

SAMPLE

National Apartment Association Education Institute

4300 Wilson Boulevard, Suite 400

Arlington, VA 22203

703-518-6141 | www.naahq.org



CERTIFIED APARTMENT
PORTFOLIO SUPERVISOR®



CAPS TRAINING

Activities



SAMPLE

LIMITS OF LIABILITY AND DISCLAIMER OF WARRANTY

© 2017 by the National Apartment Association, 4300 Wilson Boulevard Suite 400 Arlington, VA 22203. All rights reserved. The course materials or any part thereof may not be reproduced, stored in a retrieval system, or transmitted, in any form or by any means—graphic, electronic, or mechanical, including photocopying, recording, or otherwise, without the prior written permission of the National Apartment Association Education Institute (NAAEI).

NAA retains copyright to the original materials and to any translation to other languages and any audio or video reproduction, or other electronic means, including reproductions authorized to accommodate individual requests based on religious or medical deferments from classroom participation.

DISCLAIMERS

Although NAAEI programs provide general information on apartment management practices, NAAEI does not guarantee the information offered in its programs is applicable in all jurisdictions or that programs contain a complete statement of all information essential to proper apartment management in a given area. NAAEI, therefore, encourages attendees to seek competent professional advice with respect to specific problems that may arise. NAAEI, their instructors, agents and employees assume no responsibility or liability for the consequences of an attendee's reliance on and application of program contents or materials in specific situations. Though some of the information used in scenarios and examples may resemble true circumstances, the details are fictitious. Any similarity to real properties is purely coincidental. Forms, documents and other exhibits in the course books are samples only; NAAEI does not necessarily endorse their use. Because of varying state and local laws and company policies, competent advice should be sought in the use of any form, document, or exhibit.

POLICY STATEMENT REGARDING THE USE OF RECORDING DEVICES, AUDIO VISUAL EQUIPMENT AND OTHER MEANS OF REPRODUCTION OR RECORDING OF THE “NATIONAL APARTMENT LEASING PROFESSIONAL” MATERIALS

All program contents and materials are the property of the National Apartment Association Education Institute, which strictly prohibits reproduction of program contents or materials in any form without the prior written consent. Except as expressly authorized in writing in advance, no video or audio recording of NAAEI programs or photocopying of “National Apartment Leasing Professional” materials is permitted. Authorized recording of programs or duplication of materials may be done only by the instructor on site.

Acknowledgments

SUBJECT MATTER EXPERTS

The NAA Education Institute wishes to thank the following apartment industry professionals for contributing their time and expertise to the rewrite of the Certified Apartment Portfolio Supervisor curriculum. Mindy McCorkle, CAM, CAPS, served as the lead CAPS subject matter expert. She also pilot tested CAPS at NAAEI and at the Houston Apartment Association. Mindy worked tirelessly over many months to take CAPS to the next level. The NAAEI Board of Directors and staff recognize and thank Mindy for the many hours she spent developing the new edition of CAPS.

Lead Subject Matter Expert

Mindy McCorkle, CAM, CAPS

Chief Enhancement Officer, Enhancement Talent Development
(704) 309-7392 Cell
mindy@enhancementtd.com
www.enhancementtd.com

Key Contributors

Shirley Aguilar, CAM, CAPS, The Sure Solution

Clio Barker, NALP, CAPS, Associated Management

Mike Beirne, Kamson Corp

Ian Douglas, CAPS, Allied Orion Group

Robin Flagler, CAPS, AION Management

Richard George, NOI Coach

Stephanie Puryear-Helling, CAM, CAPS, Greystar

Kimberly Hurd, CAPS, Intrepid Capital

Alexandra Jackiw, CAPS, Milhaus Management

Barbara O'Steen, Greystar

Jena Paulenich, CAPS, PRG Real Estate Management

Debbie Phillips, The Quadrillion

Terry Ragland, CAM, CAPS, Blue Ridge Companies

Julie Reed, Waterton Residential

Vicki Sharp, NALP, CAPS, The Sharp Solution

Susan Sherfield, CPM, Mercy Housing

Jodi Spurrell, Milestone Management

Peter Therrell, CAPS, ECI Management

Jessica VanGelder, Redwood Living

Beth Van Winkle, CAM, CAPS, Milestone Management

Susan Weston, CAM, CAPS, The Susan Weston Company

CAPS
Certified Apartment Portfolio Supervisor
NAA Education Institute
4300 Wilson Blvd., Suite 400
Arlington, VA 22203
(703) 518-6141
education@naahq.org
www.naahq.org

Further Acknowledgments

The National Apartment Association Education Institute acknowledges the contributions of countless volunteers who made this program possible. We extend our thanks to all and pledge to maintain the CAPS credential as the premier standard apartment industry training program for all apartment portfolio supervisors.

SAMPLE

Table of Contents

Module 1: Client Services and Stakeholder Relations	2
Module 1 Activity 1: Property Goals	2
Module 1 Activity 2: The Owner's Report	4
Module 1 Activity 3: Contractor Dispute	6
Module 2: Investment Management	8
Module 2 Activity 1: You're the Owner	8
Module 3: Improving Asset Performance	10
Module 3 Activity 1: Mini-Scenarios	10
Module 3 Activity 2: Troubleshooting	12
Module 4: Asset Evaluation and Preservation	14
Module 4 Activity 1: Due Diligence Report	14
Module 4 Activity 2: Property Transition	16
Module 5: Talent Development	18
Module 5 Activity 1: Involuntary Separation	18
Module 5 Activity 2: Managing During the Sale	20
Activities Resources	23
Amber Oak Park Apartment Homes Monthly Operating Report	24
ABC Vendor Service Agreement	53
XYZ Painting Contract	54
River Commons Property Assessment and Due Diligence Summary	60

Module 1 - Client Services and Stakeholder Relations Activities

MODULE 1 ACTIVITY 1: PROPERTY GOALS

You are the CAPS for a newly acquired property. The property owner has discussed his goals with you, and you've created a financial strategy to achieve those goals.

The following are property goals from the financial strategy document for this property:

1. Maintain rents at acquisition levels for the first 90 days. Start pushing rents in the 4th month, with average increases reaching 6% within 12 months.
2. Maintain proposed summer vacancy rate for the first 6 months at no higher than 6%, increasing market occupancy to 96% by the end of the first 12 months.
3. Hold bad debt write-offs at 2% for the first 6 months, decreasing to under 1% by the end of the year.
4. Improve renewal conversion rates to 55% of renewable at an average rent increase of 3%.
5. Limit concessions to 4% in the first 6 months, dropping to 3% by the end of the year, and 2% by the end of 18 months.

With the information you have been provided in each goal, list two actions that you would want to take immediately after acquisition of the property in order to achieve those goals.

Goal 1 1. _____
2. _____

Goal 2 1. _____
2. _____

Goal 3 1. _____
2. _____

Goal 4 1. _____
2. _____

Goal 5 1. _____
2. _____

MODULE 1 ACTIVITY 2: THE OWNER'S REPORT

For this activity, you will step into the owner's shoes to evaluate an owner's report.

While reviewing the Amber Oak Park Apartment Homes Monthly Operating Report (in the Activity Resources section), note your answers to the following questions:

- What areas are lacking details? What follow-up questions would you have for the CAPS?
- What areas indicate immediate action would be needed? What directions would you want to give the CAPS and the site team?
- Is there any indication of future budget issues? Any area that causes you concern?
- What are the success areas?

Your instructor will divide you into groups for this activity. Each group will review a portion of the owner's report.

Notes

SAMPLE

MODULE 1 ACTIVITY 3: CONTRACTOR DISPUTE

You've hired a contractor to paint the clubhouse building exterior. The contract spells out the scope of work in detail, including the timing of completion (with contingencies for weather-related delays) and daily clean-up details (including a detailed description of how the job site is to be left at the end of each day). The job was to take 10 business days.

The first few days were completed without incident, but on the 3rd day, when the contractor crew left the property at the end of the day, they left a mess. There were several paint buckets on the sidewalk near the fitness center entrance, a pile of drop cloths lying on the bushes outside the front door of the main entrance, and a ladder leaned up against the side of the building.

You've contacted the sales person with whom you negotiated the contract, and he promised this issue wouldn't happen again.

It is now the end of day 4, and the crew has, once again, left the property a mess.

1. Based on the language in the contract, what are your options to rectify this situations? Identify the advantages and disadvantages of each.
2. What specific actions would you take to solve the problem while still seeing that the painting project is completed within the time frame?
3. What will you tell your residents, prospects and marketing partners during this interim?

Notes

SAMPLE

Module 2 - Investment Management Activities

MODULE 2 ACTIVITY 1: YOU'RE THE OWNER

You are an owner who is purchasing a property.

The seller was asking for \$25,900,000, but your competitive bid of \$25,100,000 has been accepted. You have \$6,275,000 in cash.

There is a fair amount of competition in the submarket, though the property has been performing satisfactorily. There has been little rent growth in the past 18-24 months, however.

You hired a property management firm to provide a comprehensive due diligence report.

Review the River Commons Property Assessment and Due Diligence Summary (in the Resources section), and answer the following questions:

- What are your ownership goals – short term and long term?
- What type of loan will you pursue and why?
- Consider your short and long term goals.
- Propose two loan packages (down payment, retained cash, percent borrowed, term of loan) that would work for your plans for the property.
- List five operating and/or activity positions you will be watching closely in the first six months of transition.
- Identify at least three financial benchmarks you will set for the CAPS and site team to hit in the 2017 Budget
- Review the five year capital investment plan. Are the first two years targeting the right projects? Why or why not?

Notes

SAMPLE

Module 3 - Improving Asset Performance Activities

MODULE 3 ACTIVITY 1: MINI-SCENARIOS

For this activity, your instructor will break the class into small groups. You and your group will be evaluating a series of short scenarios. Each scenario will be followed by a brief discussion on that scenario.

For each of the following scenarios, think about how you might answer the following questions:

1. What could be going on there?
2. What piece(s) of this information seems to indicate an issue?
3. Are all of these issues related?
4. What questions do you ask?
5. What reports do you review?
6. Where do you start?

You do not need to answer every question individually, but be prepared to talk about how you would tackle each scenario with these questions in mind.

Scenario 1

Economic occupancy is down, there are low closing ratios in the last month, and traffic is higher than it's been in the last 3 months.

(To be followed by class discussion.)

Scenario 2

Rent rates have been flat for the last 6 months, the renewal percentage is lower than budgeted, and closing ratios are higher this month than in the past several months.

(To be followed by class discussion.)

Scenario 3

The property is offering one month free on all 2 and 3 bedrooms, delinquency is higher than budgeted, and the property's average rent per square foot is the second highest in the submarket.

(To be followed by class discussion.)

Scenario 4

Expenses are way over budget with the largest unfavorable line items being in appliance and carpet replacement, resident turnover percentage has increased by 10% in the last 3 months, and the new marketing campaign has increased the preleased percentage by 5% in the last 30 days.

(To be followed by class discussion.)

Scenario 5

Resident turnover is lower this quarter than it's ever been, vacancy loss has increased by 4% in the last 60 days, and economic occupancy has dropped 4% since last quarter.

(To be followed by class discussion.)

MODULE 3 ACTIVITY 2: TROUBLESHOOTING

The property owner has purchased the property noted in the River Commons Property Assessment and Due Diligence Summary (in the Resources section), and your company is now the managing agent. You are the CAPS responsible for this property.

The owner's goals were set at transition as follows:

- Achieve the recommended effective rents stated in the due diligence report within 90 days of transition.
- Maintain 94% physical occupancy and 91% economic occupancy.
- Bring the down unit back online within 14 days.
- Increase effective rent per square foot on the one bedrooms and 2/2 units by a minimum of 3% within 60 days.

We are now at the 90-day mark, and the only goal that has been achieved is bringing the down unit back online.

The current status of the property is as follows:

- Recommended effective rents are as follows:

				Take Over Effective Rents			Recommended Effective Rents			Actual Current Effective Rents		
BD/FB	Qty	Area	Total Area	Rent	\$PSF	Total Rent	Rent	\$PSF	Total Rent	Rent	\$PSF	Total Rent
1/1	84	700	58800	\$852	\$1.18	\$71,568	\$896	\$1.24	\$75,264	\$854	\$1.22	\$71,736
1/1	96	800	76800	\$917	\$1.15	\$88,032	\$960	\$1.20	\$92,160	\$925	\$1.16	\$88,800
1/1	36	894	32184	\$1,019	\$1.14	\$36,684	\$1,073	\$1.20	\$38,628	\$1,025	\$1.15	\$36,900
2/2	48	1089	52272	\$1,203	\$1.05	\$57,744	\$1,264	\$1.11	\$60,672	\$1,203	\$1.05	\$57,744
2/2	56	1198	67088	\$1,280	\$1.03	\$71,680	\$1,347	\$1.08	\$75,432	\$1,280	\$1.03	\$71,680
3/2	8	1413	11304	\$1,652	\$1.17	\$13,216	\$1,738	\$1.23	\$13,904	\$1,652	\$1.17	\$13,216
3/2	16	1428	22848	\$1,601	\$1.12	\$25,616	\$1,677	\$1.18	\$26,832	\$1,601	\$1.12	\$25,616
344		321296			\$1.13	\$364,540		\$1.19	\$382,892		\$1.14	\$365,692

- Current Physical Occupancy: 93.3%
- Current Economic Occupancy: 89.9%

The closing ratio average for the leasing team is currently 41.2%. The property is getting an average of 27 new prospects per week. Follow-up is being handled well, with all follow-up being completed within 36 hours of initial visit. The property is still using Yieldstar for revenue management, and daily pricing recommendations are being followed. The renewal percentage in the first 90 days of takeover is 51%.

The owner is upset that the rent and occupancy goals have not been met and has mandated that the goals be achieved within 90 days, meaning that 180 days after take-over, these goals must be met or the owner may cancel the management agreement.

Using the due diligence report and what you know about the property, what could be the issues preventing the property from meeting the owner's directives? What red flags does the current property position present? How are you going to get the property on track to prevent losing it?

Map out your short-term, mid-term, and long-term action items to get the property on track to meet the owner's goals.

Module 4 - Asset Evaluation and Preservation Activities

MODULE 4 ACTIVITY 1: DUE DILIGENCE REPORT

Review the River Commons Property Assessment and Due Diligence Summary (in the Resources section) and answer the following questions:

- Identify three trends you see that could/should impact the buyer's decision. Explain why.
- Identify three rehab or renovation projects that would add value to the property. Detail how these would convert to value (i.e., dollars spent vs. dollars gained).
- In order to immediately improve the onsite management operations at River Commons, what three functions or protocols for each office and service staff (a total of 6) would you recommend for immediate implementation after purchase?

Notes

SAMPLE

MODULE 4 ACTIVITY 2: PROPERTY TRANSITION

You have been assigned a new property in addition to the nine other properties in your assigned portfolio. The transition will take place on November 10, right in the middle of the budget process and just before the holiday season starts. The property is located Tampa, Florida, and you are based in Denver, Colorado.

This acquisition is extremely important to the organization as the owner plans to purchase more properties in the coming months, so the success of a smooth transition will impact his decision to hire your organization to manage future purchased properties.

Review the CAPS items from the Property Ownership Transition Checklist in Module 4 and map out a plan for ensuring these and other items get done. Specifically:

1. What five tasks must be completed 30 to 60 days before transition and who will do each.
2. Create a delegation tree, assigning all Priority 1 responsibilities. Consider your bench strength!
3. In the first 60 days after transition, list three specific actions you will take to ensure the other assets in your portfolio are appropriately supervised.

While thinking about these challenges, consider:

- The timing of the transition
- The distance between you and the property.
- Property and CAPS resources needed.
- Follow-up needed.
- Time management challenges.

Remember: you have a full portfolio, but you have to add this transition to your already full plate as a priority.

Notes

SAMPLE

Module 5 - Talent Management Activities

MODULE 5 ACTIVITY 1: INVOLUNTARY SEPARATION

Donna, a community manager at one of your assigned properties, is just not working out. There have been documented instances of disrespectful treatment of her direct reports, as well as a lack of courteous customer service when dealing with her residents. In short, she does not fit the company culture.

The situation has been discussed with HR and your supervisor, and the decision has been made to terminate Donna.

The property is in Nashville, but you're based out the main office in Cincinnati. It's mid-summer, the height of the leasing season, and the property is struggling to meet its occupancy and NOI goals.

How would you answer the following questions?

- How and when would you conduct this termination?
- List three steps you would take immediately in each of these two areas:
 - Providing leadership to the site and protecting property performance.
 - Improving relationships with residents and staff.

Be prepared to support your decision with details.

Notes

SAMPLE

MODULE 5 ACTIVITY 2: MANAGING DURING THE SALE

The status of your current portfolio is as follows:

	% of GPR			
	No of Units	Operating Expense Ratio	Turnover Ratio	Physical Occupancy
Property A	116	63%	37%	93.0%
Property B	288	42%	42%	92.7%
Property C	400	50%	41%	94.2%
Property D	312	53%	36%	89.6%
Property E	214	69%	39%	90.4%
Property F	505	46%	52%	90.1%
Property G	168	39%	56%	94.1%
Property H	365	49%	39%	92.9%
Property J	125	64%	28%	93.2%

Property C is up for sale. There is an accepted bid on the property and due diligence has been completed. The closing is set to take place in 45 days. There is a hiring freeze in place until the sale closes. The buyer has his own team, so none of the site team will be retained at this property after the sale. In order for the closing to take place, the Operating Expense Ratio must be maintained at the current %, and the occupancy cannot fall even a fraction of a % below 94%.

Property C has historically performed at the top of the submarket but is now a prime candidate for renovation. The submarket has seen little competition. It has a team of four office staff and five service staff.

Your firm is currently building a mid-rise in a different market, and you hope to be able to retain the Property C community manager and one service tech for that project, if they are willing to move to a different city. The other positions at the new lease-up have already been filled.

One leasing associate, the service manager, and one service tech have given notice and will be leaving in 2 weeks.

Answer the following questions:

- List five specific actions you will take to manage the property for the remaining 45 days while short-staffed.
- Address how you will meet or beat each of the three benchmarks for operating expense ratio, turnover and physical occupancy.

Notes

SAMPLE

Activities Resources

- Amber Oak Park Apartment Homes Monthly Operating Report (p. 24)
- ABC Vendor Service Agreement (p. 53)
- XYZ Painting Contract (p. 54)
- River Commons Property Assessment and Due Diligence Summary (p. 60)

SAMPLE

AMBER OAK PARK APARTMENT HOMES
MONTHLY OPERATING REPORT

Amber Oak Park Apartment Homes Monthly Operating Report

December-16



amberoakparkapts.com

Table of Contents

1. Monthly Operating Reports	26
a. Property Team	26
b. Operating Highlights	26
c. Summary of Current Market Conditions	26
d. Financial Overview	27
2. Marketing Efforts	28
3. Traffic Sources and Cost per Lease Sheet	30
4. Market Conditions and Pricing	31
5. Current Period and YTD Variance	32
6. Month End Operations Report	36
a. Maintenance Summary	36
b. Leasing Activity Summary	37
c. Resident Activity	41
d. Lease Expiration Bar Graph	45
e. Lease Expiration Renewal Detail	46
f. Subject Survey Status	48
g. Subject and Comps Quarterly Trends	49
h. Primary Advertising Source Evaluation	50

AMBER OAK PARK APARTMENT HOMES MONTHLY OPERATING REPORT

Property Name:	Amber Oak Park
City/State:	Peoria, IL
Number of Units:	240
Report Month/Year:	December-16

Property Team					Trending Secret Shop and Mthly Team Response			
Associate Name	Position	Company Start Date	Position Start Date					
Tony Sanchez	Regional Manager	3/17/2012	4/9/2014		n/a	n/a	n/a	n/a
Brandi Thompson	Community Manager	12/28/2013	12/28/2013		100%	100%	100%	100%
Elizabeth Bastille	Assistant Manager	2/8/2011	2/8/2011		100%	94%	89%	92%
Mark Baker	Leasing Associate	2/16/2015	2/16/2015		100%	100%	100%	100%
Alfonso Leaks	Service Manager	2/25/2010	2/16/2016		88%	84%	87%	84%
Open Position	Service Technician				n/a	n/a	n/a	n/a

The data above is for illustrative purposes only.

Operating Highlights			
Activity	Current Month	Last Month	Last 12 Months
Traffic (all)	29	47	959
Qualified Traffic	24	37	827
Leases	8	4	295
Closing Ratio	33.3%	10.8%	35.6%
Leases Expiring	20	13	214
Renewals Signed	12	5	
Renewal Rate	60.0%	38.5%	35.0%
Move Ins	8	5	236
Move Outs	15	9	145
Annual Turnover Ratio			60.4%
	30 days	60 days	90 days
Future Lease Expirations	16	18	21
Estimated Move Outs	10	11	13
# of Current Month-to-Month Leases		5	
% of Current Month-to-Month Leases		2.1%	

Summary of Current Market Conditions (Axiometrics Survey Attached)			
	Current Month	Annual Change	
Direct Market Occupancy	92.8%	Effective Rent Growth	Property 3.5% Comparables 8.4%
Property Occupancy	93%	Occupancy Rate	Property 39.0% Comparables 3.3%
Direct Market Pre-leased	92.9%		
Property Pre-leased	90%		

Financial Overview			
	<u>Current Period</u>	<u>Year To Date</u>	<u>Over/Under Prior Year Same Period</u>
Average Market Rent/Sq Ft	0.88	0.87	0.16
Average Net Rent/Sq Ft	0.67	0.56	0.24
Expense Variance	(915)	31,938	273,993
NOI Variance	(16,298)	(169,189)	525,834
Physical Occupancy	93.0%	80.7%	26.1%
Economic Occupancy	76.3%	64.8%	19.5%
Expense Ratio	44.5%	53.5%	45.1%
Annualized Operating Expenses Per Unit		4,054	1,142
Annualized NOI Per Unit		3,524	2,191
Total All Delinquent	\$ 1,838.54		

Status of Current Delinquents:

Currently 3101-D, Jonsie Browder is under eviction. He occupies a 1 bedroom unit w/ Sunroom. His anticipated date of vacancy is on or before February 28, 2017

AMBER OAK PARK APARTMENT HOMES

MONTHLY OPERATING REPORT

Marketing Efforts

People-Evaluation of current staffing needs and recent team accomplishments:

Brandi Thompson (CM) is now a CAPS candidate; she will be attending classes next month, and should complete the course by the end of the spring. Mark Baker (LA) completed the NALP course a few months ago and continues to receive superior scores on his shop reports. The Service Manager, Alfonso Leaks, has done a great job at keeping up with the property tasks and work orders during the time the tech position has been open. He is slightly behind on the required safety training but that will be resolved quickly as soon as a service technician is hired. He completed his annual CPO refresher last week and is working towards readying the pool for the summer season.

Outreach Marketing/Calls and Traffic Generation:

The property launched a spring promotion (more details in the promotion section of this report). In the last month, the property team made 5 corporate contacts and delivered koozies, pens, collateral material, and PEP information. They are also marketing aggressively to the Peoria Civic Center in an attempt to attract traffic from visitors attending events there. The property has revised the Resident Referral Program through a new apartment upgrade program. The PEP program has also been updated to reflect the addition of 2 new large employers in the market - details on the following page.

Preferred Employer Program:

The Preferred Employer program has been completely relaunched with new collateral to include discount coupons, a brochure containing all our area properties, and a resource guide for new renters. The list has been updated to include 2 new major employers in the area: Samsung Manufacturing and Quality Restoration.

Resident Retention and Community Involvement Activity:

This month, we wrapped up the winter-long food drive campaign, and were able to provide in excess of 1,000 lbs. of non-perishable food to Peoria Area Food Bank. Many residents were involved in this effort and the Food Bank featured the property in it's newsletter several times so we got some good PR from the campaign.

The property hosted a holiday pot-luck luncheon on December 10th. There were in excess of 100 attendees - more than were in attendance at the summer pool party! 20 of those attendees were guests of residents. Residents were asked to bring a friend to receive a prize (a property promo pack including logo tumblers, stadium blankets, ball caps, and a gift card to The Fresh Market.)

