

NAAEI CAPS Scenario

Meridian Hill Pointe is a 199-unit multi-family luxury property located within the master-planned development in Somewhere, State. Meridian Hill Pointe is the only platted multi-family site in the development.

Apartment homes were scheduled for availability in July 2014. Lease-up was delayed by construction. Consequently, homes were first marketed in March 2015 and available for move-in in June 2015. Leasing staff was in place a full six months before any units had come on line. Move-ins ran far behind schedule and concessions have been high due to the inconvenience and hotel charges for delayed move-ins.

As of 2016, financial performance has fallen below expectations, largely given the late delivery of units. Due to the lender restriction to one maintenance staff in payroll, contract maintenance costs are high, exceeding budget. Resident turnover has accelerated in 2016 as original one year leases from late 2015 expired. Make-ready expenses are higher than anticipated due to inferior interior paint from construction and stainless steel appliances (particularly refrigerators) that dent. Similarly, floor covering at construction was an inferior quality and not able to be repaired.

Traffic in 2016 has been ample. Marketing expense is over budget in 2016 due to deferred open house and community events from 2015. Beginning in January 2016, the management fee finally exceeded \$3,000. Debt coverage ratio at 1.13:1.

Overall performance is under budget and the asset manager is concerned since Phase II is scheduled to begin immediately.

Supporting Documents:

1. 24-month Operations Pro Forma and Leasing Schedule
2. Meridian Hill Point Marketing Plan
3. Income Statement Budget vs. Actual 2016
4. Leads by Source for 2015 and 2016
5. Occupancy Vacancy for 2015 and 2016
6. Traffic Summaries for 2015 and 2016

Supporting Document 1: 24-month Operations Pro Forma and Leasing Schedule

Meridian Hill Pointe Apartments	10.11.13													
OPERATIONS PROFORMA														
24 MONTH PROJECTION														
Total Sq. Ft. = 186,455														
		24 month	Closing	Month 1	2	3	4	5	6	7	8	9	10	
Operations Pro Forma		Totals	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	
Number of Move-ins		190								-	-	12	14	
Total Income Producing Units											-	-	12	
Occupancy												0.00%	6.03%	
Operating Income											-	-	15,041	
Operating Expenses			-					10,000	15,000	15,000	20,000	30,000	35,000	
Marketing Expenses		160,308	-		-	-	-	5,308	10,000	10,000	10,000	10,000	10,000	
Total Operating Income			-	-	-	-	-	(15,308)	(25,000)	(25,000)	(30,000)	(40,000)	(29,959)	

Meridian Hill Pointe Apartments														
OPERATIONS PROFORMA														
24 MONTH PROJECTION														
Total Sq. Ft. = 186,455														
	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Operations Pro Forma	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
Number of Move-ins	16	16	16	16	16	16	16	16	16	12	8	-	-	-
Total Income Producing Units	26	42	58	74	90	106	122	138	154	170	182	190	190	190
Occupancy	13.07%	21.11%	29.15%	37.19%	45.23%	53.27%	61.31%	69.35%	77.39%	85.43%	91.46%	95.48%	95.48%	95.48%
Operating Income	32,589	52,645	72,700	92,755	112,810	132,865	152,920	172,975	193,030	213,085	228,126	238,154	238,154	238,154
Operating Expenses	40,000	45,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000	97,642	97,642	97,642
Marketing Expenses	10,000	15,000	15,000	15,000	10,000	10,000	5,000	5,000	5,000	5,000	5,000	5,000		
Total Operating Income	(17,411)	(7,355)	(300)	19,755	44,810	64,865	89,920	109,975	130,030	150,085	165,126	135,512	140,512	140,512

Supporting Document 2: *Meridian Hill Pointe Marketing Plan*

Meridian Hill Pointe is a 199-unit multi-family luxury property located within the master-planned development in Somewhere, State. The Pointe is the only platted multi-family site in the development. Initial multi-family buildings are targeted for initial availability in July 2014.

In order to expedite the complete lease-up and stabilization of the property, Frankfort Real Estate Services staff and the on-site staff will carry out the following marketing efforts:

Leasing Goals – based on unit delivery from construction:

- Occupancy on first units in December 2014
- 10% occupancy on January 1, 2015
- 20% occupancy on February 1, 2015
- 30% occupancy on March 1, 2015
- 40% occupancy on April 1, 2015
- 50% occupancy on May 1, 2015
- 60% occupancy on June 1, 2015
- 70% occupancy on July 1, 2015
- 80% occupancy on August 1, 2015
- 90% occupancy on September 1, 2015
- 95% occupancy on October 1, 2015

Pre-Opening Leasing Activities:

A temporary sign will be erected on Ridgeview Parkway at Englewood Parkway that informs passers-by of the name of the property, the type of units and occupancy, and the number to call for further information. **High quality informational brochures and handouts will be created** – Design and print a brochure, informational sheets, floor plans, stationary, and business cards.

Floor plans, a marketing brochure, and additional collateral will be developed and finalized at least 90 days prior to initial availability of buildings.

All inquiries received prior to the opening of the office will be routed to a call center and will be returned by a staff member within 24 hours.

Planning and design work will be completed for appropriate advertising in the local newspapers, rental marketing magazines, and other media.

An **aggressive electronic presence** will be established.

Advertise in multiple print and electronic media.

***Phase I Marketing** – This first phase of marketing will begin with the onset of construction and the placement of a construction office, scheduled for January 2014.*

Commence regular advertising in The Somewhere City News and The Meridian Hill Association. Advertisements will be revised on a regular basis to reflect new themes or “hooks” from the property. We should anticipate a cost of \$2,500 to \$3,000 per month for newspaper advertising on a daily basis through lease-up.

