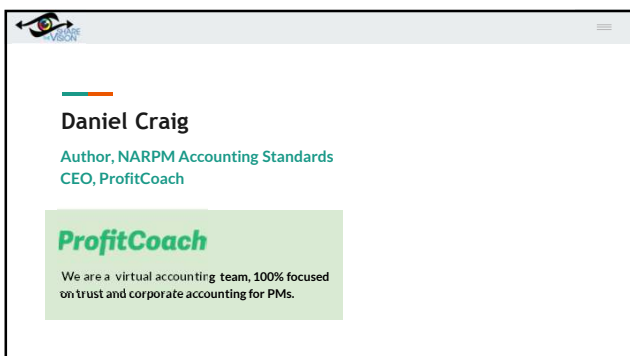
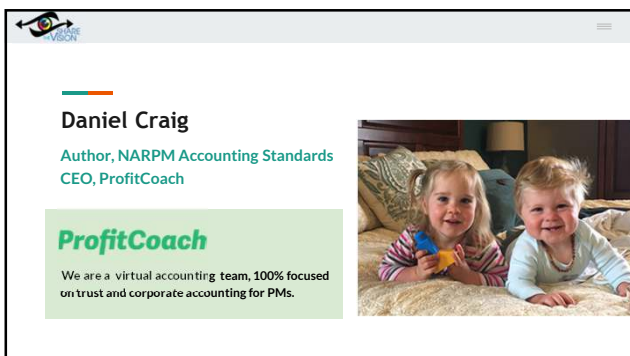


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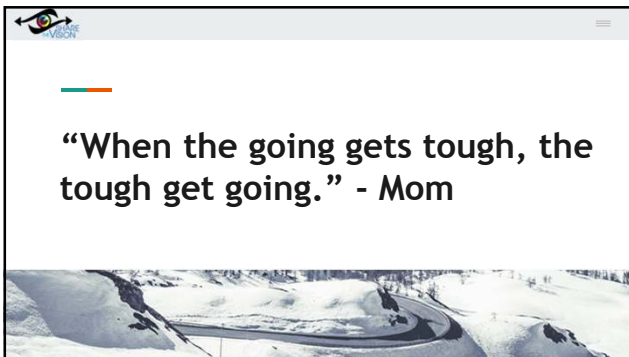
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EVERY.
SINGLE.

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EVERY.
SINGLE.
YEAR.

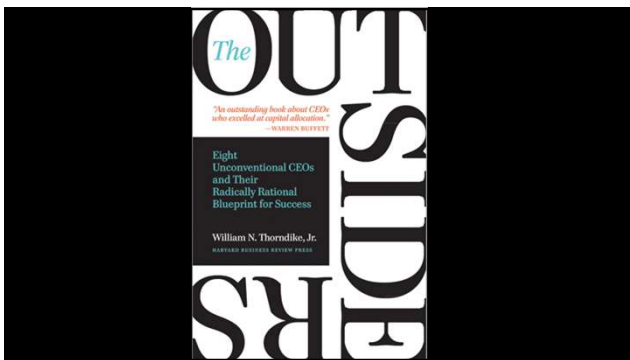
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Are you ready?

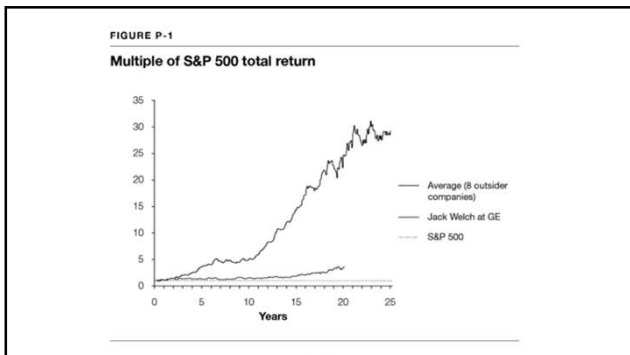
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18

Characteristics of Outsider CEOs

- Capital allocation is a CEO's most important job
- What counts in the long run is the increase in per share value, not overall growth or size.
- Cash flow, not reported earnings, is what determines long-term value.
- Sometimes the best investment opportunity is your own stock.
- With acquisitions, patience is a virtue...as is occasional boldness.

19

What is your job as business owner?

