

Lease Renewal & Lease Incentive Policy

The Lease Renewal & Lease Incentive Policy reflects the denizenQUE philosophy of quality, unique and exceptional Customer Service and that our existing Residents (“Members”) are especially important as their satisfaction of service is the benchmark of the denizenQUE quality service quotient (“QSQ”). As a result, Lease Renewals as a Team Incentive are the primary focus of this Policy. The denizenQUE Team includes all on-site personnel; Service Technicians, Concierge, Grounds, Custodian, Assistant Manager and General Manager.

The denizenQUE philosophy of Customer Service benefits our Owner Customers as it improves and maintains the reputation of the property, increasing the Lease Renewal percentage; which lowers turnover cost and shortens the supply of available units to lease; increasing the demand for the property, improving rents and lowering marketing costs.

General Policy Guidelines

Leasing is the responsibility of the General Manager, Assistant Manager and Concierge at each property.

Lease Renewal & Lease Incentives requests:

- a. Are to be submitted monthly for the first payroll period of each month (no exceptions).
- b. Will be paid the month immediately following the effective start date of the Lease Renewal or Lease (new).
- c. Earned and paid to Employees who are:
 1. employed at the Community at the Lease start dates, and;
 2. employed at the Community during the payroll period for which Lease Renewal and Lease Incentives are processed for payment.
 3. Employees are eligible for incentives on day 1 of employment and are ineligible upon termination or resignation.
- d. To be paid, the Lease Renewal or Lease must be posted to the Accounting Software as follows:

- Lease must be fully executed and uploaded to the Resident history
- Old auto-charges stopped
- All Rental Charges posted
- New auto-charges set-up
- Proof of current renter's insurance to the Resident history, old auto-charges stopped, new auto-charges set up, proof of current renter's insurance attached to resident history.

Lease Renewal Incentive

In addition to the Concierges, Assistant and General Managers, our Service Technicians, Custodial and Grounds personnel have daily contact and play a key role in making our Residents comfortable in their homes, feeling a sense of community and of our service. From the first hello, to a perfect move-in experience, a prompt and efficient completion of a Work Order, a clean and well-kept property and grounds; or just for being kind, friendly and respectful, ALL of the on-site personnel contribute to the denizenQUE experience.

In recognition of and to reinforce the denizenQUE philosophy, the Lease Renewal is a Team Incentive.

Lease Renewals

- a. Lease Renewal Letters will be written, personalized, and sent by the General Manager, Assistant Manager and/or Concierge.

20% Of Net Lease Increase: The Leasing Renewal Incentive will always be 20% of the net increase to the Lease rental rate.

Discounts: Renewal discounts are not to be added to the new rate amount.

Short Term Fees: If charged are to be added to the new rate with the rent.

Example:

Old Rate	New Rate	\$ Increase	Length	Total Increase	Bonus (20%)
\$1000	\$1100	\$100	12	\$1200	\$240
\$1000	\$1050	\$50	12	\$600	\$120
\$1000	\$1100	\$100	6	\$600	\$120
\$1000	\$1050	\$50	6	\$300	\$60
\$1000	\$1000	\$0	12	\$0	\$0

Allocation of Lease Renewal Incentive as the Team Incentive:

- a. All Lease Renewal Incentives are to be split equally between all the Full Time on-site personnel at the property. Part Time Employees are not eligible.

New Lease Incentive

The Lease Incentive on new Leases will reward personnel directly involved in securing new Leases.

Lease Periods

- a. Twelve (12) to Eighteen (18) month leases are the goal but short-term leases with a premium to cover the extra exposure of an earlier turn is acceptable with District Manager approval.
- b. The goal is always to have leases expiring in a seasonal manner that will spread the exposure of vacancy over the course of the year based on leasing trends for the communities' location. See District Manager for further direction on this.

Assignment of Lease Incentive

- a. The Concierge (General Manager or Assistant Manager) shows a Prospect a Unit for the first time (regardless of who made the appointment, spoke to them on the phone, or corresponded with them via email), will earn the Lease Incentive. This is for cases when Concierge does get an Application on the first visit or if the Prospect drops the Application off at a later date.
- b. If the Prospect is shown multiple Units over different visits by multiple Concierges, then the Lease Incentive will be equally split.

1% of Net Lease Value: The New Lease Incentive will always be 1% of the net Lease value.

Example:

Rent Rate	Concession	Length	Net Lease Value	Bonus (1%)
\$1000	\$1000	13	\$12,000	\$120
\$1000	\$0	12	\$12,000	\$120
\$1100	\$0	14	\$15,400	\$154
\$1100	\$0	6	\$6,600	\$66

Special Leasing Incentives

From time to time, as provided by the District Manager and as approved by the Owner Customer, Special Leasing Incentive may apply to specified properties to achieve the leasing goals of the Owner Customer such as:

- A seasonal increase in occupancy,
- To meet refinancing occupancy goals, etc.
- To manage lease terminations, such as lease expirations from March through August, for example

Such Special Leasing Incentive will be provided as a periodic addendum to this Policy by the District Manager and approved by the Owner Customer.

Proprietary Confidential



Incentives Report Summary

Property:
Month:
Year:

Total Number of Employees:

Employee Name	Total Bonus
1	\$ -
2	\$ -
3	\$ -
4	\$ -
5	\$ -
6	\$ -
7	\$ -
8	\$ -
9	\$ -
10	\$ -

Completed By:
General Manager's Name:
District Manager's Name:

INCENTIVES REPORT – can be retrieved on employee login website