



Step by step instructions for completing the Annual Additional Rent reconciliation using the Starbucks Reconciliation Worksheet.

1. **Date** – Today’s date, the date you are actually doing the work or completing the Reconciliation  
**Reconciliation Year** – 2007, 2008, or the exact period if not a calendar year.  
**Number of Days in period** – It is not necessary to complete this section as it does not affect the calculation below.  
**Calculated by** – Your first initial and last name.
  
2. **Store #** - Always include the Store Number and State/Province code (4567-ON).  
**Premise Sq ft.** – Stated in the Lease or subsequent Amendments.  
**Pro Rata Share** – The number that you type into this cell will be cascaded to the Pro Rata Share cells in Sections 8, 18, and 24. For multi-share reconciliations, please insert one pro rata share here and the worksheet allows you to adjust the pro rata share as needed per individual expense category. Please check your Lease (Section 12.2 of the Starbucks Standard Form Lease) to confirm you may use multiple prorata shares or if there is a “may not increase” share. If you are using multiple pro rata shares, please provide the backup calculation for the second and subsequent pro rata shares either on a separate worksheet or in the “Comments” section (Section 35) and manually change the pro rata share in Sections 8, 18, or 24 as applicable.  
**Management fee** – In accordance with the Starbucks Standard Form Lease, this is the maximum Administrative Management Fee that may be allowed per Section 12.5. If the Administrative/Management Fee is not a percent of the Operating Expenses this may be left blank or 0.
  
3. **Prior Year Operating Expense Cap** – Please check your Lease to determine if there is a CAP on Operating Expenses. Please insert the amount paid by Starbucks for the prior years’ reconciliation for Capped Operating Expenses in this section. If there is no cap on Operating Expense, this may be left blank
  
4. **Annual Cap Increase %** – If your Lease with Starbucks provides for an annual CAP on Operating Expenses please enter the “Capped” percentage here. i.e. if the Lease states that the cap is 5% over last year, the correct number to type into this section is 105%.
  
5. **Allowable CAM CAP** – This is a formula. Do not adjust. The prior year Capped Operating Expenses are multiplied by the annual capped increase percentage and the new Capped Operating Expense Total is this amount.



6. **Annual Operating Expenses – Categories** – These Terms have been determined by Starbucks as general categories that should be made available for financial review. If you have the expenses listed on a separate schedule please provide the schedule and add the total per category in Section 7. All Expenses subject to the percentage Administrative Management Fee calculation must be included in Section 6.
7. **Annual Operating Expenses – “Annual Expense” Column** – If you have more than one expense on your list of expenses that fits under the same general category please add these expenses together and enter the total. All Operating Expenses subject to the Administrative/Management Fee (Capped and Not-Capped) must be entered in this section in order for the Administrative/Management fee to be calculated on all Operating Expenses (if applicable per the terms of your Lease). If you have multiple prorata shares for the same expense categories please provide a separate worksheet with the calculation, per pro rata share, calculating a total due per category. Then enter the grand total for that expense category in Section 7 and insert 100% as the pro rata share in Section 8. Note: you may also type over (rename) any unused expense category.
8. **Annual Operating Expenses – “Tenant’s Pro Rata Share” Column** – By entering the pro rata share in Section 2 above, this column auto populates. If you have only one pro rata share, no action is necessary. You can adjust any pro rata share in this column, if the Lease allows. Starbucks will only pay per the terms of the Lease and any subsequent Amendments or Letter Agreements.
9. **Annual Operating Expenses – “Tenant’s Pro Rata Share of Expense” Column** – This is a formula which auto-calculates the amount due based on our pro rata share of the expense. However, you are able to make changes in this column for those rare cases when you just have to manually override information. No action is necessary.
10. **Sub Total Operating Expenses “Annual Expense” Column** – This is a formula. Do not adjust.
11. **Sub Total Operating Expenses “Tenant’s Pro Rata Share of Expenses” Column** – This is a formula and is the total of Section 9 expenses. Do not adjust. The Administrative/Management Fee will be calculated on this total.
12. **Management Fee “Tenant’s Pro Rata Share” Column** – This section auto populates from Section #2 “Management Fee %” above.