Our company awards banquet was held on December 2nd and Amber Oak Park won the Community Service award for their food drive campaign.

AMBER OAK PARK APARTMENT HOMES MONTHLY OPERATING REPORT

Traffic Sources and Cost Per Lease										
(All Advertising Sources)	Current Period				Last 12 Months				Annual Cost per Lease	
	Total Traffic	% of Traffic	Net Leases	% of Net	Total Traffic	% of Traffic	Net Leases	% of Net	Ad Cost to Date	Cost per Lease
Apartment Finder (web and print)	1	3%	0	0%	75	8%	11	5%	10,176	925
Apartment Guide (web and print)	4	14%	1	33%	118	12%	30	14%	9,558	319
Apartments.com	3	10%	1	33%	31	3%	8	4%	3,588	449
Apartmentsearch.com	0	0%	0	0%	6	1%	2	1%	0	0
Banner/Bootlegs	4	14%	-1	-33%	55	6%	4	2%	4,759	1,190
Chamber of Commerce	0	0%	0	0%	0	0%	0	0%	0	0
Collegerentals.com	0	0%	0	0%	0	0%	0	0%	0	0
Competitor	0	0%	0	0%	1	0%	0	0%	0	0
Craigslist.com	0	0%	0	0%	4	0%	1	0%	0	0
Direct Mailer	0	0%	0	0%	1	0%	0	0%	0	0
Facebook	0	0%	0	0%	0	0%	0	0%	0	0
ForRent.com	0	0%	0	0%	2	0%	1	0%	0	0
Google	0	0%	0	0%	4	0%	1	0%	0	0
Live in Area	2	7%	0	0%	284	30%	54	25%	0	0
Locator Service	0	0%	0	0%	10	1%	3	1%	0	0
Move.com	0	0%	0	0%	0	0%	0	0%	0	0
MyNewPlace.com	0	0%	0	0%	18	2%	0	0%	2,520	2,520
Outreach Marketing	0	0%	0	0%	3	0%	2	1%	0	0
Preferred Employer Program	0	0%	0	0%	14	1%	5	2%	0	0
Property Website	2	7%	-1	-33%	26	3%	8	4%	290	36
Realtor Referral	0	0%	0	0%	8	1%	3	1%	0	0
Referral	1	3%	1	33%	49	5%	23	11%	0	0
Referral Companies/Merchants	0	0%	0	0%	19	2%	5	2%	0	0
Referral - Corp Apt. Company	1	3%	1	33%	6	1%	3	1%	0	0
Rent.com	1	3%	0	0%	13	1%	4	2%	0	0
Rentnet.com	0	0%	0	0%	0	0%	0	0%	0	0
RentWiki	0	0%	0	0%	0	0%	0	0%	0	0
Resident Referral	0	0%	0	0%	124	13%	30	14%	386	13
School District	0	0%	0	0%	0	0%	0	0%	0	0
Shopping/Dining in Area	1	3%	0	0%	5	1%	0	0%	0	0
The Corporate Housing Network	0	0%	0	0%	2	0%	1	0%	0	0
Twitter	0	0%	0	0%	0	0%	0	0%	0	0
Visiting Family/Friends	6	21%	0	0%	33	3%	2	1%	0	0
Work in Area	3	10%	1	33%	48	5%	13	6%	0	0
Total	29	100%	3	100%	959	100%	214	100%	31,277	146

Market Conditions and Pricing

Product-Evaluation of product readiness and meeting company standards (including any current property concerns and overall property condition):

The community may have facilitated more turnover than desired by aggressively attempting to reduce concessions through the renewal increase process. As a tool to lease vacant units absent of any concessions, the community has implemented upgrades to specific units in order to facilitate leasing and provide options to the savvy prospect. These upgrades include ceiling fan installation in bedrooms and on patio, lighting upgrades in kitchen and bath, and outdoor carpeting on patios. The current availability unit mix is as follows:

UNIT TYPE	CURRENTLY VACANT	AVAILABLE FOR PRELEASE
1 BR (Patio)	1	0
1 BR (Sunroom)	2	6
2 BR (Garden)	3	4
2 BR (Garden)	0	1
2 BR (Patio)	1	0
2 BR (Sunroom)	1	2
3 BR (Patio)	1	0
3 BR (Sunroom)	6	3

Price-Evaluation of property rents, current market survey, market conditions and activity (list current rent specials, increases, and premiums):

Current market surveys indicate that the regional market has seen a significant reduction in concessions over the course of the last 6 months. Amber Oak Park as an example has seen an approximate 22.5% reduction in concessions since its highest concession output in August of 2016. The Yieldstar systems has made some price points at Amber Oak unattractive to the current prospect. It should be noted that despite being below budgeted rents, current effective rents are 5-7% higher than the previously occupied effective lease rent.

AMBER OAK PARK APARTMENT HOMES MONTHLY OPERATING REPORT

Current Period and Year to Date Variance										
	Current Month				Year-To-Date				YTD Prior Year	
	Actual \$	Budget \$	Variance \$	Var. %	Actual \$	Budget \$	Variance \$	Var. %	Actual	Over/Under
Gross Rent Potential	217,640	212,840	4,800	2%	2,578,080	2,554,080	24,000	1%	2,110,720	467,360
Adjusted GPR	214,790	212,840	1,950	1%	2,559,505	2,551,430	8,075	0%	2,104,974	454,531
Vacancy Loss	(15,056)	(14,899)	(157)	1%	(492,769)	(507,897)	15,128	-3%	(955,605)	462,836
Concessions	(31,722)	(8,000)	(23,722)	297%	(370,878)	(155,000)	(215,878)	139%	(170,339)	(200,539)
Model Apartment	(1,660)	(1,715)	55	-3%	(19,920)	(20,580)	660	-3%	(19,475)	(445)
Lost Uncollectible	187	(300)	487	-162%	(3,726)	(3,600)	(126)	4%	(4,217)	491
Collection Agency Inc	(390)	(250)	(140)	56%	(2,865)	(1,000)	(1,865)	187%	(852)	(2,013)
Rental Income	166,149	187,676	(21,527)	-11%	1,669,347	1,863,353	(194,006)	-10%	954,486	714,861
Other Income	12,593	8,279	4,314	52%	149,296	92,541	56,755	61%	64,330	84,966
Total Income	178,742	195,955	(17,213)	-9%	1,818,643	1,955,894	(137,251)	-7%	1,018,816	799,827
Repair & Maintenance	15,658	11,514	4,144	36%	199,304	170,675	28,629	17%	130,295	69,009
Payroll and Benefits	21,479	24,564	(3,085)	-13%	229,416	218,248	11,168	5%	194,634	34,782
Advertising	3,364	3,987	(623)	-16%	54,142	44,043	10,099	23%	45,227	8,915
Admin Expenses	4,573	2,370	2,203	93%	60,022	47,597	12,425	26%	46,295	13,727
Utilities	3,728	3,802	(74)	-2%	74,944	67,003	7,941	12%	74,219	725
Management Fee	7,523	8,176	(653)	-8%	76,902	82,452	(5,550)	-7%	44,364	32,538
Property Insurance	1,594	2,000	(406)	-20%	19,237	22,959	(3,722)	-16%	16,159	3,078
Property Taxes	21,579	24,000	(2,421)	-10%	258,948	288,000	(29,052)	-10%	147,729	111,219
Total Operating Exps	79,498	80,413	(915)	-1%	972,915	940,977	31,938	3%	698,922	273,993
Net Operating Income	99,244	115,542	(16,298)	-14%	845,728	1,014,917	(169,189)	-17%	319,894	525,834
Capital Expenditures	6,670	1,540	5,130	333%	27,647	26,485	1,162	4%	22,158	5,489
Occupancy	Actual	Budget	Var. %		Actual	Budget	Var. %		Actual	Over/Under
Physical Vacancy	-7.0%	-7.0%	0.0%		-19.3%	-19.9%	-0.7%		-45.4%	26.1%
Physical Occupancy	93.0%	93.0%	0.0%		80.7%	80.1%	-0.7%		54.6%	26.1%
Economic Occupancy	76.3%	88.2%	-11.8%		64.8%	73.0%	-8.2%		45.2%	19.5%
Rental Income	Actual \$	Budget \$	Variance \$	Var. %	Actual \$	Budget \$	Variance \$	Var. %	Actual	Over/Under
Market Rent/Unit	907	887	20	2%	895	887	8	1%	733	162
Rental Income/Unit	692	782	(90)	-11%	580	647	(67)	-10%	331	248
Operating Exps/Unit	331	335	(4)	-1%	4,054	3,921	133	3%	2,912	1,142
Expense Ratio	44.5%	41.0%		-3%	53.5%	48.1%		-5%	68.6%	-15.1%

Variance Report

Performance Summary:

Fiscal 2016 ends with an overall growth rate of 39.3% or 93% physical occupancy peaking at a 43.3% growth rate or 97.1% physical occupancy in September 2016, with an aggregate physical occupancy of 80.7% for 2016. Economic occupancy also saw exponential improvement throughout the fiscal year peaking at 79.9% in November 2016 with an end year growth rate of 30.5% aggregate 64.8%. Specifically in December 2016 we saw the continued correction in rental offsets that indicates a very strong beginning to 2017. In December 2016, with an additional \$8351 in vacancy loss, the community outputted similar rental income figures to that of its' peak physical occupancy month of September 2016. Additionally, overall operating expenses were under budget for only the 3rd month in the entire fiscal year other than July 2016, when the accounting month end change assisted in reducing expenses, and October 2016. For the year, NOI was 17% off budget a result of rental income falling 10% below budget while operating expenses exceeded budget by 3%.

Explanations for all YTD variances greater than \$500 or 5%

Rental Income:

Rental Income YTD is unfavorable to budget by 10%. This is solely a result of concessions which were 139% above budget for the year. Specifically in December 2016, concessions were \$23,722 over budget. The concessions on the books are monthly concessions that are discounts below market rate rent which were used to facilitate leasing over the course of the fiscal year. December concessions were expected to be flat or below the previous month however, two unexpected concessions were added to the books in December 2016.

Other Income:

Other income YTD has exceeded budget by 61% or \$56,755. Specifically, in December 2016 the community saw a \$256 differential above budget in AIC income, a \$709 differential above budget in Washer/Dryer income and a \$4,586 differential above budget in Traditional Other Income. This was a result of late fees exceeding budget by \$552, pet fees exceeding budget by \$532, admin fees exceeding budget by \$213, Month to Month fees exceeding budget by \$300 and most significantly, accordance fees exceeding budget by \$2545.

AMBER OAK PARK APARTMENT HOMES MONTHLY OPERATING REPORT

Repair and Maintenance:

Repair and maintenance YTD is 17% over budget. In December 2016 the community spent \$1885 in contract cleaning which was \$107 above budget, a result of increased vacancy from the previous month. Specifically the community had 17 move-outs during the fiscal month (11-21-2016 through 12-20-2016) which the average cleaning costs per unit at \$75.58. Common Area cleaning for the month is approximately \$600. Additionally, Contract Painting was \$630 above budget, with the average unit cost being \$93.52. Repair and maintenance costs for the month of December exceeded budget by 36%.

Payroll and Benefits:

Payroll and Benefits were unfavorable to budget by 5%. Throughout the fiscal year, bonuses beyond budget were given to the community staff as a result of achieving specific goals related to the physical lease-up of the community. For December 2016, payroll and benefits was below budget by 13%. This is primarily a result of the property being budgeted for a service assistant but actually employing a groundskeeper at a lower rate. Additionally, the community saw a worker's comp insurance refund in the month which resulted in a negative expense creating a \$968 differential favorable to budget for the month. Additionally, bonuses were not paid out in December 2016 but budgeted for, a total of \$1852.

Advertising:

Advertising YTD is unfavorable to budget by 23%. This primarily associated with costs beyond the advertising budget used to facilitate leasing during the 1st semester of 2016. Through June 2016, the community had exceeded the advertising budget by 28%. The 2nd semester of the fiscal year saw a 12% reduction in the differential in overage dropping the YTD variance to 23%. Specifically in December 2016, advertising expenses were 16% below budget at \$3,364. This figure signifies the lowest expenditure amount in this category for the fiscal year.

Administrative Expenses:

Administrative expense YTD has an unfavorable variance of \$12,425 or 26%. However, in January 2016, the overage for the fiscal month was \$3,157 or 25.4% of the fiscal year's entire overage. December 2016 saw a \$2,203 overage in admin expenses or 17.7% of the fiscal year overage. This means that two of the 12 fiscal months accounted for more than 40% of the fiscal variance. Specifically, in December 2016, computer maintenance exceeded budget by \$393, electronic payment processing by \$387, and education and training which exceeded budget by \$818.

Utilities:

Utilities YTD were unfavorable to budget by 12%. Again, this is primarily a result of the costs associated with vacancy through the 1st semester of the year (Jan 2016-June 2016). During the 2nd semester of the year (July 2016-Dec 2016) utility expenses were 100% below budget. In December specifically they were 2% below budget or \$74 even with an \$8,351 increase in vacancy from the previous fiscal month.

Capital Expenditures:

Capital Expenditures YTD are 4% above budget and this was primarily a result of December 2016 where expenses exceeded budget by 333% or \$5,130. This was a result of landscaping improvements throughout the community in which all decorative plant life not under warranty was replaced. Total cost of that replacement was \$4,837.

Strategic Plan:

As we move into 2017, the strategic plan for the new fiscal year centers around reducing rental offsets, specifically concessions, while maintaining a minimum occupancy of 90% which would translate out to approximately \$21,000 in vacancy per month. The community is committed to reducing monthly concessions. At the rate of current net rental growth and leasing the property is on track to meet it's 2017 budgeted goals.

AMBER OAK PARK APARTMENT HOMES MONTHLY OPERATING REPORT

FACILITIES

Page 1 of 1
130.080.110.115

MAINTENANCE SUMMARY REPORT

Date Range: From 12/1/2016 To 12/31/2016

Parameters: Include number of requests: yes; Include time worked: yes; Include percentage: yes; Include technician details: yes; Include resident request details: no; Include property request details: no; Include make ready details: no; Exclude external contractor requests: No

Maintenance summary	Resident requests	Property requests	Make ready	Total
Number of requests received this period	85	8	63	156
Number of requests open from prior periods	54.49%	5.13%	40.38%	
Total requests open this period	8	8	158	253
Daily productivity index	1.87	1.33	0.00	1.25
Requests completed within 8 hours	50	5	0	55
	9h 35m	0h 35m	0h 0m	10h 10m
	58.82%	62.50%	0.00%	
Requests completed within 24 hours	21	2	0	23
	8h 35m	0h 25m	0h 0m	6h 0m
	24.71%	25.00%	0.00%	
Requests completed within 48 hours	9	0	0	9
	3h 35m	0h 0m	0h 0m	3h 35m
	10.59%	0.00%	0.00%	
Requests completed within 72 hours	3	1	0	4
	0h 35m	0h 20m	0h 0m	0h 55m
	3.53%	12.50%	0.00%	
Requests completed in over 72 hours	2	0	23	45
	0h 30m	0h 0m	0h 0m	0h 30m
	2.35%	0.00%	100.00%	
Total requests completed this period	85	8	43	136
Total time worked	19h 50m	1h 20m	0h 0m	21h 10m
Requests open at the end of period	2	0	115	117

LEASING ACTIVITY SUMMARY

12/01/2016 through 12/31/2016

Parameters: Activities - ALL

Summary By Leasing Consultant

	New Prospects	Activities	# Off-Site Conversions	Visits	Return Visits	Not In Ratio	Net Visits	Units Shown	Quotes	Leases	Waitlist	Total Leases	Cancelled/ Denied	Net Leases	Close %	Move-Ins
Brandi Thompson	14	33	0	11	1	0	11	0	1	2	0	2	1	1	9.09%	1
Elizabeth Bastille	11	61	1	10	7	0	10	0	2	4	0	4	2	2	20.00%	5
Mark Baker	4	26	0	3	1	0	3	8	13	2	0	2	2	0	0.00%	2
Totals	29	120	1	24	9	0	24	8	16	8	0	8	5	3	12.50%	8

Summary By Floor Plan Group

	New Prospects	Activities	# Off-Site Conversions	Visits	Return Visits	Not In Ratio	Net Visits	Units Shown	Quotes	Leases	Waitlist	Total Leases	Cancelled/ Denied	Net Leases	Close %	Move-Ins
1x1	11	42	0	8	6	0	8	4	4	2	0	2	1	1	12.50%	2
2x2	15	57	0	12	3	0	12	3	11	5	0	5	3	2	16.67%	5
3x2	3	21	1	4	0	0	4	1	1	1	0	1	1	0	0.00%	1
Totals	29	120	1	24	9	0	24	8	16	8	0	8	5	3	12.50%	8

Summary By Floor Plan

	New Prospects	Activities	# Off-Site Conversions	Visits	Return Visits	Not In Ratio	Net Visits	Units Shown	Quotes	Leases	Waitlist	Total Leases	Cancelled/ Denied	Net Leases	Close %	Move-Ins
1BR P A	3	8	0	1	2	0	1	1	1	1	0	1	1	0	0.00%	1
1BR SR A	2	4	0	2	0	0	2	0	0	0	0	0	0	0	0.00%	0
1BR SR B	3	8	0	2	1	0	2	2	2	1	0	1	0	1	50.00%	1
2BR P A	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	1
2BR Rg A	3	11	0	2	0	0	2	0	1	2	0	3	3	0	0.00%	2
2BR Rg B	0	0	0	0	0	0	0	0	0	1	0	1	0	1	100.00%	1
2BR SR A	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0
2BR SR B	2	2	0	2	0	0	2	0	1	1	0	1	0	1	50.00%	1
3BR P A	0	1	0	0	0	0	0	1	1	1	0	1	1	0	0.00%	1
3BR SR A	1	3	0	1	0	0	1	0	0	0	0	0	0	0	0.00%	0
Not Selected	15	79	1	14	6	0	14	4	10	0	0	0	0	0	0.00%	0
Totals	29	120	1	24	9	0	24	8	16	8	0	8	5	3	12.50%	8

New Prospects	Activities	# Off-Site Conversions	Visits	Return Visits	Not In Ratio	Net Visits	Units Shown	Quotes	Leases	Waitlist	Total Leases	Cancelled/ Denied	Net Leases	Close %
5	15	0	4	1	0	4	0	1	1	0	1	1	0	0.00
1	15	0	0	1	0	0	2	3	1	0	1	0	1	100.00
11	69	0	8	4	0	8	2	3	2	0	2	3	-1	0.00
4	5	0	4	0	0	4	0	3	2	0	2	1	1	25.00
4	12	1	5	3	0	5	2	4	2	0	2	0	2	40.00
3	3	0	3	0	0	3	2	2	0	0	0	0	0	0.00
1	1	0	0	0	0	0	0	0	0	0	0	0	0	0.00
29	120	1	24	9	0	24	8	16	8	0	8	5	3	12.50

LEASING ACTIVITY SUMMARY
12/01/2016 through 12/31/2016

12/01/2016 through 12/31/2016

Summary By Day Of Week

LEASING ACTIVITY SUMMARY

12/31/2016

Parameters: Activities - ALL

Summary By Leasing Consultant															
Leasing Consultant	New Prospects	Activities	# Off-Site Conversions	Return Visits	Not In Ratio	Next Visits	Units Shown	Quoted	Leases	Waitlist	Total Leases	Cancelled/ Denied	Net Leases	Close %	Move-Ins
Brandi Thompson	398	1,063	10	331	47	9	322	56	75	82	0	82	25	57	17.70 %
Elizabeth Bastille	321	571	6	289	41	4	285	10	70	93	2	95	23	72	25.26 %
TEMP	3	5	0	0	0	0	0	0	0	0	0	0	0	0	0.00 %
HOUSE	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0.00 %
Mark Baker	237	486	4	207	39	4	203	105	272	117	1	118	32	86	42.36 %
Floater	0	0	0	0	0	0	0	0	0	0	0	0	1	-1	0.00 %
Tracy Birch	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00 %
Totals	959	2,126	20	827	127	17	810	174	417	292	3	295	81	214	26.42 %

Summary By Floor Plan Group															
	New Prospects	Activities	# Off-Site Conversions	Return Visits	Not In Ratio	Net Visits	Units Shown	Quotes	Leases	Waitlist	Total Leases	Cancelled/ Denied	Net Leases	Close %	Move-Ins
Floor Plan Group															
1x1	290	633	6	253	38	7	246	34	126	87	1	88	70	28.46 %	71
2x2	498	1,077	9	435	62	8	427	102	226	154	1	155	106	24.82 %	121
3x2	171	416	5	139	27	2	137	33	62	50	1	52	30	27.74 %	44
Not Selected	0	0	0	0	0	0	0	2	3	0	0	0	0	0.00 %	0
Totals	959	2,126	20	827	127	17	810	171	417	292	3	295	214	26.42 %	236

AMBER OAK PARK APARTMENT HOMES MONTHLY OPERATING REPORT

Page 2 of 2
lea-237-003

LEASING ACTIVITY SUMMARY 01/01/2016 through 12/31/2016

Parameters: Activities - ALL

Summary By Floor Plan													
Floor Plan	New Prospects	Activities	# Off-Site Conversions	Visits	Return Visits	Not In Ratio	Net Visits	Units Shown	Quotes	Leases	Waitlist	Total Leases	Cancelled/ Denied
1BR P A	50	111	0	41	10	2	39	4	15	20	1	21	4
1BR SR A	79	183	2	88	7	0	69	13	27	33	0	33	8
1BR SR B	30	74	0	24	3	0	24	11	16	34	0	34	6
2BR P A	34	72	1	28	3	0	29	2	5	16	0	16	4
2BR PDX A	2	4	1	2	0	0	2	2	3	3	0	3	1
2BR Rg A	129	308	1	111	16	1	110	26	50	67	0	67	25
2BR Rg B	23	56	0	21	5	0	21	6	13	19	0	19	3
2BR SR A	52	102	1	43	6	1	42	17	33	30	0	30	9
2BR SR B	30	73	1	26	3	1	25	8	17	19	0	19	6
3BR P A	64	162	4	52	8	1	51	15	25	24	1	25	8
3BR SR A	40	105	0	37	9	0	37	9	15	27	0	27	5
Not Selected	426	876	9	374	57	11	353	59	198	0	1	1	2
Totals	959	2,126	20	827	127	17	810	171	417	292	3	295	81

Summary By Day Of Week													
Day Of Week	New Prospects	Activities	# Off-Site Conversions	Visits	Return Visits	Not In Ratio	Net Visits	Units Shown	Quotes	Leases	Waitlist	Total Leases	Cancelled/ Denied
Monday	152	402	3	125	25	1	124	23	82	59	0	59	16
Tuesday	158	334	4	121	16	3	118	28	79	53	1	54	15
Wednesday	144	383	5	123	17	5	118	25	67	55	1	56	23
Thursday	126	309	0	107	12	2	105	21	57	35	0	35	12
Friday	140	353	3	119	20	2	117	31	63	54	0	54	13
Saturday	168	239	4	164	24	2	162	27	45	26	0	26	1
Sunday	71	106	1	68	13	2	66	16	24	10	1	11	1
Totals	959	2,126	20	827	127	17	810	171	417	292	3	295	81

RESIDENT ACTIVITY

12/01/2010 through 12/31/2010

Parameters: Sort by - Unit, Resident Status, Transfers, Move-ins, Move-outs, Leases Expiring, Renewals Signed

TRANSFERS

Name	Status	Bldg/Unit	New Lease or Renewal	Reason for move	Days Occupied	From Bldg/Unit	Transferred on Date	Original Move In Date	Deposits On Hand	Ledger Balance
-----	Current resident	3509-1C	NL	Transfer to a smaller apartment	49	3529-3G	12/09/2010	07/20/2010	0.00	0.00
-----	Current resident	3553-2E	NL	Transfer to a larger apartment	38	3553-2A	12/20/2010	05/29/2009	200.00	0.00
-----	Current resident	3557-1G	NL	Transfer to a larger apartment	48	3561-2F	12/10/2010	06/19/2010	934.00	379.00