Respond to “walk-in” traffic – Once the trailer and office are opened, professional staff will be ready to handle walk-in traffic. During lease up, every effort will be made to have at least two persons working at all times.

Undertake targeted direct mail advertising – A professional direct mail firm will be engaged at a cost of between \$2,500 and \$5,000 to design and send out a high quality direct mailer targeting households in the 12345 ZIP code. Multiple mailings will be spread out beginning in October of 2013. Businesses in a 15-mile radius will be targeted in January 2014.

Assess and monitor the competition and restrict incentives and concessions – Monthly analysis of the competitive market around the property will be completed to ascertain the appropriate levels of incentives and/or concessions being offered by other properties. During Phase I Marketing and because of the quality and unique market position for this property, ***no concessions, incentives, rent reductions, or commissions/locator fees will be paid without the prior knowledge and approval from the Owner.*** We anticipate using locaters and realtors heavily during initial lease up. **Install and maintain appropriate banners and signs** to market the property – Initially, several “Live the Lake Lifestyle” or “See our Amazing Community” banners will be used – subject to local restrictions and requirements.

Design and distribute an attractive one-page flyer to locales where prospective residents are working or being entertained.

Aggressively monitor reputation and social presence – contract with third party provider to conduct multi-site reputation monitoring, resident point-of-service surveys, and follow-up.

Raise Community Awareness – Undertake activities that are designed to get the name of the property out into the community.

Sponsor activities at local high school and secondary school sports teams in the Somewhere ISD.

Sponsor, advertise, and support activities at area recreational sites (parks, golf courses).

Supporting Document 3: *Income Statement Budget vs. Actual 2016*

Income Statement Budget vs Actual

Accrual Basis
Dec 2016

Account Number	Account Name	Dec 16							YTD (Jan 16 - Dec 16)							Annual Budget
		Actual	% of Revenue	Budget	% of Revenue	\$ Variance	% Variance	Dec 15	Actual	% of Revenue	Budget	% of Revenue	\$ Variance	% Variance	YTD (2015)	
Revenue																
Rental Income																
Scheduled Rent																
4011	Rental Income	258,378.25	94.58%	244,895.00	95.34%	13,483.25	5.51%	253,930.52	3,059,179.58	117.08%	2,938,740.00	114.20%	120,439.58	4.10%	2,317,902.56	2,938,740.00
4012	Pet Rent	515.32	0.19%	510.00	0.20%	5.32	1.04%	295.19	5,849.43	0.22%	5,130.00	0.20%	719.43	14.02%	1,098.54	5,130.00
4015	Gain/Loss To Old Lease	(5,760.80)	-2.11%	0.00	0.00%	(5,760.80)	-100.00%	(1,457.89)	(54,280.27)	-2.08%	0.00	0.00%	(54,280.27)	-100.00%	(8,046.54)	0.00
4101	Pool View Amenity	160.00	0.06%	500.00	0.19%	(340.00)	-68.00%	80.00	1,340.64	0.05%	4,000.00	0.16%	(2,659.36)	-66.48%	174.67	4,000.00
4102	Lake View	1,517.10	0.56%	560.00	0.22%	957.10	170.91%	190.00	12,184.92	0.47%	4,400.00	0.17%	7,784.92	176.93%	439.19	4,400.00
4113	First Floor	1,228.39	0.45%	840.00	0.33%	388.39	46.24%	183.26	11,258.79	0.43%	8,740.00	0.34%	2,518.79	28.82%	268.42	8,740.00
4114	Dog Park - Amenity	450.00	0.16%	230.00	0.09%	220.00	95.65%	50.00	3,326.12	0.13%	2,040.00	0.08%	1,286.12	63.05%	103.23	2,040.00
4115	Green Space	915.81	0.34%	120.00	0.05%	795.81	663.18%	56.22	7,502.88	0.29%	900.00	0.03%	6,602.88	733.65%	56.22	900.00
4116	Large Patio	60.00	0.02%	80.00	0.03%	(20.00)	-25.00%	0.00	472.48	0.02%	600.00	0.02%	(127.52)	-21.25%	0.00	600.00
Total Scheduled Rent:		257,464.07	94.25%	247,735.00	96.45%	9,729.07	3.93%	253,327.30	3,046,834.57	116.61%	2,964,550.00	115.20%	82,284.57	2.78%	2,311,996.29	2,964,550.00
Rent Loss																
4021	Vacancy Loss	(9,275.87)	-3.40%	(11,076.00)	-4.31%	1,800.13	16.25%	(161,754.45)	(658,211.50)	-25.19%	(514,404.00)	-19.99%	(143,807.50)	-27.96%	(1,951,206.26)	(514,404.00)
4023	Bad Debt - Rent	500.00	0.18%	(250.00)	-0.10%	750.00	300.00%	(2,200.00)	(8,177.90)	-0.31%	(3,000.00)	-0.12%	(5,177.90)	-172.60%	(2,252.42)	(3,000.00)
4024	Promotion/ Concessions	(4,659.00)	-1.71%	0.00	0.00%	(4,659.00)	-100.00%	(3,406.06)	(71,088.94)	-2.72%	(41,000.00)	-1.59%	(30,088.94)	-73.39%	(5,852.54)	(41,000.00)
Total Rent Loss:		(13,434.87)	-4.92%	(11,326.00)	-4.41%	(2,108.87)	-18.62%	(167,360.51)	(737,478.34)	-28.22%	(558,404.00)	-21.70%	(179,074.34)	-32.07%	(1,959,311.22)	(558,404.00)
Total Rental Income:		244,029.20	89.33%	236,409.00	92.04%	7,620.20	3.22%	85,966.79	2,309,356.23	88.38%	2,406,146.00	93.50%	(96,789.77)	-4.02%	352,685.07	2,406,146.00

