Property Management and Leasing Proposal
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ODYSSEY REALTY COMPANY OVERVIEW

Odyssey was founded in 2007 with a mission of assembling a boutique real estate investment team providing acquisition, asset management and leasing services to commercial real estate investors in Las Vegas, Nevada. Our business rapidly evolved in 2008 as real estate values fell sharply and lenders, loan servicers and institutional investors demanded local operating expertise in managing distressed assets. Since then, we have grown into a full service investment advisory and brokerage firm with offices in Las Vegas and Kansas City. As a boutique firm, we endeavor to work on projects that will lead to long term partnerships and which will build wealth for our investors and customers.

Brokerage

- Disposition for local and national owners and lenders
- Experience selling office, industrial, retail and multi-family assets
- Extensive relationships with local owners, investors, brokers, legal advisors, property managers and contractors
- Odyssey selectively teams up with best-of-class from the local or national brokerage community
- Leasing, sales and market research

Consulting

- Asset strategy and market data for underwriting and valuation
- Auction sales assistance
- Tenant improvement project management
- Land pre-development, entitlement and project management

Property Management

- Odyssey provides property management service and financial reporting that meets standards set by institutional investment funds
- Our property managers are available 24/7 to provide prompt response to tenants needs
- Guidance for capital budgeting, annual review of mechanical plumbing and electrical systems, fire life safety compliance, and advanced energy management are provided
PROPERTY MANAGEMENT: OPERATIONS OVERVIEW

Our Vision for Property Management

Our vision for our property management team is to support our effort to build a network of local real estate owners that look to us as investment partners. We operate each property and treat each tenant as if we are the owners ourselves.

Contracted Services

All service contracts are bid out to two to three vendors. Odyssey provides a detailed scope of work and walks the property with each vendor to explain expectations. Contracts are awarded based on final cost of bids and contractor’s record of timely service and quality of work. Odyssey will consult with owner regarding selection of contractors.

A schedule is maintained for every vendor that performs contracted work on the property. This schedule is referenced when making our regular site visits. Site visits are performed an average of three times weekly. Site visits are used not to review scheduled work and to determine if services need to be adjusted, added or reduced.

Budgeted Capital Improvements

Odyssey will prepare an annual budget and present to owner. Odyssey’s property manager will coordinate a full bid.

All approved capital items are bid out to at least three vendors. Vendors will be given a consistent scope of work and access to the property for inspection and questions on scope. All vendors are expected to provide their bid within 10 working days. The bid will include a full scope of work, with photos of before and renderings to show how the work can be expected to appear after, and a proposed schedule for completion.

Odyssey will consult with owner regarding vendor selection before the bid process begins.
Emergency Repairs and Work Orders

Emergency repairs are not always competitively bid. Odyssey will use good faith efforts to order work at competitive market rates and will report all expenses over the owner defined threshold before ordering emergency repairs.

Odyssey maintains relationships with many trusted vendors of varying specialties that are priced competitively and have established track records.

The Property Manager is available 24/7, via cellphone, to receive calls from tenants.
PROPERTY MANAGEMENT TRANSITION SCHEDULE

To ensure a smooth transition Odyssey has created the following 90 day transition schedule to get to know the tenants and properties. The step by step process is outlined below.

1. Day 1
   a. Tenant Introductions and Tenant Direction Letters
      i. Provide Tenants with contact information for the Property Manager and the Property Management Office
      ii. Provide new payment address for rents
      iii. Provide contact sheets for tenants to fill out for emergency/after-hours contact
      iv. Provide insurance coverage and additional insured information for Tenant to update their Certificate of Insurance, as required by their Lease
      v. Survey tenant’s level of satisfaction with services currently provided
   b. Vendor Introductions
      i. Provide Vendors with new billing address
      ii. Meet vendors on site to discuss the current scope of work
      iii. Obtain schedule on which services are performed
      iv. Meet with FLS, Alarm Monitoring, and Security contractors to provide property manager’s after-hours contact information
      v. Provide insurance coverage and additional insured information for Vendor to update their Certificate of Insurance, as required by their Contract
   c. Utilities
      i. Change the billing address for the existing utilities
      ii. Set up online access or change password and profile for any already existing accounts
d. Building Systems
   i. Confirm locations of utility shutoffs and mark on a site plan
   ii. Confirm that FLS inspections are up-to-date
   iii. Confirm that applicable permits are up-to-date (e.g. elevators, emergency generators)
   iv. Key system/Building Access
      1. Determine location of roof access
      2. Determine if any existing lockboxes need to be removed, replaced, recoded
      3. Determine if locks need to be rekeyed
         a. May have to have this performed immediately depending on reason for the transition of property management

