

AMERICAN ACCOUNTING & BILLING SERVICE, INC.



"SETTING A NEW STANDARD WITH GUARANTEED RESULTS"

BILLING AND SUB-METERING SERVICES

TOLL FREE 1.800.678.5508

www.aabs1.com

**SERVING THE MULTI-FAMILY INDUSTRY NATIONWIDE
PO BOX 390175 / ATLANTA, GA 30039**

AMERICAN ACCOUNTING & BILLING SERVICE, INC

A SUBSIDIARY OF KARBEDA, INC.
P.O. BOX 390175 / ATLANTA, GEORGIA / 30039
LOCAL 678.665.8548 TOLL-FREE 1.800.678.5508
FAX: 770.736.2648

“RAISING THE STANDARD TO A NEW LEVEL”



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For more information, visit us at:

WWW.AABS1.COM

1-800-678-5508



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Corporate Profile



American Accounting & Billing Service, Inc. is a full-service RBC company. Founded in 2001, with 30 years of combined experience in utility and property management, AABS headquarters is located in Atlanta, Georgia. Using state-of-the-art software, written specifically for AABS by Starnik, Inc. out of Lubbock, Texas, we provide assistance to property owners, management companies, townships and the municipality sector. By handling utility billing needs for the apartment and condominium communities from coast to coast, AABS leads the way in providing sub-metering and billing services, enabling property owners to drastically reduce their water cost, increase NOI, and substantially increase the value of their property...Guaranteed. Virtually all owners and management companies are beginning to outsource their utility billing needs, and many are switching to AABS because of our dedication, low cost, and professional service. “The need for outsourced utility billing of towns and municipalities has just begun” says CEO, Sam Kordares. “In an effort to reduce costs and meet their budgeted goals, an increasing number of municipalities nationwide are switching to a third party billing company”. The positive result of outsourcing their billing needs to a privately owned company is a substantial reduction of operating costs and a lighter work load for the city employees. “We here at AABS are poised to fill those needs” says Kordares. “Because of our new billing software provided to us by UDS Systems, we are capable of handling thousands of homes through-out the country. We are now reaching into a new market and providing a service that will greatly enhance their bottom line.”

AABS's staff is comprised of both senior and junior-level professionals, including a staff experienced in the property management realm. All of the staff members at AABS can offer a broad base of consulting experience in areas ranging from meter installation to utility billing. This professional diversity allows AABS to fully staff projects, providing the exact expertise to effectively address and manage any client needs.

AABS focuses on establishing long-term client relationships built on service excellence, quality work, consulting value, integrity, and trust. AABS maintains a low-overhead cost structure in order to provide services well below the competitor's rates. AABS's technical capabilities, in combination with its ability to plan, execute, and manage projects, uniquely position AABS in the Utility Billing and Sub-metering marketplace.

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OUR GUARANTEE



Q. Does your current billing company reimburse you with a high percentage of your total water bill?

A. Using our simple, yet effective method of collections, you will achieve a 90%+ of the billable amount...**Guaranteed!**

Q. Are your utility billing service fees too high?

A. We are now offering the lowest fees in the industry...**Guaranteed!**

Q. Are your utility bills sent on a timely basis so that residents receive them before the due date?

A. We mail bills on the date of your preference every month...**Guaranteed!**

Q. Does your utility billing company send accurate bills to your residents?

A. We review every bill before it is mailed and send a Pre-bill for your review... **Guaranteed!**

Q. Does your utility billing company provide training and assistance to your staff whenever needed?

A. We assign one person to your account to assist you 7 days a week... **Guaranteed!**

Q. Do you receive a water reimbursement check on the same day every month?

A. We deliver a check to you the 1st week of every month...**Guaranteed!**

Q. Are your phone calls answered promptly by your current billing company?

A. Speak to a live associate to answer your questions immediately...**Guaranteed!**

WE WILL MEET OR BEAT ANYONE'S PRICE!!!

IF WE DON'T ACHIEVE EACH OF THESE GUARANTEES, YOUR SERVICE FEE WILL BE FREE FOR A MONTH...GUARANTEED!

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Concerns From Owners



1. When are the bills sent?

Monthly, always by the date of your choosing each month.

2. What is the resident paying for?

Their portion of all water and associated sewer charges that pass through their individual meter. In the case of a RUBS system, it is the resident portion of the total property water bill excluding common area. The rate they are paying for water and sewer is what the water company charges plus a nominal billing fee.

3. What if the resident complains about the amount on the bill or any other question related to the bill?

Direct the resident to call customer service and discuss the situation with an AABS representative.

4. Can the property evict a resident for nonpayment?

Yes, provided paying for water and sewer is included in their lease agreement. A property can evict a resident even if they are paying their rent but not the water bill. When a resident moves out, the property can then deduct any unpaid water bills from the apartment security deposit. (Please consult your state laws, regulations and legal counsel so that you are familiar with the parameters and limits of your state). Always check with your company's internal policies as well.