20

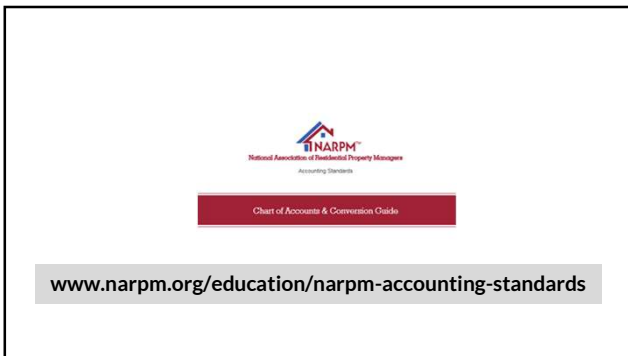
Owning the Financial Outcome 1.0

 0 1 Get clear.	 Define your target.	 0 3 Stay on track.
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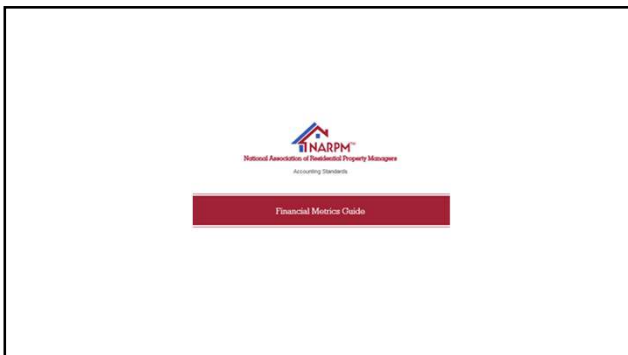
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4. Financial Metrics
Basic ratios that describe financial performance. These are considered self-explanatory.

Expense Metrics

Labor % of Income: The % of PM Income spent on Labor. Formula below: $\frac{\text{Labor (6300s + 6400s)}}{\text{PM Income (4100s + 4200s)}}$	Facilities % of Income: The % of PM Income spent on Facilities. Formula below: $\frac{\text{Facilities (6100s)}}{\text{PM Income (4100s + 4200s)}}$
Direct Labor % of Income: The % of PM Income spent on Direct Labor. Formula below: $\frac{\text{Direct Labor (6300s)}}{\text{PM Income (4100s + 4200s)}}$	Payroll Taxes & Benefits % of Income: The % of PM Income spent on Payroll Taxes & Benefits. Formula below: $\frac{\text{Payroll Taxes \& Benefits (6500s)}}{\text{PM Income (4100s + 4200s)}}$


25



Six Do-or-Die Metrics:

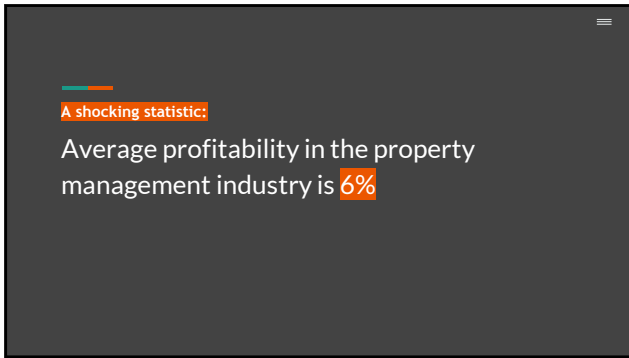
- Profitability
- Revenue Per Unit
- Direct Labor Efficiency Ratio
- Expenses as a % of Rev.
- Unit Churn
- Unit Acquisition Cost

