



ORPUT

1639 north alpine road rockford, illinois 61107 815.226.0870 phone www.orputcompanies.com

PROPERTY MANAGEMENT

Case Study — Position for Continued Success in a Long Term Hold Scenario

Orput Companies, Inc (OCI) owns and operates a 160,000 SF neighborhood shopping center consisting of 119,000 SF of retail GLA and 37,400 SF of multi-level office GLA. OCI has successfully owned and operated this asset for 40 years.

This asset, an outdoor shopping center, was ahead of its time when built in 1974. The asset has continuously been a premier shopping destination and survived many fluctuations in the local and national economies.

OCI three main strategies for creating asset value—increasing revenue while decreasing expenses, retaining tenants while managing & filling vacancies, and out managing the competition—were honed into daily routines while managing this asset. The use of on site personnel and nationally known management software allows OCI to increase revenue and decrease costs by collecting rents in a timely manner and properly managing NNN rents with the proper calculation and collection of pass through costs. OCI benchmarks property costs with similar assets in their portfolio and evaluates vendor contracts every other year or more often if warranted. This asset has continually generated a positive cash flow for ownership and has remained a leader in the marketplace.

OCI diligently works to retain tenants and manage vacancies including the careful selection of new tenants in order to create a tenant mix appropriate for this asset. On site management and maintenance personnel make it easy to communicate with tenants. Approaching tenants at the first signs of a stressful tenancy allow OCI to assist tenants with issues before the issues become too large to manage. An organized work order system allows OCI's maintenance team to efficiently complete and follow up on issues that may affect the customer or tenants experience while visiting the asset. OCI monitors tenants whose leases have expired to ensure the space is left in a presentable manner in order to make the re-leasing process easier and more cost effective.

In addition to management and operational duties for the property, OCI created a unique marketing plan consisting of events and community partnerships while leveraging the asset's demographic. These annual, on-site events have allowed the asset to be viewed as a community destination and not just a shopping center.

Simply stated, OCI works diligently to out manage the competition in order to maintain a competitive advantage. The successful ownership and management of an asset for 40 years speaks volumes towards the fact OCI is an experienced and successful management company who treats their tenants and vendors with respect. In the end, this is the best strategy to create and maintain the value of an asset.

OCI successfully followed their corporate strategy of increasing revenues and decreasing costs, retaining tenants while and managing & filling vacancies and out managing the competition in order to position for continued profitability in a long term hold scenario.