5. What do I do when a resident complains about a high water bill?

Refer the resident to AABS. We will address the issues with the resident and resolve the high water bill. If something needs to be addressed by the property staff, AABS will notify you.

6. What do I say when a resident says nobody else is charging for water?

Many apartment communities bill for water. Rather than assume you use a certain amount of water and include it in your rent, this allows you to utilize conservation practices and lower your overall living cost. Billing for water is a very fast growing trend in the apartment community industry.

7. What do I say when the resident asks, “Am I paying for the pool to be filled and for neighbor to wash his car”?

No, you only pay for your consumption if the property is metered. If you are using a RUBS system, you are paying for a % of property water cost based on the size of your unit. If the residents use water conservation tips, the property water bill will decrease therefore decreasing each resident's bill.

8. What do I say when the resident asks, “How do I know this is a fair bill that I am receiving from AABS”?

You only are billed based on what passes through your meter. You are only being billed for usage. There is no profit for the apartment community.

9. How can the resident lower their water bill?

Water conservation can help reduce your bill significantly. Refer them to our “Water Conservation Tips” fact sheet that will help them identify what they can do to reduce their water consumption.

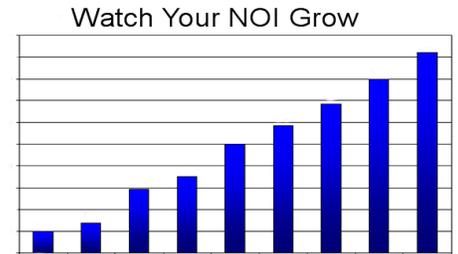
11. How will I know how much is being billed to each unit?

Each month, before bills are mailed, you will receive a prebill report showing all units and the amount billed along with past due amounts.

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Why Choose AABS ?

For Property Owners / Managers who choose to outsource their utility reimbursement billing, *American Accounting & Billing Service (AABS)* offers invoice processing and / or collection services, meter service, reading & installation. There are many other companies that offer the same type of RBC services, but few that emphasize excellence in customer service.



AABS has responded to the growing trend of apartment management companies that are dissatisfied with the level of service offered by traditional RBC companies. Studies of this trend have determined that most RBC companies fail due to the following reasons:

High billing fees

Low collection percentages

Slow reimbursement of funds to the property.

The high level of property staff involvement takes time away from the property's most important business...Leasing

Inaccurate billing of residents

Inability to keep up with resident activity (move-ins and move-outs)

Poor customer service provided to residents.

Very little or no training or support of on-site staff.

Lack of response from billing company.

With these reasons in mind, AABS formulated a third party utility billing company that significantly reduces or eliminates the above reasons for failure. At the same time, we have achieved an average of 92% collection rate of the billable amount.

➤ **“As our collection percentage reached 100%, our cost of using your service has resulted in a savings of over 40% per month over the previous billing company....”**

**Emma Ward
Madison Ridge Apartments**

➤ **“Our collections have increased dramatically with AABS and we receive our reimbursement check promptly at the beginning of every month....”**

**Sandra Whitehead
Firecreek Condominiums**

➤ **“American Accounting sales representatives are extremely professional, courteous and we would highly recommend them to anyone who is looking for a billing service for their property....”**

**Beth Hammond
Tri City Mobile Home Park**

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RUBS vs. Sub-Metered Billing Systems

After years of flat rents and soaring utility prices, owners are desperately looking to recoup some of their costs and once again turn a profit by splitting rents apart from utilities. Nearly 32 million apartment units in North America have owner-paid utility bills. Traditionally, owners have raised rents to cover utility expenses, but that habit is quickly changing among many of the nation's property owners. Separating rent from utilities is no longer merely a trend, but a financial necessity for most owners. Utility rates continue to rise between 8 percent and 10 percent per year, and as most good property owners know, your sustainable rent increases cannot be more than 3% to 5% in a good market, and flat or falling in a poor market.

Passing along utility expenses to residents can take two forms: Allocation and Sub-metering. Allocation or ratio utility billing (RUBS) is currently the most widespread method of utility billing. With allocation, a resident's energy bill is sent by a third party billing company and is based on a formula factoring in the total property water bill, number of residents in a unit, and/or apartment size (number of bedrooms or square footage). A good RUBS program estimates usage, but doesn't actually measure it and usually accounts for a 6% - 22% reduction in total water usage.

With sub-metering, a resident's utility bill is based on actual metered consumption and the bill comes from a third party RBC company. Residents lower their bill by adjusting water temperatures, taking shorter showers, and conserving where possible. They are in control and responsible for their own usage. Sub-metering benefits include a reduction of 18-to-36 percent less water consumption. Access to usage data alerts property owners to detect water leaks as they happen, not after the bill comes out. A leaking toilet found early will save thousands of gallons of water. Sub-metering also protects owners from rapidly rising water rates and abnormal consumption patterns. Both the Rubs and Sub-Meter methods help to prevent residents from running showers at night "in order to sleep better."

