Employee Monthly Bonus and Incentive Program

Begins September 1, 2010
INTRODUCTION

Newport Property Ventures’ Employee Monthly Bonus and Incentive Program was created to align employee rewards with company goals. The Leasing Bonus is designed to reward those NPV team members that excel in the area of leasing. The Renewal Bonus is designed to reward NPV teams/properties that excel in resident retention. The Delinquency Bonus is designed to reward those NPV team members that excel in the area of collections. The Make-Ready bonus is designed to reward maintenance staff for perfect move-ins. All bonuses (Leasing, Renewal, Delinquency, Make-Ready) are paid monthly on the last pay date of the month for previous month’s accomplishments.

Newport Property Ventures may, at its discretion, have a different Incentive Program for lease up properties, fee-managed properties, or in cases of other special circumstances.

LEASING BONUS:

Eligibility: All on-site staff except Community Manager

The leasing bonus is paid to the employee responsible for closing the leasing transaction and completing all paperwork for a new lease. Leasing bonuses will be paid the last pay date of the month for the prior month’s move ins. New lease must fulfill all requirements and paperwork must be correct. The employee who closed the lease must be an employee of the property when the resident signs the lease and moves in (picks up keys) in order to receive the bonus. No bonuses are earned on employee or courtesy officer leases.

In order to qualify for the bonus the lease must meet the following criteria:

1. Lease must be for at least a 7 month term.
2. Lease must be signed by resident, and resident must have moved in (picked up keys) during Bonus Month
3. Application, lease, lease addendums and all paperwork related to pre-screening the resident must be attached to Resident’s Profile in Yardi
4. Resident must be in good standing at time of bonus audit. Good Standing is defined as a resident who is up to date with all payments (except water) and is still “Current” in Yardi resident status.

When submitting for this bonus you will need to include the New Lease Bonus form.

Leasing Bonus Amount

Leasing Bonus amount earned = 1% of “total dollar amount of the lease transaction”. The “total dollar amount of the lease transaction” is defined as total rent income to be earned if resident completes the lease term, minus any concessions given to the resident. Water, application and admin fees, pet fees and other miscellaneous fees are specifically excluded from the “total dollar amount of lease transaction”.

New leases less than 7 months must be approved by the Regional Manager (no exceptions) and will earn a $20 bonus.

Leasing Bonus Amount –Lease Up Properties (as designated by VP of Property Management)

In certain circumstances, a property may be designated as a “Lease Up” property by the VP of Property Management. In these cases, a special lease bonus plan may be given to employees working at that property, at the discretion of NPV. In cases of fee managed properties, lease bonuses may be at the discretion of that property’s owner.
New leases less than 7 months must be approved by the Regional Manager (no exceptions) and will earn a $20 bonus. Lease Up status can be re-evaluated as frequently as on a monthly basis.

**Transfers to another NPV Community**

Transfers from one NPV community to another NPV community are eligible for a leasing bonus if the resident has completed at least 7 months of the current lease term, and must meet criteria listed previously for leasing bonuses. The employee who is responsible for closing the leasing transaction at the new community and completing all paperwork for the new lease will earn the leasing bonus. The employee will earn 1% of “total dollar amount of the lease transaction”.

In addition, the employee from the current NPV community who made the referral to transfer to the new NPV community can earn a flat $20 referral fee.

**RENEWAL BONUSES**

**Eligibility:** All on-site staff

In order to be eligible for the renewal bonus an NPV team member must have been an active employee on the property for the full calendar month for which bonus is being paid. Renewal bonus will be paid the last pay date of the month, after the resident’s new lease commences. Renewal lease must fulfill all the following requirements and paperwork must be correct. Renewal bonuses are totaled monthly and then split among ALL eligible employees, including the maintenance team. Employee and courtesy officer leases are not eligible for renewal bonuses.

In order to earn renewal bonus the renewal lease must meet the following criteria:

1) Lease must be for at least a 7 month term.

2) Resident must be in good standing at the time of auditing of bonuses. Good standing is defined as a resident who is on “current” status in Yardi and who is not delinquent on rent payment, security deposit or other deposits

3) Renewal lease and all lease addendums must be attached in Yardi.

