength of the market. The relocating tenant may lose a special floor location, a view, or certain amenities unique to the floor (storage area, lounges, etc.). Space planning can do much toward dispelling hard feelings, often adding benefits to the new space that were not part of the old." *Marketing and Leasing of Office Space*, page 198.

2 Overage Rent. "The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume." *Dictionary of Real Estate Appraisal.*
Importance of Tenant Mix

In the initial marketing of a new shopping center, the choice of retail tenants, and their placement in the center, is crucial. In fact, according to the Institute of Real Estate Management (IREM), "The choice of tenants for the center is actually one of the most important features that distinguishes a prosperous shopping center from one that is failing."¹

The first step is the choice of the right anchor tenant. Since the anchor tenant will define what kind of shopping center it will be,² this choice must be carefully made.³ Again, according IREM, "The anchor tenant sets the tone and image of the shopping center. Consumers, in general, come to the center because of the anchor . . . . In many respects, the success of the center rests on the anchor tenant or tenants."⁴

In addition, the trend more recently is for shopping center developers to place less importance on the merchants' association and/or promotional fund (explained in the next section). Because of this, there is less opportunity for the smaller merchants in the center to implement joint marketing of their stores. As this capacity for the smaller merchants in a shopping center to have unified promotion declines, the importance of having the right anchor tenant increases as the anchor's high profile marketing would be the primary promotional activity for the shopping center.⁵

After the anchor tenant is selected, the "satellite" tenants are recruited. The type of satellite tenant sought will be determined by the type of anchor tenant. In addition, these tenants must perceive themselves as part of a community of merchants, together marketing to a common audience in their trade area. This concept of “team” is unique to a shopping center, as compared to other multi-tenant properties.⁶

¹ Managing the Shopping Center, page 193.
² "First, the definition of a shopping center is standard and precise. As formulated by the former Community Builders Council of ULI in the 1950s and reaffirmed over time, a shopping center is a group of commercial establishments planned, developed, owned, and managed as a unit related in location, size, and type of shops to the trade area the unit serves; . . . ” Dollars & Cents of Shopping Centers, page 3. The book continues by defining four major classes of shopping centers and establishes the definition of these classes based on three things: (1) total gross leasable area of the center, (2) type of anchor tenant, and (3) general type of merchandise carried by the majority of the retailers in the center.
³ "An anchor tenant in particular is expected to deliver a sizeable number of customers to the rest of the tenants.” Shopping Center Development Handbook, page 173.
⁴ Managing the Shopping Center, page 195.
⁵ This trend was brought my attention in recent correspondence with Richard Muhlebach, who is a well recognized authority in shopping center development, leasing, and management. Mr. Muhlebach is a Certified Property Manager (CPM), a Senior Certified Shopping Center Manager (SCSM), a Counselor of Real Estate (CRE), and a Real Property Administrator (RPA). He has authored several books on commercial property management and leasing and is a frequent contributor to the Journal of Property Management. He is a senior instructor for the Institute of Real Estate Management teaching the Shopping Center Management courses.
⁶ In fact, one of the most effective methods that I have used in marketing retail space for lease has been to interview the owners and managers of the stores adjacent to a vacant retail space, asking their advice about what kind of business they would most like as a neighbor. This often produces a list of prospective tenants to pursue, even providing the names and phone numbers for the decision makers of the complementary retail stores proposed!
The “team” concept of merchants in a retail center has many implications but, as will be discussed in the next section on marketing the shopping center, the more the complementary merchants in the center see themselves as a team, the greater will be the aggregate sales volume to the center. The Urban Land Institute even goes so far as to state that, "One immeasurable factor is the ability of a particular merchant to work as a member of this merchandising team -- the team that ultimately becomes the shopping center."  

Just as a coach of a professional football team tries to draft just the right players to make the strongest team, with the goal of winning the Superbowl, so the landlord should try to attract just the right "team" of merchants to occupy his center so he can create the highest cash flow to each of the merchants, and to himself as landlord, thus creating the highest market value for the real estate.

Management/Marketing Responsibilities

After achieving the right tenant mix and filling the center with complementary merchants, the landlord of the shopping center then has two additional responsibilities to make a successful center. He must maintain the property in a professional manner and he must market the center and his merchants to the trade area.

