

COMMERCIAL REAL ESTATE INCOME & EXPENSE REPORT - TAX YEAR 2011

DUE DATE: April 15, 2010

Report information from the period **January 1, 2009 through December 31, 2009**

Government of the District of Columbia
Office of the Chief Financial Officer
Office of Tax and Revenue
1101 4th Street, SW, Suite 5011
Washington, DC 20024

INCOME AND EXPENSE INFORMATION MUST BE REPORTED ON THIS FORM. SUBSTITUTE FORMS ARE NOT PERMITTED. SUPPORTING DOCUMENTATION IS ACCEPTABLE. IN ORDER TO ASSIST YOU IN COMPLETING THIS FORM, DETAILED INSTRUCTIONS ARE INCLUDED WITH THIS REPORT. PLEASE BE SURE TO REPORT EXPENSES ONLY ONCE; DOUBLE REPORTING IS PROHIBITED. IF YOU HAVE ANY QUESTIONS, OR NEED ASSISTANCE, PLEASE CONTACT OUR ASSESSMENT PROGRAM COORDINATOR, ANTHONY DANIELS, AT 202-442-6794. COMPLETE THIS REPORT IN ACCORDANCE WITH ACCOUNTING METHODOLOGIES USED FOR FEDERAL INCOME TAX REPORTING. SUBMISSION OF AUDITED STATEMENTS IS NOT REQUIRED. AS PER THE D.C. CODE § 47-821, THE INFORMATION CONTAINED IN THIS REPORT SHALL BE KEPT IN STRICT CONFIDENCE. FAILURE TO SUBMIT THE INFORMATION REQUESTED BY THE ABOVE DUE DATE IS A VIOLATION OF D.C. REAL PROPERTY TAX LAW AND WILL RESULT IN A PENALTY OF 10% OF THE REAL PROPERTY TAX AMOUNT DUE FOR THE FOLLOWING TAX YEAR.

SQUARE	SUFFIX	LOT	USE CODE	NEIGHBORHOOD

PREMISE ADDRESS:

MAILING ADDRESS

Owner:		
Address:		
Address:		
City:	St:	Zip:

IS ANY PORTION OF THIS BUILDING OWNER OCCUPIED? YES NO
IF PROPERTY IS 100% OWNER OCCUPIED, COMPLETE SECTIONS F THROUGH N.
IS ANY PORTION OF THIS BUILDING EXEMPT FROM PROPERTY TAXES? YES NO
IF A PORTION IS EXEMPT, FORM **FP161**, THE ANNUAL USE REPORT MUST BE FILED.

ACCOUNTING METHODOLOGY - METHOD USED TO PREPARE THIS STATEMENT
(THIS SHOULD REFLECT YOUR ACCOUNTING BOOKS, CHECK ONE) ACCRUAL CASH UNCERTAIN

IF YOUR BUSINESS OPERATION ENCOMPASSES MORE THAN ONE **SQUARE, SUFFIX AND LOT (SSL)**, YOU MAY LIST ALL OF THE SSLs THAT COMPRISE YOUR ECONOMIC UNIT BELOW. THIS WILL AFFORD YOU FILING CREDIT FOR ALL AFFECTED PARCELS WITHOUT THE NECESSITY OF FILING INDIVIDUAL FORMS FOR EACH PROPERTY. FAILURE TO ACCOUNT FOR AND /OR FILE ALL FORMS MAY SUBJECT YOU TO THE FILING PENALTY.

ADDITIONAL SSL: _____, _____, _____, _____, _____, _____.

A. CERTIFICATION

I CERTIFY UNDER PENALTY OF LAW THAT THE INFORMATION PROVIDED IS TRUE, CORRECT AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF. MAKING A FALSE STATEMENT AS TO MATERIAL FACTS IS PUNISHABLE BY CRIMINAL PENALTIES, D.C. CODE §22-2514.