e. Banking
   i. Set Up Operating Account (trust account or custodial account, as determined by Management Agreement) to deposit rent checks and write checks for property expenses

f. Insurance
   i. Add the property to management company’s insurance policy and obtain updated COI

2. Day 2-3
   a. Property Walk
      i. Review existing scopes of work to determine if they are sufficient or need to be increased/decreased
      ii. Evaluate if there are services that are not contracted that should be added and determine if they can be added to the scope of work performed by an existing vendor or if a new vendor needs to be added
      iii. Work Orders and Capital Improvement Recommendations
         1. Photograph and document anything that needs to be addressed.
         2. Determine if it is a Capital Improvement item or a smaller work order that could be addressed in the Operating Budget
         3. Request bids or estimates

b. Vendor Contracts
   i. Abstract existing vendor contracts
   ii. Make adjustments to Scopes of Work based on observations from Property Walk
   iii. Rebid contracts
3. Day 4-5
   a. Abstract Leases
   b. Complete Data Entry for Yardi reporting

4. Day 6-10
   a. Coordinate with former property management or the Owner for:
      i. Invoices received since transition
      ii. Rent payments received since transition
   b. Operating Budget
      i. Compare existing Operating Budget with YTD Actuals
      ii. Compare Operating Budget to bids received
         1. Determine if existing Operating Budget is sufficient
         2. If needed: Draft new current year Operating Budget and flag suggested changes, if applicable, and present to owner
      iii. Create workbook for new Fiscal Year Operating Budget and Capital Budget
   c. Create workbook for future CAM Reconciliations
   d. Begin AR collections process
   e. Install signage for Management and Leasing

5. Day 11-30
   a. Compare latest utility billings with historicals
      i. If there is a discrepancy, determine the reason (e.g. additional use due to occupancy, rate increases, leak on property)
   b. Vendor Contracts
      i. Draft contracts and have signed
      ii. Send Termination Notices to any vendors that are not being kept
      iii. Obtain current Certificates of Insurance for vendors being kept or signed on
   c. Tenant Insurance
      i. Follow up on COIs still not received
      ii. Request copies of new COIs for policies set to expire in 60 days
   d. Accounts Payable
      i. Checks are able to be run and all payments being made from the Operating Account
      ii. Schedule set up for expenses
         1. Determine when utilities bills are issued and due
         2. Determine which services are paid monthly/quarterly/annually
         3. Determine next property tax payment that is due
e. Send first Tenant Statements
   i. Verify that they include any past AR and all payments received since transition
   ii. Include bright colored insert reminding tenant of new payment address

6. Day 31-60
   a. Confirm with the Owner if the former property management company will be preparing prior year CAM Reconciliation
      i. If so, obtain a copy and add charges/credits to tenant ledgers
      ii. If it has not and the former property management company will not perform the CAM Reconciliation obtain a copy of the prior calendar year’s YTD General Ledger and generate the CAM Rec on the Owner’s behalf
   b. Review Leases for inspection provisions and create a schedule for inspecting the occupied suites to ensure that they are being maintained properly
   c. Walk vacant suites
      i. Confirm that electricity is turned on
      ii. Verify HVAC, restrooms, kitchen and lighting is functional
      iii. Make sure that they are clean and odor-free
      iv. Photograph and document anything that makes the space undesirable to a prospective tenant and obtain bids to correct
         1. Any bid over the existing Operating Budget will be used as an estimate for the following year’s budget
         2. Make Leasing Team aware of any possible issues prior to showing space to potential tenants