How to Increase Property Value In Any Market

Developing an ancillary income stream is one of the best ways to maximize a property's value. And, basically, there are only a few things owners can do to produce real ancillary income. This explains why sub-metering is the hottest trend in multifamily housing and this trend is expected to skyrocket in the future.

An Example

An apartment complex totaling 630 units can use over 38 million gallons of water per year. Assuming consumption drops 25 percent after sub-metering; this property will save 9.5 millions of water per year. Also, cost recovery from resident billing will be approximately \$50,000 per year, an expense that would have been paid by the property. So, this property will save 9.6 millions of water per year. Using a 7% capitalization rate, the impact of savings adds over \$700,000 in property value to this complex...a benefit you cannot afford to miss!

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Billing and Collections

How Do We Start ?

AABS utility reimbursement billing process is structured in a way that carefully coordinates the activities performed by the property and AABS's processing center. Initial setup of a property begins by:

- ❑ Evaluating a property water & sewer reimbursement factors: RUBS or Sub-meter
- ❑ Providing residents with Introductory Letters and/or transitioning the leases with appropriate lease addendums
- ❑ Property staff training and working closely with the property's staff to define the process and assist them in answering resident questions.



How Does AABS Track Resident Activity?

The property or municipality submits resident activity information and reads on a daily, weekly, or monthly basis. This can be performed by:

- ❑ Faxing or emailing a completed resident activity form.
- ❑ Emailing a specially formatted report file for download to our software.

Depending on your sub-metered system, AABS may be able to collect the reads that corresponds with move-in and out activity automatically. AABS will produce move-out bills, as they are submitted and forward them to the property to collect against the resident deposits.

How Do We Know What Each Resident Is Being Charged ?

Prior to printing and mailing bills, AABS will calculate a pre-bill report from the property water bill and compare the amounts to past unit averages. The report is then sent to the property for their review and authorization. Whether the property is using Rent Roll, AMSI or Yardi as their accounting software, AABS can provide a downloadable file with the billed amounts. If the property is performing the collection, (see Collection Options below), this can save time for the apartment staff and prepare them for answering questions regarding a specific resident's bill. Review of this report by the Property Manager will prevent any possible errors from reaching residents.

How Are Payments Collected ?

Our research has shown that water payments collected with rent or association dues will produce the best results. The options are but not limited to:

- ❑ Residents or homeowners are instructed to pay property within stated terms.
- ❑ Residents pay property with monthly rent and AABS schedules pickup of checks and records collections.
- ❑ For the residence or home owner's convenience, AABS can also set up on line bill pay, and payment plans.

In the event the property is performing collections, AABS can provide the property with an appropriately formatted file to record payments. This file will be downloaded to AABS software monthly to update balances.

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Staff Training



Our objective is to provide your on-site management team with access to our expertise in utility billing. Our toll-free number is available for nationwide access and a live-operator will assist your staff with any issues. Our assistance regarding questions and answers dealing with on-site staff training is included in our low service fee. In addition to the how-tos, our trainers explain to owners and management personnel how various laws, regulations, and fees will be affected by a utility billing system. A step by step training brochure is given to the community staff that explains the billing process, method of collections and includes documents that will provide leasing agents the information to convince prospective residents that an apartment that is billed for utilities can actually save them money. The customized training session also includes a full explanation of how a utility bill is calculated. For our municipality customers, we provide training and assistance with our state-of-the-art software enabling them to view customer accounts and answer customer service questions easily.

Our system is stream-lined to make the transition easy for you.

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Sample Bill

Customized invoices are easy with our state-of-the-art software. Choose your format from hundreds of template designs. Pictured below is a sample of a postcard bill mainly used for the apartment industry. Municipalities may choose an 8 1/2' x 11" statement invoice that includes a return envelope. Statement invoices and postcard invoices can be customized to meet your specifications.

AMERICAN ACCOUNTING & BILLING SERVICE P.O. BOX 390175 SNELLVILLE, GA 30039	American Acct'g & Billing Svc. P.O. Box 390175 Snellville, GA 30039	PRESORTED FIRST CLASS MAIL US POSTAGE PAID PEREGRINE																									
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Contact Us



"Call our dedicated, professional staff today and start a successful utility billing program that will exceed your expectations."

Customer Service

Toll-Free 1-800-678-5508

Local 678-665-8548

Sales and Marketing

800-678-5508

678-665-8548

elaine@aabs1.com

Meter Installation

404-451-7825

Toll-Free Fax

866-687-4030

P.O. Box 390175

Atlanta, Georgia 30039

for more information, visit www.aabs1.com

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