Real Property Tax Audit Report Form

Instructions

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REAL PROPERTY TAX AUDIT REPORT FORM
INSTRUCTIONS

These instructions were written to help answer questions you might have concerning completion of the Tax and Bankruptcy Litigation Division Real Property Audit Report Form (often referred to as the "Certification"). The New York City Law Department uses the income, expense and other information provided on the form to value properties in connection with Real Property Tax Law assessment challenges.

Non-income producing properties are exempt from filing an Income and Expense Statement but the owners of same must file a certified statement that the property is non-income producing. This can and should be done using the Certification. Non-income producing property owners should still provide information about their property using the form. By doing so you are providing relevant information about your property which will help the Law Department to more accurately value your property. In addition, please note the following:

- Completion of this form does not preclude the city from making an independent audit of the petitioner's books and records. Nor shall the filing of this certification be raised as a defense to a request, if any, made to the court for further documentation or information.
- All items on the form should be completed. Indicate "n/a" if a question or section does not apply.
- The original Real Property Tax Audit Report Form and two copies must be served upon the Law Department.
- All income and expenses must be reported in gross amounts. Net figures are not acceptable. All figures in this report should be rounded off to the nearest dollar.
- Where this form provides that information may be attached in a summary format, full copies of said documentation may still be required to be provided at a later date and should be maintained and preserved until disposition of the proceedings under review.

Any inquiries regarding the Real Estate Tax Audit Report Form should be directed in writing to the Tax and Bankruptcy Litigation Division, Room 5-236, 100 Church Street, New York, New York 10007. Telephone No. (212) 788-0439. Please allow 7-10 business days for a response. Please note that a pending inquiry will not serve to extend the statutory deadline, if any, for the filing of the Certification.

COVER PAGE INFORMATION & CERTIFICATION

The cover page of the Real Property Tax Audit Report Form should be completed in its entirety. Be sure to indicate whether the financial information being provided was prepared on the cash basis or accrual basis of accounting and whether the actual assessment levied on the property exceeds $500,000 for any tax year covered by the form. If the petitioner is claiming a violation of statutory assessment increase limitations and/or a misclassification of the property, check the appropriate box(es) on the cover page.

All Real Property Tax Audit Report Forms must be certified before a Notary Public. If the form is filed by a corporation or partnership, the certification must be completed by an officer or partner, respectively. Petitioners' attorneys may not certify the Real Property Tax Audit Report Form. Any modification made to our form of Certification will render it void.

Section A: General Information

1. **Number of Buildings:** Enter the number of buildings located on the property for which the form is filed. For example, if the property consists of more than one building (such as a condominium development, a parking garage complex, an apartment complex, or a shopping center), enter the total number of buildings that constitute the entire property for which this Real Estate Tax Audit Report Form is being filed.
2. **Year Built:** Please enter the year or year range. Note that if the building was constructed within two years of the first year under review, a schedule of construction costs is required and should be attached to the Real Property Tax Audit Report Form.
3. **Total Number of Units:** Enter the total number of units, (i.e. the combined number of residential units and the number of commercial units).
4. **Number of Residential Units:** Enter the number of residential units.
5. **Total Number of Residential Rooms:** Enter the total number of residential rooms in the residential units listed above.
6. **Total Number of Commercial Units:** Enter the total number of commercial units.
7. **Stories**: List the number of stories in the main (or only) building. Count the ground floor as one story.
8. **Total Numbers of Elevators:** Indicate the number of functioning elevators located at the subject property.
9. **Year of Purchase/Acquisition:** Indicate the year the property was bought or leased by the petitioner, or, if the building was built for the owner or petitioner, list the date of construction.
10. **Was Property Acquired along with other Lots:** Check Yes if the lot(s) covered by this Audit Report Form was/were part of a multiple lot purchase/conveyance.
11. **Purchase/Acquisition Price:** Enter the total amount of consideration paid for the subject property.
12. **Contract of Sale and Closing Statement Attached:** If any sale or conveyance of the subject property occurred within two years of any year covered by the Real Property Tax Audit Report From, a contract of sale and closing statement, setting forth the details of the transaction, must be attached to the audit form. Indicate if parties are related or affiliated.
13. **Real Property Transfer Tax Return Attached:** If a Real Property Transfer Tax Return was filed in connection with any sale or conveyance of the subject property within two years of any year under review, the Real Property Transfer Tax Return must be attached to the audit form and the box indicating Yes should be checked.
14. **Rent Regulated:** Please check the box if the property is subject to rent regulations and indicate whether any orders have been issued from the Division of Housing & Community Renewal (DHCR) during any year under review herein.