The submission for this bonus needs to include the Renewal Bonus Form in order for the bonus to be audited and paid.

**Transfers within the same community**

Transfers within the same community are eligible for a renewal bonus if the resident has completed at least 7 months of the current lease term and must meet criteria listed above for all renewals. When submitting Renewal Bonus form, you need to mark the renewal as a “Transfer”. Any transfers done before the completion of 7 months of the current lease term is not eligible for a renewal bonus. Transfers will not be considered as part of the renewal percentage since if they are not transferring in the month the original lease is expiring. Transfers that are not transferring in the month the original lease is expiring will be paid at 0.7% of “total dollar amount of the lease transaction”.

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REV: 8/1/2010
RENEWAL BONUS AMOUNTS

Bonuses are based on percent of renewal of expired leases for the month.

Percent renewed: Bonus per Renewal:

0-30% 0.7% of “total dollar amount of the lease transaction”.

30-49.9% 0.8% of “total dollar amount of the lease transaction”.

50-59.9% 0.9% of “total dollar amount of the lease transaction”.

60-69.9% 1.0% of “total dollar amount of the lease transaction”.

70-79.9% 1.1% of “total dollar amount of the lease transaction”.

80%+ 1.2% of “total dollar amount of the lease transaction”.

Renewed Leases for terms shorter than 7 months must be approved by the Regional Manager (no exceptions) and will earn a $20 bonus.

Month to Month leases that are converted to a 7 – 12+ month lease earn 1.0% of “total dollar amount of the lease transaction”.

Any apartments leased at rental rate EXCEEDING the rent amount on the previous lease will qualify for an additional bonus to be split equally among all eligible employees. The additional bonus will be equal to the amount of the increase.

DELINQUENCY BONUS:

The bonus is paid to the “appointed person” (usually the Assistant Community Manager or Community Manager). The NPV team member must have been an active employee during the full calendar month for which the bonus is being paid, and be an active employee of Newport Property Ventures at the time the bonus requisition is prepared. The delinquency bonus will be based on the amount of delinquent rent as of the 5th and then the last day of the month. Bonus will be paid the last pay date of the month following the month-end close.

Communities <150 units:

Achieve 10% or less delinquent rent by the 5th of the month: Receive $100
Achieve 5% or less delinquent rent by the 15th of month: Receive $50
Achieve 1% or less delinquent rent by month-end close: Receive $50

Communities between 150-249 units:

Achieve 10% or less delinquent rent by the 5th of the month: Receive $250
Achieve 5% or less delinquent rent by the 15th of month: Receive $65
Achieve 1% or less delinquent rent by month-end close: Receive $60

Communities ≥ 250 units:

Achieve 10% or less delinquent rent by the 5th of the month: Receive $350
Achieve 5% or less delinquent rent by the 15th of month: Receive $75
Achieve 1% or less delinquent rent by month-end close: Receive $75

Each of the delinquency bonuses above is independent of the other meaning that you do not need to achieve one to be eligible for the other and you can earn both bonuses in any month.

MAKE-READY BONUS:

Eligibility for Make-Ready Bonus: All Maintenance staff active on property during entire bonus month, who are involved in the Make-Ready. The Community Manager will determine employees eligible based on full participation in the make-ready process, and list eligible employees on Commission Cover Sheet, subject to auditing by HR.

Bonus Amount: $10 per each unit turned during bonus month where make-ready was perfect upon move-in, based on completed/approved "Blue Moon Move In/Move Out Inventory Form" or the Intranet "Apartment Inspection Report"; and no post-move-in work orders (defined as work orders called in within 72 hours of move-in). Bonuses earned will be put into a pool and split among employees eligible for bonus.

Procedure: All completed "Blue Moon Move In/Move Out Inventory Forms" or Intranet "Apartment Inspection Report" forms must be signed/approved by Community Manager & Resident for bonus payment, & submitted to Accounting by 10th of month for previous month. Bonus will be subject to audit by Accounting and will be paid on last pay date of month for previous month’s move-ins.

Incentive Program Changes

The company reserves the right to change, modify or discontinue this program at any time. Changes will be communicated in writing to all NPV team members eligible for the Incentive Program.