Account Number	Account Name	Dec 16							YTD(Jan 16 - Dec 16)							Annual Budget
		Actual	% of Revenue	Budget	% of Revenue	\$ Variance	% Variance	Dec 15	Actual	% of Revenue	Budget	% of Revenue	\$ Variance	% Variance	YTD (2015)	
Other Rental Income																
4041	Cleaning / Damages	309.73	0.11%	200.00	0.08%	109.73	54.87%	0.00	7,476.44	0.29%	2,400.00	0.09%	5,076.44	211.52%	281.33	2,400.00
4060	Pest Control Reimbursements	543.26	0.20%	570.00	0.22%	(26.74)	-4.69%	0.00	4,527.24	0.17%	5,895.00	0.23%	(1,367.76)	-23.20%	0.00	5,895.00
4061	Utility Reimbursements	531.13	0.19%	75.00	0.03%	456.13	608.17%	8.78	8,067.85	0.31%	690.00	0.03%	7,377.85	1,069.25%	201.49	690.00
4062	Valet Reimbursement	3,621.68	1.33%	3,800.00	1.48%	(178.32)	-4.69%	0.00	30,186.72	1.16%	39,300.00	1.53%	(9,113.28)	-23.19%	0.00	39,300.00
4063	Wastewater Reimbursement	1,831.10	0.67%	0.00	0.00%	1,831.10	100.00%	0.00	16,273.89	0.62%	0.00	0.00%	16,273.89	100.00%	0.00	0.00
4064	Water Reimbursement	3,532.48	1.29%	1,500.00	0.58%	2,032.48	135.50%	0.00	29,763.57	1.14%	13,900.00	0.54%	15,863.57	114.13%	0.00	13,900.00
4065	Convenience Fee	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	174.68	0.01%	0.00	0.00%	174.68	100.00%	0.00	0.00
4066	Package Delivery	0.00	0.00%	40.00	0.02%	(40.00)	-100.00%	0.00	0.00	0.00%	480.00	0.02%	(480.00)	-100.00%	0.00	480.00
4081	Late Charges	1,125.00	0.41%	300.00	0.12%	825.00	275.00%	150.00	9,848.98	0.38%	2,925.00	0.11%	6,923.98	236.72%	549.80	2,925.00
4091	Nsf Charges	150.00	0.05%	75.00	0.03%	75.00	100.00%	225.00	1,200.00	0.05%	900.00	0.03%	300.00	33.33%	450.00	900.00
4104	Garage Income - Large	1,620.00	0.59%	1,755.00	0.68%	(135.00)	-7.69%	648.87	16,751.09	0.64%	12,150.00	0.47%	4,601.09	37.87%	3,436.26	12,150.00
4105	Garage Income - Small	6,350.00	2.32%	7,275.00	2.83%	(925.00)	-12.71%	3,064.53	68,233.75	2.61%	54,300.00	2.11%	13,933.75	25.66%	11,231.56	54,300.00
4106	Garage Income - X Large	150.00	0.05%	300.00	0.12%	(150.00)	-50.00%	0.00	3,082.26	0.12%	2,850.00	0.11%	232.26	8.15%	585.00	2,850.00
4107	Storage Income - Large	218.06	0.08%	65.00	0.03%	153.06	235.48%	130.00	3,611.93	0.14%	780.00	0.03%	2,831.93	363.07%	639.52	780.00
4108	Storage Income - Small	120.00	0.04%	30.00	0.01%	90.00	300.00%	0.00	1,375.43	0.05%	360.00	0.01%	1,015.43	282.06%	17.42	360.00
4109	Storage Income - X Small	0.00	0.00%	20.00	0.01%	(20.00)	-100.00%	0.00	0.00	0.00%	240.00	0.01%	(240.00)	-100.00%	0.00	240.00
4111	Other Income	3,074.20	1.13%	0.00	0.00%	3,074.20	100.00%	0.00	17,351.37	0.66%	0.00	0.00%	17,351.37	100.00%	750.00	0.00
4111	Accelerated Rent	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	(1,851.13)	-0.07%	0.00	0.00%	(1,851.13)	-100.00%	0.00	0.00
4117	Carport	1,332.59	0.49%	1,400.00	0.55%	(67.41)	-4.82%	0.00	9,402.38	0.36%	7,560.00	0.29%	1,842.38	24.37%	0.00	7,560.00
4118	Washer & Dryer Income	873.55	0.32%	840.00	0.33%	33.55	3.99%	52.90	7,872.96	0.30%	7,920.00	0.31%	(47.04)	-0.59%	138.06	7,920.00
4120	Laundry Income	160.00	0.06%	0.00	0.00%	160.00	100.00%	496.13	3,318.10	0.13%	0.00	0.00%	3,318.10	100.00%	1,892.73	0.00
4121	Application Fees	850.00	0.31%	750.00	0.29%	100.00	13.33%	(550.00)	8,262.25	0.32%	8,000.00	0.31%	262.25	3.28%	14,900.00	8,000.00
4122	Keys - Locks - Fobs Income	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	405.83	0.02%	0.00	0.00%	405.83	100.00%	0.00	0.00
4126	Pet Fee	500.00	0.18%	250.00	0.10%	250.00	100.00%	1,250.00	6,150.00	0.24%	3,000.00	0.12%	3,150.00	105.00%	6,523.71	3,000.00
4128	Telephone Income	0.00	0.00%	0.00	0.00%	0.00	0.00%	44.58	0.00	0.00%	0.00	0.00%	0.00	0.00%	62.09	0.00
4140	Cable Income	658.49	0.24%	1,200.00	0.47%	(541.51)	-45.13%	0.00	33,166.52	1.27%	3,600.00	0.14%	29,566.52	821.29%	16,418.41	3,600.00
4145	Relletting Fee	1,589.50	0.58%	0.00	0.00%	1,589.50	100.00%	0.00	18,743.05	0.72%	0.00	0.00%	18,743.05	100.00%	246.57	0.00
4151	Interest Income	10.96	0.00%	0.00	0.00%	10.96	100.00%	3.33	104.16	0.00%	0.00	0.00%	104.16	100.00%	4.94	0.00
Total Other Rental Income:		29,151.73	10.67%	20,445.00	7.96%	8,706.73	42.59%	5,524.12	303,499.32	11.62%	167,250.00	6.50%	136,249.32	81.46%	58,328.89	167,250.00
Total Revenue:		273,180.93	100.00%	256,854.00	100.00%	16,326.93	6.36%	91,490.91	2,612,855.55	100.00%	2,573,396.00	100.00%	39,459.55	1.53%	411,013.96	2,573,396.00