MOVE-INS

Name	Status	Bldg/Unit	Lease Rent	Other Recurring Charges	Other Credits	Ad Source	Move-in Date	Lease End Date	Leasing Consultant
-----	Current resident	3509-2E	770.00	75.00	(101.00)	Live-in Area	12/10/2010	07/09/2011	
-----	Current resident	3513-1B	915.00	209.00	(51.00)	Work in Area	12/02/2010	12/01/2011	
-----	Current resident	3529-1H	760.00	155.00	0.00	Referral Corporate Apt. Company	12/31/2010	03/30/2011	
-----	Current resident	3557-1F	910.00	75.00	(41.00)	Resident Referral	12/31/2010	05/29/2012	
-----	Current resident	3567-1C	910.00	374.00	0.00	ApartmentGuide.com	12/21/2010	03/20/2011	

MOVE-OUTS

Name	Status	Bldg/Unit	Lease Fulfilled	Reason for Move	Days Occupied	Move Out Date	Lease End Date	Deposits On Hand	Ledger Balance
-----	Former resident	3505-1B	No	Rental Increase	489	12/05/2010	01/30/2011	0.00	0.00
-----	Former resident	3505-1C	Yes	Non-renewal of lease	364	12/22/2010	12/22/2010	0.00	0.00
-----	Former resident	3521-1F	No	Bought home	395	12/31/2010	05/31/2011	0.00	0.00
-----	Former resident	3525-3H	Yes	Corporate or short term lease	91	12/31/2010	12/31/2010	0.00	0.00
-----	Former resident	3553-1B	No	Too expensive or Downsizing	314	12/05/2010	01/25/2011	0.00	0.00
-----	Former resident	3553-2E	Yes	Corporate or short term lease	146	12/03/2010	10/15/2010	0.00	0.00
-----	Former resident	3557-1F	Yes	Moving home	431	12/05/2010	09/29/2010	0.00	0.00
-----	Former resident	3557-3D	Yes	Lost a job	401	12/31/2010	11/24/2010	0.00	0.00
-----	Former resident	3561-1D	Yes	Bought home	461	12/15/2010	11/05/2010	0.00	0.00
-----	Former resident	3561-3B	Yes	Bought home	213	12/30/2010	12/30/2010	0.00	0.00
-----	Former resident	3561-3F	No	Lifestyle change for another r	203	12/20/2010	12/30/2010	0.00	0.00
-----	Former resident	3567-1B	Yes	Bought townhome	408	12/05/2010	10/22/2010	0.00	0.00

AMBER OAK PARK APARTMENT HOMES MONTHLY OPERATING REPORT

Page 3 of 3
120.080.324

RESIDENT ACTIVITY 12/01/2016 through 12/31/2016

OneSite Rents v3.0
01/27/2011 5:27:25PM

Parameters: Sort by - Unit; Resident Status - Transfers, Move-Ins, Move-Outs, Leases Expiring, Renewals Signed

RENEWALS SIGNED

Name	Bldg/Unit	Original Move In Date	Lease Expiration Date	Lease Rent	Current Market Rent	Other Recurring Charges	Other Recurring Credits	Renewal Signed Date	Renewal Start Date	Renewal Lease Rent	Other Recurring Charges for Renewal	Other Recurring Credits for Renewal	Renewal Lease Term	Leasing Consultant
----	3505-1E	07/19/2010	10/18/2010	945.00	965.00	230.00	0.00	12/01/2010	12/01/2010	965.00	235.00	0.00	3	
----	3505-1G	01/31/2010	03/30/2011	1075.00	1095.00	50.00	(200.00)	12/24/2010	03/31/2011	902.00	55.00	0.00	12	
----	3509-1E	11/21/2008	03/20/2011	777.00	787.00	50.00	0.00	12/14/2010	03/21/2011	790.00	55.00	0.00	12	
Model, One Bedroom	3525-1A	04/14/2008	12/28/2010	770.00	790.00	50.00	(620.00)	12/22/2010	12/29/2010	790.00	55.00	(845.00)	12	
----	3525-1F	12/26/2008	02/25/2011	925.00	965.00	50.00	0.00	12/27/2010	02/26/2011	965.00	55.00	(40.00)	12	
----	3525-1G	04/21/2010	12/15/2010	895.00	915.00	105.00	(344.80)	12/16/2010	12/16/2010	915.00	80.00	(354.80)	6	
----	3525-2D	07/07/2010	02/06/2011	750.00	770.00	50.00	(61.00)	12/16/2010	02/07/2011	770.00	55.00	(31.00)	12	
----	3529-1B	07/26/2008	01/31/2011	1055.00	1075.00	50.00	(120.00)	12/28/2010	02/01/2011	1,075.00	55.00	(90.00)	12	
----	3529-3C	06/29/2010	12/28/2010	850.00	870.00	50.00	(101.00)	12/27/2010	12/29/2010	870.00	55.00	(81.00)	7	
----	3561-3D	12/07/2009	12/06/2010	945.00	965.00	50.00	0.00	12/06/2010	12/07/2010	965.00	55.00	0.00	4	
Model, Two Bedroom	3567-1F	01/01/2010	12/31/2010	890.00	910.00	50.00	(940.00)	12/28/2010	01/01/2011	910.00	55.00	(965.00)	12	
----	3571-3E	08/28/2010	02/27/2011	965.00	965.00	50.00	(96.00)	12/13/2010	02/26/2011	965.00	55.00	(96.00)	12	

Totals = Transfers: 3 Move-Ins: 5 Move-Outs: 12 Leases Expiring: 20 Renewals Signed: 12

RESIDENT ACTIVITY
01/01/2016 through 12/31/2016

Parameters: Sort by - Unit; Resident Status; Transfers; Move-ins; Move-outs; Leases Expiring; Renewals Signed

TRANSFERS

Name	Status	Bldg/Unit	New Lease or Renewal	Reason for move	Days Occupied	From Bldg/Unit	Transferred on Date	Original Move In Date	Deposits On Hand	Ledger Balance
-----	Former resident	3505-1D	NL	Transfer to a larger apartment	78	3529-1F	02/01/2010	07/30/2009	0.00	-1,245.74
-----	Current resident	3505-1F	NL	Transfer to a larger apartment	179	3505-1H	08/01/2010	06/25/2008	200.00	0.00
-----*	Current resident	3509-1C	NL	Transfer to a smaller apartment	49	3529-3G	12/09/2010	07/20/2010	0.00	0.00
-----	Current resident	3513-2H	NL	Transfer because wanting a change	256	3525-2H	04/06/2010	06/01/2009	200.00	0.00
-----	Current resident	3521-2G	NL	Transfer because wanting a change	360	3513-1C	02/01/2010	02/21/2009	200.00	0.00
-----	Current resident	3525-1G	R	wanting a change	281	3505-1D	04/21/2010	02/01/2010	0.00	-1,245.74
-----	Current resident	3525-3C	NL	Transfer for another reason	202	3525-3D	03/31/2010	05/04/2009	695.00	0.00
-----	Current resident	3525-3G	NL	Transfer to a larger apartment	273	3525-3B	04/29/2010	04/25/2009	200.00	-0.28
-----	Current resident	3529-3B	NL	Transfer for another reason	210	3509-2F	07/01/2010	03/29/2010	384.50	0.00
-----	Current resident	3553-2E	NL	apartment	38	3553-2A	12/20/2010	05/29/2009	200.00	0.00
-----	Current resident	3553-3H	NL	Transfer to a larger apartment	148	3553-3E	09/01/2010	08/11/2009	200.00	0.00
-----	Current resident	3557-1B	NL	Transfer to a smaller apartment	119	3551-3G	09/30/2010	03/24/2010	0.00	931.10
-----	Current resident	3557-1G	NL	Transfer for another reason	48	3551-2F	12/10/2010	09/19/2010	934.00	379.00
-----	Current resident	3561-1B	NL	Transfer to a larger apartment	133	3559-2B	09/16/2010	07/27/2010	0.00	-0.50
-----	Former resident	3561-2G	NL	Transfer to a larger apartment	319	3525-1D	01/19/2010	03/17/2009	0.00	0.00
-----	Current resident	3561-3C	NL	Transfer to a larger apartment	238	3505-2A	06/03/2010	02/12/2010	200.00	-3.21
-----	Current resident	3561-3E	NL	Transfer to a larger apartment	287	3509-1F	04/15/2010	09/01/2009	200.00	-1,010.76
-----*	Former resident	3567-2D	NL	Transfer because wanting a change	79	3505-2D	07/11/2010	06/19/2010	0.00	0.00
-----				Transfer for another reason						

AMBER OAK PARK APARTMENT HOMES MONTHLY OPERATING REPORT

Page 25 of 25
120.080.324

RESIDENT ACTIVITY 01/01/2016 through 12/31/2016

OneSite Rents v3.0
01/27/2011 5:31:07PM

Parameters: Sort by - Unit; Resident Status - Transfers, Move-Ins, Move-Outs, Leases Expiring, Renewals Signed

Continued from previous page

RENEWALS SIGNED

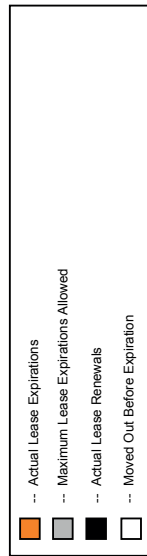
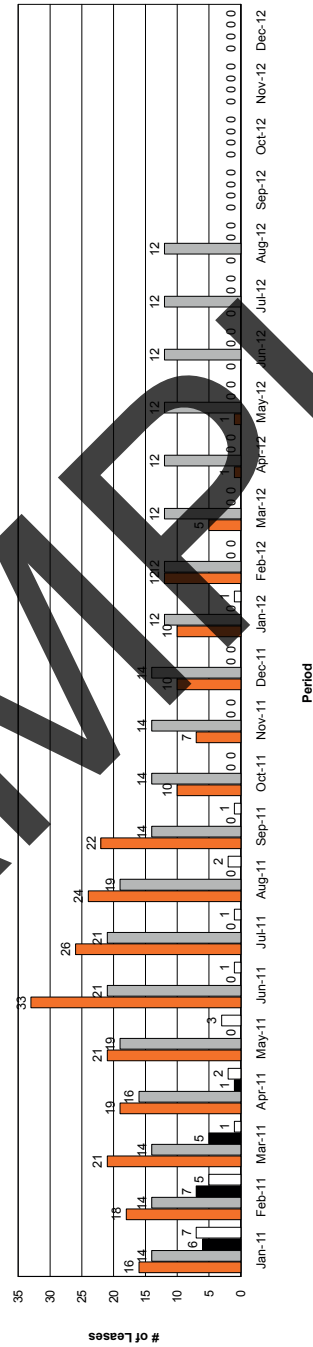
Name	Bldg/Unit	Original Move In Date	Lease Expiration Date	Lease Rent	Current Market Rent	Other Recurring Charges	Other Recurring Credits	Renewal Signed Date	Renewal Start Date	Renewal Lease Rent	Other Recurring Charges for Renewal	Other Recurring Credits for Renewal	Renewal Lease Term	Leasing Consultant
----	3567-1A	02/22/2010	08/31/2010	790.00	810.00	50.00	(241.00)	09/10/2010	09/01/2010	810.00	50.00	(261.00)	10	
----	3567-1E	09/25/2009	10/24/2010	965.00	985.00	210.00	0.00	07/20/2010	10/25/2010	985.00	230.00	(120.00)	12	
Model, Two Bedroom	3567-1F	01/01/2010	12/31/2010	890.00	910.00	50.00	(940.00)	12/29/2010	01/01/2011	910.00	55.00	(965.00)	12	
----	3567-3D	07/17/2010	10/16/2010	965.00	965.00	238.68	(965.00)	10/16/2010	10/17/2010	965.00	55.00	(965.00)	3	
----	3567-3H	07/18/2010	10/17/2010	790.00	790.00	50.00	0.00	11/09/2010	11/01/2010	790.00	55.00	0.00	3	
----	3571-1B	10/16/2009	10/15/2010	1095.00	1115.00	50.00	(196.00)	09/25/2010	10/16/2010	1,115.00	100.00	(116.00)	12	
----	3571-1D	09/27/2009	09/26/2010	965.00	985.00	90.00	(200.00)	09/28/2010	09/27/2010	985.00	50.00	0.00	12	
----	3571-2A	08/01/2009	07/31/2010	770.00	790.00	50.00	0.00	07/13/2010	08/01/2010	770.00	65.00	(115.00)	12	
----	3571-2G	08/28/2009	08/27/2010	1075.00	1095.00	50.00	(226.00)	08/21/2010	08/29/2010	1,095.00	50.00	(170.00)	6	
----	3571-3D	07/26/2009	07/25/2010	945.00	965.00	245.00	0.00	05/21/2010	07/26/2010	945.00	245.00	0.00	13	
----	3571-3E	08/28/2010	02/27/2011	965.00	965.00	50.00	(96.00)	12/13/2010	02/28/2011	965.00	55.00	(96.00)	12	

Totals = Transfers: 18 Move-Ins: 218 Move-Outs: 127 Leases Expiring: 214 Renewals Signed: 75

LEASE EXPIRATION BAR GRAPH

Parameters: Period: From January 2016 Report Format: Bar Graph

Lease Expirations



AMBER OAK PARK APARTMENT HOMES MONTHLY OPERATING REPORT

Page 1 of 2

Rents - Reports - Lease expiration renewal detail

ren-927-001

OneSite® Leasing & Rents

Lease expiration renewal detail

Report created on calendar date: 1/27/2016 (property date: 01/27/2016)

For 01/01/1980 To 12/31/2016

Statuses: Current resident

All Properties

Unit Number

Bldg/Unit/Floor/Plan	Name	Actual rent	Other Billings	Last Increase	Last Increase	Market Rent	Move in Date	Lease end date	Decision date	New Lease Start date	New Lease Term	New Rent	New Other Billings	New Leasing Consultant
3525-2G 2BR Rg B	*****	875.00	-275.8	N/A	0.00	895.00	08/15/2009	06/30/2015	MTM				0	
3529-2C 2BR Rg A	* *****	870.00	344	N/A	0.00	870.00	09/01/2010	09/30/2016	MTM				0	
3553-2F 2BR Rg A	*****	890.00	165	N/A	0.00	890.00	05/14/2010	12/13/2016	MTM				0	
3557-2G 3BR P A	*****	1075.00	-1075	N/A	0.00	1075.00	08/14/2009	08/14/2014	MTM				0	
3571-1G 3BR SRA	*****	1115.00	450	11/01/2010	20.00	1115.00	03/01/2010	10/31/2016	MTM				0	

[illegible]

AMBER OAK PARK APARTMENT HOMES MONTHLY OPERATING REPORT

Subject Survey Status

Survey Status

Survey Dates, Occupancy Status

Survey Dates: The date the property was successfully surveyed for rental rates, concessions, and occupancy rate. If the property did not respond to the survey, no survey date is shown. The results are defaulted to the last survey completed. **Property Status:** S: Stabilized; W: Would not disclose occupancy rate, defaults to submarket average; U: Under construction; L: Lease up; U/L: Under construction/Lease up; R: Rehabilitation; SEH: Senior housing; STH: Student housing; T: Tax credit; NS: Not Survey Yet

Property	2009						2010							
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Amber Oak Park	54.0%	56.0%	55.0%	61.3%	67.5%	73.0%	80.0%	90.0%	95.8%	94.6%	93.0%	97.5%	93.0%	
Hooper Mill	83.0%	81.0%	84.0%	85.0%	84.0%	86.0%	90.0%	92.0%	92.0%	88.0%	90.0%	88.0%	90.0%	
Big Lake Pier	96.0%	98.0%	99.0%	99.8%	98.0%	100.0%	97.0%	97.0%	96.8%	99.6%	98.0%	97.5%	97.0%	
Hollow Arbor	92.2%	91.0%	95.0%	97.7%	95.0%	95.0%	98.0%	95.0%	92.0%	95.0%	95.0%	95.0%	93.0%	
Middlecreek	93.9%	96.4%	96.7%	97.0%	95.0%	95.1%	95.0%	93.5%	95.0%	95.0%	94.0%	97.0%	96.5%	
Ivy Pond	90.0%	89.0%	89.0%	92.0%	97.0%	96.4%	93.0%	91.0%	91.0%	90.0%	91.8%	91.0%	88.0%	
Tierra Verde	90.0%	89.0%	89.6%	92.0%	97.0%	96.4%	93.0%	91.0%	91.0%	90.0%	91.0%	91.0%	88.0%	
Silver Park	82.0%	82.0%	83.3%	88.0%	94.0%	96.0%	97.0%	94.0%	96.0%	95.0%	97.7%	97.7%	97.0%	
Prelease														
Amber Oak Park	52.0%	57.0%	56.0%	60.0%	77.5%	83.0%	85.0%	85.0%	91.0%	93.3%	95.0%	92.9%	96.0%	
Hooper Mill	86.0%	87.5%	86.0%	87.0%	85.0%	90.0%	94.0%	92.0%	91.0%	91.0%	92.0%	92.0%	99.0%	
Big Lake Pier	94.0%	95.0%	95.0%	98.0%	97.0%	98.0%	95.0%	94.0%	95.0%	97.5%	97.0%	96.0%	W	
Hollow Arbor	89.0%	90.0%	94.0%	W	95.0%	90.0%	93.0%	91.0%	95.0%	93.0%	92.0%	91.0%	96.0%	
Middlecreek	94.8%	95.0%	92.5%	90.0%	91.3%	91.6%	90.0%	89.1%	92.0%	91.0%	92.0%	94.0%	98.0%	
Ivy Pond	92.0%	91.0%	92.5%	W	96.4%	W	W	94.0%	96.0%	92.0%	93.0%	89.9%	89.0%	
Tierra Verde	92.0%	91.0%	92.4%	W	96.4%	W	W	94.0%	96.0%	92.0%	93.5%	89.0%	89.0%	
Silver Park	82.0%	82.0%	89.8%	90.7%	96.0%	98.0%	95.0%	93.5%	96.8%	96.0%	95.0%	95.8%	96.0%	
Survey Date														
Amber Oak Park	8-Dec	12-Jan	10-Feb	10-Mar	12-Apr	7-May	2-Jun	8-Jul	9-Aug	9-Sep	5-Oct	32-Nov	16-Dec	
Hooper Mill	7-Dec	7-Jan	15-Feb	8-Mar	7-Apr	10-May	3-Jun	8-Jul	4-Aug	13-Sep	4-Oct	22-Nov	15-Dec	
Big Lake Pier	7-Dec	7-Jan	9-Feb	8-Mar	7-Apr	10-May	3-Jun	6-Jul	4-Aug	8-Sep	4-Oct	24-Nov	17-Dec	
Hollow Arbor	7-Dec	7-Jan	8-Feb	8-Mar	8-Apr	8-May	3-Jun	6-Jul	4-Aug	8-Sep	4-Oct	22-Nov	15-Dec	
Middlecreek	7-Dec	7-Jan	8-Feb	8-Mar	8-Apr	10-May	7-Jun	6-Jul	4-Aug	8-Sep	4-Oct	22-Nov	16-Dec	
Ivy Pond	7-Dec	7-Jan	8-Feb	8-Mar	7-Apr	10-May	6-Jun	6-Jul	4-Aug	7-Sep	4-Oct	22-Nov	16-Dec	
Tierra Verde	7-Dec	7-Jan	8-Feb	8-Mar	7-Apr	10-May	4-Jun	6-Jul	4-Aug	7-Sep	4-Oct	22-Nov	16-Dec	
Silver Park	9-Dec	12-Jan	10-Feb	11-Mar	9-Apr	5-May	4-Jun	7-Jul	9-Aug	9-Sep	6-Oct	24-Nov	16-Dec	
Occupancy Status														
Amber Oak Park	U/L	U/L	U/L	U/L	U/L	U/L	U/L	S	S	S	S	S	S	
Hooper Mill	S	S	S	S	S	S	S	S	S	S	S	S	S	
Big Lake Pier	S	S	S	S	S	S	S	S	S	S	S	S	S	
Hollow Arbor	S	S	S	S	S	S	S	S	S	S	S	S	S	
Middlecreek	S	S	S	S	S	S	S	S	S	S	S	S	S	
Ivy Pond	S	S	S	S	S	S	S	S	S	S	S	S	S	
Tierra Verde	S	S	S	S	S	S	S	S	S	S	S	S	S	
Silver Park	S	S	S	S	S	S	S	S	S	S	S	S	S	

(C) 2010 AXOMETRICS INC.
All rights reserved.

1/27/2011
1 of 1

Occupancy Trend
CPSNew_Amber Oak
Park(20531)_201012300955.xls

Subject and Comps Quarterly Trend

*4Q10 data is as of Dec 2010

Greensboro-High Point, NC (24660)
High Point/Thomasville
Survey Date: 12/16/2010

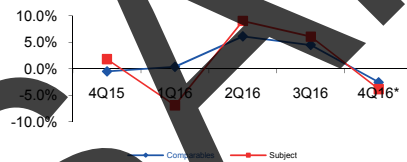
Effective Rent Growth

Subject/Comps	Sequential Quarterly Change					Annual Change (4Q15 - 4Q16)
	4Q15	1Q16	2Q16	3Q16	4Q16*	
Hooper Mill	3.3%	-5.4%	7.8%	10.4%	-6.1%	-5.8%
Big Lake Pier	1.8%	5.2%	-0.4%	7.7%	-9.5%	2.1%
Hollow Arbor	-8.4%	1.2%	7.6%	3.5%	-12.6%	-1.5%
Middlecreek	-10.9%	8.4%	8.6%	3.9%	4.5%	27.8%
Ivy Pond	1.5%	0.1%	4.6%	-1.2%	-3.0%	0.3%
Tierra Verde	6.3%	-1.9%	6.0%	0.5%	-2.4%	1.9%
Silver Park	2.4%	-2.1%	7.6%	4.2%	10.4%	21.1%
Comparables	-0.5%	0.4%	6.1%	4.5%	-2.6%	8.4%
(Subject)	1.8%	-6.9%	9.0%	6.1%	-3.8%	3.5%

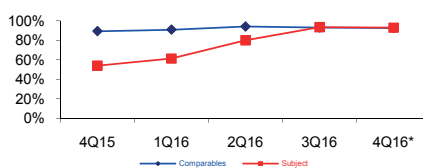
Occupancy Rate

Subject/Comps	Sequential Quarterly Change					Annual Change (4Q15 - 4Q16)
	4Q15	1Q16	2Q16	3Q16	4Q16*	
Hooper Mill	83.9%	83.3%	86.7%	90.7%	90.0%	6.1%
Big Lake Pier	97.1%	98.9%	98.3%	97.8%	97.0%	-0.1%
Hollow Arbor	87.7%	94.6%	96.0%	94.0%	93.0%	5.3%
Middlecreek	92.3%	96.7%	95.0%	94.5%	96.5%	4.2%
Ivy Pond	91.2%	90.0%	95.5%	90.7%	88.0%	-3.2%
Tierra Verde	91.2%	90.2%	95.5%	90.7%	88.0%	-3.2%
Silver Park	82.7%	84.4%	95.7%	95.0%	97.0%	14.3%
Comparables	89.3%	90.9%	94.2%	93.2%	92.5%	3.3%
(Subject)	54.0%	61.3%	80.0%	93.5%	93.0%	39.0%

Effective Rental Rate Growth



Occupancy Rate



AMBER OAK PARK APARTMENT HOMES MONTHLY OPERATING REPORT

Page 1 of 2

PRIMARY ADVERTISING SOURCE EVALUATION

12/01/2016 through 12/31/2016

Advertising Source	First Time Contacts				Visits	Return Visits	Off-Site Conversions	Leasing Activity Detail				% of Net	*** Prospects Converted to Leases	*** Visits Converted to Leases
	New Prospects	This Period % of Prospects	Phone Calls	This Period % of Phone Calls				Leases	Waitlist	Cancelled / Denied	Net Leases			
Apartment Finder	1	3.45 %	0	0.00 %	1	0	0	1	0	1	0	0.00 %	0.00 %	0.00 %
Apartment Guide	2	6.90 %	1	25.00 %	1	1	0	1	0	1	0	0.00 %	0.00 %	0.00 %
Apartmentfinder.com	0	0.00 %	0	0.00 %	0	0	0	0	0	0	0	0.00 %	0.00 %	0.00 %
ApartmentGuide.com	2	6.90 %	0	0.00 %	1	1	0	1	0	0	1	33.33 %	50.00 %	100.00 %
Apartment's.com	3	10.34 %	1	25.00 %	1	0	0	1	0	0	1	33.33 %	33.33 %	100.00 %
Banner/Booths	4	13.79 %	0	0.00 %	4	1	0	0	0	1	-1	-33.33 %	-25.00 %	-25.00 %
Drive by	0	0.00 %	0	0.00 %	0	0	0	0	0	0	0	0.00 %	0.00 %	0.00 %
Live in Area	2	6.90 %	0	0.00 %	2	1	0	1	0	1	0	0.00 %	0.00 %	0.00 %
Property web site	2	6.90 %	0	0.00 %	2	0	0	0	0	0	-1	-33.33 %	-50.00 %	-50.00 %
Realtor Referral	0	0.00 %	0	0.00 %	0	0	0	0	0	0	0	0.00 %	0.00 %	0.00 %
Referral	1	3.45 %	1	25.00 %	0	0	0	1	0	0	1	33.33 %	100.00 %	100.00 %
Referral-Corporate Apt. Company	1	3.45 %	1	25.00 %	0	0	0	1	0	0	1	33.33 %	100.00 %	100.00 %
Referral companies/merchants	0	0.00 %	0	0.00 %	0	0	0	0	0	0	0	0.00 %	0.00 %	0.00 %
Rent.com	1	3.45 %	0	0.00 %	1	0	0	0	0	0	0	0.00 %	0.00 %	0.00 %
Resident Referral	0	0.00 %	0	0.00 %	0	0	0	0	0	0	0	0.00 %	0.00 %	0.00 %
Shopping/Dining in Area	1	3.45 %	0	0.00 %	1	1	0	0	0	0	0	0.00 %	0.00 %	0.00 %
Sign	0	0.00 %	0	0.00 %	0	0	0	0	0	0	0	0.00 %	0.00 %	0.00 %
Visiting Family/Friends	6	20.69 %	0	0.00 %	6	3	1	0	0	0	0	0.00 %	0.00 %	0.00 %
Word of Mouth	0	0.00 %	0	0.00 %	0	0	0	0	0	0	0	0.00 %	0.00 %	0.00 %
Work in Area	3	10.34 %	0	0.00 %	3	1	0	1	0	0	1	33.33 %	33.33 %	33.33 %
Totals:	29	100.00 %	4	100.00 %	23	9	1	8	0	5	3	100.00 %	10.34 %	12.50 %

This report reflects the primary advertising source for first time contacts only.
 ** Off-Site Conversions = Number of off-site contacts which have on-site activity, where the conversion took place within the date range specified.
 *** Converted to Leases = Net Leases divided by Total New Prospects or Total Visits.