7. Day 61-90
   a. Begin initial draft of the following calendar year’s Operating and Capital Budgets
   b. Perform mid-year CAM Reconciliation, as a draft only
      i. To forecast for excessive charges or credits
      ii. Determine what action can be taken to reduce any additional charges or credits at year-end
PROPERTY MANAGEMENT ACCOUNTING OVERVIEW

Property Management Accounting Process
Odyssey Realty utilizes Yardi Property Management and Accounting software. Yardi is used for all functions of accounting including accounts receivable, accounts payable, budgeting and financial reporting. Yardi is used to create a variety of reports to meet our clients’ needs including Income Statements, Balance Sheets, Rent Rolls and Bank Reconciliations. Odyssey Realty’s accounting team also utilizes Excel to provide full balance sheet reconciliations that tie to the values presented in the Yardi reports. Excel is also utilized to create monthly cash flow statements and cash distribution projections.

Billing & Collections Process Overview
Statements are generated and mailed to the tenants between the 20th and the 23rd of each month detailing the current and following month’s charges and payments received. We begin collections processes for any rents not received by the 6th of the month (or on the day as set out in the Lease). We always attempt to contact the Tenant by phone and, if contact can be made, we set up a time that a check can be picked up that same day. Unless the Owner directs us to perform collections in a manner that is more lenient, we will always enforce the Lease in respect to the application of late fees. Should rent continue to remain uncollected, we will also always seek Owner approval prior to issuance of a 5-Day Pay or Quit.

Accounts Receivable Process Overview
Tenants mail checks directly to the Odyssey Realty office. Mail is checked daily and checks are processed and booked on the same day they are received. Our accounting staff records the check in Yardi, completes a deposit slip and copies the deposit for backup documentation. The completed deposit slip and corresponding checks are given to the Staff Accountant or Accounting Manager. The Staff Accountant or Accounting Manager takes the deposit to the bank. All checks are deposited by 5:00 PM the same day they are received.

Accounts Payable Process Overview
All budgeted monthly payables are tracked, coded, and entered into Yardi by the accounting staff. Any unbudgeted or special work orders are coded and approved by the Property Manager before being entered into Yardi by the Accounting Assistant. Once entered, the Staff Accountant reviews and posts all payables, reviews cash flow, and processes the checks for payment. After the checks are cut, they are reviewed and signed by one of the designated check signers. Once checks are signed the Accounting Assistant matches the check copy to the invoice for filing and mails the checks.
Financial Reporting Overview

Monthly financial reports are typically delivered to our clients by the 15th of the month following the reporting period. All financial reports are compiled into one comprehensive pdf that is also bookmarked by report title for easy navigation. Along with the Property Manager’s Executive Summary and Budget Comparison with Variance Comments, the Staff Accountant compiles all financial reports to create the monthly financial package. Once the preliminary financials are approved by the Property Manager and Staff Accountant they are given to the Accounting Manager to review and deliver to the client.

The financial package includes:

- Executive Summary
- Budget Comparison with Variance Comments
- Income Statement
- Balance Sheet
- Trial Balance
- General Ledger
- Rent Rolls
- Aged Receivables
- Tenant Security Deposit Summary
- Bank Statements & Bank Reconciliations
- Check Detail
- Expense Distribution
- Payable Aging Detail
- Balance Sheet Accrual Workbook
  - AR Tenant & Prepaid Rent
  - Utility Deposits
  - Prepaid Tax
  - Prepaid Insurance
  - Construction/Work in Progress
  - Building Improvements
  - Lease Commissions
  - Tenant Improvements
  - Other Liabilities
  - Equity Accounts
- Mortgage Statements
- Journal Entry Register
PROPERTY MANAGEMENT FEES

Odyssey proposes a property management fee of 3.5% of gross rents collected each month. Odyssey also charges a $400 per month admin fee per property for which is intended to cover postage, listings with Propertyline and CoStar, Yardi licensing, etc. The admin fee is charged in place of billing back for every individual expense.