NAME OF MANAGEMENT COMPANY: _____
TITLE/RELATIONSHIP: _____
RESPONSIBLE CONTACT PERSON: _____ PHONE: _____
ADDRESS: _____
DATE: _____ OWNER'S FEDERAL TAX ID #: _____

PRINT OR TYPE NAME _____ SIGNATURE (ORIGINAL ONLY, NO STAMPED OR COPIED SIGNATURE) _____

THIS FORM MUST BE SIGNED AND DATED TO RECEIVE CREDIT FOR FILING. UNSIGNED OR SUBSTANTIALLY INCOMPLETE SUBMISSIONS WILL BE SUBJECT TO ALL APPLICABLE PENALTIES.

B. LEASED AREAS (PLEASE PROVIDE INFORMATION ON THE LEASED AREAS IN SQUARE FEET)

- 1. GROSS BUILDING AREA IN SQUARE FEET
- 2. OFFICE USE IN SQUARE FEET
- 3. RESIDENTIAL USE IN SQUARE FEET AND UNITS
- 4. COMMERCIAL USE SQUARE FEET

RESIDENTIAL UNITS (INDICATE TYPE OF UNITS AND NUMBER OF EACH TYPE (EX., EFFICIENCY 4 UNITS, 2 BR. 1 BATH, 3 UNITS, ETC.))

EFFICIENCY UNITS	1 BEDROOM	BATH UNITS	2 BEDROOM	BATH UNITS	3 BEDROOM	BATH UNITS	OTHER

C. VACANCY INFORMATION

- 1. SPACE VACANT JANUARY 1, 2010 IN SQ. FT.
- 2. SPACE VACANT JANUARY 1, 2009 IN SQ. FT.
- 3. VACANT RESIDENTIAL UNITS JANUARY 1, 2010
- 4. VACANT RESIDENTIAL UNITS JANUARY 1, 2009
- 5. INCOME LOSS FROM VACANCY IN 2009
- 6. INCOME LOSS FROM BAD DEBTS IN 2009
- 7. CURRENT MARKET RENT PER SQUARE FEET FOR VACANT SPACE
- 8. CURRENT MARKET RENT PER VACANT RESIDENTIAL UNIT

D. ANNUAL INCOME (INCOME FOR 12 MONTH PERIOD ENDING DECEMBER 31, 2009 OR / /)

- 1. POTENTIAL RENTAL INCOME (SEE INSTRUCTION E-1)
- 2. ESCALATION/OVERAGE/PERCENTAGE RENT INCOME
- 3. OPERATING EXPENSE REIMBURSEMENT
- 4. PARKING AND SPECIAL AREAS (NUMBER OF SPACES) _____
PARKING SPACES INCLUDED IN OFFICE RENT
- 5. OTHER RENTAL INCOME (EXPLAIN BELOW)
- 6. MISCELLANEOUS REIMBURSEMENTS (EXPLAIN BELOW)
- 7. OTHER MISCELLANEOUS INCOME (EXPLAIN BELOW)
- 8. **TOTAL GROSS POTENTIAL INCOME**

ADDITIONAL EXPLANATIONS

SECTION/LINE

E. ANNUAL OPERATING EXPENSES (PAID BY OWNER / TENANT)

1. MANAGEMENT AND ADMINISTRATIVE

a. MANAGEMENT FEES	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$
b. ADVERTISING	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$
c. OTHER ADMINISTRATIVE/PAYROLL	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$
d. TOTAL	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$

2. UTILITIES

a. WATER AND SEWER	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$
b. ELECTRICITY	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$
c. PRIMARY HEATING FUEL _____	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$
d. OTHER FUEL _____	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$
e. TOTAL			\$