15. **Utility Property:** Check the box if the property under review is a utility property.

16. **Land Area:** Enter the land area of the subject's property (in square feet).

17. **Appraisal**: Please check Yes if an appraisal was prepared which valued the subject property during the years under review or three years immediately preceding the first year under review. Indicate the reconciled value of the property as indicated by the appraisal. If no appraisal has been prepared, check No.

Section B: Property Use/Square Footage Information

For items number 18 through 28, provide gross square footage amounts for each of the listed uses. Enter the number of gross square feet in the property for each of the types designated (e.g. residential, retail, etc.). Your property's gross square footage may be entirely in one category or divided among numerous categories, depending on how your property is used. In the absence of data from a blueprint, please provide an estimate of the approximate gross square footage for each category. If there is no square footage in a particular category, write N/A. If the property has more than three floors, the number of units and use for all additional floors should be summarized in column "F" and the highest floor number should be indicated. Provide a total gross square footage amount at the bottom of each column.

Section C: Cooperative and Condominium Additional Information

To be completed only if the property is a cooperative or a condominium.

29. Indicate whether the property is a cooperative or a condominium by checking the appropriate box.

30. List the number of residential units that have *not* been sold (and are still owned by the sponsor or by the cooperative or condominium) that are occupied, and the monthly income received. Provide this information for each year covered by the Real Property Tax Audit Report Form.

31. List the number of commercial units in the cooperative or condominium that are leased and the monthly income received from these commercial units.

32. List the number of commercial units that are owned and occupied by the cooperative or condominium owner. **NOTE:** Any commercial income should be listed as income from real estate under the appropriate heading on the Income and Expense Statement. Do not include maintenance payments/income in Section C.

33 – 36. Answer each question Yes or No by checking the appropriate box.

Section D: Lease/Owner Occupancy Information

37. If any part of the property is subject to a net lease, check Yes. If not, check No.

38. If there is a ground lease on the property for any of the years under review, check Yes and indicate the term of the ground lease. If not, check No.

39. Check Yes if any of the property is owner-occupied. If not, check No.

40. If a rent strike affected the subject property during any year under review, check Yes and provide details regarding the rent strike on a separate page, along with copies of any orders issued by a court. If not, check No.

Section E: Exemption Information

If the subject property benefitted from any real estate tax exemption during any of the years under review, complete this section. For questions Number 41 through 45, please indicate the starting and ending year, along with the total percent of the square footage which was exempt. If the subject property did not benefit from any real estate tax exemptions during the years under review, please check No Exemptions/Not Applicable.

Section F: Insurance Information

Please complete the information pertaining to each type of coverage as of the taxable status date for each year covered by the Real Property Tax Audit Report Form. If any of the policies covered more than one property, attach details including listing of properties covered.

Section G: Mortgage Information

Please complete the information pertaining to each mortgage affecting the subject property as of the taxable status date for each year covered by the Real Property Tax Audit Report Form. List all mortgages separately. If additional space is needed, please attach a separate schedule. If no mortgage affected the subject property during the years covered by the form, write "n/a" next to "Name of Mortgagee" on the chart.

Section H: Statement of Income for Each Calendar Year

For each year covered by the Real Property Tax Audit Report Form, income and expenses reported on Section H should be for the full calendar year, ending on December 31st, of the year immediately *prior* to the year under review. For example, income and expenses reported for January 1st through December 31st, 2007 should be listed as applicable to the 2008/09 tax year. If the applicant uses a fiscal year for federal income tax purposes, the schedule may report income for the most recently ended fiscal year prior to the tax year under review. If a fiscal year is used for reporting purposes, please indicate the beginning and ending dates of the fiscal year on the Certification Section H.