26

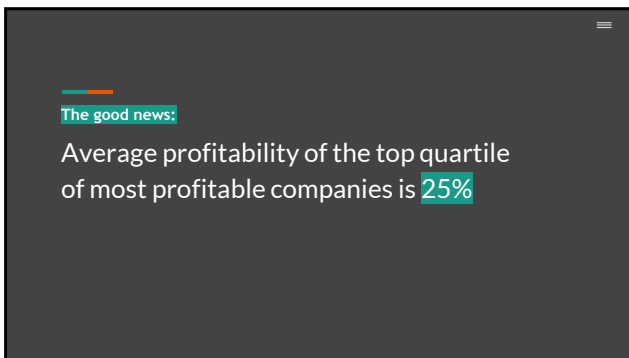


Financial Benchmark Guide

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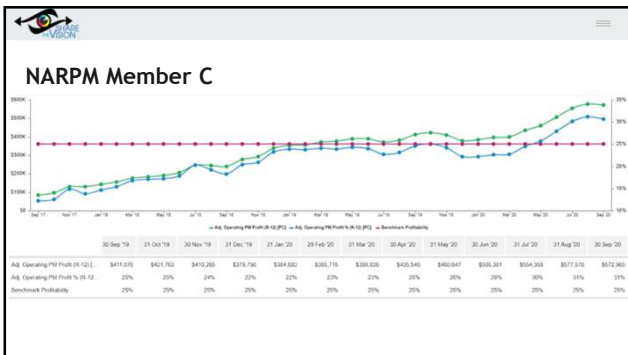
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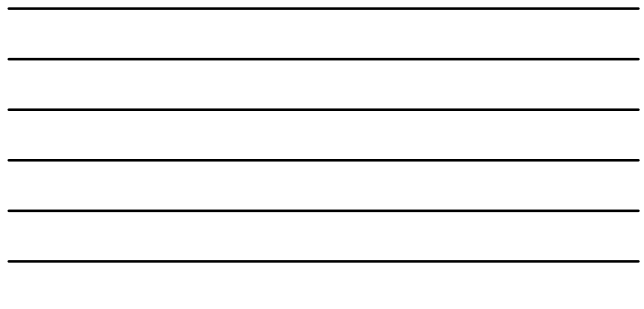
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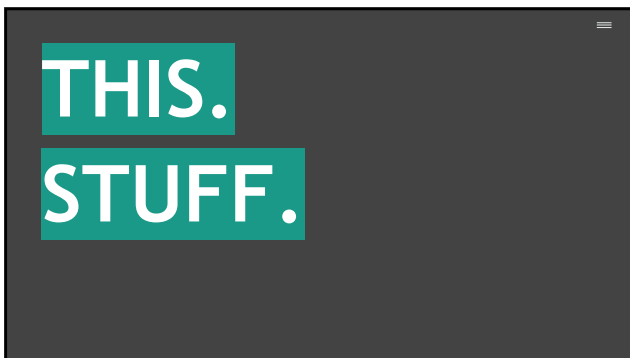


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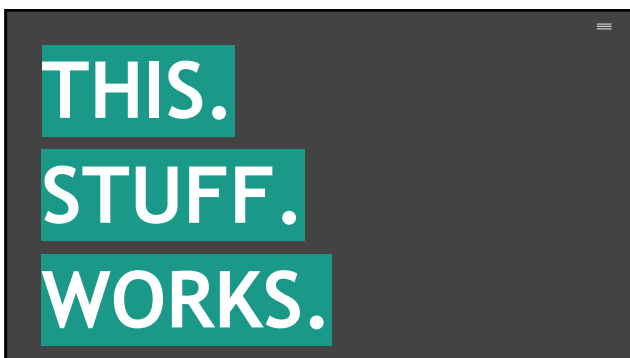




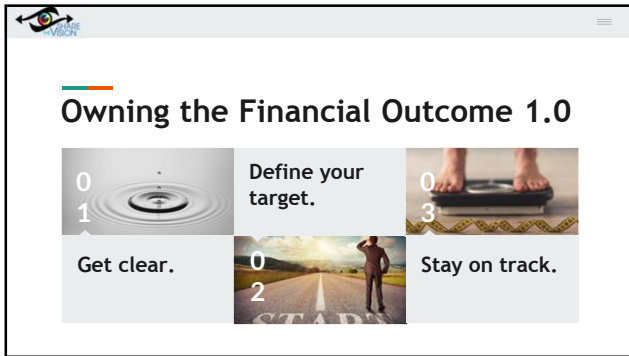
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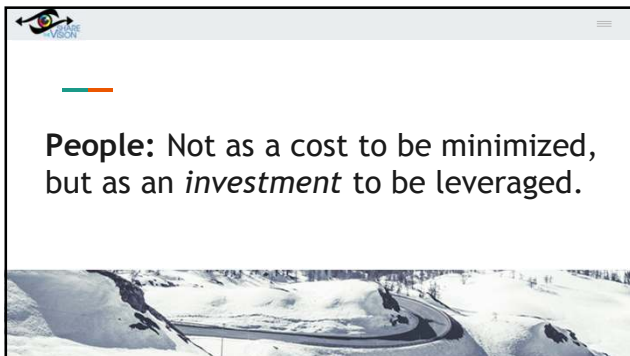
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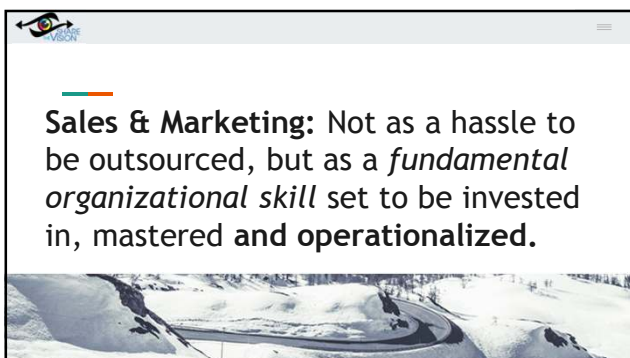