The management and maintenance responsibilities of a shopping center are, for the most part, no different than in other multi-tenant commercial properties. The buildings and mechanical equipment must have regular maintenance performed, rents must be collected, bills must be paid, etc. The one area where a shopping center differs is that, because the shopping center is often as much an entertainment destination ("Let's go shopping!"), the center must be updated from time to time to keep up with changing social and aesthetic tastes. This is especially true if the center has a high proportion of smaller independent retailers or regional chain stores.

Developer/owners who decide to . . . increase the number of local chains and independent merchants . . . must continuously evaluate their performance and assist the independent businesses in their merchandising. . . . the ability of tenants to pull customer traffic into and along the mall may be a greater test of productivity than the clauses of a lease.  

Again, the Urban Land Institute gives excellent guidance on the role of the landlord after the center is operational.

Because a shopping center must be treated as an ongoing merchandising operation rather than as a straight-forward real estate venture, management must be as responsive as possible to the center's needs, knowledgeable about the evolving changes in the shopping center industry, and attuned to changes in society and among consumers. The owner, whether or not he is also the manager, must provide leadership and drive.

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1 Shopping Center Development Handbook, page 170.
2 Shopping Center Development Handbook, page 173. Fernley Plaza seems to meet this definition of tenant composition.
3 Shopping Center Development Handbook, page 218.
This leadership most often finds expression in the marketing and promotion of the shopping center either (a) through a promotional fund (administered by the management of the center) or (b) through a merchant’s association (administered jointly by management and an elected representative body from the merchants in the center).\(^1\) In either scenario, the objective is to lift the image of the center, and the community of merchants in the center, to a higher level of visibility and respect by the surrounding community.

The reason that a retailer will choose to locate within a shopping center, rather than simply occupy a free-standing building "down the road," is that the sales volume of the store is expected to be higher because of the synergism of the landlord and merchants working together to market the community of merchants. The cost to occupy a shopping center is often significantly higher than would be the cost of equivalent space outside of the shopping center environment, when the common area charges, merchants’ association dues, and other such items are factored in. But the higher retail sales volume in the center more than offsets the extra cost.\(^2\)

The promotional activity of the shopping center should provide for group advertising in local media, such as newspapers, radio and television. But, in addition, the promotional activity should offer a community service aspect. Malls and smaller shopping centers often volunteer their facilities for charity events or events that promote local community activities.

One of my most successful experiences in this regard was when I was general manager of the **Timberhill Shopping Center** in Corvallis, Oregon. The merchants’ association, in which I participated as the owner’s representative, decided to have a “Bike Rodeo” just before school began in the fall. The event would be a fun but educational event for families to bring their bikes and learn safety rules, get a “tune-up” from bike mechanics, ride through an obstacle course, and do other fun things. We invited the local bike club, police department and fire department to be involved, and the school district helped promote the activity. The merchants all pitched in and had booths in the parking lot around the event where they gave away free merchandise and food, signed up customers for their mailing lists, and otherwise promoted their stores while families enjoyed the activities. The event went over so well that it became an annual event and was a very popular fall kick-off to the school year. The result was a substantial increase in awareness and popularity for the center. Many of the merchants indicated that their sales volumes reflected the success of the event.

The Bike Rodeo described above is a good example of the kind of unified marketing and promotional program that a responsible shopping center landlord should provide. As suggested by the Urban Land Institute, this creates a unified presentation of the shopping center as a community of merchants that serve the community.\(^3\)

By building shopper traffic and increasing sales for all tenants in the center, effective promotion affects the level of percentage rents and thus plays a major role in determining the rate of return to the developer/owner. For this

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\(^1\) "... the goal of [the marketing program] is to produce profit for the center's tenants and owner." *Shopping Center Development Handbook*, page 222.

\(^2\) In my personal leasing activity in shopping centers, this has been one of my most frequent selling points -- that the sales volume is what the tenant should be concerned about and that sales volume will generally be substantially higher in a shopping center environment.

\(^3\) “The center and its stores should be promoted as a single, cohesive unit.” *Shopping Center Development Handbook*, page 222.
reason, promotion is essential for all sizes and types of shopping center and should be a well-conceived program.¹

In this manner, the shopping center is, indeed, a unique property, among multi-tenant commercial, industrial and investment real estate. It can become successful and maximize the profits of both the individual retail merchants and the landlord who owns the real estate, resulting in a "win-win" environment.