3. REPAIRS AND MAINTENANCE

a. MAINTENANCE PAYROLL/SUPPLIES	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$
b. HVAC REPAIRS	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$
c. ELECTRICITY/PLUMBING REPAIRS	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$
d. ROOF REPAIRS	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$
e. ELEVATOR REPAIRS	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$
f. OTHER COMMON AREA OR EXTERIOR REPAIRS	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$
g. COMMON AREA REDECORATING COSTS (CARPET, PAINT, ETC)	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$
h. OTHER REPAIRS (EXPLAIN) _____			\$
i. TOTAL			\$

4. SERVICES			
a. JANITORIAL/CLEANING (PAYROLL/CONTRACT)	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$
b. LANDSCAPE/GROUNDS MAINTENANCE	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$
c. TRASH	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$
d. OTHER	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$
e. TOTAL			\$

5. MISCELLANEOUS EXPENSE			
a. MISC. EXPENSE (EXPLAIN BELOW)	<input type="checkbox"/> OWNER	<input type="checkbox"/> TENANT	\$

6. TOTAL OPERATING EXPENSE			
a. TOTAL OPERATING EXPENSES *** DO NOT INCLUDE REAL ESTATE TAXES***			\$

ADDITIONAL EXPLANATIONS

SECTION/LINE

F. FIXED EXPENSES	
1. INSURANCE (ONE YEAR FIRE, CASUALTY)	\$
2. MISCELLANEOUS TAXES	\$
3. OTHER (EXPLAIN) _____	\$
4. TOTAL FIXED EXPENSES	\$

G. TOTAL EXPENSES (SUM OF SEC. F, LINE 6 THROUGH SEC. G, LINE 4) **DO NOT INCLUDED REAL ESTATE TAXES**	
1. TOTAL EXPENSES	\$

H. CAPTIAL RESERVES/INTEREST INCOME **AS OCCURRED DURING REPORTING PERIOD***	
1. ACTUAL CAPITAL RESERVES DEPOSITED (CASH BASIS)	\$
2. ACTUAL INTEREST INCOME	\$

I. CAPITAL IMPROVEMENTS/RENOVATIONS

HAVE THERE BEEN ANY CAPITAL EXPENDITURES OR RENOVATIONS TO THE PROPERTY DURING 2009? YES NO
 IF YES, PLEASE PROVIDE TOTAL COSTS HERE AND ATTACH A DETAILED LIST ON A SEPARATE PAGE.

TOTAL CAPITAL COSTS \$ _____ DATE OF EXPENDITURE _____

ARE YOU RESERVING ADDITIONAL MONIES FOR ANY UPCOMING EXTRAORDINARY EXPENDITURE? YES NO
 PLEASE EXPLAIN

J. CODE COMPLIANCE (INDICATE EXPENSES NEEDED FOR COMPLIANCE WITH ADA, FIRE/LIFE SAFETY, ETC.)	
1. CODE COMPLIANCE LAST 12-MONTHS	\$
2. FUTURE CODE COMPLIANCE COST	\$
A. ANTICIPATED DATE OF EXPENDITURE _____	

K. REAL ESTATE TAXES (FROM PREVIOUS YEAR)	
1. PAID BY PROPERTY OWNER	\$
2. PAID BY TENANT (LIST TENANT BY NAME) _____	\$
3. PAID BY TENANT (LIST TENANT BY NAME) _____	\$
4. PAID BY TENANT (LIST TENANT BY NAME) _____	\$

L. GROUND RENT	
1. ANNUAL GROUND RENT	\$
2. INCEPTION DATE OF GROUND LEASE	
3. ENDING DATE OF GROUND LEASE	
4. EARLIEST RENEWAL DATE	
5. LAND AREA LEASED IN SQUARE FEET	

M. SALE OF PROPERTY OR CHANGES IN OWNERSHIP			
1. HAS A PARTIAL OR COMPLETE INTEREST IN THE REAL PROPERTY BEEN SOLD IN THE LAST THREE YEARS?		YES	NO