Account Number	Account Name	Dec 16							YTD (Jan 16 - Dec 16)							Annual Budget
		Actual	% of Revenue	Budget	% of Revenue	\$ Variance	% Variance	Dec 15	Actual	% of Revenue	Budget	% of Revenue	\$ Variance	% Variance	YTD (2015)	
Operating Expense																
Salaries & Payroll																
5201	Manager	7,198.03	2.63%	6,346.00	2.47%	(852.03)	-13.43%	6,346.14	55,851.77	2.14%	54,992.00	2.14%	(859.77)	-1.56%	57,115.26	54,992.00
5202	Assistant Manager	4,400.73	1.61%	3,960.00	1.54%	(440.73)	-11.13%	4,107.60	38,504.00	1.47%	34,320.00	1.33%	(4,184.00)	-12.19%	21,634.19	34,320.00
5203	Leasing Agent	4,068.79	1.49%	3,360.00	1.31%	(708.79)	-21.09%	3,627.86	39,130.97	1.50%	29,120.00	1.13%	(10,010.97)	-34.38%	20,789.20	29,120.00
5204	Lead Maintenance	3,701.02	1.35%	4,560.00	1.78%	858.98	18.84%	5,217.79	55,622.64	2.13%	39,520.00	1.54%	(16,102.64)	-40.75%	25,512.48	39,520.00
5207	Porter/Grounds	3,627.24	1.33%	2,880.00	1.12%	(747.24)	-25.95%	3,309.42	28,421.75	1.09%	24,960.00	0.97%	(3,461.75)	-13.87%	10,792.73	24,960.00
5211	Courtesy Officer Allowance	1,291.95	0.47%	0.00	0.00%	(1,291.95)	-100.00%	0.00	2,583.91	0.10%	0.00	0.00%	(2,583.91)	-100.00%	0.00	0.00
5230	Commissions/Bonuses	2,100.00	0.77%	1,000.00	0.39%	(1,100.00)	-110.00%	3,695.21	21,706.05	0.83%	12,000.00	0.47%	(9,706.05)	-80.88%	10,495.21	12,000.00
5231	Mileage	163.25	0.06%	50.00	0.02%	(113.25)	-226.50%	0.00	666.31	0.03%	600.00	0.02%	(66.31)	-11.05%	127.73	600.00
5232	Apartment Allowance	2,290.98	0.84%	1,645.00	0.64%	(645.98)	-39.27%	1,645.00	21,031.95	0.80%	19,740.00	0.77%	(1,291.95)	-6.54%	3,290.00	19,740.00
5234	Payroll Taxes	1,975.70	0.72%	2,211.00	0.86%	235.30	10.64%	2,190.55	19,595.92	0.75%	19,492.00	0.76%	(103.92)	-0.53%	11,936.73	19,492.00
5235	Worker's Comp	1,502.61	0.55%	1,382.00	0.54%	(120.61)	-8.73%	1,630.84	12,706.40	0.49%	12,184.00	0.47%	(522.40)	-4.29%	8,229.42	12,184.00
5236	Group Benefits	2,020.00	0.74%	2,725.00	1.06%	705.00	25.87%	1,515.00	31,177.00	1.19%	32,700.00	1.27%	1,523.00	4.66%	14,318.00	32,700.00
5237	Payroll Processing Fees	100.00	0.04%	100.00	0.04%	0.00	0.00%	100.00	1,300.00	0.05%	1,200.00	0.05%	(100.00)	-8.33%	1,400.00	1,200.00
Total Salaries & Payroll:		34,440.30	12.61%	30,219.00	11.77%	(4,221.30)	-13.97%	33,385.41	328,298.67	12.56%	280,828.00	10.91%	(47,470.67)	-16.90%	185,640.95	280,828.00
General & Administrative																
5300	Office Supplies/Forms	1,112.01	0.41%	150.00	0.06%	(962.01)	-641.34%	107.93	4,177.23	0.16%	1,800.00	0.07%	(2,377.23)	-132.07%	6,102.43	1,800.00
5301	Telephone	1,020.38	0.37%	550.00	0.21%	(470.38)	-85.52%	529.90	8,014.70	0.31%	6,600.00	0.26%	(1,414.70)	-21.43%	3,420.68	6,600.00
5302	Answering Service/Pagers	129.00	0.05%	66.67	0.03%	(62.33)	-93.49%	0.00	581.96	0.02%	800.04	0.03%	218.08	27.26%	0.00	800.04
5303	Postage/Delivery	28.20	0.01%	30.00	0.01%	1.80	6.00%	42.48	1,152.10	0.04%	360.00	0.01%	(792.10)	-220.03%	268.23	360.00
5304	Dues & Subscriptions	0.00	0.00%	266.67	0.10%	266.67	100.00%	0.00	0.00	0.00%	3,200.04	0.12%	3,200.04	100.00%	1,056.60	3,200.04
5305	Permits/Licenses	0.00	0.00%	250.00	0.10%	250.00	100.00%	0.00	523.25	0.02%	3,000.00	0.12%	2,476.75	82.56%	450.00	3,000.00
5306	Seminars/Training	0.00	0.00%	50.00	0.02%	50.00	100.00%	0.00	0.00	0.00%	600.00	0.02%	600.00	100.00%	164.83	600.00
5307	Office Equipment R & M	241.30	0.09%	130.00	0.05%	(111.30)	-85.62%	244.84	627.19	0.02%	1,560.00	0.06%	932.81	59.80%	1,728.96	1,560.00
5308	Computer Repairs/Supplies	95.00	0.03%	100.00	0.04%	5.00	5.00%	75.00	2,671.70	0.10%	1,200.00	0.05%	(1,471.70)	-122.64%	1,685.40	1,200.00
5309	Employee Recruiting Costs	0.00	0.00%	25.00	0.01%	25.00	100.00%	62.00	1,312.05	0.05%	300.00	0.01%	(1,012.05)	-337.35%	824.06	300.00
5310	Decorations	0.00	0.00%	40.00	0.02%	40.00	100.00%	0.00	0.00	0.00%	480.00	0.02%	480.00	100.00%	0.00	480.00
5311	Evictions	273.25	0.10%	150.00	0.06%	(123.25)	-82.17%	0.00	1,351.94	0.05%	1,800.00	0.07%	448.06	24.89%	0.00	1,800.00
5312	Outside Legal & Professional	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	31,433.19	1.20%	16,500.00	0.64%	(14,933.19)	-90.50%	243.00	16,500.00
5313	Bank Charges	0.00	0.00%	30.00	0.01%	30.00	100.00%	0.00	0.00	0.00%	360.00	0.01%	360.00	100.00%	429.67	360.00
Total General & Administrative:		2,899.14	1.06%	1,838.34	0.72%	(1,060.80)	-57.70%	1,062.15	51,845.31	1.98%	38,560.08	1.50%	(13,285.23)	-34.45%	16,373.86	38,560.08