¹ Shopping Center Development Handbook, page 221.
Examples

One of the best ways to understand these principles in operation is to review two examples from my personal experiences over the last two decades. The first example below is a case in which I served as an expert witness for an attorney representing a group of tenants who were suing their landlord. The second example is a situation in which I was part of the property management team handling a center that was in the process of condemnation action under eminent domain.

Independence Square

Independence Square, originally built in the early 1990's, is a multi-tenant commercial property located on Moana Lane just East of South Virginia Street in Reno, Nevada. I hesitate to call it a shopping center because the layout of the project does not lend itself to a successful shopping center design. However, the original developer of the project, in his marketing of the lease space to tenants, represented that it was a shopping center and specifically referenced in his marketing materials that the project was a shopping center and that the tenant mix was to be retail in nature.

After about one-third of the project was leased successfully to small retail shops, the owner was unable to find other retail tenants to fill the vacancies. To fill the remaining space, he changed his marketing plan and targeted office users and filled most of the vacant space with office users. This substantially changed the character of the tenant mix.
The result was that the retail merchants who had first leased the space now had neighboring tenants who caused a number of problems for the retailers.

**First**, they did not generate customer traffic for the retail stores. This resulted in lower sales volume because the only customer traffic that came was that generated by their individual marketing activity.

**Second**, the number of employees in the offices on a per square foot basis was substantially greater than the number of employees in the retail stores. These employees drove to work and parked their vehicles in the front parking lot (there was very little parking in back for employees). This resulted in fewer parking spaces left for the customers who did come to the retail stores.

**Third**, the customers who patronized the office tenants generally stayed for a longer period than retail customers would stay. This resulted in even fewer parking spaces available for the retail customers.

**Fourth**, the reputation of the project quickly changed from a shopping center to an office project, so when local shoppers thought about where to go for retail shopping, Independence Square did not come to mind. Those customers went elsewhere to shop.

This series of events caused the retail tenants to have low sales and experience financial difficulties. They created a coalition to bring legal action against the landlord for breach of his covenants and representations in the original marketing presentations. The attorney they engaged retained my services to explain to the court the unique nature of a shopping center and the impact on the original tenants when the landlord changed the character of the project by marketing to office users instead of retail users. The court understood the problem created by the landlord's actions and the tenants were successful in their action.

Independence Square is an excellent example of how a landlord **should not behave** in the marketing and administration of a shopping center. The final tenant mix was inappropriate because it did not create a synergism among the tenants where each attracted complementary customers for the others. The office users who were in the majority when the project was filled had no interest in or benefit from a common marketing program to promote the center, and thus draw retail customers to the center. Instead of realizing the problem this created, the landlord resisted working with the tenants who were harmed to help find a resolution. The result was adversarial litigation.

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1. "The availability of parking is another factor that customers will consider in deciding to go to a shopping center. Convenient parking is, in fact, a distinguishing feature of the shopping center." *Managing the Shopping Center*, page 314. The typical parking ratio in a shopping center will range from 3.5 parking spaces to 6.0 parking spaces for each 1,000 square feet of Gross Leasable Area. Generally, smaller centers will have the lower end of the range and larger centers, such as regional malls, will have 5 or more spaces per 1,000 square feet of GLA.

2. The attorney they retained, and who hired my services, was **Nicholas Pereos**, in Reno, Nevada. The case was filed as **Sotoodeh vs. Lands of Sierra**, and was heard in the Second District Court of Nevada in Reno. I cannot find the exact date but it was filed about 1990-91.
Also in the early 1990's, Carson City Square shopping center was experiencing problems in Carson City. The Nevada Department of Transportation had routed a new freeway right through the middle of Carson City Square which was located on Highway 50 in the Northeast quadrant of the town. The firm I was with at the time this action began was Commercial Property Services in Reno, Nevada, the property management firm handling Carson City Square. I observed the management team as this developed, first with Commercial Property Services, then, when I formed my own firm, Real Estate Management Corp., in 1994, I purchased the management portfolio from Commercial Property Services and took over the management of the property. The property was owned by PacTrust, a publicly owned real estate investment trust from Portland, Oregon. Scott Hodson was the asset manager.

The center had 32 tenants, one of which was Lucky Food Store as the anchor tenant. Shortly after the condemnation action was announced, the anchor closed the store and "went dark." Lucks continued to pay rent to the landlord but no longer generated any customer traffic to the center. Things looked bad, to say the least, for the smaller retail tenants. As some of the smaller tenants began to experience financial trouble, Scott Hodson, the asset manager, would meet with them individually. Though under no "obligation" to do so, he arranged for rent forgiveness or deferment in appropriate amounts to help them survive until the issues with the state were resolved.