PRIMARY ADVERTISING SOURCE EVALUATION

01/01/2016 through 12/31/2016

Advertising Source	1st Time Contacts				Return Visits	Off-Site Conversions	Leasing Activity Detail			*** Prospects Converted to Leases	*** Visits Converted to Leases
	New Prospects	This Period % of Phone Calls	This Period % of Visits	This Period % of Visits			Leases	Waitlist	Cancelled / Denied		
Apartment Finder	55	5.74 %	6.11 %	49	2	0	9	0	3	6	12.24 %
Apartment Finder/Blue Book	0	0.00 %	0.00 %	0	0	0	1	0	0	1	100.00 %
Apartment Guide	61	6.36 %	6.23 %	50	15	2	15	0	5	10	18.87 %
Apartment Search	1	0.10 %	0.00 %	1	0	0	0	0	0	0	0.00 %
Apartmentfinder.com	20	2.09 %	2.86 %	15	1	1	7	0	3	4	20.00 %
ApartmentGuide.com	57	5.94 %	1.87 %	34	4	3	24	1	5	20	35.09 %
ApartmentRatings.com	2	0.21 %	0.12 %	1	0	1	1	0	0	1	50.00 %
Apartment.com	31	3.23 %	2.74 %	22	2	1	10	0	2	8	25.81 %
apartmentsearch.com	3	0.31 %	0.95 %	1	0	0	2	0	0	2	66.67 %
Banner/Bookings	45	4.69 %	5.24 %	42	1	1	1	1	1	1	2.22 %
BrochureFlyer	0	0.00 %	0.00 %	0	0	0	0	0	0	0	0.00 %
CarolinaApartmentSource	4	0.42 %	0.50 %	4	1	0	2	0	0	2	50.00 %
Competitor	1	0.10 %	0.12 %	1	0	0	0	0	0	0	0.00 %
Corporate Outreach	2	0.21 %	0.12 %	1	2	0	2	0	0	2	100.00 %
Craigslist	4	0.42 %	0.37 %	3	3	0	1	0	0	1	25.00 %
Direct Mailer	1	0.10 %	0.12 %	1	1	0	1	0	0	1	100.00 %
Drive by	201	20.96 %	24.06 %	193	28	2	63	0	20	43	21.39 %
Employee Referral	4	0.42 %	0.37 %	3	1	0	3	0	0	3	75.00 %
ForRent.com	2	0.21 %	0.25 %	2	1	0	2	0	1	1	50.00 %
Google	4	0.42 %	0.50 %	4	0	0	1	0	0	1	25.00 %
Live in Area	83	8.65 %	9.85 %	79	8	0	18	1	6	11	13.25 %
Locator Service	6	0.63 %	0.50 %	4	0	0	1	0	0	1	16.67 %
MyNewPlace.com	18	1.88 %	0.25 %	2	0	0	1	0	1	0	0.00 %
Oakwood Corporate	1	0.10 %	0.00 %	0	0	0	1	0	0	1	100.00 %
Other	13	1.36 %	1.12 %	9	1	0	7	0	2	5	38.46 %
Sister Property	26	2.71 %	2.99 %	24	4	0	12	0	2	10	38.46 %
Other property	3	0.31 %	0.37 %	3	3	0	2	0	0	2	100.00 %
Other Property Management Company	1	0.10 %	0.12 %	1	0	0	1	0	0	1	100.00 %
Other site	1	0.10 %	0.12 %	1	0	0	1	0	0	1	100.00 %

This report reflects the primary advertising source for first time contacts only.

** Off-Site Conversions = Number of off-site contacts which have on-site activity, where the conversion took place within the date range specified.

*** Converted to Leases = Net Leases divided by Total New Prospects or Total Visits.

AMBER OAK PARK APARTMENT HOMES MONTHLY OPERATING REPORT

Page 2 of 4
lea-231-001

Amber Oak Park PRIMARY ADVERTISING SOURCE EVALUATION 01/01/2016 through 12/31/2016

Advertising Source	First Time Contacts				Visits	Return Visits	Off-Site Conversions	Leasing Activity Detail				Prospects Converted to Leases	Visits Converted to Leases
	New Prospects	This Period % of Prospects	Phone Calls	This Period % of Phone Calls				Leases	Waitlist	Cancelled / Denied	Net Leases		
Outreach Marketing	1	0.10 %	0	0.00 %	1	0	0	0	0	0	0	0.00 %	0.00 %
Preferred employer program	14	1.46 %	2	1.90 %	10	2	1	6	0	1	5	35.71 %	41.67 %
Prior resident	3	0.31 %	1	0.95 %	2	0	0	2	0	1	1	33.33 %	50.00 %
Property web site	26	2.71 %	7	6.67 %	9	2	5	11	0	4	7	26.92 %	50.00 %
Realtor Referral	8	0.83 %	0	0.00 %	8	4	0	3	0	0	3	37.50 %	37.50 %
Referral	19	1.98 %	3	2.86 %	16	1	0	10	0	2	8	42.11 %	53.33 %
Referral -Corporate Apt. Company	5	0.52 %	2	1.90 %	3	0	0	5	0	0	5	100.00 %	166.67 %
Referral companies/merchants	14	1.46 %	3	2.86 %	11	1	0	3	0	1	2	14.29 %	18.18 %
Rent.com	13	1.36 %	2	1.90 %	11	1	0	7	0	3	4	30.77 %	36.36 %
Resident Referral	69	7.19 %	6	5.71 %	61	8	1	23	0	5	20	28.99 %	32.26 %
Shopping/Dining in Area	5	0.52 %	0	0.00 %	5	3	0	0	0	0	0	0.00 %	0.00 %
Sign	10	1.04 %	0	0.00 %	10	2	0	4	0	1	3	30.00 %	30.00 %
TCHN (The Corporate Housing Network)	2	0.21 %	0	0.00 %	2	0	0	1	0	0	1	50.00 %	50.00 %
University Directories	1	0.10 %	0	0.00 %	1	1	0	1	0	1	0	0.00 %	0.00 %
Unknown/Would not give	1	0.10 %	1	0.95 %	0	0	0	0	0	0	0	0.00 %	0.00 %
Visiting Family/Friends	31	3.23 %	2	1.90 %	28	6	1	5	0	3	2	6.45 %	6.90 %
Word of Mouth	52	5.42 %	6	5.71 %	46	11	0	13	0	4	9	17.31 %	19.57 %
Work in Area	35	3.65 %	3	2.86 %	32	7	0	10	0	2	8	22.86 %	25.00 %
Totals:	859	100.00 %	105	100.00 %	802	127	20	292	3	81	214	22.31 %	25.88 %

This report reflects the primary advertising source for first time contacts only.
 ** Off-Site Conversions = Number of off-site contacts which have on-site activity, where the conversion took place within the date range specified.
 *** Converted to Leases = Net Leases divided by Total New Prospects or Total Visits.

ABC Vendor Service Agreement

VENDOR SERVICE AGREEMENT

_____, (Vendor/Business Name) agrees to provide goods and/or services for **ABC Properties**, as Agent for the clients under management contract.

As a Vendor for **ABC Properties**; I _____
_____ as Agent for _____
(Vendor/Business Name), agree to the following terms:

If you are providing any type of good and/or service to an **ABC Properties** apartment community you must have a completed W-9 and any applicable professional licenses on file with ComplianceDepot. Additionally, if you are providing any type of good and/or service that requires your company to send a representative to the apartment community you must also have a current certificate of insurance on file with ComplianceDepot for general liability, auto liability, and workers compensation. Excess, on-hook/cargo, or garage keepers liability may also be required if deemed appropriate by the scope of service provided. Coverage shall be primary and non-contributory. Additional insured status should be indicated as follows: "ABC Properties and the ownership entities of their owned or managed properties are included as additional insured on the general liability policy as their interests may appear in regard to work performed by the named insured." A waiver of subrogation is to be issued in favor of the additional insureds on all policies as permitted by law. The certificate of insurance must remain current and any lapse in coverage will result in the termination of future purchases of goods and services.

Vendor agrees to exercise due diligence in not placing any employees, laborers, or subcontractors to perform work within property boundaries and inside dwelling units who may have a history of criminal convictions or deferred-adjudication or pose a potential threat or risk of injury to residents and others. Unacceptable criminal history might include, but is not limited to, such crimes as rape, molestation, sexual assault, indecent exposure, indecency with a child, murder or kidnapping. Vendor also agrees to comply with Immigration and Customs Enforcement (ICE) regulations.

There shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, sex, individual gender, marital status, ancestry, national origin, disability or familial status in the services provided, nor shall the transferee himself or herself or any other person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sub-tenants or vendees of the premises.

Employees, agents or sub-contractors of the vendor agree to conduct themselves in a professional and ethical manner in all dealings with **ABC Properties**, its agents and employees.

Please sign below acknowledging receipt and agreement to the above terms and fax a copy of this agreement to ComplianceDepot at 214-291-8910. Changes or modifications to this agreement shall not be binding on **ABC Properties**.

Violation of any terms of this agreement will result in the termination of approval to perform work for **ABC Properties**, its agents or employees.

Signature of Agent

Print Name/Title

Address

City, State Zip

Fax to ComplianceDepot at 214-291-8910

XYZ PAINTING CONTRACT

XYZ Painting

“When you need it done right!”

4444 Fifth Street, Suite 643

Lancaster, CA 93534

Phone (661) xxx-xxxx

Cell (661) xxx-xxxx

Ca. Contr. Lic. #000000

Commercial Painting Contract

Owner's Name: John Q. Customer

Owner's Address: 949 Grant Street

Owner's City: Benicia

Owner's Zip Code: 94510

Owner's Home Phone: 707-747-4735

Owner's Work Phone: 800-820-5656

Project Address: 747 Boeing St, Suite 757

Project City: Concord

Project Zip Code: Concord

Project Phone: 510-915-1111

Date: 8-10-13

I/WE the Owner(s) of the premises described above authorize XYZ Painting, hereinafter referred to as “Contractor,” to furnish all materials and labor necessary to paint and/or improve the above premises in a good, workmanlike and substantial manner according to the following terms, specifications and provisions:

- Description of the work and the materials to be used: Paint the above commercial building as per the plans and specification sheet titled “Exterior Painting Specifications” dated 06-03-13 which becomes part of this contract.
- Description of any areas that will NOT be worked on: Metal roof over front logia.
- Payment: Contractor proposes to perform the above work (subject to any additions and/or deductions pursuant to authorized change orders) for the Total Sum of \$75,000.00 _____ Down Payment (if any) \$10,000.00 Payment Due When _____ Amount _____ Payments to be made in installments as follows:

1. After materials_____ \$15000.00_____ By check upon receipt of invoice for the draws as described under "Payment Due When" to the left.
2. After preparation_____ \$15000.00
3. After prime_____ \$15000.00
4. At completion of job_____ \$25000.00

- Commencement and Completion of Work: Commencement of work shall mean the physical delivery of materials onto the premises and/or the performance of any labor and commencement shall be subject to permissible delays as described in provision (5) on the reverse side.

Approximate Start Date: 7-21-16

Approximate Completion Date: 8-21-16

- Acceptance: This contract is approved and accepted. I (we) understand there are no oral agreements or understandings between the parties of this agreement. The written terms, provisions, plans (if any) and specifications in this contract are the entire agreement between the parties. Changes in this agreement shall be done by written change order only and with the express approval of both parties. Changes may incur additional charges.

Additional provisions of this contract are on the reverse side and may be continued on subsequent pages (see page number below).

OWNER/AGENT, see the "Arbitration of Disputes" provision on page two (provision 15) and the NOTICE following this provision. If you agree to arbitration, initial on the line below the NOTICE where indicated. Also, initial in the same place on EACH COPY of this contract.

NOTE: This contract may be withdrawn after 30 days from 8-10-16 if not approved and signed by both parties.

Approved and accepted (owner/agent)

Approved (contractor)

XYZ PAINTING CONTRACT

ADDITIONAL PROVISIONS

Unless otherwise specified herein, the following additional provisions are expressly incorporated into this contract:

1. **Contract, Plans, Specifications, Permits and Fees.** The work described in this contract shall be done according to the plans and the plan specifications (if any) except in the case of conflict when the provisions of this contract shall have control over both the plans and the plan specifications. All required building permits will be paid for by owner and obtained by Contractor. All other charges, taxes, assessments, fees, etc. of any kind whatsoever, required by any government body, telephone or utility company or the like shall be paid for by Owner.
2. **Installation.** Contractor has the right to subcontract all or all part of the work herein. Contractor is solely responsible for the actions and quality of work of any subcontractor used for this project.
3. **Change Orders.** Should owner, construction lender, or any government body or inspector require any modification to the work covered under this contract, any cost incurred by Contractor shall be added to the contract price as extra work and Owner agrees to pay Contractor his normal selling price for such extra work. All extra work as well as any other modifications to the original contract shall be specified and approved by both parties in a written change order. All change orders shall become a part of this contract and shall be incorporated herein.
4. **Owner's Responsibility: Insurance etc.** Owner is responsible for the following: (1) to see that all necessary water, electrical power, access to premises, and toilet facilities are provided on the premises. (2) to provide a storage area on the premises for equipment and materials. (3) to relocate and protect any item that prevents Contractor from having free access to the work areas such as but not limited to clothing, automobiles, draperies, appliances, fixtures, plants. In the event that Owner fails to relocate such items, Contractor may relocate these items as required but in no way is Contractor responsible for damage to these items during their relocation and during the performance of the work. (4) to obtain permission from the owner(s) of adjacent property(ies) that Contractor must use to gain access to the work areas. Owner agrees to be responsible and to hold Contractor harmless and accept any risks resulting from the use of adjacent property(ies) by Contractor. (5) to correct any existing defects which are recognized during the course of the work. Contractor shall have no liability for correcting any existing defects such as, but not limited to, dry rot, structural defects or code violations. (6) to maintain property insurance with Fire, Course of Construction, all Physical Loss with Vandalism and Malicious Mischief Clauses attached, in a sum at least equal to the contract price, prior to and during performance of this contract. If the project is destroyed or damaged by an

accident, disaster or calamity, or by theft or vandalism, any work or materials supplied by Contractor in repainting or restoring the project shall be paid for by Owner as extra work.

5. Delay. Contractor shall not be held responsible for any damage occasioned by delays resulting from: work done by Owner's subcontractors, extra work, acts of owner or owner's agent including failure of owner to make timely progress, payments or payments for extra work, shortages of material and/or labor, bad weather, fire, strike, war, governmental regulations, or any other contingencies unforeseen by Contractor or beyond Contractor's reasonable control.
6. Surplus Materials and Salvage. Any surplus materials left over after this contract has been completed are the property of Contractor and will be removed by same. No credit is due Owner on returns for any surplus materials because this contract is based upon a complete job. All salvage resulting from work under this contract is the property of Contractor.
7. Cleanup. At the end of each work shift, Contractor will ensure that work areas are clean, free of debris and trip hazards, and present no hazards to person or property. Upon completion, and after removing all debris and surplus materials, wherever possible, Contractor will leave premises in a neat, broom clean condition. Owner hereby grants to Contractor the right to display signs and advertise at the job site for the period of time starting at the date of signing of this contract and continuing uninterrupted until fourteen (14) days past the date the job is completed and payment in full has been made. Method of Paint Application & Paint Colors. Owner authorizes Contractor to use any method of paint application that Contractor deems appropriate, whether it be brush, pad, roller, spray or a combination thereof. Where colors and sheen factors are to be matched, Contractor shall make reasonable efforts to do so but does not guarantee a perfect match. At the written request of Owner, Contractor shall provide a sample of any paint for approval by Owner. If Owner does not request a paint sample, Contractor is authorized to apply manufacturer's standard paint as identified in this contract and is not responsible for any differences between the manufacturer's color chart and the paint as it is applied.
8. Hazardous Substances. Owner understands that Contractor is not qualified as a Hazardous Material Handler or Inspector or as a Hazardous Material Abatement contractor. Should any hazardous substances as defined by the government be found to be present on the premises, it is the Owner's responsibility to arrange and pay for abatement of these substances.
9. Right to Stop Work and to Withhold Payment on Labor and Materials. If any payment is not made to Contractor as per this contract, Contractor shall have the right to stop work and keep the job idle until all past due progress payments are received. Contractor is further excused by Owner from paying any material, equipment and/or labor suppliers or any subcontractors (hereinafter collectively

XYZ PAINTING CONTRACT

called “suppliers”) during the period that Owner is in arrears in making payments to Contractor for bills received during that same period. If these same “suppliers” make demand upon Owner for payment, Owner may make such payment on behalf of Contractor and Contractor shall reimburse Owner for this amount at such time that Owner becomes current with Contractor for all past due payments. Owner is responsible to verify the true amounts owed by Contractor to these same “suppliers” prior to making payment on behalf of Contractor. Owner shall not be entitled, under any circumstances, to collect as reimbursement from Contractor any amount greater than that exact amount actually and truly owed by Contractor to these same “suppliers” for work done or materials supplied on Owner’s job.

10. Collection. Owner agrees to pay all collection fees and charges including but not limited to all legal and attorney fees that result should Owner default in payment of this contract. Overdue accounts are subject to interest charged at the rate of 10% per annum.
11. Legal Fees. In the event litigation arises out of this contract, prevailing party(ies) are entitled to all legal, arbitration, and attorney fees. The court shall not be bound to award fees based on any set court fee schedule but shall if it so chooses, award the true amount of all costs, expenses and attorney fees paid or incurred.
12. Limitation. No action arising from or related to this contract, or the performance of this contract, shall be started by either party against the other more than two years from either the date of completion or the date of cessation of work under this contract. This limitation applies to all actions of any character. Negligent misrepresentation or unintentional concealment shall not extend this limitation.
13. Notice. Any notice required or permitted under this contract may be given by ordinary mail at the address of both parties contained on page one of this contract. This address may be changed from time to time by written notice given by one party to the other. After a notice is correctly posted and deposited in the mail it shall be deemed received by the other party after one (1) day.
14. Arbitration of Disputes. Any controversy or claim arising out of or relating to this proposal/contract, or the breach thereof, shall be settled by arbitration in accordance with the applicable Construction Industry Arbitration Rules of the American Arbitration Association which are in effect at the time the demand for arbitration is filed. A judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Any arbitration award shall be subject to correction and/or vacation for the reasons stated in the Code of Civil

Procedure. The arbitrator shall award reasonable attorney fees and expenses to the prevailing party. After being given due notice, should any part fail to appear at or participate in the arbitration proceedings, the arbitrator shall make an award based upon the evidence presented by the party(ies) who do (does) appear and participate. Notwithstanding Contractor's right to arbitrate, Contractor does not waive any of.

NOTICE: By initialing in the space below you are agreeing to have any dispute arising out of the matters included in the "arbitration of disputes" provision decided by neutral arbitration as provided by California law and you are giving up any rights you might possess to have the dispute litigated in a court or jury trial. By initialing in the space below you are giving up your judicial right to discovery and appeal, unless those rights are specifically included in the "arbitration of disputes" provision. If you refuse to submit to arbitration after agreeing to this provision, you may be compelled to arbitrate under the authority of the Business and Professions Code or other applicable laws. Your agreement to this arbitration provision is voluntary.

We have read and understand the foregoing and agree to submit disputes arising out of the matters included in the "arbitration of disputes" provision to neutral arbitration.

I Agree to Arbitration: _____ I Agree to Arbitration: _____

(Initials of Owner)

(Initials of Contractor)

Contractors are required by law to be licensed and regulated by the contractors state license board, which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors State License Board, P.O. Box 26000, Sacramento, CA 95826-0026. State law requires anyone who contracts to do construction work to be licensed by the Contractors' State License board in the license category in which the contractor is going to be working if the total price of the job is \$500 or more (including labor and materials). Licensed contractors are regulated by laws designed to protect the public. If you contract with someone who does not have a license, the Contractors' State License Board may be unable to assist you with a complaint. Your only remedy against an unlicensed contractor may be in civil court, and you may be liable for damages arising out of any injuries to the contractor or his or her employees. You may contact the Contractors' State License Board to find out if this contractor has a valid license. The board has complete information on the history of licensed contractors, including any possible suspensions, revocations, judgments, and citations. The Board has offices throughout California. Please check the government pages of the White Pages for the office nearest you or call 1-800-321-CSLB for more information.

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

River Commons



Property Assessment and
Due Diligence Summary

September 7, 2016

Market Overview	62
Apartment Market Variables	63
River Commons Review	64
Interior Feature Review	65
Amenity Review	66
Rent Recommendations	67
Comparable Apartment Review	68
Comparable Map	68
Pricing Comparison	69
Fee and Deposit Comparison	70
Property Amenity Comparison	70
Interior Amenity Comparison	71
Comparable Summaries	72
Asset Evaluation	80
Preliminary Review	80
Community Questionnaire	80
Audit Questionnaire	89
File Audit Summary	94
Demographic Summary	97
Service Request Review	98
Unit Walk Summary	99
Exterior/Interior Capital Review	105
Exterior Recommendations	105
Interior Value-Add	105
Recommendations Asset Fact Sheet	106
Revenue and Income	109
Revenue Strategy	109
Expenses	110
Expense Management	110
Service Contract Review	111
2017 Budget	118
5 Years Capital Items Capital Plan	119

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Market Overview

River Commons is located in the rural country area of the Northern Lights neighborhood of Aurora, Colorado. Aurora, the third largest city in Colorado, is located in the south-central part of the state, near Adams Falls. The city is famous for the many outdoor activity outlets like Adams Falls, Bear Creek, and others, and has a vibrant active community that reflects the rich history and culture of the area. Aurora is a leading spring water source, is one of the only tourist destinations in that part of the state, and hosts the annual Colorado Outdoorsman Championship, one of the largest in the country. The city's industries are highly diversified, has a strong veteran presence, and is home to 5 higher education facilities including the University of Colorado Science Center. Visited by approximately 10 million tourists every year commercial entertainment includes The National Gemstone Mine and the All American Burger Museum.