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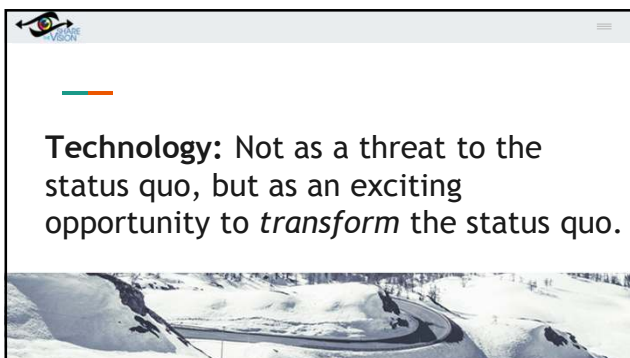
Slide 40 features a header with a logo and a horizontal line. The main text reads: "People: Not as a cost to be minimized, but as an *investment* to be leveraged." Below the text is a photograph of a snowy, winding road.

40



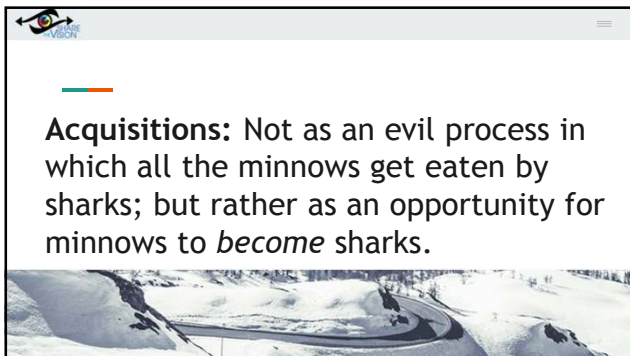
Slide 41 features a header with a logo and a horizontal line. The main text reads: "Sales & Marketing: Not as a hassle to be outsourced, but as a *fundamental organizational skill set* to be invested in, mastered and operationalized." Below the text is a photograph of a snowy, winding road.

41

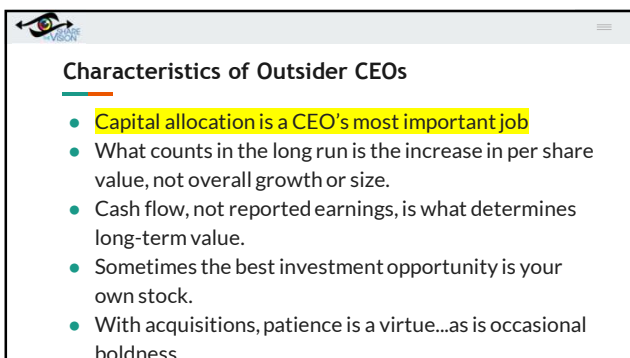


Slide 42 features a header with a logo and a horizontal line. The main text reads: "Technology: Not as a threat to the status quo, but as an exciting opportunity to *transform* the status quo." Below the text is a photograph of a snowy, winding road.