Even though it was PacTrust that was required to take legal against the condemnation action to protect the landlord interest, Scott relates that he "felt a duty to the tenants" to assist
them in salvaging what they could in that unfavorable situation. Rather than leave the tenants on their own, as he had every right to do, Scott approached each of the tenants to assist them in obtaining the most favorable settlement for their business and their leasehold interest from the state. He negotiated with the tenants, individually, to determine the remaining unamortized value of the tenant improvements that they had installed at their expense when they opened for business. They determined any leasehold value that existed in the remaining lease term with any whose leases ran more than a year before expiration. PacTrust then paid the tenant the amount mutually determined and obtained the right to integrate the tenant's claim with the landlord's claim. There was then only one party in the action against the state for just compensation. The result was that the case was settled quickly and with minimal legal expense as the state found dealing with one party at the table much more efficient than dealing with 33 different parties.

In addition, Scott assisted each of the tenants in negotiating for the business value of the stores and arranged for the state to cover the cost of relocation to another space elsewhere in Carson City for those tenants who wanted to continue their business.

The bottom line was that PacTrust recognized that it was in the best interest of both landlord and tenants in the shopping center to work together. As the one with the "deep pockets," PacTrust absorbed a higher risk in the situation and reduced or eliminated the risk to his merchants. The result was definitely a win-win situation for all involved.

As one considers what represents ethical behavior in real estate transactions and landlord-tenant relationships, this example brings to mind the Golden Rule taught by many ethicists over the centuries, "Do to others as you would have them do to you."

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1 Scott Hodson phone conversation 4/17/2007. I also had extensive conversations with Deborah Perry, CSM, my supervisor at Commercial Property Services and now with Colliers International, and Dan Tapella, CPM, the property manager with CPS and with my firm, who handled the property and who is now with PacTrust. Both Deborah and Dan were intimately involved in the process over the several years that this action took.

2 For a number of years, I was the "facilitator" for the IREM 800 course - Ethics in Real Estate Management, offered by the Institute of Real Estate Management (IREM), and required for the Certified Property Manager © (CPM) designation. I taught the course in Reno, Nevada for the Northern Nevada IREM Chapter. At the end of the day-long course, the bottom line concept taught by this course, and enforced in the CPM Code of Ethics, is simply "follow the Golden Rule in business relationships."

3 Luke 6:31, Bible, "Do to others as you would have them do to you."
Application to the Buchanan vs Scolari's Warehouse Markets Case

With the above as background, I can now address the question posited in the first part of this report: How would responsible and ethical ownership/management of Fernley Plaza handle the situation in which Mrs. O’Kleen's Laundromat would be orphaned with a significant remaining lease term in a center without an anchor and whose maintenance was left essentially unattended.

The question comes down to what it means to deal in good faith with the other party in a shopping center lease transaction. Below are the steps that I believe a professional and ethical landlord/management team would take.

1. **Recognize the nature of the relationship between landlord and shopping center tenant.** The landlord is a sophisticated investor-developer in shopping center properties and currently owns many shopping centers. It also is a tenant in these shopping centers and, as I understand it, a tenant under leasehold interest in other centers. One could conclude from this that the landlord is informed and understands the importance of the anchor tenant to the continued viability of the smaller retail merchants.

   As such, the landlord should recognize that it entered into the lease with Mrs. O’Kleen with the implied, if not expressed, understanding that the tenant was entering into the lease because the anchor tenant (Scolari's Grocery) would be generating substantial customer traffic that would patronize the Laundromat (and did so for several years). That understanding would have been a significant inducement on the part of the landlord for the tenant to enter into the long term lease agreement.

   In fact, because it was understood that the landlord had control over the anchor tenant, there was a substantially lower risk to the tenant of having the anchor tenant “go dark” and move out as it would be harmful to the landlord and the landlord had control over the anchor tenant, thus could prevent it! Since in this case the landlord and the anchor tenant are, effectively, one and the same, the issue of not dealing in good faith is further compounded.

   Since the landlord could control the action of the anchor tenant and permitted the anchor tenant to leave, causing a vacuum in the magnetic attraction of customers for the smaller retailers, one could even say that the relocation was entirely "optional."