Aurora has had steady population growth since the late twentieth century. The city's population has almost doubled in 35 years, from just over 650,000 in the 1970 census to an estimated 1.4 million in 2015 through population growth, immigration, and land annexation, considerably enlarging the physical area of the city. Its outlying suburban area developed significantly in the same period, specifically, the 78258 zip code. According to the demographics data released by the Census Bureau in December of 2012, 78258 shows it has a population of 42,653, which is more than all the others in the area.

Aurora has been attractive to businesses due to the warm climate and educated workforce. The city ranks number 20 among the nation's largest 50 metropolitan areas on Glassdoor's "Best Cities for Jobs" list. Aurora scores high for job satisfaction because opportunities exist in a diverse array of industries. While concern is growing that home values are rising faster than wages, a gap as big as in other cities has not materialized yet, at least not in the Glassdoor surveys.

The major employers in Aurora help drive the city's lively and diverse economy – a robust mix of business services, a developing new energy economy, a growing biomedical and biotechnology sector, and a diversified manufacturing segment produce everything from aircraft and semiconductors to Toyota trucks.

Aurora was included in Bloomberg BusinessWeek's "America's 50 Best Cities" list, coming in at number 30, remarking the city's number of libraries, museums, restaurants, park acreage, sports teams, educational facilities, economic factors, crime, and air quality.

First quarter 2016 Year-over-Year Jobs added:

Hospitality and Leisure 3.8%

Professional and Business Services 2.4%

Other Services 3.1%

Education and Health 7.1%

Transportation and Warehousing 6.4%

Financial Activities 0.6%

Government 3.5%

Apartment Market Variables

According to AxioMetrics Inc, Northern Lights submarket occupancy has remained steady in the overall Aurora market. Effective rent increased 2.1% from \$883 in 1Q16 to \$901 in 2Q16. The submarket's annual rent growth rate of 3.6% was above the market with an average of 1.9%. Out of the 16 submarkets in the market, the Northern Lights neighborhood of Aurora ranked second for quarterly effective rent growth and third for annual effective rent growth for 2Q16. Annual effective rent growth is forecast to be 3.2% in 2016, and average 2.7% through 2016 to 2018. The annual effective rent growth has averaged 1.7% per year since 3Q96. The submarket's occupancy rate increased from 93.2% in 1Q16 to 94.0% in 2Q16, and was down from 94.2% a year ago. The submarket's occupancy rate was at the market average of 94.0% in 2Q16. For the forecast period, the submarket's occupancy rate is expected to decrease to 93.7% in 2016 and average 93.7% from 2016 to 2018. The submarket's occupancy rate has averaged 94.4% since 3Q96.

While overall Aurora is seeing rapid growth in new supply, only moderate new supply can be found in the Northern Lights neighborhood of Aurora market. Of the 5,747 units currently under construction in Aurora, 143 units are located in Northern Lights neighborhood of Aurora. However there have been 443 units completed in the past four quarters. While the submarket does not have much new construction in the pipeline, even this continued unit expansion could lead to limited rent growth.

The following data demonstrates the submarket performance of several major market variables, as reported by AXIOMetrics Inc..

Occupancy	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016
Northern Lights neighborhood of Aurora	93.5%	94.8%	93.6%	93.2%	94.0%
Aurora	94.0%	94.2%	93.3%	93.3%	94.0%
Asking Rents	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016
Northern Lights neighborhood of Aurora	\$1,112	\$1,133	\$1,124	\$1,138	\$1,142
Aurora	\$879	\$893	\$895	\$913	\$922

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

River Commons Review

Built in 2006, River Commons is located off Daniel Boone Blvd. in the Northern Lights neighborhood of Aurora, Co. The property is less than one mile from Interstate-271, and only moments from Interstate 5, allowing for an easy commute. Just past the property is Rogers Ranch Neighborhood, a master planned community.

The property has good street frontage; however, the monument sign is set back off of the road and the property could be missed as it is directly next to a large shopping strip. The entrance is located alongside a wet preserve and could use official flagpoles of the US and state flags to help identify the entrance. As you drive into the property the landscape is very well kept and the leasing office is clearly identified.

River Commons is within the North East Interchange School District (NEISD), which continues to be recognized on a state and national level. Wilderness Valley Elementary, Rogers Middle School, and Valley Creek High School are the designated schools for River Commons, and all have received the "Exemplary" rating for the 2015 school year. The growing school district serves 66,700 students among 60 schools making NEISD one of the largest school districts in Texas.

River Commons is in a desirable location that is close to Interstate-10 and offers many upscale shopping and entertainment venues. The community has good curb appeal, a moderate amenity package, and a variety of floorplans. Constructed in 2006, with no renovations, there will be work required as the property is not at the top of the market.

Positive Attributes

1. Near Interstate
2. Appealing amenities
3. Unique floor plans
4. Garage parking

Negative Attributes

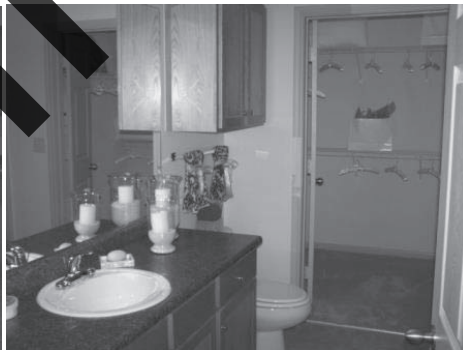
1. Lacking social amenities
2. In need of wellness upgrades and amenities
3. There are no pet-friendly amenities
4. Apartment finishes are not competitive within market

Interior Feature Review

River Commons is a very well-manicured and maintained community with a distinctive mountain resort appeal. Some of the signage should be replaced and flags placed at the entrance to help more clearly identify the one entrance to the community. The office and amenities are very well kept, but are beginning to look dated. The lack of pet friendly, wellness, or social amenities are apparent after visiting several communities in the area. The floor plans are distinctive and spacious, but the dated flooring and finishes are common objections.

Interior recommendations

1. Kitchen cabinetry with upgraded pulls
2. Tiled or mosaic kitchen backsplash
3. Granite or quartz kitchen and bath countertops
4. Wood-style flooring on all first-floor apartments and in wet areas for all others
5. Brushed nickel plumbing hardware with updated faucet/vegetable sprayer
6. Designer pendant lighting on breakfast bars
7. Nickel track lighting in kitchen with LED lighting
8. USB outlets in kitchen
9. Two-inch blinds throughout
10. Add framing to custom bookshelves
11. Add framing to bathroom mirrors



RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Amenity Review

The following amenities are offered at River Commons. Renovations are necessary, however, continuing resident services during the process will be crucial to retaining current residents and marketing to new residents.

1. Swimming pool
2. Clubhouse with kitchen area
3. Billiards area
4. Business Center with conference area
5. Fitness center
6. Wi-Fi in clubhouse

Exterior Recommendations

The following improvements are recommended to enhance the resident experience and are in line with the needs and wants of the area's prospective renter.

1. Poolside outdoor kitchen
2. Renovated pool deck
3. Replace pool furniture
4. Pet Park with exercise stations
5. Updates to fitness center equipment and room; add water station
6. Outdoor fitness area
7. Separate fitness area for spinning or Yoga with on demand digital training classes
8. Package locker/notification
9. Combine clubroom/gaming to include computer stations or social lounge
10. Update office

Rent Recommendations

Whitfield Management's marketing and management teams conducted an extensive market assessment. In addition, a third-party analysis was enlisted through AXIOMETRICS, Inc. After careful review of our findings, the following rent schedule is recommended for River Commons.

As part of a rent roll analysis, the true effective lease rent per occupied contracted at Subject Property was determined to accurately compare rents to those being offered within the competitive sub-market. We are confident that, with our best practices in place and the growing economy, Springfield will be able to meet and exceed budgeted expectations.

				Take Over Effective Rents			Recommended Effective Rents			Actual Current Effective Rents		
BD/FB	Qty	Area	Total Area	Rent	\$PSF	Total Rent	Rent	\$PSF	Total Rent	Rent	\$PSF	Total Rent
1/1	84	700	58800	\$852	\$1.18	\$71,568	\$896	\$1.24	\$75,264	\$854	\$1.22	\$71,736
1/1	96	800	76800	\$917	\$1.15	\$88,032	\$960	\$1.20	\$92,160	\$925	\$1.16	\$88,800
1/1	36	894	32184	\$1,019	\$1.14	\$36,684	\$1,073	\$1.20	\$38,628	\$1,025	\$1.15	\$36,900
2/2	48	1089	52272	\$1,203	\$1.05	\$57,744	\$1,264	\$1.11	\$60,672	\$1,203	\$1.05	\$57,744
2/2	56	1198	67088	\$1,280	\$1.03	\$71,680	\$1,347	\$1.08	\$75,432	\$1,280	\$1.03	\$71,680
3/2	8	1413	11304	\$1,652	\$1.17	\$13,216	\$1,738	\$1.23	\$13,904	\$1,652	\$1.17	\$13,216
3/2	16	1428	22848	\$1,601	\$1.12	\$25,616	\$1,677	\$1.18	\$26,832	\$1,601	\$1.12	\$25,616
344		321296			\$1.13	\$364,540		\$1.19	\$382,892		\$1.14	\$365,692

¹ Derived by all occupied rental rates from Rent Roll as of August 2016

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Comparable Apartment Review

Comparable Map

The following map and table provide a current overview of primary competitive communities in the area of River Commons. Whitfield's field analysis validated competitor and subject rents the week of September 5, 2016. All locations on the map are approximate and depend upon the format of the address and the accuracy of the geo-coding.



#	Property Name	City	Year	Units	SF	ERPU	ERPSF	Occ	Distance
1	River Commons	Aurora	2006	344	937	\$1,209	\$1.10	96%	
2	Village Hills	Aurora	2001	246	1,171	\$1,383	\$1.19	91%	1.34 miles
3	The Ranch Estates	Aurora	2005	358	947	\$1,149	\$1.14	96%	2.03 miles
4	Heavenly Willowbrook	Aurora	2009	456	1,086	\$1,294	\$1.21	97%	2.06 miles
5	Mountainview Orchard	Aurora	2006	374	965	\$1,108	\$1.17	93%	2.48 miles
	Totals		2005	355	980	\$1,143	\$1.17	95%	

Pricing Comparison

Effective Rents², Sorted by Rent Low to High

1 Bed / 1 Bath	Units	SF	ERPU	ERPSF
Mountainview Orchard	132	579	\$798	\$1.38
Mountainview Orchard	40	669	\$845	\$1.26
River Commons	84	700	\$832	\$1.18
Ranch Estates	72	725	\$906	\$1.25
Village Hills	36	709	\$915	\$1.29
River Commons	96	800	\$917	\$1.15
Village Hills	76	678	\$1,009	\$1.49
Ranch Estates	114	841	\$1,009	\$1.20
River Commons	36	894	\$1,019	\$1.14
Heavenly Willowbrook	36	876	\$1,035	\$1.18
Heavenly Willowbrook	28	914	\$1,160	\$1.27
Average	750	737	\$947	\$1.28
2 Bed / 1 Bath	Units	SF	ERPU	ERPSF
Ranch Estates	72	838	\$1,033	\$1.10
Village Hills	114	1,082	\$1,139	\$1.05
Average	1,026	1,026	\$1,098	\$1.07
2 Bed / 2 Bath	Units	SF	ERPU	ERPSF
Ranch Estates	80	995	\$1,036	\$1.04
Village Hills	84	1,101	\$1,176	\$1.07
Village Hills	60	1,068	\$1,185	\$1.11
River Commons	48	1,089	\$1,203	\$1.05
Ranch Estates	18	1,151	\$1,208	\$1.05
Heavenly Willowbrook	68	1,151	\$1,210	\$1.05
Ranch Estates	96	1,130	\$1,275	\$1.13
River Commons	56	1,198	\$1,280	\$1.03
Heavenly Willowbrook	38	1,206	\$1,285	\$1.07
Ranch Estates	128	1,246	\$1,476	\$1.18
Average	696	1,139	\$1,265	\$1.11
3 Bed / 2 Bath	Units	SF	ERPU	ERPSF
Village Hills	22	1,292	\$1,573	\$1.22
Heavenly Willowbrook	24	1,378	\$1,585	\$1.15
Ranch Estates	28	1,352	\$1,588	\$1.17
River Commons	16	1,428	\$1,601	\$1.12
River Commons	8	1,413	\$1,652	\$1.17
Mountainview Orchard	20	1,721	\$2,000	\$1.16
Heavenly Willowbrook	8	1,702	\$2,100	\$1.23
Average	126	1,440	\$1,685	\$1.17

² Derived by all occupied rental rates from Rent Roll as of August 2016

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Fee and Deposit Comparison

	River Commons	Village Hills	Mountainview Orchards	Ranch Estates	Heavenly Willowbrook
Application Fee	50	65	50	50	50
Administration Fee	150	225	150	150	150
Deposit	87.5	750	200	100	200
Pet Deposit	200	250	300		100
Pet Fee	200	250	300	325	300
Pet Rent	10	10	10	15	10
Covered Parking	25	40	50	40	45
Attached Garages		100		135	100
Detached Garages	85	80	100	105	95
Valet Trash	20	30	11	25	25

Property Amenity Comparison

Billiards Room	Y	Y		Y	Y
Conference Room	Y	Y		Y	Y
Garages Attached	Y	Y	Y	Y	Y
Garages Detached	Y	Y	Y	Y	Y
Garages Available	Y	Y	Y	Y	Y
Outdoor Fire Pit/Fireplace		Y	Y		Y
Outdoor Kitchen		Y	Y	Y	Y
Pet Park		Y	Y	Y	
Resident Lounge		Y			
Storage Units Available		Y			
Tanning Beds				Y	
Wi-Fi Hotspots	Y	Y	Y	Y	
BBQ Grill/Grilling Area		Y	Y	Y	Y
Car Wash Area		Y			
Furnished Corporate Units			Y		
Game Room		Y			
Jacuzzi/Hot Tub			Y	Y	Y
Hike & Bike Trail			Y		
Laundry Center		Y			Y
Movie Theater					Y
Playground				Y	
Poolside Cabana		Y	Y	Y	
Require Renter's Insurance	Y	Y	Y	Y	Y
Separate Fitness Area/Yoga/Spin		Y	Y	Y	Y

Interior Amenity Comparison

	River Commons	Village Hills	Mountainview Orchards	Ranch Estates	Heavenly Willowbrook
Kitchen Amenities					
Black Appliances	Y	Y		Y	Y
Breakfast Bar	Y		Y	Y	Y
Granite Countertops				Y	
Kitchen Island					Y
Quartz Countertops			Y		Y
Range/Stove	Y	Y	Y	Y	
Self-Cleaning Ovens					Y
Stainless Steel Appliances	Y		Y		Y
Tile Flooring				Y	
Washer/Dryer Included				Y	
Washer/Dryer Connections	Y	Y	Y		Y
Living Area Amenities					
9 Foot Ceilings	Y	Y		Y	Y
Built in Bookshelves	Y		Y	Y	Y
Built in Desks	Y				Y
Crown Molding	Y	Y	Y	Y	Y
Fireplace		Y	Y		
Tile Entry			Y	Y	
Vaulted Ceilings			Y		
Bathroom Amenities					
Garden Tub	Y	Y	Y	Y	Y
Granite/Marble/Quartz Counters				Y	
Vanity (Dual Sink)	Y	Y	Y		Y
Walk in Shower	Y		Y		
Views					
City View	Y				Y
Misc. & Bedroom Amenities					
Bay Windows	Y				
Berber Carpet	Y	Y			Y
Ceiling Fan		Y	Y	Y	Y
Hall Closet	Y		Y		Y
French Doors				Y	Y
Hardwood-style Floor		Y	Y	Y	Y
Intrusion Alarms		Y			

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Comparable Summaries

The Ranch Estates

Manager: Smith Realty | Units: 358 | Built: 2005 | Occupancy: 96% | Revenue Management: Yes

The Ranch Estates is located 2.3 miles from River Commons off the main thoroughfare, and is positioned behind a corporate park with an aging construction sign and weathered flags. The clubhouse is showing its age, the fitness center needs to be updated, but the interiors of the apartments have all been renovated including new cabinetry and granite-style counters. Overall, The Ranch Estates is close in caliber to River Commons based on location and amenities.

BD/FB	SF	Units	ERPU	ERPSF
1/1	725	72	\$906	\$1.25
1/1	841	114	\$1,009	\$1.20
2/2	995	80	\$1,036	\$1.04
2/2	1,151	68	\$1,210	\$1.05
3/2	1,378	24	\$1,585	\$1.15
Total/Average	947	358	\$1,149	\$1.14



Community Amenities

1. Fitness center
2. Dog park
3. Gated community
4. Garages available
5. Outdoor kitchen
6. Wi-Fi in clubhouse
7. Business center
8. Picnic area with grills
9. Game room
10. Resident lounge
11. Storage available
12. Swimming pool
13. Car care center

Interior Features

1. New shaker style cabinetry
2. Black appliances with built-in microwave
3. Granite-style countertops
4. Two-inch blinds
5. Wood-style flooring throughout on first floor
6. Patio or balcony with outside storage
7. Two-tone paint
8. Crown molding
9. Six panel doors with brushed nickel knobs
10. Brushed nickel ceiling fans in living room and bedroom
11. Washer and dryer connections
12. Wood burning fireplace

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

The Village Hills

Manager: ART Mgmt. | Units: 246 | Built: 2001 | Occupancy: 91% | Revenue Management: Yes

The Village Hills is located 1.3 miles from Subject Property. Although The Village Hills is right off of the major thoroughfare, it is difficult to locate because it is not clearly marked, situated behind a health club, and through a parking area. The Village Hills clubhouse and amenities show very well and have all been renovated. All the apartments have also been completely remodeled with varying grades of upgrade packages to choose from. The Village Hills high end interior features, renovated exterior, and premium common amenities make them superior to River Commons.

BD/FB	SF	Units	ERPU	ERPSF
1/1	709	36	\$915	\$1.29
1/1	876	36	\$1,035	\$1.18
1/1	914	28	\$1,160	\$1.27
2/2	1,068	60	\$1,185	\$1.11
2/2	1,206	58	\$1,285	\$1.07
3/2	1,702	8	\$2,100	\$1.23
3/2	1,721	20	\$2,000	\$1.16
Total/Average	1,171	246	\$1,383	\$1.19



Community Amenities

1. Controlled access gates
2. Playground
3. Clubhouse with kitchen area
4. Swimming pool
5. Outdoor kitchen
6. Outdoor social area with fire pit
7. Car wash
8. Business center with Wi-Fi
9. Fitness center
10. Dog park
11. Covered outdoor seating area
12. Garages available

Interior Features

1. Maple cabinetry with nickel knobs and molding
2. Black and stainless steel appliances
3. Built-in microwave
4. Ceramic mosaic tile kitchen backsplash
5. Granite countertops
6. Wood-style flooring
7. Brushed nickel lighting and hardware
8. Brushed nickel track lighting in dining room
9. Chair rail in dining room
10. Two-inch blinds
11. Washer and dryer connections

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Heavenly Willowbrook

Manager: Summerton Mgmt | Units: 456 | Built: 2009 | Occupancy: 96% | Revenue Management: Yes

Heavenly Willowbrook is located on Murray Road and is 2.6 miles from River Commons. Heavenly Willowbrook offers some premium interior features, such as granite countertops in the kitchen and espresso cabinets with brushed nickel pulls, as well as a premium amenity package. The floor plans seem to be of similar design throughout unit types and do not offer much variation from the base floor plan. Overall, Heavenly Willowbrook is comparable to River Commons based on location, interior, exterior amenities, and age of the asset.

BD/FB	SF	Units	ERPU	ERPSE
1/1	678	96	\$1,009	\$1.49
2/1	1,082	114	\$1,139	\$1.05
2/2	1,130	96	\$1,275	\$1.13
2/2	1,246	128	\$1,476	\$1.18
3/2	1,292	22	\$1,573	\$1.22
Total/Average	1,086	456	\$1,294	\$1.21



Exterior Amenities

1. 24-hour fitness center
2. Outdoor Crossfit endurance area
3. Tanning center
4. Heated spa
5. Swimming pool
6. Playground
7. Outdoor kitchen
8. Free Wi-Fi in common areas
9. Business center with Wi-Fi
10. Outdoor social area with fire place
11. Dog park

Interior Features

1. Espresso cabinetry with nickel pulls
2. Brushed nickel track lighting in kitchen and dining room
3. Pendant lighting over island
4. Granite countertop
5. Wood-style flooring throughout on first floor
6. Framed mirror in bath
7. Walk-in shower available
8. Self-cleaning ovens
9. Panel doors with nickel knobs
10. Washer and dryer included
11. Two-inch blinds
12. Crown molding
13. Two-tone paint
14. Jetted garden tubs

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Mountainview Orchard

Manager: Inc. LLC | Units: 374 | Built: 2006 | Occupancy: 92% | Revenue Management: No

Mountainview Orchard is located 2.48 miles from River Commons. The entire community has been renovated and shows well. All units have been upgraded with quartz countertops, glass tile backsplashes, and custom cabinetry. Amenities have been upgraded to include a new fitness center with separate virtual fitness instructor, outdoor social area with fire pit, and an internet café. The leasing center also has a fresh new look with oversized barn style doors to mirror the ranch theme. Overall, Mountainview Orchard is superior to based on interior and exterior amenities.

BD/FB	SF	Units	ERPU	ERPSF
1/1	579	132	\$798	\$1.38
1/1	669	40	\$845	\$1.26
2/1	938	72	\$1,033	\$1.10
2/2	1,101	84	\$1,176	\$1.07
2/2	1,151	18	\$1,208	\$1.05
3/2	1,352	28	\$1,588	\$1.17
Total/Average	965	374	\$1,108	\$1.17



Community Amenities

1. 24-hour two-story fitness center and yoga studio with on demand virtual trainer
2. Business center
3. Swimming pool
4. Conference room
5. Outdoor kitchen with TV
6. Outdoor social area with fire pit
7. Billiards room
8. Internet cafe
9. Covered parking
10. Detached garages available
11. Controlled access gates

Apartment Features

1. Cherry cabinetry with nickel knobs
2. Wood-style flooring throughout on first floor
3. Quartz countertops
4. Stainless or black appliances with built-in microwave
5. Island kitchens with two pendant lights
6. Brushed nickel track lighting in kitchen
7. Subway tile kitchen backsplash
8. Two-tone paint
9. Crown molding
10. Two-inch blinds
11. Mosaic subway tile inlay in shower
12. Washer and dryer connections
13. Ceiling fans with lighting in living room and bedroom
14. Vessel sink in bath
15. Brushed nickel lighting and hardware
16. Patio or balcony

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Asset Evaluation

Preliminary Review

Whitfield managed properties benefit from professionally coordinated preliminary and post take-over property evaluations. These evaluations are designed to minimize disruption to the onsite associates and residents while creating an action plan for transition and improvement.

Community Questionnaire

As part of Whitfield's due diligence review of River Commons, our team completed a Community Questionnaire which is designed to collect a variety of key data elements regarding the financial and operational condition of the asset. The information was provided during our discussions the week of September 7th, with Terry Johnson, Community Director for Property Management Group. Whitfield Management does not guarantee the accuracy of the data provided by Property Management Group representatives and all information collected remains subject to further update, revision, and amendment.