Account Number	Account Name	Dec 16							YTD(Jan 16 - Dec 16)							Annual Budget
		Actual	% of Revenue	Budget	% of Revenue	\$ Variance	% Variance	Dec 15	Actual	% of Revenue	Budget	% of Revenue	\$ Variance	% Variance	YTD (2015)	
Operating Expense																
Management Fee																
5350	Management Fee	8,195.10	3.00%	7,063.00	2.75%	(1,132.10)	-16.03%	3,000.00	78,337.99	3.00%	70,742.00	2.75%	(7,595.99)	-10.74%	30,000.00	70,742.00
Total Management Fee:		8,195.10	3.00%	7,063.00	2.75%	(1,132.10)	-16.03%	3,000.00	78,337.99	3.00%	70,742.00	2.75%	(7,595.99)	-10.74%	30,000.00	70,742.00
Leasing																
5400	Software Access Fees	1,522.41	0.56%	995.00	0.39%	(527.41)	-53.01%	93.26	51,101.76	1.96%	11,940.00	0.46%	(39,161.76)	-327.99%	877.19	11,940.00
5401	Advertising	1,814.20	0.66%	1,000.00	0.39%	(814.20)	-81.42%	108.65	8,103.20	0.31%	12,000.00	0.47%	3,896.80	32.47%	844.72	12,000.00
5403	Leasing Fees	666.00	0.24%	750.00	0.29%	84.00	11.20%	0.00	8,309.45	0.32%	9,000.00	0.35%	690.55	7.67%	1,134.70	9,000.00
5404	Supportive Services	813.56	0.30%	820.00	0.32%	6.44	0.79%	193.82	9,346.33	0.36%	9,840.00	0.38%	493.67	5.02%	813.82	9,840.00
5405	Resident Retention	0.00	0.00%	200.00	0.08%	200.00	100.00%	0.00	2,416.14	0.09%	2,400.00	0.09%	(16.14)	-0.67%	6,541.92	2,400.00
5406	Signage/Banners/Flags	81.89	0.03%	0.00	0.00%	(81.89)	-100.00%	77.50	619.39	0.02%	0.00	0.00%	(619.39)	-100.00%	607.93	0.00
5407	Model Expense	1,245.00	0.46%	100.00	0.04%	(1,145.00)	-1,145.00%	1,035.00	13,886.57	0.53%	1,200.00	0.05%	(12,686.57)	-1,057.21%	9,150.00	1,200.00
5408	Other Marketing Expense	375.99	0.14%	400.00	0.16%	24.01	6.00%	742.88	12,273.92	0.47%	4,800.00	0.19%	(7,473.92)	-155.71%	2,481.84	4,800.00
5420	Washer & Dryer Rental	295.58	0.11%	350.00	0.14%	54.42	15.55%	351.81	4,011.37	0.15%	4,200.00	0.16%	188.63	4.49%	1,502.82	4,200.00
Total Leasing:		6,814.63	2.49%	4,615.00	1.80%	(2,199.63)	-47.66%	2,602.92	110,068.13	4.21%	55,380.00	2.15%	(54,688.13)	-98.75%	23,954.94	55,380.00
Maintenance																
5500	Life Safety	555.72	0.20%	400.00	0.16%	(155.72)	-38.93%	67.95	9,028.19	0.35%	4,800.00	0.19%	(4,228.19)	-88.09%	836.50	4,800.00
5502	Landscape Contract	4,986.68	1.83%	3,625.00	1.41%	(1,361.68)	-37.56%	2,787.44	47,002.23	1.80%	43,500.00	1.69%	(3,502.23)	-8.05%	6,846.82	43,500.00
5503	Irrigation Repairs	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	312.91	0.01%	0.00	0.00%	(312.91)	-100.00%	0.00	0.00
5504	Yard & Grounds	806.87	0.30%	300.00	0.12%	(506.87)	-168.96%	71.39	5,793.65	0.22%	3,600.00	0.14%	(2,193.65)	-60.93%	846.63	3,600.00
5506	Exterior - Contract	0.00	0.00%	200.00	0.08%	200.00	100.00%	0.00	2,114.21	0.08%	2,400.00	0.09%	285.79	11.91%	0.00	2,400.00
5507	Exterior - Supplies	0.00	0.00%	183.33	0.07%	183.33	100.00%	41.03	0.00	0.00%	2,199.96	0.09%	2,199.96	100.00%	58.10	2,199.96
5508	Pest Control	252.38	0.09%	400.00	0.16%	147.62	36.91%	1,711.73	5,257.37	0.20%	4,800.00	0.19%	(457.37)	-9.53%	2,265.49	4,800.00
5509	Trash Removal	2,478.93	0.91%	3,200.00	1.25%	721.07	22.53%	1,840.25	40,130.19	1.54%	34,800.00	1.35%	(5,330.19)	-15.32%	5,412.50	34,800.00