   For the landlord to intentionally destroy the synergistic environment that was intended when the lease was executed would, in my opinion, not be dealing in good faith.

   Compounding this problem further, the landlord created more competition for the small retail shops almost next door. The landlord developed a more modern shopping center, in a more attractive and visible location, that would attract the customer base that had been patronizing the smaller tenants in the older center. Therefore, not only did the landlord destroy the old synergism, but further created a new synergism with very strong competition right next door.1

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1 An interesting side note to this aspect of the landlord's actions is that shopping center leases often have what is called a "radius clause" which prohibits a tenant from opening a second store location within a certain radius of the leased premises. That would have the effect of shifting sales from the leased location to the second store location, causing those sales to escape the payment of percentage rent. To avoid this, the landlord will write into the radius clause that if the tenant opens a second location within the prohibited radius, the sales from that second location must be added to the sales in the leased premises for calculation of overage rent due on the leased premises. What Scolari's did was, in effect, violate a "reverse radius clause" that was not written in the lease but understood based on what a rational person could reasonably conceive a property owner to do. At the time of lease execution, it would seem to me that it would have been considered some sort of "madness" for the landlord to destroy their shopping center and build a new one at the other end of the block.
Any objective observer would be hard pressed to say that this behavior was following the Golden Rule.

(2) **Consider financial assistance during transition period.** Another aspect that would be natural to consider is the need to soften the financial impact created during the transition period. It would be a known fact by the landlord that, as soon as the anchor tenant left the center, sales volume for all the remaining merchants would drop. This would cause a drop in the net income the merchants could produce in their space. If the landlord continued to insist on the same level of rent during any transitional period, it would create an undue hardship on the smaller tenants.

The ethical and professional response to this would be to recognize that the financial hardship was created by the actions of the landlord and the landlord should consider some sort of rent abatement to enable the smaller merchants to survive while transitioning to a new location. However, the landlord continued to expect the full rent payment from Mrs. O'Kleen and offered no rent abatement.

Any objective observer would be hard pressed to say that this behavior was following the Golden Rule.

(3) **Permit recovery of unamortized capital improvements.** When a retail merchant accepts possession of a space, there is often the requirement for the tenant to incur substantial expenses installing the "tenant improvements" to the space. In the case of a Laundromat, this could be such things as providing for additional water supply or water meter connections, additional boiler rooms and equipment, plumbing installations, higher capacity heating, ventilation and air conditioning (HVAC) equipment, etc. These costs often run well into the tens of thousands of dollars and sometimes into the hundreds of thousands.

The tenant expends these funds with the anticipation of recovering the cost of these improvements over the remaining lease term. The longer the lease term, the easier it is to recover these costs. The original lease with Mrs. O'Kleen was a four-year term with two five-year renewal options. Therefore, the tenant could have the reasonable expectation of fourteen years to recover the tenant improvement expenses. At the time of learning of the intention to move the anchor tenant, there was still approximately eight years remaining on the lease term, including the one remaining renewal option. Thus, fair dealing with the tenant would need to consider how much of the initial tenant improvements were still unrecovered and assist the tenant in recapturing some of this unamortized cost.

The file provided to me indicates that attempts by Mrs. O'Kleen's to negotiate to recover this by assisting in the expense of setting up a new store in the new shopping center owned by the landlord were left without a credible response.

Any objective observer would be hard pressed to say that this behavior was following the Golden Rule.

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1 According to the Coin Laundry Association, in their *Gold Book: A Reference Guide for Successful Laundry Operations*, page 15, "The objective for the laundry owners should be to get a long initial term, at least 10 years, . . . " According to *Business Reference Guide* (Business Brokerage Press, Westford, MA, 2007) "The main thing to focus on when negotiating your lease is the time factor. You've got to give yourself enough time on the lease to make it worth your while. If you're going in with a new store [coin laundry], it's highly recommend that you get 15 to 20 years as an absolute bare minimum—with 25 years being the ideal situation."
(4) Compensate for any Leasehold Value that may exist in the remaining term of the unexpired term and the term of the option to renew. When a lease has been in existence for a number of years with a fixed rental rate, it often happens that the "market rents" for the space are greater than the "contract rents" in the lease. When this is the case, there are accepted methodologies to determine whether there would be any positive leasehold value to the tenant created by this differential between the market rents and the contract rents.

