

# Lease Speak

NRTA show attendees explore the language of leases

By Katherine Field

The annual National Retail Tenants Association (NRTA) conference—held Sept. 10-13, 2006, in Fort Lauderdale, Fla.—marked the 11th year that lease-administration professionals gathered to learn ways to elevate departmental efficiencies, control costs and build profits. Only this time, the number in attendance was the largest crowd to date.

Over 500 retail real estate executives, lease administrators, auditors, accountants and controllers, attorneys, paralegals and property tax managers—representing chains such as Wal-Mart, Best Buy, Starbucks, Abercrombie & Fitch, Staples and Gymboree—congregated at the Marriott Harbor Beach for a series of NRTA courses and sessions geared toward both entry-level and experienced retailers.

One such session, entitled CAM & the Law, parts I and II, drew a standing-room-only crowd. Real estate attorneys Robert Machson, of the New York City law firm Robert A. Machson



The 2006 NRTA Founder's Award was presented to Rick Burke, president, Marblehead, Mass.-based Lease Administration Solutions. Presenting the award were Moe Laliberte, director of real estate administration, Chico's, left, and Lisa Krizek, assistant VP, lease administration, Dress Barn.

& Associates, and Gregory Call, head of the litigation department of Folger Levin & Kahn, San Francisco and Los Angeles, drove home the mantra, "Read the lease," as attendees reviewed lease clauses and case law with regard to common-area maintenance (CAM) issues. For example, "There are negotiating

points in a lease that can be used to a retailer's advantage," explained Machson. "It's important that you get an audit agreement that covers points like specific documents, claim coverage, tolling—which means that you stop the statute of limitations—and landlord response time."

"Read the lease," added Call. "I can't emphasize that enough."

The session, besides covering management fees and administrative charges, co-tenancy, retroactive billings, marketing fees and more, allowed experienced retailers in the room the chance to offer their own advice to other, less savvy attendees. With regard to marketing and media funds, "We include [lease] clauses that say the landlord must provide evidence that marketing dollars are being spent on 'X', that the landlord is having 'X-many' meetings per year on marketing-related matters," said a lease administrator for a major retail chain.

"That is an excellent provision to have," answered Machson.

"Whether regarding marketing funds or retroactive billings or any circumstance or defense under the lease," added Call, "once again, to understand what your rights as a retailer are, you must read the lease." ■

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## NRTA Unveils Scholarship Program

A fitting conclusion to the National Retail Tenants Association (NRTA) conference, Sept. 10-13 in Fort Lauderdale, was the announcement by the association's executive director Paul Kinney of a newly created scholarship program designed to give back to the NRTA membership. "Because the NRTA's objective is to educate," said Kinney, "we felt that the awarding of scholarships to our members' children would be a perfect match." The first 10 scholarships of \$1,000 each will be presented Aug. 1, 2007. Active members in good standing are eligible; selection will be by an outside agency and based upon formal application, GPA, transcript, acceptance letter from a two- or four-year accredited college and a 500-word essay. For more information about the scholarship program, the NRTA or its annual conference, e-mail Kinney at paul@retailtenants.org or visit the association's Web site at www.retailtenants.org.