Report all income received or accrued by the petitioner or related parties in connection with the property.

Report all operating income received or accrued by the applicant or related persons in connection with the property.

Next to each figure listed on the Statement of Income, list the Vacant Square Footage, the Number of Vacant Units, and the Owner Occupied Square feet which did not generate income included in the reported figure. This vacancy information can also be reported by attaching a vacancy schedule to the Real Property Tax Audit Report Form and by indicating so by checking the appropriate box at the top of Section H.

Apartments/Senior Citizens Tax Abatement/Stores/Garages/Offices/ Lofts/Warehouse/Factory: Rent received or accrued for space occupied by tenants. Exclude space occupied by the owner, applicant, related parties or affiliates. Rent must be correctly identified by use (apartments, offices, stores, loft, factory, warehouse, storage, parking). If reporting rental income on the accrual basis and the reporting entity's leases provide scheduled increases in rent, report income over the lease term as it becomes

receivable according to the provisions of the lease. Do not "straight-line" rental income as may be required by Financial Accounting Standard No. 13. Payments by tenants to the reporting entity to terminate a lease prior to the lease's expiration date (lease termination income) should be included and specified as "Other Income" under Base Rents. Additional explanation or disclosures about any item of income may be attached the Real Estate Tax Audit Report Form.

Owner or Applicant Occupied Space, Owner or Applicant Related Space: Income from related persons must be segregated from income received from tenants and should be identified as "Other Income." State the amount carried on the owner or applicant's books for space occupied by the owner, applicant, related parties or affiliates. If such rent income is not reflected on the reporting entity's books, an estimated fair market rental may be stated instead if designated "estimated".

Vacancies: Report only if Rental income is reported gross or on accrual basis.

Allowances: Report only if Rental income is reported gross or on accrual basis.

Percentage Rents: Additional rent received or accrued above the base rent, as provided for in the lease.

Real Estate Tax Escalation: Additional rent received or accrued above the base rent, as provided for in the lease, for increases in real estate taxes.

Operating Escalation Income: Additional rent received or accrued above the base rent, as provided for in the lease, for increases in operating expenses, Consumer Price Index clauses, etc.

Sale of Utility Services: The gross amount received or accrued from the sale of utility services such as electricity, gas, steam, water, and telecommunications. Do not deduct the landlord's costs.

Sale of Other Services: The gross amount received or accrued for services such as laundry, valet, vending machines, etc.

Government Rent Subsidies: Direct rent subsidies received or accrued (for example, Section 8) and any abatement of real estate taxes or carryover amount received or accrued in respect to senior citizen rent increase exemption (SCRIE) orders.

Cell Tower: The gross amount received for placing a cell tower or other telecommunications equipment on your property and/or allowing for its use.

Signage/Billboard: The gross amount received from unrelated persons from renting any signage or billboard space on your property.

Other Income: List each type of operating income derived from the property not previously specified (exclude interest on bank accounts and tenants' deposits). Income from categories not already listed should be identified and reported as Income not listed above. As noted above, lease termination payments should be reported and specified under Base Rents-Other Income.

Total Income: Add all income column totals.

Section I: Statement of Expenses

Report only actual operating expenses. Do not report projections or reserves. Do not report payments to related persons as expenses, unless disclosure is made as indicated in the glossary below. Do not include any personal or business expenses for space occupied by the applicant or a related party. All related party expenses must be disclosed in an attachment to The Real Property Tax Audit Report form stating: the nature, amount of the expense(s) and on what line of Section I the expense is reported.

An example of a related party disclosure is a management fee, reported as "management" in Section I, representing 5% of rent collected during the year. Services or goods provided by related parties for which no charge was made may be disclosed on an attachment to The Real Property Tax Audit Report and a fair market expense estimated. For example, an owner of the property may provide management services at no charge.