Account Number	Account Name	Dec 16							YTD(Jan 16 - Dec 16)							Annual Budget
		Actual	% of Revenue	Budget	% of Revenue	\$ Variance	% Variance	Dec 15	Actual	% of Revenue	Budget	% of Revenue	\$ Variance	% Variance	YTD (2015)	
5511	Pool/Amenity - Supplies	277.34	0.10%	150.00	0.06%	(127.34)	-84.89%	159.04	2,609.93	0.10%	1,800.00	0.07%	(809.93)	-45.00%	532.39	1,800.00
5512	Heating & A/C - Contract	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	16.83	0.00%	0.00	0.00%	(16.83)	-100.00%	0.00	0.00
5513	Heating & A/C - Supplies	399.69	0.15%	145.83	0.06%	(253.86)	-174.08%	116.91	1,004.71	0.04%	1,749.96	0.07%	745.25	42.59%	446.76	1,749.96
5514	Plumbing - Contract	0.00	0.00%	0.00	0.00%	0.00	0.00%	416.00	400.00	0.02%	0.00	0.00%	(400.00)	-100.00%	416.00	0.00
5515	Plumbing - Supplies	4.63	0.00%	35.00	0.01%	30.37	86.77%	0.00	675.99	0.03%	420.00	0.02%	(255.99)	-60.95%	972.23	420.00
5517	Electrical - Supplies	1,060.85	0.39%	133.33	0.05%	(927.52)	-695.66%	0.00	2,778.37	0.11%	1,599.96	0.06%	(1,178.41)	-73.65%	554.25	1,599.96
5518	Maintenance Supplies	1,028.26	0.38%	300.00	0.12%	(728.26)	-242.75%	24.89	3,454.76	0.13%	3,600.00	0.14%	145.24	4.03%	333.55	3,600.00
5519	Cleaning Supplies	125.15	0.05%	233.33	0.09%	108.18	46.36%	0.00	401.30	0.02%	2,799.96	0.11%	2,398.66	85.67%	589.36	2,799.96
5520	Appliance Repairs	1,461.52	0.54%	0.00	0.00%	(1,461.52)	-100.00%	0.00	2,166.81	0.08%	0.00	0.00%	(2,166.81)	-100.00%	0.00	0.00
5521	Lake Management	580.63	0.21%	512.50	0.20%	(68.13)	-13.29%	0.00	3,560.51	0.14%	6,150.00	0.24%	2,589.49	42.11%	0.00	6,150.00
5522	Locks & Keys	53.70	0.02%	30.00	0.01%	(23.70)	-79.00%	18.20	783.67	0.03%	360.00	0.01%	(423.67)	-117.69%	62.01	360.00
5523	Uniforms	0.00	0.00%	50.00	0.02%	50.00	100.00%	0.00	171.05	0.01%	600.00	0.02%	428.95	71.49%	300.54	600.00
Total Maintenance:		14,072.35	5.15%	9,898.32	3.85%	(4,174.03)	-42.17%	7,254.83	127,662.68	4.89%	115,179.84	4.48%	(12,482.84)	-10.84%	20,473.13	115,179.84
Make Ready																
5600	Make Ready - Contract	379.00	0.14%	200.00	0.08%	(179.00)	-89.50%	280.00	2,672.69	0.10%	2,400.00	0.09%	(272.69)	-11.36%	280.00	2,400.00
5601	Make Ready - Supplies	119.55	0.04%	216.67	0.08%	97.12	44.82%	4.85	1,285.54	0.05%	2,600.04	0.10%	1,314.50	50.56%	442.58	2,600.04
5602	Interior Cleaning - Contract	308.28	0.11%	300.00	0.12%	(8.28)	-2.76%	2,369.49	19,171.98	0.73%	3,600.00	0.14%	(15,571.98)	-432.56%	9,004.45	3,600.00
5603	Carpet Cleaning/ Repairs	627.50	0.23%	250.00	0.10%	(377.50)	-151.00%	0.00	3,923.88	0.15%	3,000.00	0.12%	(923.88)	-30.80%	595.22	3,000.00
5604	Painting Contract & Supplies	2,503.93	0.92%	350.00	0.14%	(2,153.93)	-615.41%	1,331.07	24,817.62	0.95%	4,200.00	0.16%	(20,617.62)	-490.90%	3,121.59	4,200.00
Total Make Ready:		3,938.26	1.44%	1,316.67	0.51%	(2,621.59)	-199.11%	3,985.41	51,871.71	1.99%	15,800.04	0.61%	(36,071.67)	-228.30%	13,443.84	15,800.04
Utilities																
5700	Electricity- Clubhouse/ Office	820.00	0.30%	500.00	0.19%	(320.00)	-64.00%	810.86	12,713.30	0.49%	7,650.00	0.30%	(5,063.30)	-66.19%	3,838.16	7,650.00
5705	Electricity- Vacants	226.97	0.08%	400.00	0.16%	173.03	43.26%	4,494.41	22,177.94	0.85%	21,600.00	0.84%	(577.94)	-2.68%	17,454.59	21,600.00
5710	Electricity - Common	3,200.00	1.17%	750.00	0.29%	(2,450.00)	-326.67%	801.87	19,830.80	0.76%	11,500.00	0.45%	(8,330.80)	-72.44%	2,888.78	11,500.00
5715	Natural Gas - Common	0.00	0.00%	250.00	0.10%	250.00	100.00%	563.63	986.16	0.04%	2,450.00	0.10%	1,463.84	59.75%	563.63	2,450.00
5720	Water & Sewer	5,993.64	2.19%	3,000.00	1.17%	(2,993.64)	-99.79%	6,024.43	67,225.13	2.57%	40,400.00	1.57%	(26,825.13)	-66.40%	19,259.55	40,400.00
5730	Cable Expense	139.00	0.05%	100.00	0.04%	(39.00)	-39.00%	148.85	1,723.66	0.07%	1,200.00	0.05%	(523.66)	-43.64%	957.60	1,200.00
5735	Utility Billing Expense	647.50	0.24%	0.00	0.00%	(647.50)	-100.00%	0.00	2,105.00	0.08%	0.00	0.00%	(2,105.00)	-100.00%	0.00	0.00
Total Utilities:		11,027.11	4.04%	5,000.00	1.95%	(6,027.11)	-120.54%	12,844.05	126,761.99	4.85%	84,800.00	3.30%	(41,961.99)	-49.48%	44,962.31	84,800.00