13. **Management Fee “Tenant’s Pro Rata Share of Expenses” Column** – This section auto populates if you have entered the “Management Fee %” in Section 2 above. If the Administrative/Management Fee billing is at a rate that does not exceed the cap in the Lease, if there is no cap on Admin/Management fee in the Lease, or if the Lease allows for an alternative calculation, you can adjust this section as applicable.
14. **Less Operating Expenses Not-capped (CNC)** - This is the total from Section 20 that is automatically transferred as a negative to be subtracted from the Total Operating Expenses. Do not adjust.
15. **Total Operating Expenses Capped (CAM)** - This is a formula that subtracts the Not-capped Operating Expenses from the Total Operating Expenses. This is the total of Capped Operating Expenses subject to annual reimbursement by Starbucks.
16. **Operating Expenses Not capped (CNC) Categories** –Any Operating Expenses that are excluded from the Annual Operating Expense Cap, but may be subject to the “Management Fee %” are entered here by expense category i.e. snow, utilities. The Lease will govern these exclusions.
17. **Operating Expenses Not capped (CNC) “Annual Expense” Column** – Enter the actual expense total that correspond to the expense type you have entered in Section 16.
18. **Operating Expenses Not capped (CNC) “Tenant’s Pro Rata Share” Column** – See Section 8. You can make adjustments as described in Section 8.
19. **Operating Expenses Not capped (CNC) “Tenant’s Pro Rata Share of Expense” Column** –This is a formula which auto-calculates the amount due based on our pro rata share of the expense. However, you are able to make changes in this column for those rare cases when you just have to manually override information. As with Section 9, no action is necessary.
20. **Total Operating Expenses Not Capped (CNC)** – This row contain a formula and is the total of the Section 19 expenses. Do not adjust.
21. **Other Expense** – These three lines are to be used for Landlord Additional Rent Expenses that are not Operating Expenses, Insurance or Tax and that are also not subject to the Administrative/ Management Fee. Enter the name of the expense after “Other Expense”, then enter the amount of the expense in Section 21 and the pro rata share in Section 24 is auto populated from Section 2 above (or may be adjusted) and Section 25 calculates Starbucks share of this expense.



22. **Insurance** – Landlord’s Insurance expense is entered and in Section 22 and the pro rata share is auto populated in Section 24 from Section 2 above (or may be adjusted) and Section 25 calculates Starbucks share of the expense.
  
23. **Real Estate Tax** – Landlord’s Real Estate Tax expense is entered in Section 23 and the pro rata share is auto populated in Section 24 from Section 2 above (or may be adjusted) and Section 25 calculates Starbucks share of the expense. If the period is other than a calendar year please put in the tax period the reconciliation covers after “Real Estate Tax”.
  
24. **Tenant’s Pro Rata Share** - See Section 8. You can make adjustments as described in Section 8.
  
25. **Tenant’s Pro Rata Share of Expense** - This is a formula which auto-calculates the amount due based on our pro rata share of the expense. However, you are able to make changes in this column for those rare cases when you just have to manually override information. As with Section 9, no action is necessary.
  
26. **Total Annual Additional Rent** - This is the total of Sections 15, 20 and the individual Expenses in Section 25. Do not adjust.
  
27. **Total Operating Expenses** - This is a formula that is the amount from Section 15. Do not adjust.
  
28. **ALLOWABLE CAPPED OPERATING EXPENSE**. - This is a formula that is the amount from Section 5. Do not adjust.
  
29. **CNC, Other Insurance and Taxes** – These are the Tenant’s Share of the individual expenses based on the information you entered above Sections 21, 22, and 23 and the Pro Rata Share calculation in Section 25. Do not adjust.
  
30. **Total Annual Additional Rent Due** - This is the total of the Lesser of: (a) Section 27, “The Total Operating Expenses (CAM)” or (b) Section 28 “The Annual Allowable CAP”, plus (c) the Expense Totals in Section 29. This is a formula. Do not adjust.
  