Wages and Payroll: Wages and related payroll taxes and employee benefits paid or incurred to employees responsible for the operation or maintenance of the property. Exclude salaries or commissions paid to owners, directors, officers or management employees or agents.

Bad Debt Expense: List only if accrual method is used.

Management and Administration: Amount paid or incurred for management, legal and accounting services attributable to operation of the property.

Leasing Commissions: Amount paid or incurred as commissions in order to lease space to tenants over the term of their respective leases. If amount reported is an amortized amount, provide a schedule showing a brief description, period of amortization, and amount of amortization included over year and accumulated amortization.

Other Renting Expense(s): Identify nature of expense(s) and list amount(s) incurred.

Advertising: Amount paid or incurred for advertising space for rent.

Telephone: Amount paid or incurred for telephone service attributable to operation of the property.

Interior Painting and Decorating: The cost of all contracted labor and decorating materials for interior painting and decorating, including paint, wallpaper and brushes.

This item may be combined with Repairs and Maintenance if the applicants books are maintained on that basis, and this line item should be so marked.

Amortized Leasing and Tenant Improvement Costs: The amortization of all costs incurred to lease space to tenants over the term of their respective leases other than broker commissions reported above. Examples of such costs are legal fees and tenant improvements. If tenant improvements are claimed, mark the line item with a check (✓) mark and attach a chart with a description of the improvement, date of expenditure, and amount expended, or itemize on lines a-d respectively.

Major Capital Improvements or Major Alterations: If major capital improvements (as defined by the New York City Rent Stabilization Code), or Major Alternations (as defined by the Glossary below) are claimed, list the amounts incurred and attach a chart with a description of the improvement, date of expenditure, and amount expended.

Other Administrative Expenses: Identify and list amount paid or incurred for not listed elsewhere in section "I".

Repairs and Maintenance: Amount paid or incurred for specified categories:

- Painting
- Boiler
- Electrical
- Elevator
- Carpentry
- Kitchen Cabinets, Bath Tubs, Sinks, etc.
- Mason and Cement
- Plumbing
- Refrigerators, Stoves, And Other Appliances
- Air Conditioners
- Roofing/Waterproofing
- Supplies

Include contracted labor and materials for the general maintenance and repair of the property. Exclude reserves for replacements, amounts attributable to capital improvements and common area improvements.

Other Repairs/Miscellaneous Expenses: Other expenses paid or accrued not previously specified which are related to the operation and maintenance of the property, including amortization of common area improvements and amortization of certain lease buyout costs defined below. **Exclude income tax, commercial rent tax, rent, capital costs, depreciation, mortgage payments and acquisition costs, interest, and uncollectible accounts receivable originating in a previous year. Ground lease rent may be listed if identified.**

Amortization of common area improvements having a useful life of more than one year may be included in line items listed above if you itemize the amortized costs and

the amount is amortized over the useful life of the item. For those costs that are amortized, provide a schedule showing a brief description, cost, date of service, period of amortization, and amount of amortization included over year and accumulated amortization.

Common area improvements include replacements of existing building components, major repairs, and installation of safety and health systems. Examples of replacement costs are replacement of boilers, roofs, elevators, and residential kitchen appliances and cabinets. Examples of safety and health systems are brick pointing, fire safety systems, and environmental remediation.

Amortization of lease buyout costs includes all costs to acquire the unexpired lease of an exiting tenant to secure an identified prospective tenant and may be included only if you itemize the amortized costs and the amount is amortized over the term of the new lease. Lease buyout costs incurred without an identified replacement tenant should be deferred until a new tenant is secured; itemize and amortize such costs over the term of the new lease.

Electricity and Gas: Amount paid or incurred for electricity. Include electricity supplied or sold to tenants; exclude electricity consumed for the owner's personal or business use.

Fuel: Amount paid or incurred for heating and for supply of hot water. Include the cost of gas provided to tenants.

Water and Sewer: Amount paid or incurred for water and sewer usage.