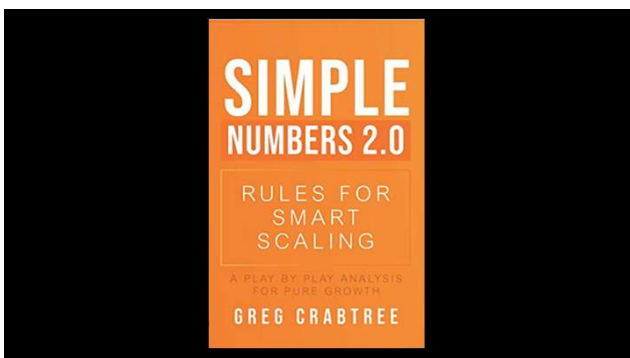
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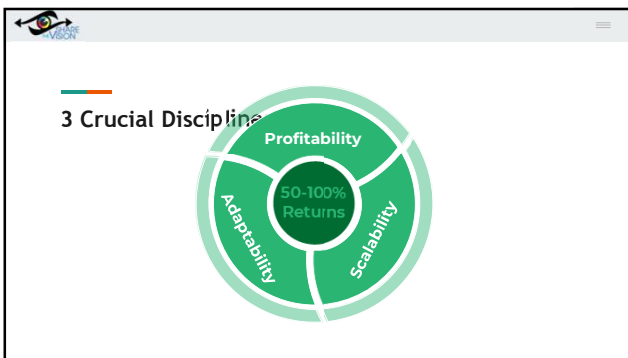
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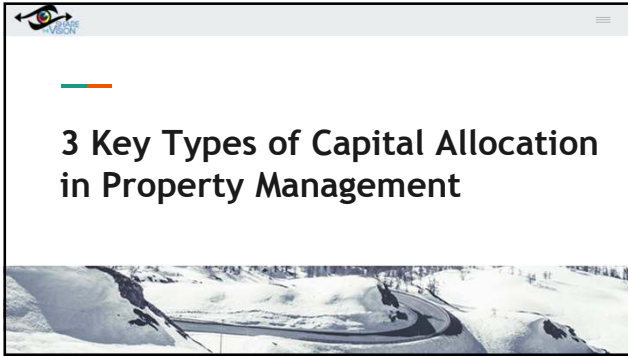
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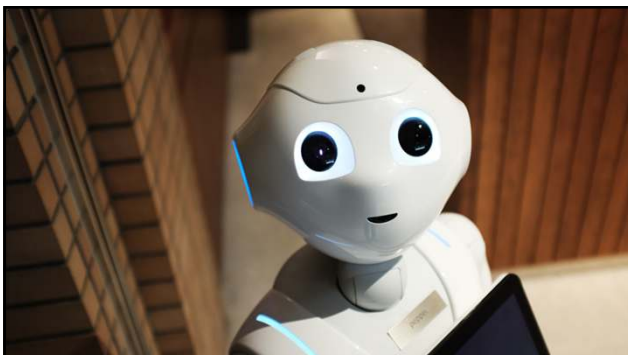
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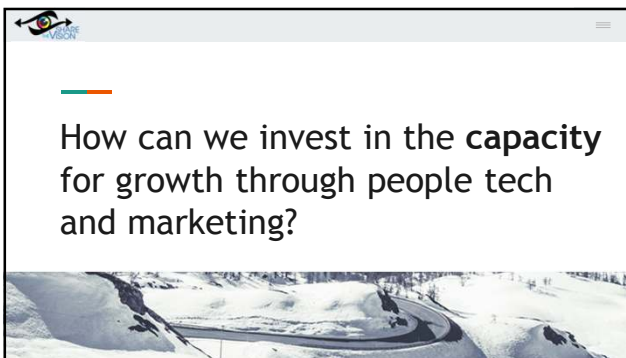
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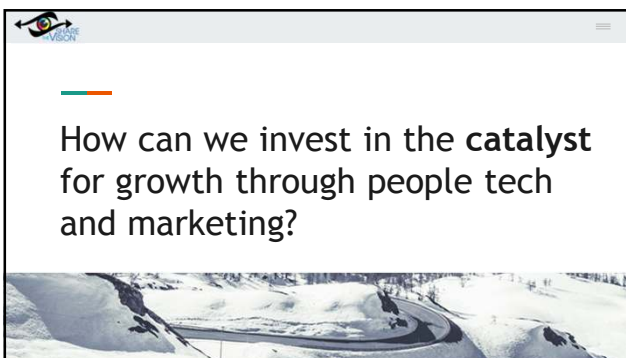
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52



53




54



ROIC CASE STUDIES


- Acquisition Case Study (Marketing)
- Technology Case Study
- People Case Study

55



	2018	% of Income	2019	% of Income	2020	% of Income
Income						
4100 Residential PM Income	1,138,163	71%	1,587,251	58%	1,612,925	54%
4200 Other PM Income	468,575	29%	1,164,545	42%	1,396,424	46%
Total Income	1,606,738	100%	2,751,796	100%	3,009,349	100%
Expenses						
6100 Facilities	186,971	12%	288,814	10%	346,441	12%
6200 New Owner Advertising	70,826	4%	61,457	2%	67,996	2%
6300 Direct Labor	516,085	32%	801,736	29%	815,622	27%
6400 Management Labor	262,681	16%	426,833	16%	373,502	12%
6500 Payroll Tax & Benefits	184,914	12%	248,022	9%	231,813	8%
6600 Other Operating Expense	222,872	14%	443,825	16%	584,410	19%
Total Expenses	1,444,149	90%	2,270,686	83%	2,419,784	80%
Net Operating Income	162,589	10%	481,110	17%	589,565	20%
Increase in NOI (from prior year)			318,521		426,976	
Invested Capital (\$400K Down + \$300K Financed Over 3 Years)			507,892		615,784	
Return on Invested Capital			63%		69%	