Since I am not speaking as an appraiser in this report, I cannot represent here whether or not there is any differential in the market and contract rents that would create a positive leasehold value. However, if it were to be determined that there was a positive leasehold value in the current lease, that value would be an asset of the tenant. If the tenant were forced to leave the center, or circumstances were to occur that destroyed the value of the space, that leasehold value would become a casualty of the event.

A landlord acting in good faith, having made a decision that, when acted upon, could harm a tenant in his center, would need to consider whether fair compensation would be in order for the loss to the tenant of this leasehold value. In the file information delivered to me, I can find no evidence that there was any consideration on the part of the landlord, or its agents, to consider compensating for this casualty loss created by the landlord's decision.

Any objective observer would be hard pressed to say that this behavior was following the Golden Rule.

Conclusion.

As a Certified Property Manager© (CPM) with the Institute of Real Estate Management, I have agreed to abide by a strict Code of Ethics developed and enforced by the institute.1 For several years, I was the Facilitator for the IREM 800 - Ethics in Real Estate Management course which is required for the completion of the CPM designation. The core principles of this Code of Ethics can be summed up by the statement of the Golden Rule: “Do to others as you would have them do to you.”2

We all fall short of this standard at times, and I, of course, cannot hold others to a code of ethics to which they do not subscribe. However, I have found that a good percentage of professional real estate managers do attempt to follow this principle in their business dealings, and, of course, those who are members of the Institute of Real Estate Management are expected to and are subject to discipline if found to have violated it.

My answer to the question that began this discussion, then, is that the proper response of a landlord in the situation described in the Fernley Plaza Shopping Center would be to attempt to follow the four steps outlined in detail above:

1. Recognize the nature of the relationship between landlord and shopping center tenant.
2. Consider financial assistance during transition period.
3. Permit recovery of unamortized capital improvements.
4. Compensate for any Leasehold Value that may exist in the remaining lease term of the unexpired term and the term of the option to renew.

1 HTTP://www.irem.org - Ethics Section - Code of Ethics
http://www.irem.org/sec1ins.cfm?sec=joinirem&con=irem-code.cfm&par=

2 Luke 6:31, Bible, "Do to others as you would have them do to you."
BIBLIOGRAPHY


**Managing the Shopping Center**, Institute of Real Estate Management, Chicago, Illinois, 1983.


QUALIFICATIONS OF CONSULTANT

Paul Lorenzen  
CCIM, CPM, CSM

Since 1976 I have been involved professionally in some aspect of real estate. Beginning in residential sales, I quickly determined that selling houses was not my destiny. In 1978 I transitioned to commercial / investment real estate and have been active in that discipline since then.

During the years since 1976, I have held real estate broker's licenses and worked in California (1976-80, 2000-2002), Colorado (1980-85, 86-87), Arizona (1985-86), Nevada (1987-2002), Oregon (2001 - 2005), and Texas (2005 - Present). During this time I have been involved in virtually every phase of commercial / investment real estate including Sales, Real Estate Leasing, Property Management, Real Estate Appraisal, Real Estate Development, Real Estate Financing, and Real Estate Consulting.

In 1992 I obtained a Certified General Appraiser license in Nevada and in 2005, the same license in Texas.

Below I have listed my certifications, education (both academic and professional), teaching and writing experience applicable to commercial real estate.

Pasadena College / Point Loma Nazarene University, San Diego, California. 1967-70: Completed B.A. degree with major in Psychology and minor in New Testament Greek.

CCIM - Certified Commercial Investment Member awarded in 1979 by the Commercial Investment Real Estate Institute of the National Association of Realtors

CPM - Certified Property Manager awarded in 1985 by the Institute of Real Estate Management of the National Association of Realtors

CSM - Certified Shopping Center Manager awarded in 1987 by the International Council of Shopping Centers, in New York, New York

Real Estate Broker License - Currently, Texas (#0542412) - Formerly, Oregon, California, Colorado, Arizona, Nevada.