ANSWER YES EVEN IF THE TRANSFER OR CONVEYANCE IS NONTAXABLE OR INCLUDES A TRANSFER OR CONVEYANCE OF AN ECONOMIC INTEREST IN AN ENTITY THAT OWNS REAL PROPERTY (I.E. SHARES OF STOCKS IN PARTNERSHIPS, CORPORATIONS, OR TRUSTS, ETC, INCLUDING MULTI-TIERED ENTITIES THAT OWN THE REAL PROPERTY). IF THE INTEREST TRANSFERRED WAS THROUGH AN ENTITY, THE OWNER MUST COMPLETE THE TRANSFER OF ECONOMIC INTEREST FORM. TO OBTAIN THE FORM, CALL THE RECORDER OF DEEDS (202) 727-5374.

2. NATURE OF THE OWNERSHIP (CHECK ONE)	<input type="checkbox"/> FEE SIMPLE	<input type="checkbox"/> LEASE HOLD
3. PERCENT OF OWNERSHIP	%	
4. TRANSFER DATE		
5. AMOUNT PAID FOR THE OWNERSHIP INTEREST	\$	

N. DEBT SERVICE INFORMATION (WITHIN THE LAST 3 YEARS)					
LOAN AMOUNT	ORIGIN DATE	INT. RATE %	TERM	PAYMENT (P&I)	ANNUAL OR MONTHLY PAYMENT.
\$				\$	<input type="checkbox"/> Annual <input type="checkbox"/> Monthly
\$				\$	<input type="checkbox"/> Annual <input type="checkbox"/> Monthly

Loan balance as of 12/31/2009 \$ _____ Lender's Name _____

Has there been an independent fee appraisal of this real property done in the last three years? YES NO

What was the appraised value and date of the appraisal? \$ _____ ~~000,000~~ _____

SECTION/LINE	ADDITIONAL EXPLANATIONS
_____	_____
_____	_____
_____	_____
_____	_____

HAVE YOU ROUNDED AMOUNTS TO THE NEAREST DOLLAR? IF NOT, CROSS OUT CENT AMOUNTS, EXCEPT FOR AVERAGE RENT PER. SQ. FT.

INSTRUCTIONS FOR COMPLETING COMMERCIAL REAL ESTATE INCOME & EXPENSE REPORT

The following instructions are provided to aid you in filling out this form. The information provided on the report should be in accordance with the accounting methodology used for Federal income tax purposes. Expenses are to be reported only once, double reporting is prohibited. Additional space is provided at the bottom of the pages requesting financial information. Use this area if you need more space than what is given, or to provide explanations where needed.

- Round amounts to the nearest dollar except for dollars per square foot and other rental entries
- Identify if the building is owner occupied or property tax exempt.
- Indicate the accounting method used to complete this form.

If you have any questions, please contact our Assessment Program Coordinator, Anthony Daniels, at 202-442-6794.

A. CERTIFICATION

District of Columbia Law (D.C. Code §22-2514) requires certification of this information by the owner or officially authorized representative. Please print or type the name and title of the person certifying the information, the name and phone number of the person to contact with questions on the information supplied, and the property owner's Federal tax I.D. number.

LEASED AREAS

Please identify all non-residential leased areas of the property in square feet. Please identify residential areas by the number of units. Please provide the requested information on the residential unit break out.

VACANCY INFORMATION

If the property contains residential and other space, use lines 3, 4, and 8 for residential only, enter information on all other space on lines 1, 2, and 7. Lines 5 and 6 pertain to the entire property, regardless of the type of space.

1. Please provide the amount of vacant space, in square feet, available for lease on January 1, current year.
2. Please provide the amount of vacant space, in square feet, available for lease on January 1, prior year.
3. Please provide the number of vacant residential units or the percentage of total units available for lease on January 1, current year.
4. Please provide the number of vacant residential units or the percentage of total units available for lease on January 1, prior year.
5. Please provide the estimated income loss due to the vacancy in prior calendar year.
6. Please provide the actual income loss from collection, or bad debts in prior calendar year.
7. Please provide the current asking price for the vacant space in question 1.
8. Please provide the current asking price for the vacant residential space in question 3.