Property Information	Response	
Property name	River Commons	
Address	123 Subject Property Aurora, CO 95874	
Phone number		
Back line number		
Fax number		
E-mail address	subjectproperty@properties.com	
Year built	2006	
Number of units	344	
Number of buildings	20, including office, maintenance shop, and mail kiosk	
Amenities	Count or Unit #(s)	Condition
Pool	1	Fair, needs expansion joints replaced, deck stained, and new furniture
Model	#1107	Fair, needs new furniture and accessories
Spa/Jacuzzi	0	N/A
Tennis court	0	N/A
Playground	0	N/A
Sports court	0	N/A
Business center	1	Fair
Fitness center	1	Poor, needs full paint and new equipment
Entrance or entrance/exit control access gate	2 entrance/exit gates	Poor, 1 entrance/exit gate currently locked, no remote access system installed
Exit only access gate	0	N/A
Satellite dish	0	N/A
Laundry facility, coin or card operated?	0	N/A
Vending machine	0	N/A
Other	0	N/A

Operations	Response
Handicap/ADA modified unit #(s)	#09101, 09107, 11101, 11107, 07102, 07108 & 17108
% occupied	95.6%
% leased 30-day	96.2%
% leased 60-day	93.3%
30 or 60-day notice required	60
Estimated number of monthly move-outs	16
Down units/Unit #(s)	#11101
Down garage/Unit #(s)	0
Down storage/Unit #(s)	0
Non-revenue units/Unit #(s)	Model #1107
What county is the property located in?	Aurora
What school district?	North East ISD
Is there a property service assistant that lives on site? If Yes, list unit #(s)	Yes, #7205, \$622.50 current discount (1/2 off rent at time of move in)
Is there security patrol/armed or unarmed?	No
Does the property provide valet trash service?	Yes
Is the valet trash service performed by the property or 3 rd party?	3 rd party
Does the property provide a recycling program?	Yes, as required by City of Aurora
Is the recycling program performed by the property or 3 rd party?	3 rd party trash hauler provides recycling bins
Is renter's insurance mandated?	Yes
Current penetration rate of program/start date	Unknown, per CD all residents should have insurance
Are employees living on site required to have renter's insurance?	Yes
Resident ACH or credit card payments?	Yes
Are there fees charged through the rent roll system? Amounts?	No
Are there fees charged directly to resident not through rent roll system? Amounts?	Yes, amounts unknown
Is there a credit card machine in the office?	No
Delinquency current month/30-day/60-day	\$16,642/\$0/\$0
Number of pending evictions	0
Number of pending writs	0
Eviction filing fees	\$116 first
Is there a per person fee? If so what amount?	\$87 second
Writ of possession filing fees	\$255
Homeowner association fees	N/A
Do you have an automated payables system?	Yes
Are there any surveillance cameras on property? How many?	Yes, 11 (1 not currently working)
How are surveillance cameras monitored? (active, videotaped)	All video is saved for 12 days
What is the location of the surveillance camera(s)?	Back office patio, pool, leasing office, clubroom, fitness center, parking lot outside front office door and 4 gate cameras
Is music or television played to the public in any common areas of the property?	Music provided through Voice InNovations
Identify all <u>common areas</u> on property in which there is music or television being played to the <u>public</u> (e.g. not inside a staff member's office). Indicate Music, TV, or Both:	
Lobby/Clubhouse	Both music and TV
Fitness Center	Both music and TV
Business Center	Music
Mailroom	No
Media Room	N/A
Pool Area	Patio off of the office, near the pool, music

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Is Common Area more than 2000 sq. ft. (including any adjoining outdoor space where the music or television is being played)? (Yes or No)	Yes- 6,000 sq. ft.
Lobby/Clubhouse	Included in 6K sq. ft.
Fitness Center	Included in 6K sq. ft.
Business Center	Included in 6K sq. ft.
Mailroom	N/A
Media Room	N/A
Pool Area	Included in 6K sq. ft.
Number and type (stereo, radio, TV, etc) of audio/visual devices in each Common Area, including mechanical devices (iPod hookup, CD Player, etc) and type of Audio/Visual device (stereo, radio, TV, Ipod dock)?	
Lobby/Clubhouse	2 TVs clubhouse
Fitness Center	4 TVs
Business Center	
Mailroom	0
Media Room	N/A
Pool Area	0
Total:	6
Number of speakers in each Common Area (not counting TV speakers)?	
Lobby/Clubhouse	19
Fitness Center	0
Business Center	2
Mailroom	N/A
Media Room	N/A
Pool Area	5
Total:	26
Is there any Admission Charge for this Common Area (e.g. paid fitness classes)? Yes or No	
Lobby/Clubhouse	No
Fitness Center	No
Business Center	No
Mailroom	No
Media Room	No
Pool Area	No
If there are one or more TV's in this Common Area, is the diagonal screen size greater than 55 inches on any TV? Yes, No, or N/A	
Lobby/Clubhouse	No
Fitness Center	No
Business Center	No
Mailroom	No
Media Room	No
Pool Area	No
Are there any Mechanical Devices in the Common Area that the public has the ability to operate (CD player, Ipod hookup, etc)? Yes or No	
Lobby/Clubhouse	No
Fitness Center	No
Business Center	No
Mailroom	No
Media Room	No
Pool Area	No
Does the property have a movie screening room open to residents?	No
If so, approximately how many people does it seat?	N/A
How often is it open?	N/A

Are there any movie nights or sporting or sitcom events for residents/guests?	No
Are residents permitted to use the room to play their own movies or are there movies available for them to watch?	No
Is this a non-smoking community?	No smoking in common area amenities only
Are there any lender required O & M programs (lead, asbestos, mold)?	Mold, has mold binder with required procedures Completed as part of monthly close-out. Rent is written off under rent and all other charges are written off to the appropriate code (damages, water, etc.)
What is the write off process, timeline?	Unknown
When was the last time HUD did an inspection (REAC)?	Unknown
Can we get a copy of the report?	Rotate on call. Residents call office and CallMax dispatches calls to on-call maintenance
How are after-hours emergencies handled?	No
Is there a separate phone number for patrol services or after-hours emergencies?	No
Is there a separate phone number or automated line for calling in service requests after hours?	No

Personnel	Response	
On-site staff	Names	Live on Site?
Community director	April Chastain	No
Assistant community director	Sash Johnston	No
Bookkeeper	N/A	N/A
Sales director	Kevin Clark	No
Sales director	Laura Wyatt	No
Sales director	N/A	N/A
Sales director	N/A	N/A
Maintenance supervisor	Jose Hernandez	No
Assistant maintenance supervisor	Open TBD	N/A
Make-ready	Make Ready/Porter	No
Assistant make-ready	Lorenzo Alan	N/A
Porter	N/A	N/A
Housekeeper	N/A	N/A
Other	N/A	N/A

Property / Building Information	Response
Number of property vehicles	0
Number of office golf carts	2
Number of maintenance golf carts	2
Number of shops	1
Number of carports/cost	40, just increased to \$35
Number of garages – management use	3; 2 breezeway garages, 1 detached garage
Number of garages – resident use/cost	30 breezeway/\$100, 31 detached/\$100, and 96 attached/included in the rent
Number of storage units - management use	0
Number of storage units – resident use/cost	0
Assigned parking spaces/cost	0
Open parking spaces	390
Handicap parking spaces	8
Who does the access gate maintenance, whether there is a contract or not?	In house and call vendor Gate Services as needed
Is the gate system software up-to-date?	Yes

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Are residents programmed at move-in/out?
What hours are the gates programmed to be open?
Is there a lawn sprinkler system?
Has there been a city assessment in the last 2 years?
Is property within city limits?
Do you have copies of certificates of occupancy?
Are there any city inspection fees? Is there per unit fee?
Are there any fire inspection fees? Is there a per unit fee?
Which municipality controls your fire and building inspections?
Date of last fire inspection
Is chimney cleaning required by the city?
Who maintains the fire alarm system?
Smoke detectors in every unit?
Fire extinguishers in every unit?
Intrusion alarms in every unit?
Are the alarms required to have a permit?
Are the alarms monitored? Resident pays or included in rent?
Is the leasing clubhouse alarmed?
Is the maintenance shop alarmed?
Is snow removal necessary? Cost?
Do you have elevators? Code problems/repair frequently?
Are life guards required?
Does property meet the ADA requirements?
To the best of your knowledge, is there any asbestos on site?
Do you have an O & M program for asbestos, lead, mold, radon, other?
Are there any hazardous materials stored on site?
Do you have a hazardous materials information book?
Do you have a MSDS list of chemicals and paint?
Any surfaces, aerial or underground, encroachments on the site?
Are there any changes planned in the surrounding land uses?
To your knowledge, is there any adjacent roadwork planned?
Termites – when is the annual inspection?
Termites – entire property covered?
Termites – certain buildings covered? Please List

Recent mold issues?

Recent fires on property?

Recent floods on property?

Recent insurance claims on property?

Repairs and Maintenance

Site lighting

Remaining construction work/warranty items to be completed?

Major capital improvements in the last three years?

Move-in
Always closed
Yes
Yes, as required by City of Aurora
Yes
Yes
No
No
City of Aurora
January 2016
No
Maxcom
Yes
Yes
No
Yes
N/A
Yes
No
No
No
No
Unknown
No
Mold
Yes
Yes
Yes
No
No
No
Unknown
Unknown
Unknown
#13108 storage closet (sheetrock/baseboard),
maint. shop (water heater leak), #10108 (a/c drain
line leak-sheetrock repair) and #10208 (a/c drain
line leak-sheetrock repair)
No
No
No

Response

No current issues, some breezeway fixtures have
been replaced

N/A

TV for model, new clubhouse/model carpet, add
additional golf carts, refurbish existing golf carts,
new office computers and chairs, new phone
system, exterior trim paint and wood replacement,
landscaping enhancements, re-plaster pool, new
pool umbrellas, 2 new grills, and new front
entrance signage

Additional improvements planned? Explain

Major maintenance or known structural deficiencies/problems?

If you could spend money to improve the property, where would you direct it?

Are there uninhabitable units? Please list

Recent bed bug infestations? Please list

Brand of appliances used on-site

Refurnish model, re-stripe parking lot and paint exterior hardy and trim

No

Dog park, convert business center to Yoga Studio, exterior paint, replace perimeter fencing, and exterior fitness park, replace with LCD bldg. breezeway entry & corridor lights, repair all yard fences and landscape them and replace treadmills

No

No

GE, black-on-black

Make Ready

Make-ready process – in house cost (budgeted)

Make-ready process – contractor cost

Painting – in house cost (budgeted)

Painting –contractor cost

Cleaning – in house cost (budgeted)

Cleaning –contractor cost

Carpet cleaning – in house cost (budgeted)

Carpet cleaning – contractor cost

0 BR	1 BR	2 BR	3BR
N/A	\$500	\$500	\$500
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	\$172	\$172	\$172
N/A	N/A	N/A	N/A
N/A	\$85	\$85	\$85
N/A	N/A	N/A	N/A
N/A	\$60-\$70	\$60-\$70	\$60-\$70

Services

Who do you use for office service cable/video/TV company?

Who do you have an agreement with to sell cable/video/TV to residents?

Who do you use for internet/data for office?

Who do you use for internet/data for common areas? Locations?

Advertising – Online availability and reservation system

Advertising – Internet and print

Advertising – Lead/Call Tracking

Advertising - Online ratings and review websites

Alarm

Answering service

Apartment locators

Automated Payables System

Car wash

Carpet Cleaning

Cell phones

Check scanning

Cleaning services

Coffee/beverage machine

Collection agency

Copier (owned or leased)? Is there a maintenance agreement?

Security Deposit Bond Program

DVD rentals

Electric - Common Area

Electric - CSA (Vacants)

Electric - Marketing

Provided By Contract (Y/N)

AT&T-Phone/Internet & Time Warner - Cable	Yes
AT&T & Time Warner	Yes
AT&T	Yes
AT&T & Time Warner	Yes
Believe Entrata	Thinks so
For Rent & Apt. Guide	Yes
Yardi Pop Card	Yes
Apartment Ratings-Yelp-Entrata	Yes
Maxcom	Yes
Callmax	Yes
50% escort only	Yes
Entrata	Yes
N/A	N/A
Pinnacle-small business	No
Use personal phones and are reimbursed \$50 per month	No
Bank of America	Unknown
Sparkle Enterprises	No
Sparklettes- mtm contract	Yes
Diversified Recovery Services/Sure Deposit	Yes
Dahill	Yes
Sure Deposit	Yes
N/A	N/A
CPS	No
CPS	No
N/A	N/A

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Elevators	N/A	N/A
Elevators Emergency Phone Service	N/A	N/A
Exterminating	Worldwide Pest Control	Yes
Fire Alarm System Maintenance	Maxcom	Yes
Fire Alarm System Monitoring	Maxcom	Yes
Fitness Equipment Rental	N/A	N/A
Fitness Equipment Service	Marathon, quarterly maintenance	Yes
Fountain Maintenance	N/A	N/A
Gas/propane - commercial customer	N/A	N/A
Gas/propane - CSA	N/A	N/A
Gas/propane - revenue share	N/A	N/A
Gate system	Gate Services	No
Irrigation	Growing Solutions, included in landscape contract	Yes
Key management system? Is there a maintenance agreement?	N/A	N/A
Lake maintenance	N/A	N/A
Landscaping	Growing Solutions	Yes
Laundry room	N/A	N/A
Lease documents – Proprietary or BlueMoon, etc?	BlueMoon	No
Leased Furniture	N/A	N/A
Lift Station Maintenance	N/A	N/A
Long distance	AT&T	Yes
Maintenance Supplies	HDS	Yes
Market survey	Wilmar Supply for R22	No
Mats services	Sweet Spot	Yes
Office Supplies	Benson	No
On-hold music	Quill	No
Online payments	N/A	N/A
Pagers	Entrata	Yes
Paint	N/A	N/A
Painting services	Sherwin Williams	Yes
Payphone	M&M	No
Pet Waste Removal	N/A	N/A
Phone/alarms	N/A	N/A
Phone/elevator	ATT	Yes
Phone/gate	N/A	N/A
Phone/pool	ATT	Yes
Pool emergency phone	N/A	N/A
Pool maintenance	ATT	Yes
Postage equipment	North & South Pools	No
Preferred renter's insurance company	N/A	N/A
Property Service Assistant	N/A	N/A
Property software	#7205	Yes
Property Website	Yardi	Yes
Recycling	Entrata	Yes
Refreshment Services	Waste Management	Yes
Resident screening	Sparklettes	Yes
Resident services/CARES team	Corelogic	Yes
Revenue management	N/A	N/A
Security patrol	Yieldstar	Yes
Site Lighting (leasing/maintenance)	N/A	N/A
Snow Removal	Complete repairs in house	N/A
	N/A	N/A

Surveillance cameras/monitoring
Tanning bed(s)
Termite bonds
Towing

Trash agreements

Trash compactor
Trash valet/door-to-door services
Uniform services
Utility bill pay agreements
Utility collections performed by site or 3rd party?
Vending machines
Vendor screening and compliance
Washer/dryer rental
Waste expense management company
Water cooler
Water sub-meter agreements
Wetlands

Maxcom	Yes
N/A	N/A
Worldwide Pest Control	Yes
Bear Towing	Yes
Waste Management (dumpsters)	Yes
N/A	N/A
Valet Waste	Yes
N/A	N/A
Conservice	Yes
Site	N/A
N/A	N/A
Corelogic	Yes
N/A	N/A
N/A	N/A
Sparkettes	Yes
N/A	N/A
N/A	N/A

Utilities

Unit HVAC (electric or gas)
Cooking (electric or gas)
Hot water individual (electric or gas)
Do you have boilers/how many/permits?
Is trash hauling city regulated?
How many dumpsters/leased or owned?
How many trash compactors/leased or owned?

Response

Electric
Electric
Electric
N/A
Yes
7, leased
N/A

Marketing

For Rent
Apt Guide
Locators
Yellow Pages
Resident referrals
Off-site signage
Flag poles
City codes limitations
Major employers
Current marketing plan in place
Lease renewals program

Response

Yes
Yes
Yes
No
Yes
No
No
Yes
Medical, military, civil-service
N/A
Offer carpet cleans

Computer Systems

Who provides your resident/office Internet service?
Is internet billed centrally or to site?

List e-mail addresses used by your employees

Who manages the e-mail addresses?
Does the property have a website? List website
Who manages the website? Property management or 3rd party?
Who owns the domain names for your website, if any?
Do you have a hardware inventory?
Does the inventory include both computers and monitors?

Response

ATT
Centrally and by All Covered
subjectproperty@properties.com ,
subject_asst@properties.com ,
subjectleasing@properties.com
Corporate
subjectproperty.com
Entrata
Unknown
Yes
Yes

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Do you have warranties on your computers/equipment?
Do you have any of your installation disks?
Do you have a software inventory?
Please list all computer applications installed
Rent roll system
Key management system
Work order management
How do you back up your data?
Any other computerized equipment such as gate systems, security?
Contact information, warranty information, access codes and instructions
Are there bond requirements? If so, how do you track resident designations and unit certifications?

No
No
No
Unknown
Yardi
N/A, they have no key control system
Yardi
Unknown, not done on site
Yes, gate & cameras
Yes
No

Criminal Information

When was the last police report of criminal activity in the area completed?
How many times have the residents been advised in writing of criminal activity? (in the last 2 years)
For each event that residents received notification, what was the type of criminal activity and when did the event occur?
How often are crime watch/resident community meetings held?
How are such letters delivered to residents?
Are copies available? If so, please attach.

Response
Retrieve weekly through Raids Report online
Once since Feb 2016
Car break-in
N/A
Email blast
Yes, see letter below

Is this email not displaying correctly?
[View it in your browser](#)

Out of an abundance of caution, we would like to inform residents that a suspicious vehicle has been seen on property a couple of days this week around 4am-5am. The person in this vehicle has been seen driving slowly, stopping, and even backing up to a motorcycle, with no apparent purpose of being at our community.

The vehicle is a 2009 Dodge Ram, Gray in color, with plates reading [REDACTED]

If you see this vehicle at our community, please report it immediately to the police and then contact our office to let us know.

This alert is not meant to alarm anyone, but rather to make everyone aware of their surroundings. Please make sure you do not leave belongings visible in your vehicle. Also make sure you keep your vehicle locked when not in use.

Report any suspicious activity first to the police, and then to our office.

Thank you so much for your attention in this matter!

Our mailing address is:
[REDACTED]

You are receiving this email because you have opted to receive notifications via email.

UNSUBSCRIBE

Audit Questionnaire

As part of Springfield's due diligence review of Subject Property, our team completed an Audit Questionnaire which is designed to collect a variety of key data elements regarding the day-to-day operations of each asset. The information was provided during our discussions the week of September 7th, with Terry Johnson, Community Director for Property Management Group. Springfield Management does not guarantee the accuracy of the data provided by Property Management Group representatives and all information collected remains subject to further update, revision, and amendment.

Lease Contract and Addendums	Response
Blue Moon lease?	Yes
Computer software program?	Yardi
Revenue management system (YieldStar, etc)?	YieldStar
Lease terms offered	1 to 13 months
Are lease expirations exact day or end of month?	Exact day
# of M-T-M leases	2
Maximum # of occupants	2 per bedroom
Rent due date	1 st
Initial late date	4 th
Initial late fee	\$50
Daily late charge	\$10
Maximum # of days of daily late charges	14 days
Maximum total late fees	\$190
If there has been a change in the late fee schedule or amounts in the last two years, what was the previous late schedule and/or fees and what was the effective date of the change?	N/A
What is the lease break policy, including any required fees (reletting, accelerated rent, early termination fees, etc)?	Termination addendum used. Resident must provide a 60-day written notice and pay 2 months of rent before keys turned in. If a skip or they do not pay the termination fee upfront the cost of reletting is charged plus any accelerated rent
Asbestos addendums in file?	No
Lead-based paint addendums in file (Pre 1978)?	No
Addendum name/effective date/change in fee	Apartment Lease Contract Inventory and Condition Form Animal Addendum Bed Bug Addendum Water/Wastewater Cost Allocation Addendum Mold Information and Prevention Addendum Lease Addendum for Satellite Dish or Antenna Lease Addendum for Enclosed Garage, Carport or Storage Unit Lease Addendum for Remote Control, Card, or Code Access Gate Lease Addendum for Trash Removal and Recycling Costs – Flat Fee Lease Addendum for Washing Machine Lease Addendum for Renter's Insurance Valet Trash Addendum Courtesy Officer Agreement Lease Addendum for Rent Concession Lease Addendum for Patio or Yard Maintenance Lease Termination Addendum

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Lease Rent Paragraph	Response
Does it list market or street?	Individual market
Does it include rentable items?	No
If so, at market or rented price?	N/A
Security Deposits	Response
Standard deposit – 1 bd/effective date	\$300 or Sure Deposit
Prior amount – 1 bd/effective date	N/A
Standard deposit – 2 bd/effective date	\$300 or Sure Deposit
Prior amount – 2 bd/effective date	N/A
Standard deposit – 3 bd/effective date	\$300 or Sure Deposit
Prior amount – 3 bd/effective date	N/A
Is additional deposit required for approvals?	Yes
At what amount?	Double deposit
Is payout allowed?	No
Is deposit Interest Paid?	No
At what percent?	N/A
How is it document in the file/tracked?	N/A
When is deposit and interest given back?	N/A
Details of deposit program:	\$300 or \$87.50 paid to Sure Deposit for \$500 worth of coverage
What charge codes are used for deposits?	Dep
If multiple charge codes are used, describe how they are split between charge codes:	N/A
Security Deposit Bond Program (Sure Deposit, eDeposit, etc)	Response
Is property on a Security Deposit Bond Program?	Yes
If so, detail program:	\$87.50 paid to Sure Deposit for \$500 worth of coverage
Pet Deposits/Fees	Response
Pet deposit amount	\$200
Pet fee amount	\$200
Additional pet deposit required (i.e. 2 nd pet or large breed)?	Yes, \$200
Additional pet fee required (i.e. 2 nd pet or large breed)?	Yes, \$200
Is payout allowed for pet fees or deposits	Yes
If so, how long?	2 payments
Does the deposit on the lease INCLUDE the pet deposit?	Yes
Pet rent	\$10
Additional pet rent (i.e. 2 nd pet)/Amount	\$10
Maximum number of pets per unit	2
Do all files have a pet addendum?	No
If no pet, how is it noted on the addendum?	N/A
Other Deposits	Response
Garage remote deposit	No
Gate remote deposit	No
Satellite deposit	\$50
Key deposit	No
Are the "Other Deposits" documented in the file?	No
If so, where?	Clubhouse deposit is noted in a binder located in the office

Other Fees	Response
Application fee	\$50
Joint application fee	\$65
Occupant application fee	N/A
Administrative fee	\$150
Transfer fee - onsite	\$300
Transfer fee – property to property	Unknown
Garage Remote fee	No
Gate remote fee	\$35 replacement fee
Satellite fee	No
Key fee	No
NSF fee	\$50
Other fee(s)	N/A

Rentable Items	Response
Is storage available? Monthly fee?	No
Are garages available? Monthly fee?	Yes, \$100
Is assigned parking available? Monthly fee?	No
Washer/dryer company? Monthly fee?	N/A

Utilities Allocated/Sub-Metered	Response
Water/sewer billed to resident? Allocated or sub-metered? Amount?	Yes, allocated
Electricity billed to resident? Allocated or sub-metered? Amount?	No
Gas billed to resident? Allocated or sub-metered? Amount?	No
Pest control billed to resident? Amount?	No
Trash billed to resident? Allocated or flat rate? Amount?	Yes, \$5
Valet trash billed to resident? Allocated or flat rate? Amount?	Yes, \$20 flat rate, and a one-time \$20 setup charge at move in
Billing service fee billed to residents? Amount?	No
How much is the Common Area Deduction (what % is not billed to residents)?	5%
Do residents pay to property or 3 rd party?	Property

Satellites	Response
Do all files have a satellite addendum?	Yes
If no satellite how is it recorded on the addendum?	It is not recorded on the addendum, if they have a satellite it is notated in Yardi memos
Is insurance required on the satellite? If so, how much?	Yes, unknown
Is a deposit required on the satellite? If so, how much?	Yes, \$50
Where is deposit recorded in the file?	On addendum
Is there a fee for the satellite?	No

Taxes	Response
Are taxes billed?	No
What recurring charges and fees are taxable?	N/A
At what percent are they taxable?	N/A

HOA Fees	Response
Are HOA fees billed to residents?	No
At what amount?	N/A
Where are HOA fees documented in the file?	N/A

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Renter's Insurance	Response
Is renter's insurance required?	Yes
Is proof required in the file?	Yes
Amount of Liability insurance required?	\$100,000
Amount of Medical to Others required?	Unknown
Does property use Master Policy? (Master policy is property's policy; when resident fails to provide <u>required</u> policy, property enrolls the UNIT (not the resident, no personal property coverage) and resident is charged on the rent roll; enrollment and charge is cancelled if/when they provide proof of a current policy)	No
Insurance billed to residents? Amount?	N/A

Screening Company	Response
Name	Corelogic
Salary to rent ratio policy	2 times rent
Other qualifying criteria	Anyone over the age of 18 is qualified as a lease holder
Was a copy of current screening criteria obtained?	Yes
Can the screening company decision be over-ridden?	Yes
If so, by whom?	Corporate
What can be overridden?	Unknown

Furnished Apartments	Response
Are there any furnished apartments? If yes, list unit #(s)	No
What type of lease documentation is in the file?	N/A
Is "furnished" cost in Lease Rent Paragraph	N/A
Is there an additional deposit?	N/A
Amount of additional deposit?	N/A
How are utilities handled?	N/A
What charge code is used for furnished apartments?	N/A

Condos, Corporate Units, Military, Etc.	Response
Outline program	N/A
What type of lease documentation is in the file?	N/A

Leasing Concessions, Specials, Leasing Promotions, Gifts, Military, Discounts, Etc.	Response
Current leasing incentives	N/A
Back end concessions? (i.e. 1 month free after 6 months)	N/A
Concession burn off? (Pro-rated):	N/A
Coupons or anytime concessions?	N/A
Gifts of any kind?	N/A
When did concessions, gifts, other incentives stop?	N/A
How are concessions tracked for future move ins?	N/A
Concession codes: recon, otconc, etc:	N/A
When do the current specials expire?	N/A

Renewal Concessions, Specials, Leasing Promotions, Gifts, Military, Discounts, Etc.	Response
Current renewal incentives	N/A
How are concessions tracked for renewals?	N/A
How far into the future have concessions, gifts, rental discounts and specials been offered on renewals?	N/A

Concession codes for renewals: renew, renewtr?
When do the current renewal specials expire?