56



ROIC CASE STUDIES

- Acquisition Case Study (Marketing)
- Technology Case Study
- People Case Study

57

	2016	2017	2018	2019	2020	2021 (Annualized)
Total Income	1,049,480	1,314,218	1,564,638	2,022,747	2,236,119	2,897,411
Direct Labor	439,074	423,440	410,100	581,054	605,376	624,800
DLER	2.4	3.1	3.8	3.5	3.7	4.6
DL % of Income	42%	32%	26%	29%	27%	22%
Invested Capital	4,115	21,854	28,457	30,026	42,533	51,404
Increased NOI			90,584	66,225	110,182	302,372
Return on Invested Capital			166%	186%	210%	319%
Return on Invested Capital (w/ 1-year lag)			349%	288%	316%	448%

58

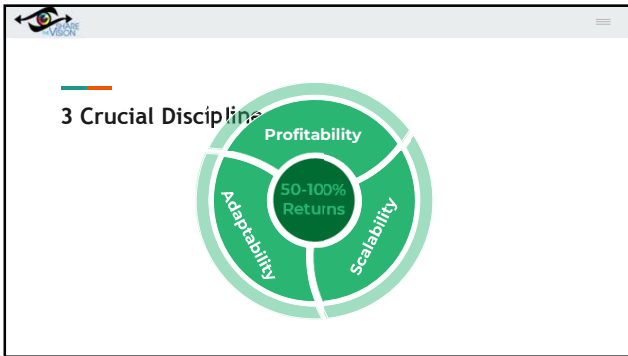
ROIC CASE STUDIES

- Acquisition Case Study (Marketing)
- Technology Case Study
- People Case Study

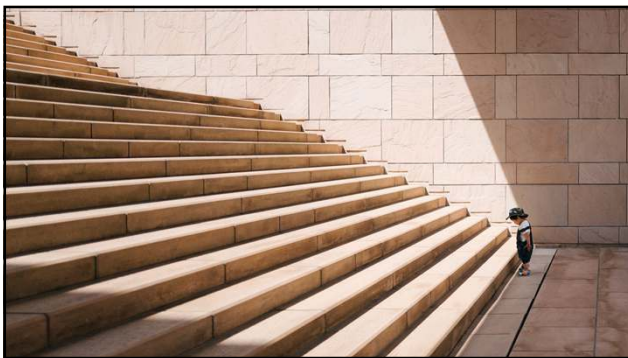
59

	2017	% of Income	2018	% of Income	2019	% of Income	2020	% of Income
Total Income	951,798.46	100%	1,458,738.50	100%	1,717,455.54	100%	1,936,360.04	100%
Expenses								
6100 Facilities	74,253.93	7.80%	114,052.85	7.82%	148,398.87	8.64%	131,448.18	6.79%
6200 New Owner Advertising	44,015.81	4.62%	58,950.47	4.04%	19,597.56	1.14%	12,400.87	0.64%
6300 Direct Labor	308,075.29	32.37%	416,033.31	28.52%	482,458.13	28.09%	532,938.44	27.52%
6400 Management Labor	242,868.75	25.52%	285,748.45	19.59%	343,000.85	19.97%	385,511.05	19.91%
6500 Payroll Tax & Benefits	74,966.13	7.88%	78,848.33	5.41%	93,528.37	5.45%	113,506.96	5.86%
6600 Other Operating Expense	106,889.19	11.23%	169,375.97	11.61%	267,487.27	15.57%	165,880.38	8.57%
Total Expenses	851,069	89%	1,123,009	77%	1,354,469	79%	1,341,686	69%
Net Operating Income	100,729	11%	335,729	23%	362,986	21%	594,674	31%
Marketing Labor			31,332.92		56,808.62		69,439.41	
Marketing Consultant			31,000.00		8,500.00			
Total Invested Capital			62,332.92		65,308.62		69,439.41	
Increased NOI			234,999.76		27,257.37		258,945.04	
Return on Invested Capital					21%		145%	

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62



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Owning the Financial Outcome 1.0