Annual Income

Please enter the following income information for the period covered by this statement. Total potential income is 100% of the leasable square footage as though leased for 100% of 12-months at the actual contract rent for areas leased, plus vacant space at the market rents specified in Section C.

1. Total potential income from the rental of all leasable space, as described above.
2. Actual income received for escalations in the base rents, overage rents, and percentage rents in accordance with the terms of the applicable leases.
3. Reimbursements paid to the owners for operating expenses.
4. Any rental income received for garage and/or surface parking. Please list the number of parking spaces. Indicate if any parking spaces that are included in the office rent by providing the number of spaces.
5. Any other rental income not covered by the categories listed above. Specify the type of space to which the income relates.
6. Any miscellaneous reimbursements to the property owners not listed elsewhere. Please explain in the space provided below. Examples utilities, insurance, taxes (specify type etc.), common area maintenance, etc.
7. Please specify the type and source of any additional income received not covered in another category.
8. Sum of lines 1 through 7.

E. ANNUAL OPERATING EXPENSES

These are expenses necessary to maintain the production of income from operation of the property. Do not include under any expense category items such as, tenant improvements, ground rent, mortgage interest or amortization, personal property tax, depreciation, income taxes, or capital replacements. **These are not operating expenses.** Capital expenditures include investments in remodeling, or replacements, which materially

add to the value of the property or appreciably prolong its life. Capital expenditures are requested in Section I of this form. Please include here all other expenses to the property; and indicate if the expenses are paid by the owner or by the tenants. Typically, the owner pays all expenses in a full-service lease, whereas the tenant pays all expense in a net-net-net or triple-net lease.

1. a. Amount paid to a management company or self for operating the building. Do not count management expenses here if the same administrative costs are shown elsewhere.
b. – c. Include advertising, administrative payroll, office supplies, accounting and legal fees.
(Please detail each line item and if necessary attach a separate sheet).
2. a. Expense of water and sewer services for this reporting period.
b. Electricity expense.
c. Specify the primary heating fuel (oil, gas, etc.) used for heating the building and its expense. Do not include an amount for electric if it is listed above.
d. If more than one type of fuel is used indicate the type and cost.
3. Expenses for repairs and maintenance. Include payroll and benefits for staff, expenses for maintenance supplies, annual maintenance and repairs. Examples include painting, replacing light bulbs, carpet, window treatments, HVAC repairs, plumbing and electrical repairs, roof repairs, and redecorating costs for new tenants. The extent of repairs here will be minor and normally anticipated repairs. Extensive repairs to the roof, HVAC system, structural additions, extensions, etc. are capital expenditures, which go on line 4.
4. Identify service expenses as requested. If you need more space use the area provided below.
5. Identify any miscellaneous expenses not reported elsewhere. Please explain in the space provided.
6. Total operating expenses should equal the sum of Section E lines 1, 2, 3, 4 and 5.

F. FIXED EXPENSES

List all fixed expenses incurred by the property.

1. Identify fire/casualty insurance expenses relevant to the reporting period only. Some insurance policies are multi-year contracts. Please include only one year's cost.
2. Specify any miscellaneous taxes and license fees (ex. Payroll taxes, etc.). Include and identify BID, Vault and Arena taxes. Do not include Real Estate Tax, this goes in Section K.
3. Specify any other fixed expenses and the amount. Do not include Ground Rent here, it goes in Section L.
4. Total Fixed Expenses should equal the sum of items F1 through F3.

G. TOTAL EXPENSES

Total Expenses should equal the sum of Section E line 6 and Section F line 4.

H. CAPITAL RESERVES AND INTEREST INCOME

Please list capital reserves on hand and interest income earned.

1. Report capital reserves held for pending expected and unexpected improvements to the property.
2. Report all interest income to this property from interest earned on capital improvement accounts, reserve accounts and monthly management operating accounts.