N/A
N/A

Additional Discounts

Response

Any preferred employers?
If so, how much discount?
Was a list of preferred employers obtained?
Is there a PSA discount? If so, how much?
Is there a senior discount? If so, how much?
How are discounts documented in the files?

Field Industry related employers: law enforcement, education, medical, etc.
Half administrative fee
No
Yes, 50%
No
PSA has a Courtesy Officer agreement plus a concession addendum

Employee Units

Unit # Works on Site % Discount Amount

Community director
Assistant community director
Bookkeeper
Sales director
Sales director
Sales director
Sales director
Maintenance supervisor
Assistant maintenance supervisor
Make-ready
Assistant make-ready
Porter
Housekeeper
Other - marketing
Other - CD other community
Other - floater
Other - (list position)

N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A
N/A	N/A	N/A

Housing – Section 8/Military/Other

Response

Is Section 8 accepted on the community?
What percent of the community is Section 8?
Name of housing authority?
How are the Section 8 units tracked on the community?
Is military housing accepted on the community?
What percent of the community is military housing?
How are the military housing units tracked on the community?
Are there any other housing programs on the community?
If so, describe program in detail.

No
N/A
N/A
N/A
No
N/A
N/A
N/A
N/A

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

File Audit Summary

A team of Whitfield associates completed a file audit for every occupied unit. Each lease file was compared to a detailed rent roll, with any discrepancies noted. Additionally, demographic information was collected from every file with regards to sex, age, employment, and income.

There are significant issues in record-keeping. One such issue noted was that 13% of the files had one or more documents with missing management and/or resident signatures or initials. Additional issues are detailed herein.

Many of the monetary discrepancies are attributed to incomplete lease document preparation or inaccurate rent roll entries and accounting. Without further investigation, including resident payment history review and potentially direct contact with residents, it is not possible to fully determine the cause in each instance. Pertinent information is highlighted below.

Monthly Scheduled Rents

Rent Roll	\$848,555
Lease Audit	\$847,043
Total Net Variance	\$1,512
Lease Files Higher than Rent Roll (30)	\$1,402
Rent Roll Higher than Lease Files (10)	\$2,913

The pricing at Subject Property is determined by a revenue management system, Yieldstar. The rent documented on page one of the lease contract reflects the rate as determined by Yieldstar. In our team's audit of the monthly rents, there were 40 variances identified between the lease files and the property management system. Errors were identified on both the property management system and in the lease files. The total net variance between the lease files and the property management system was \$1,512, with the rent roll showing a higher total of monthly scheduled rents. There were 30 variances with a combined total of \$1,402 where the file reflected more than the recurring rent charges for rent on the rent roll. There were 10 variances with a combined total of \$2,913 that reflected a higher amount on the rent roll than in the file.

Employee Discount

Rent Roll	\$0
Lease Audit	\$242
Variance	\$242
Lease Files Higher than Rent Roll (1)	\$242
Rent Roll Higher than Lease Files (0)	\$0

The Employee Discount is recorded on an Employee Addendum in the lease file. There was one variance in the amount of \$242, due to an employee discount recorded in a lease file that was not reflected on the rent roll.

Courtesy Officer Discount

Rent Roll	\$623
Lease Audit	\$623
Variance	\$0
Lease Files Higher than Rent Roll (0)	\$0
Rent Roll Higher than Lease Files (0)	\$0

The Courtesy Officer Discount is recorded on the rent roll under the code ofcr, and documented on a Courtesy Officer Addendum in the lease file. There was no variance identified when comparing the discount recorded in the lease file to the amount reflected on the rent roll.

Garages

Rent Roll	\$4,400
Lease Audit	\$3,605
Variance	\$795
Lease Files Higher than Rent Roll (2)	\$110
Rent Roll Higher than Lease Files (11)	\$905

Garages leased by the resident were documented on the Lease Addendum for Enclosed Garage, Carport, or Storage Unit. This addendum is designed to reflect only the specific garage(s) leased and does not include a place to reflect the \$85 garage rental rate, however, the garage rental rate was recorded in the special provisions paragraph of the lease contract. We identified 13 variances with a net discrepancy of \$795 that were identified when comparing garages and carports recorded in the lease files to those noted on the rent roll, with the rent roll reflecting a higher amount than the lease files. There were two variances with a combined total of \$110 that reflected a higher amount in the file than what was reflected on the rent roll. There were 11 variances with a combined total of \$905 that reflected a higher amount on the rent roll than in the file.

Carports

Rent Roll	\$765
Lease Audit	\$655
Variance	\$110
Lease Files Higher than Rent Roll (3)	\$25
Rent Roll Higher than Lease Files (8)	\$135

Carports leased by the resident were documented on the Lease Addendum for Enclosed Garage, Carport, or Storage Unit. This addendum is designed to reflect only the specific storage units(s) leased and does not include a place to reflect the \$25 carport rental rate, however, the carport rental rate was recorded in the special provisions paragraph of the lease contract. We identified six variances with a net discrepancy of \$110 that were identified when comparing carports recorded in the lease files to those noted on the rent roll, with the rent roll reflecting a higher amount than the lease files. There was one variance in the amount of \$25 that reflected a higher amount in the file than what was reflected on the rent roll. There were five variances with a combined total of \$135 that reflected a higher amount on the rent roll than in the file.

Washer Dryer

Rent Roll	\$1,925
Lease Audit	\$1,915
Variance	\$10
Lease Files Higher than Rent Roll (7)	\$235
Rent Roll Higher than Lease Files (7)	\$245

The \$40 washer/dryer rent was documented in the lease file in special provisions of the lease contract. There were 14 variances with a net discrepancy of \$10 that were identified when comparing washer/dryer rents recorded in the lease files to those noted on the rent roll, with the rent roll reflecting a higher amount than the lease files. There were seven variances with a combined total of \$235, reflecting a higher amount in the file than what was reflected on the rent roll. There were seven variances with a combined total of \$245 that reflected a higher amount on the rent roll than in the file.

Valet Trash Fee

Rent Roll	\$6,410
Lease Audit	\$6,090
Variance	\$320
Lease Files Higher than Rent Roll (1)	\$20
Rent Roll Higher than Lease Files (17)	\$340

The \$10 trash fee was documented in the lease file in special provisions of the lease contract, and on the Valet Trash Addendum in some files. There were 18 variances with a net discrepancy of \$320 that were identified when comparing trash fees recorded in the lease files to those noted on the rent roll, with the rent roll reflecting a higher

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

amount than the lease files. There was one variance in the amount of \$20, reflecting a higher amount in the file than what was reflected on the rent roll. There were 17 variances with a combined total of \$340 that reflected a higher amount on the rent roll than in the file.

Pet Rent

Rent Roll	\$930
Lease Audit	\$960
Variance	\$30
Lease Files Higher than Rent Roll (8)	\$80
Rent Roll Higher than Lease Files (4)	\$50

Pet rent of \$10 was documented in special provisions of the lease contract, and on the Animal Addendum in the lease file. There were 12 variances with a net discrepancy of \$30 that were identified when comparing pet rent recorded in the lease files to those noted on the rent roll. There were eight variances with a combined total of \$80, reflecting a higher amount in the file than what was reflected on the rent roll. There were four variances with a combined total of \$50 that reflected a higher amount on the rent roll than in the file.

Resident Deposits

Rent Roll	\$44,861
Lease Audit	\$45,621
Variance	\$760
Lease Files Higher than Rent Roll (21)	\$4,607
Rent Roll Higher than Lease Files (12)	\$3,847

The majority of deposits for Security, Pet, or Satellite were reflected on the rent roll as Resident Deposit, with only one deposit recorded as Other Deposit. Security deposits, including any additional deposits required for a screening result of "approved with conditions," were documented in the lease file on the first page of the lease contract. Pet deposits were recorded on the Animal Addendum in the lease file, and were also inconsistently recorded as included in the deposit amount on the first page of the lease, making it difficult to accurately determine the correct deposit amount. Satellite deposits could not be easily determined from the lease file as all files include a Satellite Addendum that reflected a \$50.00 deposit requirement. However, per the information provided by the manager, no residents have a satellite and therefore no satellite deposits have been collected. There was no indication of any other type of deposits required. A total of 33 variances with a net discrepancy of \$760 were identified when comparing deposits recorded in the lease files to those noted on the rent roll, with the rent roll reflecting a higher amount than the lease files. There were 21 variances with a combined total of \$4,607, reflecting a higher amount in the file than what was reflected on the rent roll. There were 12 variances with a combined total of \$3,847 that reflected a higher amount on the rent roll than in the file.

Renter's Insurance

Current Insurance in File	53.87%
Current Insurance not in File	46.13%

Demographic Summary

Gender

Male	50.53%
Female	49.47%

Age

Average Adult Age	37
Average Child Age	12

Average Annual Household Income

\$61,056

There was no proof of income for one or more persons in 20.12% of the resident files.

Employment by Industry

Education, Health, Social Services, Retired, and Government	31.57%
Arts, Entertainment, Accommodation, and Food Services	8.33%
Non-Working Subsidized Income	3.03%
Retail	11.87%
Construction	2.27%
Banking, Insurance, and Real Estate	12.63%
Information Technology	9.09%
Transportation, Warehousing, and Utilities	4.55%
Other	2.02%
Professional, Scientific, and Management	12.63%
Agriculture, Forestry, Fishing, Hunting, and Mining	1.76%
Other Services	0.00%
Student	0.29%

Screening Results

Approved	96.04%
Approved with conditions	2.97%
Denied	0.00%
No report in file	0.99%

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Service Request Review

The Whitfield team performed a work order review for River Common, analyzing the service request history provided, which contained 4,895 service request tickets from September 1, 2014 to August 29, 2016. The service request history was grouped into eight major categories.

Service Request Categories	# of WO's	% of WO's	Notes / Common Requests (As Applicable)
Appliance	501	10.23%	Dishwasher (68), Dryer (37), Freezer (37), Microwave (22), Oven/Stove (13), Refrigerator (19), Washer (82), Utility Closet (21), Other (202)
Exterior	251	5.13%	Windows/Screens (16), Roof Leak (11), Landscaping/Grounds (12), Garage (164), Other (48)
Interior	440	8.99%	Doors (93), Paint (12), Blinds (19), Cabinet Repairs (27), Flooring (218), Other (71)
Electrical	371	7.58%	Smoke Detector (83), Misc. Lights Out (192), Other (96)
Plumbing	1,512	30.89%	Bathroom/Bathtub (259), Kitchen (175), Shower (58), Sink (115), Toilet (483), Garbage Disposal (91), Water Heater (72), Other (259)
HVAC	706	14.42%	A/C (366), Heater (16), Filter (40), A/C Leaking (58), Other (226)
Locks	115	2.35%	Keys & Locks (115)
Other	999	20.41%	Make Ready (23), Move-in Checklist (56), Pest Control (315), Other (605)
Total Reviewed	4,895	100.0%	

Unit Walk Summary

A team of Whitfield associates inspected 20% of the 344 units at River Commons. This included 65 occupied units and 4 vacant units. Our review included the general condition of each unit, as well as condition of the flooring, counters, cabinetry, hardware, plumbing, walls, and windows. Overall, the unit interiors were in good condition. The following is a summary of our observations:

Pets

Item	Count	Comments
Dog/Cat	21	
Other	9	Birds, Turtles, Fish, Rabbit, Snake

Stress Cracks

Item	Count	Comments
Interior Stress Cracks	17	Minor cracks

Sub Floor

Item	Count	Comments
Subfloor	0	

Equipment

Item	Count	Comments
Water Heater Manufacture Date		
2016-2012	15	
2011-2007	13	
2006 and prior	41	

Interiors

Item	Count	Comments
Ceiling Stains	11	
Window Sill Visible Mildew	0	
Window Seal Broken	0	
Window Screen Replacement	1	
Blind Replacements	148	
Front Entry Door Replacements	5	
Interior Door Replacements	0	
Patio Door Replacement	0	
Patio Storage Door Replacement	1	
Patio Storage Wall/Ceiling Damage	4	Small drywall repair needed
Patio Storage Leaks/Water Stains	5	Minor water stains
Light Fixture Replacements	0	
Ceiling Fan Replacements	9	
Built-in Desk Finish		
Beige Marbled Laminate	5	
Dark Marbled Laminate	21	
Resurfaced	6	
No Built-in Desk	37	
Built-in Desk Condition		Majority of built-in desks observed appeared to be in good condition
Good Condition	30	
Fair Condition	0	
Resurface Needed	2	
No Built-in Desk	37	

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Entry Flooring

Item	Count	Comments
Entry Flooring Condition		All faux wood entry flooring observed appeared to be in good condition
Good Condition	60	
Fair Condition	0	
Repair Needed	0	
Replacement Needed	0	
No entry flooring	9	

Laundry Room

Item	Count	Comments
Laundry Room Door Replacements	2	
Visible Mildew/Water Stains	4	
Laundry Room Flooring Condition		All laundry room flooring observed appeared to be in good condition
Good Condition	69	
Fair Condition	0	
Repair Needed	0	
Replacement Needed	0	

Carpets

Item	Count	Comments
Carpet Condition		Majority of the beige carpets observed appeared to be in good condition
Good Condition	41	
Fair Condition	14	
Repair Needed	0	
Replacement Needed	14	

Code Compliance

Item	Count	Comments
GFI Tested	425	GFI testing was completed in a minimum of one unit in each building
Protected	416	
Not Protected	9	
Smoke Detector Needed	4	
CO Detector Needed	18	
Fire Extinguisher Needed	7	
Overspray on Interior Sprinklers	44	
Overspray on Patio Sprinklers	88	

Kitchens

Item	Count	Comments
Cabinet Condition		Majority of oak cabinets observed appeared to be in good condition
Good Condition	67	
Fair Condition	2	
Repair Needed	0	
Replacement Needed	0	
Cabinet Pulls Finish		
Chrome	3	
Brushed Nickel	66	

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Cabinet Pulls Condition		All cabinet pulls observed appeared to be in good condition
Good Condition	69	
Fair Condition	0	
Repair Needed	0	
Replacement Needed	0	
Countertops Finish		
Beige Marbled Laminate	7	
Dark Marbled Laminate	46	
Resurfaced	16	
Countertops Condition		Majority of countertops observed appeared to be in good condition
Good Condition	62	
Fair Condition	0	
Resurface Needed	7	
Replacement Needed	0	
Ceramic Tile Backsplash Condition		All ceramic tile backsplashes observed appeared to be in good condition
Good Condition	13	
Fair Condition	0	
Replacement Needed	0	
No Ceramic Tile Backsplash	56	
Kitchen Faucet Finish		
Chrome	52	
Brushed Nickel	17	
Kitchen Faucet Condition		All faucets observed appeared to be in good condition
Good Condition	69	
Fair Condition	0	
Repair Needed	0	
Replacement Needed	0	
Flooring Style		
Faux Wood Vinyl	14	
Ceramic Tile	10	
Beige Vinyl	45	
Flooring Condition		All flooring observed appeared to be in good condition
Good Condition	69	
Fair Condition	0	
Repair Needed	0	
Replacement Needed	0	
Light Fixture Condition		Majority of light fixtures observed appeared to be in good condition
Good Condition	68	
Fair Condition	0	
Repair Needed	1	
Replacement Needed	0	
Bar top Pendant Light Condition		Majority of bar top pendant lights observed appeared to be in good condition
Good Condition	11	
Fair Condition	0	
Repair Needed	0	
Replacement Needed	1	
No Pendant Light	57	

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Built-in Microwave Color

Black	64
Stainless Steel Front	5

Built-in Microwave Condition

Good Condition	60
Fair Condition	0
Repair Needed	9
Replacement Needed	0

Majority of built-in microwaves observed appeared to be in good condition

Range Color

Black	63
Stainless Steel Front	6

Range Condition

Good Condition	69
Fair Condition	0
Repair Needed	0
Replacement Needed	0

All ranges observed appeared to be in good condition

Dishwasher Color

Black	63
Stainless Steel Front	6

Dishwasher Condition

Good Condition	67
Fair Condition	0
Repair Needed	2
Replacement Needed	0

Majority of dishwashers observed appeared to be in good condition

Refrigerator Color

Black	63
Stainless Steel Front	6

Refrigerator Condition

Good Condition	69
Fair Condition	0
Repair Needed	0
Replacement Needed	0

All refrigerators observed appeared to be in good condition

Bathrooms

Item	Count	Comments
Cabinet Condition		All oak cabinets observed appeared to be in good condition
Good Condition	99	
Fair Condition	0	
Repair Needed	0	
Replacement Needed	0	
Cabinet Pulls Finish		
Chrome	3	
Brushed Nickel	96	
Cabinet Pulls Condition		Majority of cabinet pulls observed appeared to be in good condition
Good Condition	98	
Fair Condition	0	
Repair Needed	1	
Replacement Needed	0	

Vanity Top Finish

Beige Marbled Laminate	11
Dark Marbled Laminate	56
Resurfaced	32

Vanity Top Condition

Good Condition	98
Fair Condition	0
Resurface Needed	1
Replacement Needed	0

Majority of vanity tops observed appeared to be in good condition

Bathroom Hardware Finish

Chrome	4
Brushed Nickel	95

Bathroom Hardware Condition

Good Condition	99
Fair Condition	0
Repair Needed	0
Replacement Needed	0

All bathroom hardware observed appeared to be in good condition

Flooring Style

Faux Wood Vinyl	2
Ceramic Tile	1
Beige Vinyl	96

Flooring Condition

Good Condition	99
Fair Condition	0
Repair Needed	0
Replacement Needed	0

All flooring observed appeared to be in good condition

Vanity Lighting Finish

Chrome	1
Brushed Nickel	98

Vanity Lighting Condition

Good Condition	99
Fair Condition	0
Repair Needed	0
Replacement Needed	0

All vanity lighting observed appeared to be in good condition

Plumbing Fixtures Finish

Chrome	80
Brushed Nickel	19

Plumbing Fixtures Condition

Good Condition	98
Fair Condition	1
Repair Needed	0
Replacement Needed	0

Majority of plumbing fixtures observed appeared to be in good condition

Bathtub Condition

Good Condition	83
Fair Condition	1
Resurface Needed	1
Replacement Needed	0
No Bathtub	14

Majority of bathtubs observed appeared to be in good condition

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Glass Shower Door Condition

All glass shower doors observed
appeared to be in good condition

Good Condition	32
Fair Condition	0
Repair Needed	0
Resurface Needed	0
No Walk-In Shower	67

Bathtub & Shower Surround Condition

All bathtub and shower surrounds
observed appeared to be in good
condition

Good Condition	99
Fair Condition	0
Repair Needed	0
Resurface Needed	0

SAMPLE

Exterior/Interior Capital Review

The week of September 7th, 2016, Whitfield Management's Construction, Regional, and Marketing Managers conducted an interior and exterior physical review of Subject Property to determine the condition of the asset and establish capital needs.

Exterior Recommendations

A proposed 2016 capital budget, along with the projected five-year capital plan, is located within the Appendices. Major projects for Year One include:

- Poolside outdoor kitchen
- Renovated pool deck
- Updates to fitness center equipment and room; add water station
- Outdoor fitness area
- Separate fitness area for spinning or Yoga with on demand digital training classes
- Package locker/notification

Interior Value-Add Recommendations

An interior unit review and assessment was conducted to assess the primary differences between Subject Property's various interior finishes compared to higher end appointments offered by some competitors. The following enhancements are recommended to further increase monthly rent premiums.