Certified General Appraiser License - Nevada (NV-A.0006527-CG) and Texas (TX-1336071-G).
REAL ESTATE COURSES & SEMINARS

REAL ESTATE APPRAISAL COURSES

Nevada Appraisal Law, Western Nevada Community College (1992 - 3 classroom hours)
Nevada Appraisal Law, McKissock Data Systems (2005 - 3 classroom hours)
Real Estate Appraisal, Lumbleau Real Estate School (3 semester hours)
Fundamentals of Appraisal, Allied Appraisal School (90 classroom hours)
RE 206 Real Estate Appraisal, Truckee Meadows Community College (3 semester hours)
RE 207B Income Valuation Appraising, Truckee Meadows Community College (3 semester hours)
RE 198B Special Topics in Real Estate - Analysis of TMCC Appraisal Curriculum, Truckee Meadows Community College (6 semester hours)

Standards of Professional Practice: Part A - Standards, Appraisal Institute, (2 days)
Standards of Professional Practice: Part B - Ethics, Appraisal Institute, (2 days)
Introduction to Appraising Real Property, Appraisal Institute (10 days)
Litigation Valuation, Appraisal Institute (6 days)
Writing Narrative Appraisal Report, Lincoln Graduate Center (2 day seminar)
Residential Market Analysis & Highest & Best Use, Appraisal Institute (2 day seminar)
Business Practice & Ethics, Appraisal Institute (1 day seminar)
Uniform Standards of Professional Practice (USPAP) Course, Appraisal Institute (2 day seminar - multiple times from 1992 - 2005)
Principles of Appraisal Review, Lincoln Graduate Center (2 day seminar)
Course 510 - Advanced Income Capitalization, Appraisal Institute (Self-Study and Challenge Exam)
Course 520 - Highest & Best Use and Market Analysis, Appraisal Institute (Self-Study and Challenge Exam)
Course 530 - Advanced Sales Comparison and Cost Approaches, Appraisal Institute (40 classroom hours)
Course 540 - Report Writing & Valuation Analysis, Appraisal Institute (40 classroom hours)
Course 550 - Advanced Applications, Appraisal Institute (Self-Study and Challenge Exam)

REAL ESTATE MARKETING COURSES

CI-101 Fundamentals of Real Estate Investment and Taxation, Realtors National Marketing Institute (6 days)
CI-102 Fundamentals of Creating a Real Estate Investment, Realtors National Marketing Institute (6 days)
CI-103 Advanced Real Estate Taxation and Marketing Tools for Investment Real Estate, Realtors National Marketing Institute (6 days)
CI-104 Impact of Human Behavior on Commercial Investment decision-Making, Realtors National Marketing Institute (6 days)
CI-105 Case Studies in Commercial Investment Real Estate Brokerage, Realtors National Marketing Institute (6 days)
REO Super Session, Dallas Texas, September, 1988, Realtors National Marketing Institute (3 days)
The Art of Real Estate Counseling - 500, Charles Chatham (5 days) Trade Secrets of Exchanging Warren Harding (6 days)
Lowery/Nickerson Real Estate Investment Seminar, Education Advancement Institute (3 days)
Developing, Syndicating and Big Money Brokerage, Chet Allen (3 days)
Money Making Formulas for Creative Real Estate, Barney Zick (3 days)
Course 501 - Fundamentals of Syndication, Real Estate Securities & Syndication Institute (5 days)
Real Estate Practice, Lumbleau Real Estate School (3 semester hours)
Marketing Real Estate In An Automated Office, Arnold Information Institute, Inc. (2 days)
Leasing Commercial Real Estate, Northwest Center for Professional Education (2 days)
Leasing Commercial Real Estate, Institute of Real Estate Management, Ron Simpson, CPM, RPA, Instructor (1 day)
Real Estate Investments, Truckee Meadows Community College, Reno, Nv, (3 semester hours) - creator and instructor for the course
REAL ESTATE MANAGEMENT COURSES
IREM 302 - Leasing and Management of Office Buildings, Institute of Real Estate Management (6 days)
IREM 400 - Managing Real Estate As An Investment, Institute of Real Estate Management (6 days)
IREM 502 - Long Range Management Plan for Office Buildings, Institute of Real Estate Management (6 days)
IREM 503 - Long Range Management Plan for Shopping Centers, Institute of Real Estate Management (6 days)
IREM 800 - Ethics in Real Estate Management, Institute of Real Estate Management (1 day) - Also taught this course for IREM National numerous times
Design, Operation & Maintenance of Building Systems, Part I, Building Owners & Managers Institute, Course 1 of Real Property Administrator (RPA) program, 3 semester hours college level equivalent
Preparing for Disaster, Nevada IREM Chapter, (1 day)
Real Estate Management, Truckee Meadows Community College, Reno, Nv (3 semester hours) - creator and instructor for the course