Account Number	Account Name	Dec 16							YTD(Jan 16 - Dec 16)							Annual Budget
		Actual	% of Revenue	Budget	% of Revenue	\$ Variance	% Variance	Dec 15	Actual	% of Revenue	Budget	% of Revenue	\$ Variance	% Variance	YTD (2015)	
Property Taxes																
5810	Ad Valorem Tax	40,156.25	14.70%	40,166.67	15.64%	10.42	0.03%	0.00	481,875.00	18.44%	482,000.04	18.73%	125.04	0.03%	0.00	482,000.04
5820	Franchise Tax	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00	0.00%	10,000.00	0.39%	10,000.00	100.00%	0.00	10,000.00
	Total Property Taxes:	40,156.25	14.70%	40,166.67	15.64%	10.42	0.03%	0.00	481,875.00	18.44%	492,000.04	19.12%	10,125.04	2.06%	0.00	492,000.04
Property Insurance																
5830	Insurance	3,841.27	1.41%	3,833.33	1.49%	(7.94)	-0.21%	555.02	38,091.43	1.46%	45,999.96	1.79%	7,908.53	17.19%	4,995.18	45,999.96
	Total Property Insurance:	3,841.27	1.41%	3,833.33	1.49%	(7.94)	-0.21%	555.02	38,091.43	1.46%	45,999.96	1.79%	7,908.53	17.19%	4,995.18	45,999.96
Reserves																
5960	Replacement Reserve	6,431.50	2.35%	6,432.00	2.50%	0.50	0.01%	0.00	77,178.00	2.95%	77,184.00	3.00%	6.00	0.01%	0.00	77,184.00
	Total Reserves:	6,431.50	2.35%	6,432.00	2.50%	0.50	0.01%	0.00	77,178.00	2.95%	77,184.00	3.00%	6.00	0.01%	0.00	77,184.00
	Total Operating Expense:	131,815.91	48.25%	110,382.33	42.97%	(21,433.58)	-19.42%	64,689.79	1,471,990.91	56.34%	1,276,473.96	49.60%	(195,516.95)	-15.32%	339,844.21	1,276,473.96
	Total Net Operating Income:	141,365.02	148.25%	146,471.67	142.97%	(5,106.65)	-3.49%	26,801.12	1,140,864.64	156.34%	1,296,922.04	149.60%	(156,057.40)	-12.03%	71,169.75	1,296,922.04
Non-operating Expenses																
Debt Service																
6050	Debt Service-Interest	70,006.67	25.63%	85,666.67	33.35%	15,660.00	18.28%	0.00	786,997.46	30.12%	1,028,000.04	39.95%	241,002.58	23.44%	0.00	1,028,000.04
6051	Debt Service-Principal	15,476.89	5.67%	0.00	0.00%	(15,476.89)	-100.00%	0.00	182,044.28	6.97%	0.00	0.00%	(182,044.28)	-100.00%	14,813.34	0.00
6060	Debt Service-MIP Ins	10,310.22	3.77%	10,310.25	4.01%	0.03	0.00%	0.00	123,722.64	4.74%	123,723.00	4.81%	0.36	0.00%	0.00	123,723.00
	Total Debt Service:	95,793.78	35.07%	95,976.92	37.37%	183.14	0.19%	0.00	1,092,764.38	41.82%	1,151,723.04	44.75%	58,958.66	5.12%	14,813.34	1,151,723.04