I. CAPITAL IMPROVEMENTS/RENOVATIONS

1. Please report and detail any capital improvements or renovations to the property during the current reporting period. This will include code compliance capital expenditures.
2. Indicate the total cost and date of expenditure.
3. Indicate if funds are being reserved for upcoming extraordinary expenditures. Provide the additional amount being reserved and explain the expenditures

J. CODE COMPLIANCE

This section pertains to building upgrades necessary to comply with the Americans with Disabilities Act (ADA), Fire and Life Safety, and other building code requirements.

1. Report any code compliance renovations that were incurred in the last 12 months.
2. Explain and report any future anticipated code compliance expenses.
A. List the anticipated date of expenditures for future code compliance expenses.

K. REAL ESTATE TAXES

- 1-4. List the amounts paid in real estate taxes for this reporting period by property owner or tenants as designated. This should reflect any adjustments in assessments during the current reporting period.

L. GROUND RENT

Please complete if property is subject to a land lease.

M. SALE OF PROPERTY OR CHANGES IN OWNERSHIP

1. Indicate if any percentage of ownership or configuration of ownership has changed in the last three years.
2. Identify the nature of the ownership interest that changed.

3. List the percent of ownership that changed whether it is fractional or complete, and the effective date of the change.
4. Indicate the amount paid for the real property subject to a change in ownership.

N. DEBT SERVICE INFORMATION

Please provide information concerning any loan placed on this property within the last three years. Please include any new loans or refinancing of original debt. This information is requested to study the financing trends for this property type to determine typical debt coverage ratios. Please indicate if there has been a professional appraisal on this property in the last three years

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GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Deputy Chief Financial Officer
Office of Tax and Revenue

INCOME-EXPENSE FORM

Dear Property Owner:

To estimate the value of your real property for assessment purposes, our staff must analyze the property individually and in relation to similar properties. The Income-Expense Form provides information needed to complete this analysis. It must be completed accurately to allow for a comprehensive analysis. This form has been revised to provide for data entry of information into our computer system. Please print legibly on the lines to ensure accurate processing of data.

Filing of the Income-Expense Form is required for income-producing or investment-type properties whether **RENTED, VACANT** or **OWNER-OCCUPIED** during the reporting period. **EXCEPTION:** RESIDENTIAL RENTAL PROPERTIES CONTAINING FOUR (4) OR LESS DWELLING UNITS are not required to report income-expense data. However, to avoid a non-compliance penalty PLEASE note on the form that the property has 4 units or less and return the **signed** form.

The “*E-Conomy Transformation Act of 2000*” provides a real property tax abatement for Qualified High Technology Company (QHTC). To be considered for this program an approved **QHTC-CERT** must be submitted with the filing of an income-expense form. To be eligible, the commercial property must have met the following criteria:

- *Non-residential or mixed-use building in which 50% of the tenants are QHTC; or 50% of the aggregate square footage is leased to a QHTC;*
- *A newly constructed building in which the initial certificate of occupancy or initial temporary certificate of occupancy was received after December 31, 2000 and the building meets the aforementioned requirements; and*
- *A building improved or renovated to adapt to use by a QHTC.*

It is important that you file for your property ONLY on the form coded for that specific property. The forms are credited as coded. **If you do not receive a form for a property that you own, please call Anthony Daniels, Assessment Program Coordinator at (202) 442-6794 and arrange to have a correctly coded form sent to you.**

Do not photocopy forms with a computer printed address line to use for another property. If you photocopy blank forms, make sure that it has the following: 1) square, lot and premise address and 2) **all signatures are ORIGINALS**. Photocopied and stamped signatures will not be accepted.

Please return the completed form in the enclosed pre-addressed envelope or, deliver it to **1101 4th Street, SW – 2nd floor** between 8:15 A.M. – 4:30 P.M.

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