01 Get clear.	02 Define your target.	03 Stay on track.
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64

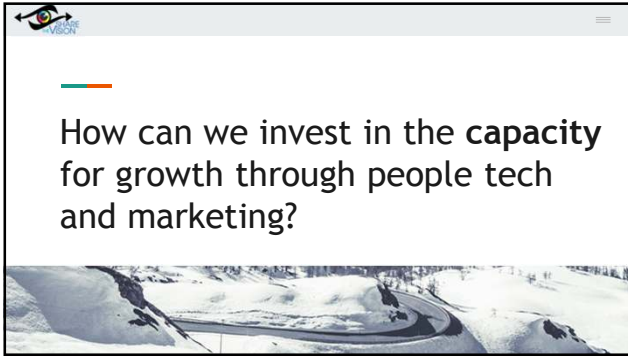
**Owning the Financial Outcome 2.0:
Capital Allocation for 50-100% Returns**

65

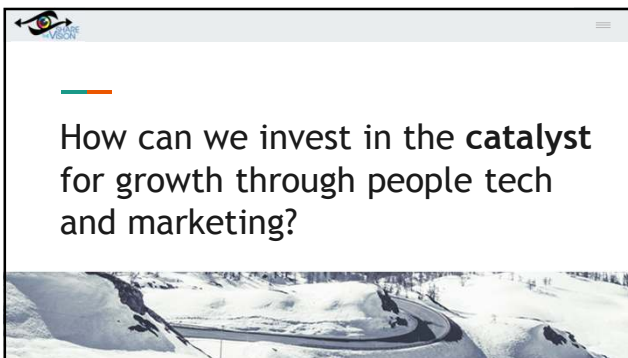
3 Crucial Disciplines

Profitability
50-100% Returns
Scalability
Adaptability

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69

Category	Assumption	Value	Monthly%	Annual%	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	
Unit Forecast												
Beginning Units					350	349	347	345	350	354	357	
New Units (Organic)					5	5	5	10	10	10	10	
New Units (Purchased)												
Lost Units					6	6	6	6	6	6	6	
Ending Units	Churn % of beginning units	1.80%	23%		349	347	346	350	354	357	364	
Leasing Forecast												
Occupancy %			90%	90%	90%	90%	90%	90%	90%	90%	90%	
Occupied Units					315	314	313	312	315	318	322	
Leases Ending					10	10	10	10	10	10	10	
Renewal Rate			55%	55%	55%	55%	55%	55%	55%	55%	55%	
New Leases	New Lease Delay (in month)	1			3	6	14	16	19	19	18	
Applications	Applications/Lease	1.5			5	12	22	22	29	29	24	
Renewals					6	11	19	19	19	19	19	
Leads Forecast												
Current Lead Flow					1	1	1	1	1	1	1	
Conversion % (Current Lead Flow)			20%	20%	20%	20%	20%	20%	20%	20%	20%	
New Leads (Inbound)					5	5	5	5	5	5	5	
Conversion % (New Inbound)			15%	15%	15%	15%	15%	15%	15%	15%	15%	
New Leads (Outbound)					0	0	0	0	0	0	0	
Conversion % (New Outbound)			10%	10%	10%	10%	10%	10%	10%	10%	10%	
Total Leads					1	1	1	1	1	1	1	
Conversions					0	0	0	0	0	0	0	

70

Category	Assumption	Value	Benefit Var.	12-Month Total	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	
Income - STEP 5A												
Management Fees/occupied Unit		\$130			\$130	\$130	\$130	\$130	\$130	\$130	\$130	
Leasing/Lending Fee		\$400			\$400	\$400	\$400	\$400	\$400	\$400	\$400	
Other Ancillary Fees/occupied Unit		\$50			\$50	\$50	\$50	\$50	\$50	\$50	\$50	
Management Fees		\$912,431			\$40,950	\$40,798	\$40,649	\$40,502	\$40,343	\$41,376	\$41,800	
Application Fees		\$30,056			\$311	\$799	\$1,500	\$1,903	\$2,013	\$2,906	\$2,908	
Leasing Fees		\$77,365			\$1,280	\$3,089	\$5,799	\$5,808	\$7,780	\$7,754	\$7,728	
Renewal Fees		\$175			\$963	\$1,923	\$3,309	\$3,309	\$3,309	\$3,309	\$3,309	
Other Ancillary Fees		\$197,096			\$15,700	\$15,682	\$15,624	\$15,576	\$15,747	\$15,914	\$16,077	
Maintenance Fees		\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0	
New Fee 1		\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0	
New Fee 2		\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0	
New Fee 3		\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Other Ancillary Fees		\$197,096			\$15,700	\$15,682	\$15,624	\$15,576	\$15,747	\$15,914	\$16,077	
Total Residential PM Income		\$926,286			\$59,274	\$62,203	\$66,950	\$66,739	\$69,852	\$70,418	\$70,874	
SPU		\$212			\$188	\$199	\$214	\$214	\$222	\$227	\$227	
Other PM Income		\$0			\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Income		\$926,286			\$59,274	\$62,203	\$66,950	\$66,739	\$69,852	\$70,418	\$70,874	
Target Operating Profit - STEP 2B			20%	20%	2%	\$234,160	\$18,687	\$17,445	\$18,746	\$18,682	\$19,589	\$19,872