31. **Annual Escrows Paid by Starbucks** – Enter the actual amount paid by Starbucks for the period being reconciled for each expense category. If you billed the expense as one amount your may enter it all under CAM.
  
32. **Account Adjustments** – This Section is a list of the amounts you will receive from Starbucks per expense category per the reconciliation of the Annual Additional Rent Expenses once our payments have been subtracted. If you have billed the Annual Additional Rent as one expense category Starbucks will split



out the resulting payment or credit per expense type, i.e. Operating Expense, Not-capped Operating Expense, Insurance and Tax.

33. **Total Escrows Paid** - This is a total of all escrow payments made by Starbucks towards the reconciliation period expenses. This cell is a formula. Do not adjust.
34. **Starbucks Payments (Credit)** – This Section is the total payment or credit you will receive from Starbucks. This cell is a formula. Do not adjust.
35. **Reconciliation Comments** – Please enter any comments you may have regarding the reconciliation. If you are using a different pro rata share for a specific expense, as provided for in the Lease, this could be where you explain the calculation for any adjusted share.



Starbucks Coffee Company  
Financial Lease Administration  
Reconciliation Worksheet

Responses or disputes to the calculations contained in this worksheet must be received in writing via the legal notice per the Lease. If a response is not received within sixty (60) days of the date of this worksheet it will be assumed Landlord concurs with our calculation.

Date		Store #	
Reconciliation Year	1	Premise Sq. Ft.	2
Number of days in period		Pro Rata Share	0.0000%
Calculated by	MM	Management Fee %	0.00%

<b>Operating Expense Cap Calculation</b>			
Prior Year Operating Expense Cap	\$	Annual Cap Increase %	4 0.00%
Allowable CAM CAP	\$	CAM CAP = capped operating expenses + management fee	

	Annual Expense	Tenant's Pro Rata Share:	Tenant's Pro Rata Share of Expense
<b>Annual Operating Expenses</b>			
<b>Total Operating Expenses</b>			
HVAC	\$ -	0.00%	\$ -
Landscaping	\$ -	0.00%	\$ -
Security	\$ -	0.00%	\$ -
Repair & Maintenance	\$ -	0.00%	\$ -
Janitorial	\$ -	0.00%	\$ -
Parking Lot	\$ -	0.00%	\$ -
General CAM	\$ -	0.00%	\$ -
Water	\$ -	0.00%	\$ -
Trash (if defined as an Operating Expense)	\$ -	0.00%	\$ -
Electricity	\$ -	0.00%	\$ -
Gas	\$ -	0.00%	\$ -
Snow	\$ -	0.00%	\$ -
Other	\$ -	0.00%	\$ -
<b>Sub Total Operating Expenses</b>	\$ 10		\$ 11
Management Fee		12 0.00%	13
Less Operating Expenses Not-capped (CNC)			14
<b>Total Operating Expenses Capped (CAM)</b>			15
<b>Operating Expenses Not-capped (CNC)</b>			
Exp:	17	18 0.00%	19
Exp:		0.00%	
Exp:		0.00%	
<b>Total Operating Expenses Not-capped (CNC)</b>	20		
Other Expense	21	24 0.00%	25
Other Expense		0.00%	
Other Expense		0.00%	
Insurance		0.00%	
Real Estate Tax	23	0.00%	
<b>Total Annual Additional Rent</b>	27		26

<b>RECONCILIATION</b>			
Total Operating Expenses	28	\$ -	Includes Admin/ Management Fee
<b>ALLOWABLE CAPPED OPERATING EXPENSE</b>			Includes Admin/ Management Fee
Total Operating Expenses Not-capped (CNC)			
Other Expense			
Other Expense			29
Other Expense			
Insurance			
Taxes			
<b>Total Annual Additional Rent Due</b>		\$ 30	

<b>Annual Escrows Paid by Starbucks</b>		<b>Account Adjustments</b>	
Operating Expenses (CAM)			
Operating Expenses Not-Capped (CNC)			
Other	31		32
Other			
Other			
Insurance			
Real Estate Taxes			
<b>TOTAL ESCROWS PAID</b>	33		
<b>Starbucks Payment/(Credit)</b>	34		

COMMENTS:

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