OTHER REAL ESTATE RELATED TOPICS
Income Tax Aspects of Real Estate Transactions, Charles Considine (4 days)
Business Opportunities, Art Hammel (3 days)
Real Estate Economics, Long Beach Community College (3 semester hours)
Real Estate Finance, Lumbleau Real Estate School (3 semester hours)
Real Estate Law, Lumbleau Real Estate School (3 semester hours)
Basic Arbitrator Training, American Arbitration Association (1 day)
Series 7 Securities License Training, Merrill Lynch (4 months training program - passed federal license exam with score of 96%)
Measuring Commercial Real Estate, Northern Nevada CCIM Chapter, Reno, Nv, - 1 day
Principles of Real Estate, Midwestern State University (30 classroom hours)
Texas Principles of Real Estate II, University of Texas, Arlington (30 classroom hours)
Texas Law of Agency - TREC 1111, University of Texas, Arlington (30 classroom hours)
Law of Contracts - TREC 1200, University of Texas, Arlington (30 classroom hours)
TEACHING

I first began teaching for the Coastline Community College in Costa Mesa, California, in 1979. I have taught both regular college classes and professional continuing education classes under the sponsorship of community colleges, universities, the Nevada State Real Estate Division, local Realtor Associations, the National Association of Realtors, and numerous smaller real estate educational organizations over the last 28 years. Below is a listing of the courses I have taught.

**Real Estate Investments**, Coastline Community College, Costa Mesa, California 1979-80, developed and taught a 3 semester hour course in real estate investments, 2 semesters.

**RE 199, Real Estate Investments**, Truckee Meadows Community College, Reno, Nevada 1988 - 1994, 3 semester hour course in real estate investments, 1 semester each year.

**RE 205B & REM 201, Real Estate Management**, Truckee Meadows Community College, Reno, Nevada 1990 - 1994, 3 semester hour property management course developed by the Institute of Real Estate Management in Chicago, giving credit toward the CERTIFIED PROPERTY MANAGER (CPM) designation as well as college credit toward an Associates or Bachelors degree, 1 semester each year.

**IREM 800 - Ethics in Real Estate Management**, Facilitator for local IREM Chapter of course which is required for the CERTIFIED PROPERTY MANAGER (CPM) designation from the Institute of Real Estate Management, Chicago, Illinois. Offered periodically from 1992 - 1998 in Reno, Nevada.

**Commercial Property Management**, University of Nevada - Reno, Continuing Education Department, developed and taught one day course, three times in 1988 and two times in 1991.

**Measuring Commercial Real Estate**, Northern Nevada CCIM Chapter, developed and taught 1/2 day seminar on methods of measuring commercial and industrial real estate, including BOMA and IREM methods as well as AIA methodology. Taught 2 times in 1988 in Nevada and at National Association of Realtors national convention, November 1990.

**Real Estate Strategies - Business Opportunities Section**, GRI Course, Nevada Association of Realtors, 1/2 day session in GRI program, developed and taught 2 times in 1988.

**Real Estate Strategies - Real Estate Investments Section**, GRI Course, Nevada Association of Realtors, 1/2 day session in GRI program, developed and taught in 1989 and 1990.

**BROKERS RECORDS: How To Survive A Real Estate Division Audit**, Real Estate Research Institute, 4 hour seminar developed with the Nevada Real Estate Division -- offered periodically beginning in 1990.

**Strategic Marketing of Commercial Real Estate: How to Sell 100% of your Listings**, National Association of Realtors Convention, Las Vegas, Nevada, Education Session, 1991; University of Nevada, Reno, Continuing Education Department, 1994, 6 hrs Nevada Continuing Education Credits.


How To Negotiate The Best Lease For Your Business, Small Business Development Center, University of Nevada, Reno, one day seminar, 1992.

PUBLISHED ARTICLES

Listed below are articles published in professional newsletters, magazines and journals.

Programs For The HP-38E Calculator, 25 page booklet published in 1979 with creative real estate programs to be used in the first programmable Hewlett Packard hand-held calculator for commercial/investment real estate brokers.


Trust Fund Accounting and Record Keeping for Nevada Brokers, A Reference Manual published by the Education Section of the Real Estate Division, Nevada Department of Commerce, 1990, 28 pages. Although no author is listed, I am acknowledged in the inside cover of the book as having assisted by drafting about 50% of the book and critically reviewing the entire book for the Real Estate Division.


"Reno Shopping Center Survey" Published 1989 and 1991.

"Reno/Sparks Industrial Property Survey" Published 1990.