Insurance: Annual charges paid or incurred for fire and other insurance premiums relating to the real property. Prorate multi-year premiums on a yearly basis. Note that amounts paid or reimbursed by tenants should be identified in Section F.

Uniforms: Amount paid or accrued for the purchase of uniforms related to the operation and maintenance of the property,

Exterminating: Amount paid or accrued for extermination services at the subject property.

Rubbish Removal: Amount paid or accrued for rubbish removal at the subject property.

Depreciation: Amount claimed or accrued for tax purposes at the subject property.

Mortgage Expense: Amount paid or incurred on principal of any mortgage affecting the subject property.

Interest on Mortgage: Amount paid or incurred as interest on any mortgage affecting the subject property.

Other Interest Expense: Amount paid or incurred, other than interest on any mortgage, in connection with the maintenance or operation of the subject property.

Real Estate Taxes (Gross): Total annual real property taxes paid or incurred. Where there are SCRIE abatements, state the total tax levied.

New York State Franchise Tax: Total annual New York State Franchise tax paid or incurred.

New York City General Corporation Tax: Total annual New York City General Corporation tax paid or incurred.

Vault Tax: Total annual vault tax paid or incurred.

Other Taxes (list and identify): List and identify any tax not already listed above which was paid or incurred.

Other Expenses: List and identify any other expense not already listed above which was paid or incurred.

Total Expenses: Total of items listed in Section I for year indicated.

SUBSTANTIATION OF INCOME AND EXPENSES

Substantiation of any income and/or expense item reported on the Real Property Tax Audit Report Form relating to the following items is required as indicated below and must be attached to the Real Property Tax Audit Report Form.

Submit substantiation to explain the following 12 items:

1. Operating loss
2. Greater than ten percent (10%) decrease or increase in gross income from prior 12 month period.
3. Vacancy rate greater than ten percent (10%) which has continued for more than 12 months.
4. Greater than ten percent (10%) decrease or increase in operating expenses from prior 12 month period.
5. Average monthly rent per apartment $650 or less, or $850 or less per apartment in Manhattan on South of 110th Street.
6. Wages higher than normal for the type of property or the level of income.
7. Repairs and maintenance higher/greater than 15% of gross rent.
8. Greater than ten percent (10%) increase in vacancy from prior 12 month period.
9. Residential rent roll times 12 less than total residential income.
10. Residential rent roll times 12 110% or more of total residential income.
11. Residential rent roll times 12 equals precisely total residential income.

12. Apparent inconsistency between information reported on the Real Property Tax Audit Report Form and the Tax Commission Income and Expense Statement for the same reporting year including the property's owner-occupied status.

How to substantiate these 12 items:

Item 1. State the specific circumstances causing the operating loss, such as the tenants, time period and extent of vacancy, unusual expenses, or physical conditions.

Items 2, 3, 4, 8 and 12. State specifics that would explain the situation.

Items 5, 9, 10, and 11. Submit a copy of the rent roll or the DHCR filing for the building as of the month of December of the year preceding the reporting year or the month of January of the reporting year. Tenants, apartment numbers, apartment rents and a total of the month's rent income must be stated.

Item 6. Submit a weekly payroll statement from January of the reporting year with job descriptions, employee names, total gross salary and benefits.

Item 7. Submit an itemized breakdown of repair and maintenance costs attached to the Real Property Tax Audit Report Form.

Supplemental information. It is often advisable to supplement the income and expense schedule even when substantiation is not required. Copies of leases or abstracts, a rent roll, and itemizations of expenses may be useful. Supplementation is especially useful when there is no prior filing, there is a single major tenant, there is a substantial increase in the income from the prior year, or the building has unusual operating characteristics, for example, an unusually high expense item.

Section J: Commercial Lease Information

Complete this section only if the property had any commercial leases (e.g. stores, office space or other commercial tenants) in place during the years covered by the Real Property Tax Audit Report Form. You may substitute the table with a rent roll as of January of each calendar year of the tax year under review. In other words, provide the January, 2005 rent roll for the 2005/06 tax year under review. The rent roll should provide, at a minimum, the same information listed in Section J. If any information listed in Section J is not on the rent roll, the omitted information should be completed on Section J.