- Kitchen cabinetry with upgraded pulls
- Tiled or mosaic kitchen backsplashes
- Granite or quartz kitchen and bath countertops
- Brushed nickel plumbing hardware with updated faucet/vegetable sprayer
- Designer pendant lighting over breakfast bars
- Nickel track lighting in kitchen with LED lighting
- USB outlets in kitchen
- Two-inch blinds throughout
- Add framing to custom bookshelves
- Add framing to bathroom mirrors

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Asset Fact Sheet

General Data

Category	Findings
Number of Units	344
Construction Type	Wood frame
Number of Boiler Rooms	N/A
Number of Maintenance Shops	1 shop, 3 garages: G5, G18 & S2
Number of Models	1, #1107
Number of Phases	1
Date of Last Fire Inspection	Nov-15
Water Supply Co.	SAWS
City Inspection Frequency	N/A, only if complaint made
Number of Buildings	17 apartment buildings, 1 office, 1 maintenance shop, 1 mail
Year Built	2006
One, Two, or Three Story	3
Number of Storage Rooms	0
Number of Down Units	0
Number Other Non-Rent Units	#1101
Electric Supply Company	City Public Service - City of Aurora
Cable Company	AT&T and Time Warner

Specific Information

Undergrounds	Findings
Gas	N/A
Water Pipe Type	PVC
Electric	Yes
Sewer Cast Iron or PVC	PVC
Utilities	Findings
Individual Electric	Yes
Individual Gas	No
Individual Water	RUBS
Retaining Walls	Findings
Type	Austin stone
Paving	Findings
Concrete	Sidewalks
Asphalt	Drives
Parking	Findings
Number of Regular HC Spaces	10
Number of Van Accessible	2
Number of Uncovered Spaces	352 standard, 38 compact
Number of Covered Spaces	40
Number of Garages	157 standard, 3 ADA
Foundation	Findings
Type of Foundation	Concrete / post tension

Sprinkler System		Findings
% Irrigated		100%
% Operational		90%, bldgs 3 & 15 are not operational
Pest Control		Findings
Bond Company/Amount		Worldwide Pest Control/unknown
Roofing		Findings
Age		10 years
Flat		No
Pitched		Yes
Stapled		No
Number of Squares		Unknown
Type		Tile
Crickets		No
Gutters		Findings
Yes/No		Yes
% Guttered		100%
Fireplaces		Findings
Number of Fireplaces		0
Carpentry Type		Findings
Stairs		Metal stringers and hand rails
Balconies		Concrete
Pickets		Metal
Patio Fences		Metal
Exterior Doors		Findings
Entrance Door Type		Metal 6-panel
Adequate door Numbers		Yes
Balconies		Findings
Balcony Deck Material		Concrete
Windows & Screens		Findings
Insulated		Yes
Dumpsters		Findings
Dumpster Fence Type		Wood with metal posts
Number of Locations		6
Access Gates		Findings
Yes/No		Yes
Type		Slide
Paint		
Age		10 years
Type of Paint		Unknown
Warranty		No

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Masonry	Findings
% Exterior Brick	0
Color of Brick	N/A
% of Exterior Stone	20%
Color of Stone	Multi-colored
% of Exterior Stucco	30%
Color of Stucco	Beige
Other	50% Hardi
Lightweight Concrete	Findings
Type of Subfloor	Lightweight concrete
Boilers	Findings
Type	N/A
Individual Water Heaters	Yes, State
Energy Efficient (Protemp)	N/A
Number of Replacements	29 since 2013
Plumbing	Findings
Copper Supply Lines	No, CPVC
Number of Leaks	0
Electrical	Findings
Aluminum Branch Wiring	No
Breaker Problems	No
Sports Courts	Findings
Type	N/A
Number	N/A
Site Lighting	Findings
Adequate	Yes
Energy Conversion	Upgrade to LED
Code/Safety/Fire	Findings
Security System	N/A
Fire Alarm System	Yes
Fire Sprinkler System	Yes
Firewalls	Yes
Individual Smoke Detectors	Yes
Additional Amenities	Findings
	Business center, clubhouse, fitness center, pool

Revenue and Income

Revenue Strategy

Each Whitfield property is operated with the same approach regardless of ownership structure. Our revenue philosophy is to maximize value through the optimization of occupancy and pricing. Results are achieved via:

- **Responsiveness** – Daily review of pricing allows rapid response to dynamic market conditions
- **Transparency** – Pricing is achieved via daily discussions between sites and a centralized revenue management department to ensure asset and site-level goals are met
- **Efficiency** – Streamlined pricing process ensures more time is available to spend on the “P’s” (Promotion, Product, and People)
- **Optimization** – Careful management of expirations reduces non-market cyclicity in the rent roll and results in less average vacant days and more predictable performance
- **Unit Level Pricing** – Units are priced both on an individual level within their respective floor plan within the property, as well as priced against the supply/demand characteristics within the specific unit type competitive set in their submarket
- **Reposition Opportunities** – Continual evaluation of upgrade and repositioning opportunities to add ancillary income streams
- **Reporting/Auditing** – Internal reporting focuses on complete revenue metrics such as rent per occupied unit/psf which ensures informed management making value optimized decisions

Whitfield assets use the YieldStar Revenue Management Solution. It increases transparency into revenue performance while streamlining the pricing process. YieldStar enhances operational decision making by offering recommendations that combine historical leasing activity at the asset, recent transactions, and data from a competitive set that includes proprietary research from over 6.5 million multifamily units.

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Expenses

Expense Management

Whitfield's philosophy of managing all properties with an "owner's mentality" extends beyond our approach to revenue generation. Springfield has developed key policies, procedures, and proprietary toolsets that create a continued focus on expense controls and cost reduction efforts.

All Whitfield managed properties have access to our preferred vendors and therefore are able to take advantage of nationally negotiated pricing structures. By introducing high value and targeted marketing tools, Springfield is able to increase the effectiveness of our advertising sources while eliminating more costly or less effective advertising vehicles. To further contain expenses, Springfield utilizes customized utility expense controls, overtime management strategies, and a proprietary budget control system, all of which are regularly monitored by our senior management team.

National Service Contracts

Whitfield's strong reputation and consolidated buying power are used to negotiate favorable pricing, terms, and services. One hundred percent of negotiated discounts, incentives, and rebates are applied to properties.

Recently renewed or renegotiated agreements:

- Appliance suppliers & manufacturers, bulk utility agreements, criminal & credit screening services, emergency pool phones, waste removal & recycling, telecommunications, maintenance & construction materials, and capital expense contracts

Service Contract Database

Whitfield maintains a centralized database of property contracts. This provides visibility into key contract terms, pricing, dates, points of contact, contract images, and allows for proactive management of renewals, cancellations, renegotiations, and issue resolution.

Recent Expense Control Initiatives

Whitfield performs regular reviews of property and bench marketing, regional and national expense trends against industry best practices. Alternatives are regularly evaluated and trials conducted as value proposition merits. Springfield is consistent in optimizing the balance of quality, service, and price. Current year initiatives include:

- Consolidate vendors without eliminating competition
- Complete deployment of Waste Reduction Consultants across the portfolio for the administration of waste and recycling to achieve optimal pricing and service
 - Renegotiate property agreements with haulers to optimize and reduce waste removal costs
- Continue to streamline site telecommunications spending, including auditing property phone bills, eliminating unnecessary lines and features, and consolidating around key vendors, where possible, to gain pricing advantage, reduce/eliminate long distance cost

Service Contract Review

A review of the current service contracts was completed for River Commons. The Service Contract Analysis on the following pages summarizes and outlines the contract terms along with our recommendations.

Our review underscores that through the use of Whitfield preferred local and national vendors, the property will realize an overall annual expense savings while maintaining quality and consistency in the services received. Any contracts not provided by the seller for our review are not included in the following analysis and recommendations; however, upon receipt of any such contract, our team will review and provide a corresponding recommendation.

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Service Contract Detail									
Service	Vendor	Contract Received	Contact Number	Expiration Date	Extension Options?	Deal Terms	Assignable	Action	Recommendation/Comments
Advertising - Bulletin Boards	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Springfield will evaluate effectiveness and if deemed necessary will use preferred vendors with nationally negotiated rates
Advertising - Print/ Internet	Apt. Guide	National vendor	N/A	N/A	N/A	N/A	N/A	Cancel	Springfield will evaluate effectiveness and if deemed necessary will use preferred vendors with nationally negotiated rates
Advertising - Print/Internet	For Rent	National vendor	N/A	N/A	N/A	N/A	N/A	Cancel	Springfield will evaluate effectiveness and if deemed necessary will use preferred vendors with nationally negotiated rates
Advertising - Internet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Springfield will evaluate effectiveness and if deemed necessary will use preferred vendors with nationally negotiated rates
Advertising - call tracking	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Springfield will evaluate effectiveness and if deemed necessary will use preferred vendors with nationally negotiated rates
Advertising - Locators	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Springfield will evaluate effectiveness and implement our standard \$200 flat fee per lease if deemed necessary
Alarm - Fire Alarm System - monitoring	AAA Fire & Safety	No	N/A	11/14/2014	Yes, MTM	N/A	Yes	Assume	Evaluate after take over
Alarm - Fire Alarm System - Maintenance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Alarm - Office	Max.com	Yes		MTM	N/A	\$60.44 for office fire and burglary alarm	Yes, with consent of vendor	Assume	Evaluate after take over



Alarm - Maintenance Shop	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Evaluate after take over
Alarm - Model	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Alarm - Hospitality Unit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Answering Service	Call Max	Yes	Consisting of 10/12/2015	Yes, MTM	\$325 per month	N/A	Cancel	Springfield will evaluate effectiveness and if deemed necessary will use preferred vendors with nationally negotiated rates	Springfield will evaluate effectiveness and if deemed necessary will use preferred vendors with nationally negotiated rates
Applicant Screening	Corelogic	National vendor	N/A	N/A	N/A	N/A	Cancel	Springfield will evaluate effectiveness and if deemed necessary will use preferred vendors with nationally negotiated rates	Springfield will evaluate effectiveness and if deemed necessary will use preferred vendors with nationally negotiated rates
Automated Payables System	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Office Phone and Internet Agreement	AT&T and TWC	No	N/A	MTM	N/A	N/A	Assume	Evaluate after take over	
Phone and Internet Marketing Agreement	Smart Moves	Yes	SBC Operations 530 McCullough Aurora, CO 78215	Auto-renew 9/27/2012	5.5% of gross revenue	Yes	Assume	Evaluate after take over	
Cable/Video/Internet Marketing Agreement	Time Warner Cable	N/A	Aurora 1900 Blue Crest Lane, Aurora, CO 78246	Auto-renew 10/17/2015	5%-10% of revenue based on penetration	Yes, with consent of vendor	Assume	Evaluate after take over	
Cable Bulk Agreement	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Car Wash	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Carpet Cleaning	Pinacle	No	N/A	N/A	N/A	N/A	Cancel	No contract in place	Springfield will evaluate effectiveness and if deemed necessary will use preferred vendors with nationally negotiated rates
Check Scanning	Bank of America	National vendor	N/A	N/A	N/A	N/A	Cancel	Springfield will evaluate effectiveness and if deemed necessary will use preferred vendors with nationally negotiated rates	Springfield will evaluate effectiveness and if deemed necessary will use preferred vendors with nationally negotiated rates

RIVER COMMONS PROPERTY ASSESSMENT AND DUE DILIGENCE SUMMARY

Collections	Diversified Recovery Systems	National vendor	N/A	N/A	N/A	N/A	Cancel	Springfield will evaluate effectiveness and if deemed necessary will use preferred vendors with nationally negotiated rates
Copier Lease	Dahill	Yes	Steve Ivey 303 805 8459	6/17/2017	N/A	Auto-renews 3 months with 90-day notice	Assume	Evaluate after take over
Copier Maintenance	Dahill	Yes	Steve Ivey 303 805 8200	5/17/2016	N/A	Auto-renews 12 months with 90-day notice	Assume	Evaluate after take over
Credit Card/ACH/Online Payments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Springfield will evaluate effectiveness and if deemed necessary will use preferred vendors with nationally negotiated rates
Deposit Bond Service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DVD Rental	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Electric - Common Area	CPS	No	N/A	N/A	N/A	N/A	Assume	No contract received
Electric - CSA	CPS	No	N/A	N/A	N/A	N/A	Assume	No contract received
Electric - Marketing Elevators	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fitness	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Equipment Rental (quarterly maintenance agreement)	Marathon	No	N/A	N/A	N/A	N/A	Assume	Springfield will evaluate effectiveness and if deemed necessary will use preferred vendors with nationally negotiated rates
Fountain	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Maintenance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gas - Commercial Customer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gas - CSA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gas - Revenue Share	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Evaluate after take over
Gate System	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Check if renewed or terminated
Internet - Office	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
								Evaluate after take over

[illegible]

[illegible]



Towing	Bear Towing	No contract	N/A	N/A	N/A	N/A	Assume	Evaluate after take over
Trash -door to door	Valet Waste	Yes	Valet Waste LLC 100 S. Ashley Drive, Suite 700 Tampa, FL 33602	12/13/2021	MTM for 180 days	\$12.95 per month	Assume	Evaluate after take over
Trash Hauler	Waste Management	Yes	Waste Management of Colorado	9/30/2015	Auto-renews one year with 90-day notice	\$1,312 per month	Assume	Evaluate after take over
Trash Compactor Rental	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Uniforms	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unit Make Ready Process	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Utility Billing & Submetering	Conservance	National vendor	N/A	N/A	N/A	N/A	Cancel	Springfield will evaluate effectiveness and if deemed necessary will use preferred vendors with nationally negotiated rates
Vending	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vendor Compliance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Washer/Dryer Rental	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Waste Removal	Valet Waste, see Trash-door to door							
Waste Management Services	Valet Waste, see Trash-door to door	Yes						
Water Cooler	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wetlands	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

DUE DILIGENCE ACTIVITY BUDGET ADDITIONS

2017 Budget														344 Units		
Subject Property																
Actuals Through Aug 2016																
Forward Twelve Month Budget																
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total	Intra Year \$ Change	Intra Year % Change	
Gross Potential Rent	375,000	377,000	378,000	379,000	380,000	381,000	382,000	383,000	384,000	385,500	386,500	387,500	4,578,500	12,500	3.33%	
Up-Grade	(5,831)	(6,409)	(6,426)	(6,822)	(7,220)	(7,239)	(7,640)	(8,043)	(8,448)	(8,867)	(8,803)	(7,750)	(89,179)	0	N/M	
Loss to Lease	(18,183)	(18,329)	(18,629)	(18,704)	(18,779)	(18,804)	(18,979)	(17,648)	(17,843)	(18,099)	(19,879)	(20,129)	(224,151)	10,563	33.33%	
Adjusted Gross Potential Revenue	350,986	350,262	354,945	355,474	355,951	352,957	355,360	357,309	355,752	376,634	377,997	379,750	4,489,321	(1,938)	2.86%	
Loss to Vacancies	(934)	(934)	(934)	(934)	(934)	(934)	(934)	(934)	(934)	(934)	(934)	(934)	(11,208)	0		
Uncollectables	(1,108)	(1,108)	(1,108)	(1,108)	(1,108)	(1,108)	(1,108)	(1,108)	(1,109)	(1,109)	(1,109)	(1,109)	(13,298)	-		
Models and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Concessions	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Net Rental Income	348,817	350,220	350,908	354,432	351,959	352,915	353,339	355,267	355,667	356,492	356,076	357,579	4,240,664	8,762	2.51%	
Other Property Income	45,897	47,488	45,857	45,897	47,489	45,945	45,897	47,489	45,897	45,897	47,489	45,843	557,126	-		
Total Property Revenue	394,714	397,709	396,800	400,329	399,448	398,860	399,236	402,756	401,564	402,389	403,565	403,422	4,797,790	-		
Physical Occupancy	95.04%	95.05%	94.99%	94.97%	94.96%	94.97%	94.93%	95.29%	95.25%	95.19%	94.74%	94.70%	95.01%	-0.34%		
Economic Occupancy	94.48%	94.50%	94.44%	94.41%	94.41%	94.41%	94.38%	94.75%	94.70%	94.65%	94.20%	94.16%	94.46%	-0.32%		
Average Rent per Unit	1,073.22	1,077.30	1,080.16	1,081.97	1,083.46	1,085.71	1,088.26	1,089.99	1,091.72	1,094.86	1,098.83	1,103.92	1,087.53	30.70	2.86%	
Average Rent per Occupied Unit	1,066.97	1,071.05	1,073.91	1,075.66	1,077.41	1,080.26	1,082.00	1,083.76	1,085.49	1,088.63	1,092.56	1,097.65	1,081.28	30.68	2.88%	
Controllable Expenses	(5,342)	(6,103)	(3,938)	(4,138)	(3,653)	(3,653)	(3,510)	(3,818)	(5,043)	(4,318)	(3,403)	(3,403)	(51,322)	(149.19)	(53.63)	
Administrative	(5,452)	(3,452)	(3,452)	(3,452)	(3,452)	(3,452)	(3,452)	(3,452)	(3,452)	(3,452)	(3,452)	(3,452)	(43,424)	(126.23)	(45.38)	
Advertising/Promotion	(3,530)	(4,230)	(6,980)	(3,730)	(3,730)	(4,460)	(3,650)	(4,630)	(6,080)	(3,530)	(3,630)	(3,780)	(51,460)	(149.59)	(53.77)	
R&M - Site	(3,449)	(3,449)	(3,449)	(3,449)	(3,449)	(3,449)	(3,449)	(3,449)	(3,449)	(3,449)	(3,449)	(3,449)	(42,743)	(124.25)	(44.66)	
R&M - Building	(8,525)	(8,575)	(9,025)	(8,575)	(8,575)	(8,575)	(8,575)	(8,525)	(8,525)	(8,575)	(8,525)	(8,575)	(103,600)	(301.16)	(108.25)	
R&M - Interior	(15,504)	(16,254)	(19,454)	(16,504)	(16,504)	(17,059)	(16,894)	(18,654)	(25,597)	(25,597)	(25,597)	(33,147)	(197,803)	(575.01)	(206.69)	
Total R&M	(26,130)	(26,233)	(30,820)	(25,556)	(26,334)	(31,359)	(26,370)	(26,379)	(30,663)	(25,597)	(25,606)	(33,147)	(333,147)	(968.45)	(348.12)	
Payroll Compensation	(6,402)	(6,427)	(7,576)	(6,261)	(6,452)	(7,862)	(6,461)	(6,463)	(7,748)	(6,271)	(6,271)	(7,860)	(81,621)	(237.27)	(85.29)	
Payroll Burden	(27,442)	(27,442)	(27,442)	(27,442)	(27,442)	(27,442)	(27,442)	(27,442)	(27,442)	(27,442)	(27,442)	(27,442)	(329,271)	(957.18)	(344.07)	
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00	0.00	
Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Controllable Expenses	(86,272)	(85,911)	(92,682)	(82,403)	(83,837)	(90,657)	(83,139)	(83,403)	(92,034)	(82,634)	(81,481)	(90,131)	(1,036,588)	(3,013.34)	(1,083.16)	
Non-Controllable Expenses	(110,389)	(110,389)	(110,389)	(110,389)	(110,389)	(110,389)	(110,389)	(110,389)	(110,389)	(110,389)	(110,389)	(110,389)	(1,324,663)	(3,850.76)	(1,384.18)	
Total Non-Controllable Expenses	(196,660)	(196,300)	(203,071)	(192,792)	(194,225)	(201,046)	(193,527)	(193,796)	(202,422)	(193,023)	(191,869)	(200,519)	(2,361,251)	(6,864.10)	(2,467.35)	
Total Operating Expenses	198,053	201,409	193,729	204,537	205,223	197,814	205,709	206,960	199,141	209,366	211,695	202,902	2,436,539	7,082.96	2,546.02	
Net Operating Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Capital Spending	0	(18,000)	(192,000)	(5,000)	0	0	0	(9,000)	0	0	0	0	0	(224,000)	0	
Site	(5,000)	(15,000)	(30,000)	(42,000)	(92,000)	0	0	0	0	0	0	0	0	(184,000)	0	
Building	(11,380)	(11,380)	(11,380)	(11,380)	(11,380)	(11,380)	(11,380)	(11,380)	(11,380)	(11,380)	(11,380)	(11,380)	(136,554)	(11,380)		
Interior	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Unit Repairs	(16,380)	(44,380)	(233,380)	(58,380)	(103,380)	(11,380)	(11,380)	(20,380)	(11,380)	(11,380)	(11,380)	(11,380)	(540,554)	(11,380)		
Total Capital Spending	181,674	157,030	(99,650)	146,158	101,843	186,435	194,329	186,580	187,762	197,987	200,316	191,523	1,891,985	191,523		
Cash Flow After Capital Spending	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
General & Administrative	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Principal Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Bond Reserve-Monthly Fundings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Property Cash Flow	181,674	157,030	(99,650)	146,158	101,843	186,435	194,329	186,580	187,762	197,987	200,316	191,523	1,891,985	191,523		

Subject Property

Executive Summary	YR 1	YR 2	YR 3	YR 4	YR 5	Totals
Grand Total	\$544,554	\$552,554	\$167,544	\$163,054	\$170,054	\$1,577,770
Price Per Unit	\$1,588	\$1,548	\$487	\$474	\$494	\$4,587

Site	YR 1	YR 2	YR 3	YR 4	YR 5	Totals	Comments
Drainage/Erosion	\$35,000	\$2,000	\$2,000	\$2,000	\$2,000	\$43,000	Erosion areas, clean 2 retention ponds
Environmental Issues	\$0	\$0	\$0	\$0	\$0	\$0	
Fountain	\$0	\$0	\$0	\$0	\$0	\$0	
Irrigation and Sprinklers	\$7,000	\$0	\$0	\$2,000	\$5,000	\$14,000	Irrigation repairs around clubhouse
Landscape and Trees	\$15,000	\$15,000	\$0	\$0	\$0	\$30,000	Landscape improvements, tree trimming
Access Gates	\$3,000	\$1,000	\$1,000	\$1,000	\$1,000	\$7,000	Contingency
Barrier Fence/Columns	\$0	\$10,000	\$0	\$0	\$0	\$10,000	Perimeter fence repair and paint
Garages	\$2,000	\$0	\$2,000	\$2,000	\$2,000	\$8,000	Contingency
Carports	\$2,000	\$0	\$2,000	\$2,000	\$2,000	\$8,000	Contingency
Retaining Walls	\$40,000	\$0	\$2,000	\$0	\$2,000	\$44,000	Clean trees from retaining walls at bldgs 3 and 4 (460 linear feet)
Screening Fences	\$0	\$0	\$0	\$0	\$0	\$0	
Signage	\$0	\$15,000	\$0	\$0	\$0	\$15,000	All new sign package
Picnic and Playground	\$50,000	\$0	\$0	\$0	\$0	\$50,000	Outdoor kitchen and gas line
Pool/Spa Resurfacing	\$10,000	\$0	\$0	\$0	\$0	\$10,000	Expansion joints and restain pool deck
Pool Equipment/Furniture	\$25,000	\$0	\$3,000	\$0	\$3,000	\$31,000	New pool furniture
Tennis Courts	\$0	\$0	\$0	\$0	\$0	\$0	
Vehicle/Golf Carts	\$5,000	\$0	\$0	\$0	\$0	\$5,000	1 leasing cart
Parking Lots/Resurfacing	\$0	\$60,000	\$0	\$0	\$0	\$60,000	Repair, sealcoat, and stripe
Walks/Steps	\$5,000	\$0	\$2,000	\$0	\$2,000	\$9,000	Contingency
Site Electrical	\$0	\$0	\$0	\$0	\$0	\$0	
Site Lighting	\$5,000	\$10,000	\$2,000	\$2,000	\$2,000	\$21,000	Repair as needed
Other Site	\$20,000	\$0	\$0	\$0	\$0	\$20,000	Flag poles
Site Total	\$224,000	\$113,000	\$16,000	\$11,000	\$21,000	\$385,000	
Price Per Unit	\$651	\$328	\$47	\$32	\$61	\$1,119	

Subject Property

Executive Summary	YR 1	YR 2	YR 3	YR 4	YR 5	Totals
Grand Total	\$544,554	\$532,554	\$167,554	\$163,054	\$170,054	\$1,577,770
Price Per Unit	\$1,583	\$1,548	\$487	\$474	\$494	\$4,587
Units	344					
Interior Building	YR 1	YR 2	YR 3	YR 4	YR 5	Totals
Carpet	\$52,919	\$52,919	\$52,919	\$52,919	\$52,919	\$264,595
Tile/Vinyl	\$8,923	\$8,923	\$8,923	\$8,923	\$8,923	\$44,615
HVAC	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$60,000
Int. Plumbing/ Water Heater	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$18,000
Dishwashers	\$9,600	\$9,600	\$9,600	\$9,600	\$9,600	\$48,000
Microwaves	\$7,140	\$7,140	\$7,140	\$7,140	\$7,140	\$35,700
Refrigerators	\$17,100	\$17,100	\$17,100	\$17,100	\$17,100	\$85,500
Stoves	\$15,672	\$15,672	\$15,672	\$15,672	\$15,672	\$6,600
Washers and Dryers	\$0	\$0	\$0	\$0	\$0	\$0
Cabinet Refacing	\$0	\$0	\$0	\$0	\$0	\$0
Cabinet Replacement	\$0	\$0	\$0	\$0	\$0	\$0
Countertops	\$9,600	\$9,600	\$9,600	\$9,600	\$9,600	\$48,000
Interior Doors	\$0	\$0	\$0	\$0	\$0	\$0
Interior Lighting	\$0	\$0	\$0	\$0	\$0	\$0
Unit Interior Other	\$0	\$0	\$0	\$0	\$0	\$0
Building Interior Total	\$136,554	\$136,554	\$136,554	\$136,554	\$136,554	\$682,770
Price Per Unit	\$397	\$397	\$397	\$397	\$397	\$1,985

Unit Interior Value Add	\$0	\$0	\$0	\$0	\$0	\$0
-------------------------	-----	-----	-----	-----	-----	-----

	YR 1	YR 2	YR 3	YR 4	YR 5	Totals
TOTAL SITE	\$224,000	\$113,000	\$16,000	\$11,000	\$21,000	\$385,000
TOTAL BUILDING	\$184,000	\$283,000	\$15,000	\$15,500	\$12,500	\$510,000
TOTAL UNITS	\$136,554	\$136,554	\$136,554	\$136,554	\$136,554	\$682,770
TOTAL INTERIOR VALUE ADD	\$0	\$0	\$0	\$0	\$0	\$0
GRAND TOTAL	\$544,554	\$532,554	\$167,554	\$163,054	\$170,054	\$1,577,770
PRICE PER UNIT	\$1,583	\$1,548	\$487	\$474	\$494	\$4,587