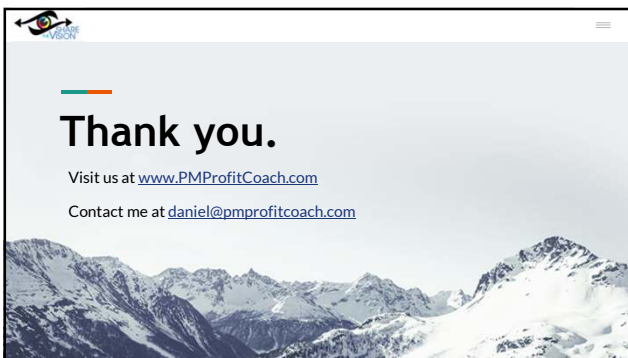
71

Category	January 2019			February 2019			March 2019		
	Forecast	Actual	Variance	Forecast	Actual	Variance	Forecast	Actual	Variance
Income									
Management Fees/occupied Unit	\$130	\$95	-\$35	\$130	\$0	-\$130	\$130	\$0	-\$130
Leasing/Lending Fee	\$400	\$111,948	\$111,548	\$400	\$0	-\$400	\$400	\$0	-\$400
Other Ancillary Fees	\$50	\$4,203	\$3,994	\$50	\$0	-\$50	\$50	\$0	-\$50
Application Fees	\$311	\$0	-\$311	\$799	\$0	-\$799	\$1,500	\$0	-\$1,500
Leasing Fees	\$1,280	\$0	-\$1,280	\$3,089	\$0	-\$3,089	\$5,799	\$0	-\$5,799
Renewal Fees	\$963	\$0	-\$963	\$1,923	\$0	-\$1,923	\$3,309	\$0	-\$3,309
Other Ancillary Fees	\$15,700	\$23,160	\$7,460	\$15,682	\$19,000	\$3,318	\$15,624	\$15,514	-\$110
Total Residential PM Income	\$59,274	\$138,442	\$79,168	\$62,203	-\$120	-\$62,423	\$66,950	\$66,950	\$0
SPU	\$188	\$117	-\$71	\$199	\$0	-\$199	\$214	\$214	\$0
Other PM Income	\$0	\$4,100	\$4,100	\$0	\$0	\$0	\$0	\$0	\$0
Total Income	\$59,274	\$142,542	\$83,262	\$62,203	-\$120	-\$62,423	\$66,950	\$66,950	\$0
Total Direct Labor	\$9,693	\$62,484	\$52,791	\$10,196	\$67,901	\$57,705	\$47,735	\$11,100	\$11
Contribution Margin	\$49,581	\$79,958	\$30,377	\$52,007	-\$68,081	-\$110,138	\$19,215	\$55,850	\$89
Direct Labor % of Rev	16%	35%	19%	16%	48276%	-48292%	17%	17%	17%
Total Management Labor	\$21,700	\$24,434	\$2,734	\$21,700	\$24,466	\$2,766	\$21,700	\$21,700	\$0
Management Labor % of Rev	37%	0%	-37%	35%	-20500%	-20500%	32%	32%	32%
Total Facilities	\$4,149	\$36,047	\$31,898	\$4,361	\$56,032	\$51,671	\$4,687	\$4,687	\$0
Total Other Operating Exp.	\$2,371	\$16,674	\$14,303	\$2,492	\$8,132	\$5,641	\$2,478	\$2,478	\$0
Total Payroll Taxes & Benefits	\$2,864	\$13,019	\$10,155	\$3,116	\$13,918	\$10,802	\$3,348	\$3,348	\$0
New Owner Advertising	\$1,778	\$5,900	\$4,122	\$1,889	\$2,228	\$387	\$2,009	\$2,009	\$0

72



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74