Account Number	Account Name	Dec 16							YTD (Jan 16 - Dec 16)							Annual Budget
		Actual	% of Revenue	Budget	% of Revenue	\$ Variance	% Variance	Dec 15	Actual	% of Revenue	Budget	% of Revenue	\$ Variance	% Variance	YTD (2015)	
B/S Changes																
8200	Replacement Reserve 2	(6,431.50)	0.00%	(6,432.00)	0.00%	(0.50)	-0.01%	0.00	(77,178.00)	0.00%	(77,184.00)	0.00%	(6.00)	-0.01%	0.00	(77,184.00)
	Total B/S Changes:	(6,431.50)	0.00%	(6,432.00)	0.00%	(0.50)	-0.01%	0.00	(77,178.00)	0.00%	(77,184.00)	0.00%	(6.00)	-0.01%	0.00	(77,184.00)
Capital Items & Non Routine																
9001	Floor Covering	1,606.65	0.59%	0.00	0.00%	(1,606.65)	-100.00%	0.00	9,010.20	0.34%	0.00	0.00%	(9,010.20)	-100.00%	0.00	0.00
9002	Window Treatment Replacement	0.00	0.00%	0.00	0.00%	0.00	0.00%	56.89	1,685.23	0.06%	0.00	0.00%	(1,685.23)	-100.00%	56.89	0.00
9003	Appliance Replacement	853.92	0.31%	0.00	0.00%	(853.92)	-100.00%	1,769.58	19,822.12	0.76%	0.00	0.00%	(19,822.12)	-100.00%	2,503.84	0.00
9004	Life Safety - Non Routine	1,819.17	0.67%	0.00	0.00%	(1,819.17)	-100.00%	0.00	21,281.68	0.81%	0.00	0.00%	(21,281.68)	-100.00%	0.00	0.00
9005	Office Equipment	99.85	0.04%	0.00	0.00%	(99.85)	-100.00%	0.00	522.03	0.02%	0.00	0.00%	(522.03)	-100.00%	13,675.52	0.00
9006	Maintenance Equipment	0.00	0.00%	0.00	0.00%	0.00	0.00%	1,336.78	7,549.33	0.29%	0.00	0.00%	(7,549.33)	-100.00%	17,662.27	0.00
9009	Plumbing	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	861.16	0.03%	0.00	0.00%	(861.16)	-100.00%	0.00	0.00
9010	Electrical	112.19	0.04%	0.00	0.00%	(112.19)	-100.00%	0.00	112.19	0.00%	0.00	0.00%	(112.19)	-100.00%	0.00	0.00
9011	Heating & A/C	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	2,159.59	0.08%	0.00	0.00%	(2,159.59)	-100.00%	0.00	0.00
9013	Landscape/Yard/ Grounds	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	12,147.71	0.46%	0.00	0.00%	(12,147.71)	-100.00%	0.00	0.00
9014	Pool	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	503.33	0.02%	0.00	0.00%	(503.33)	-100.00%	0.00	0.00
9017	Exterior Building	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	11,954.12	0.46%	0.00	0.00%	(11,954.12)	-100.00%	0.00	0.00
9018	Recreation Equipment	1,819.17	0.67%	0.00	0.00%	(1,819.17)	-100.00%	0.00	6,379.01	0.24%	0.00	0.00%	(6,379.01)	-100.00%	24,652.73	0.00
	Total Capital Items & Non Routine:	6,310.95	2.31%	0.00	0.00%	(6,310.95)	-100.00%	3,163.25	93,987.70	3.60%	0.00	0.00%	(93,987.70)	-100.00%	58,551.25	0.00
	Total Non-operating Expenses:	95,673.23	37.38%	89,544.92	37.37%	(6,128.31)	-6.84%	3,163.25	1,109,574.08	45.42%	1,074,539.04	44.75%	(35,035.04)	-3.26%	73,364.59	1,074,539.04
	Total Net Income:	45,691.79	185.63%	56,926.75	180.34%	(11,234.96)	-19.74%	23,637.87	31,290.56	201.76%	222,383.00	194.36%	(191,092.44)	-85.93%	(2,194.84)	222,383.00

Supporting Document 4: *Leads by Source for 2015 and 2016*

03/01/2015 – 12/31/2015

Property	Website	Resident Referral	Rental Website 1	Rental Website 2	Rental Website 3	Rental Website 4	Other – Word of Mouth	Drive By/Signage	Locator	Unknown
Meridian Hill Pointe	87	22	28	5	12	2	73	668	18	43
Total	87	22	28	5	12	2	73	668	18	43

01/01/2016 – 12/31/2016

Property	Website	Resident Referral	Rental Website 1	Rental Website 2	Rental Website 3	Rental Website 4	Other – Word of Mouth	Drive By/Signage	Locator	Unknown
Meridian Hill Pointe	404	37	67	9	9	6	168	834	95	85
Total	404	37	67	9	9	6	168	834	95	85

Supporting Document 5: *Occupancy Vacancy for 2015 and 2016*

03/01/2015-12/31/2015

Property	Rentable Units	Occupied Units	Vacant Units	Current Occupancy Rates	Mar 2015	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015
Meridian Hill Pointe	198	182	16	91.92%	0.00%	0.00%	0.00%	5.56%	11.62%	20.71%	25.76%	32.32%	35.35%	42.93%

01/01/2016-12/31/2016

Property	Rentable Units	Occupied Units	Vacant Units	Current Occupancy Rates	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016
Meridian Hill Pointe	198	186	12	93.94%	67.79%	71.08%	70.33%	74.87%	84.34%	89.39%	94.44%	94.43%	94.95%	94.44%	96.97%	98.48%

Supporting Document 6: *Traffic Summaries for 2015 and 2016*

03/01/2015-12/31/2015

Properties	New Leads	Call Leads	Email Leads	Call Center Leads	Online Chat Leads	SMS Leads	Unknown	Online Guest Cards	Onsite Visits	Tour w/unit	Tour w/o unit
Meridian Hill Pointe	961	483	209	29	1	3	30,336	360	876	0	0
Total	961	483	209	29	1	3	30,336	360	876	0	0

01/01/2016-12/31/2016

Properties	New Leads	Call Leads	Email Leads	Call Center Leads	Online Chat Leads	SMS Leads	Unknown	Online Guest Cards	Onsite Visits	Tour w/unit	Tour w/o unit
Meridian Hill Pointe	1,714	306	22	247	13	4	24	282	816	0	0
Total	1,714	306	22	247	13	4	24	282	816	0	0

[End of the scenario]