If any of the rent roll information is attached to the Real Property Tax Audit Report Form, indicate so by checking (✓) the appropriate box at the top of Section J. You may still be required to provide copies of said documentation (e.g. leases) at a later date.

Space I.D.: If any or all of the tenants on the subject property are identified by an identification number, list the identification number.

Name of Tenant: Provide the name of the tenant.

Term of Lease: List both the month and year that the lease begins and ends.

Annual Rental: Provide the annual income for the lease beginning with the base year. If the annual rent for a year under review is higher pursuant to the terms of the lease, list the escalation in the "other clauses" column of Section J.

If free rent is a condition of the lease, indicate terms in other clauses column of Section J.

Escalation: List the terms of both real estate and operating escalations clauses in the columns provided.

Other payments made by the tenant: Describe percentage rentals due from tenant or any other payments to be made by tenant such as electricity, water, etc.

Other clauses: Indicate the purpose/type of clause/percent rent or other applicable term.

Section K: Residential Lease Information

Section K should be completed with information pertaining to each residential apartment at the subject property. A rent roll containing the same information may be attached in lieu of completing Section K in which case the rent roll box at the top of the page should be checked. If there are any subleases affecting the subject property, check the appropriate box at the top of the page in Section K and identify which of the tenants have subleases as known to the petitioner.

Column 1. **Apartment Number:** List the apartment or unit number.

Column 2. **Name of Tenant:** List the name of the tenant occupying each apartment or unit.

Column 3. **Check (√) if Rent Regulated:** Place a checkmark in the column if the rent charged for the apartment is subject to rent regulation.

Column 4. **Check (√) if Vacant on January 5 of Year:** Place a checkmark in the appropriate box if the apartment or unit was vacant as of January 5th of each year.

Column 5. **Contract Rent:** List the contract rent applicable to the apartment or unit as of January 5th.

Column 6. **Check (√) if Preferential Rent Paid/Claimed:** Place a checkmark in the appropriate box if the rent being received for the apartment or unit is considered a preferential rent. A preferential rent is a rent which an owner agrees to charge but is lower than the legal regulated rent that the owner could otherwise lawfully collect.

Column 7. **Lease Term Start:** Enter the date of the commencement of the lease.

Column 8. **Lease Term End:** Enter the last date or termination date of the lease.

Column 9. **Check (√) if Owner or Superintendent Occupies Apartment:** Place a checkmark in the appropriate box if the unit is owner-occupied or occupied by a superintendent.

Section L: Weekly Payroll Analysis

Submit payroll information as shown above for the second week in January of each year. If any employee does not work exclusively at the subject property, indicate which employee(s) with an asterisk next to the building employee's name or position.

For each year covered by the Real Property Tax Audit Report Form, list the number of employees in each position and their combined gross salary. Enter the totals of each column at the bottom of Section L.

Section M: Hotel Information

Section M is to be completed only if the property is a hotel or motel. *Income and expense information required by Section M replaces the income and expense information required in Sections H and I.* Do not list any negative numbers. Reporting expenses other than operating expenses and rents is optional. If reported, however, these items should be reported only in part 52C. Rent Expense for furniture, fixtures and equipment may be reported among other operating expenses.

If the Real Estate Tax Audit Report Form being submitted covers more than one year, information regarding additional years should be supplied on an attached chart.

46. List the name of the hotel or motel operating at the subject property.

a. If the property(ies) is/are managed by an entity that is unrelated to the filer of the Real Property Tax Law Article 7 petition, indicate so by checking Yes, if not, check No.

b. If any individual, business or institutional user of any of the hotel rooms have proprietary rights to use the rooms, indicate so by checking Yes. If not, check No.

c. If question 46(b) was answered in the affirmative, please describe the terms of the use.

47. List the total number of rooms.

a. Indicate the number of transient rooms.

b. Indicate the number of permanent rooms.

c. Indicate the number of keys if different than number of rooms listed above. If same, indicate “same”.

d. Indicate the occupancy rate for each year covered by the Real Property Tax Audit Report Form. Indicate the room types, number of rooms, single rate and double rate for each type of room at the subject property. Include this information as of December 31 of each year income and expenses are reported in the Real Property Tax Audit Report Form.

48. Confirm Hotel Reporting year and basis of accounting.

49. Indicate the number of rooms in each type of room and room rates for each room type.

50. Report income from rental tenants. If reported income includes income from rental tenants, indicate related tenant and amounts received in the “detailed answers” space provided.

51-53. Report income and expenses as indicated.

54. Report details concerning furniture, fixtures and equipment used in hotel operations.

Section N: Parking-Related Information

To be completed only if the property contains any parking-related space.

55. Indicate outdoor parking information.

a. Indicate the number of parking spaces.

b. Indicate the monthly rate per space as of taxable status date of each year covered by the Real Property Tax Audit Report Form.

c. Indicate the initial hourly rate per space as of the taxable status date for each year covered by the Real Property Tax Audit Report Form.

d. Indicate the total square footage of parking space.

56. Indicate indoor parking information.

a. Indicate the number of parking spaces.

b. Indicate the monthly rate per space as of taxable status date of each year covered by the Real Property Tax Audit Report Form.

c. Indicate the initial hourly rate per space as of the taxable status date for each year covered by the Real Property Tax Audit Report Form

Section O: Theater Information

To be completed only if the property is a theater. Do not list any negative numbers.

57. Indicate the number of theater seats.

58. If any part of the subject property is subject to a net lease (as defined in the glossary) indicate so by checking Yes. If not, check No.

59. If the property is affected by a ground lease, indicate by checking Yes. If not, check No. If Question #59 is answered in the affirmative, indicate the term of the ground lease by entering the commencement and ending dates.

60. If any of the subject properties are owner-occupied, indicate so by checking Yes. If not check No. If Yes is checked, answer Parts A and B by indicating the percentage that is owner-occupied and gross square footage that is owner-occupied.

Section P: Income from Business

If there is income generated at the subject property, which is considered business income, list each type of income in questions 61 through 68. Answer question #67 if the subject property is a department store by indicating sales amounts in dollars for parts A through D.

69. Indicate the total income from the business.

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GLOSSARY

Floor area. Where floor area is called for, state the approximate gross floor area to the best of your knowledge and ability. The measurement should be from exterior wall to exterior wall for each floor.

Major alteration. Any work which increases the enclosed floor area or cubic content of a building, which renovates a building that had been predominately vacant or which changes the use of one or more floors of a building, such as from office to residential or from storage to office; renovation, interior demolition, or tenant installations affecting at least 25% of building area; other work not covered by repair and maintenance expense, including, but not limited to, new installation or replacement of any one of the following systems: HVAC, elevators, electric wiring or plumbing; or replacement of at least one of the exterior faces of the building; or any work which has or is expected to cost an amount that equals or exceeds the tentative total actual assessment under review.

Net Lease. There are three common types of net leases: Single net lease—tenant pays utilities and taxes or insurance, and landlord pays structural repairs, property maintenance, and property taxes or insurance; Double net lease—tenant pays utilities and taxes and insurance, and landlord pays structural repairs and property maintenance; Triple net lease- tenant pays utilities, taxes, insurance, and maintenance, and landlord pays for structural repairs only.

Owner. The individual(s) or entity having legal title to the real property assessed. Unless title has been conveyed to a trust, the trust is not the owner.

Property. Refers to the tax lots list covered by the Real Property Tax Audit Report Form.

Related persons. Related persons include individuals related by blood, marriage or adoption, individuals and the business entities they control, business entities under common control, and fiduciaries and the beneficiaries for whom they act. A person includes a corporation or other business entity.

Year of purchase. The year of purchase is the year the owner or other applicant or any related person purchased the property or acquired its interest in the property.