Construction Management Fee Schedule:

<table>
<thead>
<tr>
<th>Construction Project Cost</th>
<th>Fee %</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0-$9,999</td>
<td>0%</td>
</tr>
<tr>
<td>$10,000-$200,000</td>
<td>3.5%</td>
</tr>
<tr>
<td>$201,000-$300,000</td>
<td>3%</td>
</tr>
<tr>
<td>Above $300,000</td>
<td>2.5%</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

Experience:

Our leasing team is headed by Greg Johnson and Dave Sundaram, with over fifty years of real estate operations and brokerage experience between them. Greg’s background includes nine years with Goldman Sachs Whitehall Funds where he performed acquisitions, operations and development management functions. Dave served as a broker at Colliers International and as a development manager at Centra Properties which delivered over 2M square feet of industrial and office product locally. Their biographies and experience with local projects is detailed herein along with references that include some of the largest real estate investment funds in the United States.

Marketing Philosophy:

**Focus:** Many Las Vegas brokers will showcase the resume of a senior broker to secure business and then service an account with junior level team members. Odyssey aims to be strategic in our selection of assignments and to deliver excellent service with direct accountability from Odyssey’s principals. Odyssey believes in growing its business carefully, one customer at a time, by delivering superior service and building a record of performance and added value.

**Speed in Execution:** Our marketing style is to be direct and passionate about the benefits of the properties we are promoting. Office and warehouse spaces are not commodities. In addition to location, commercial visibility, access to freeways and customers, the speed with which a landlord can execute a lease is also a critical element in competing for deals.

**Canvassing and Accountability:** Local tenants are often in a rush to review a short list of local real estate options before making a quick decision and securing a new location. For this reason, our practice is to walk flyers to tenants in the trade areas of our listings and engage local operators personally regarding their need for space, market information and leasing advice.
Further, we will deliver and be accountable to a call roster in canvassing the brokerage community with one-on-one calls regarding vacant spaces in your property.

In our view, marketing industrial real estate is most effective when the following three efforts are executed:

1. Face to face promotion to local tenants and brokers
2. Online advertisement and sales calls
3. Streamlined process for negotiating a lease

**Leasing Process:**

Our experience with local industrial leasing is that speedy execution is essential to winning deals, creating satisfied customers, and minimizing vacancy. For this reason, a leasing team must be committed to delivering fast answers to tenant questions. These key team members must work with an environment of loyalty, fairness, and urgency:

1. Owner or Owner Representative
2. Leasing broker
3. Owner’s architect
4. Owner’s TI contractor
5. Owner’s attorney

A leasing proposal example is attached. Initial lease proposals will include detail on all material economic terms and will be generated within hours of a property showing or tenant request. The specification of TI scope and cost will incorporate an architect and contractors input. Once agreement on economic terms and TI specification are complete, we will work closely with an owner’s selected legal counsel to quickly address tenant lease change requests.

We invite you to contact the references provided and inquire about our team and leasing service record.
MARKETING PROGRAM

New Listing Transition Checklist:

**First Week:** Odyssey will deliver an analysis of a property’s competitive set, recommendations for pricing, and essential marketing materials in the first week of a new listing. The checklist for this process is below:

1. Assemble property data, digital files, and hard copy binder for leasing team
   a. Floor plans
   b. Site plans
   c. Building photos
   d. Aerial photography
   e. Building system and site specifications
   f. Stacking or blocking diagrams
   g. Videography of site and vacant spaces
2. Deliver report on competitive set and pricing recommendation
   a. Review local competitive properties, rates, vacancy, recent leases
   b. Submarket aggregate rates, vacancy, and trailing four quarters trend
   c. Competitive leasing concessions
   d. Pricing recommendation
   e. TI demo and cosmetic improvement recommendation

**Second Week:** The priorities for the second week are production of basic leasing marketing materials and setting up initial meetings with key leasing team consultants.

3. Leasing team kickoff meetings: Conduct telephone conference with owner and key consultants. Review working agreements, compensation, lead times, and work process with each of the following:
   a. Owner’s architect
   b. Owner’s TI contractors, key subcontractors or vendors
   c. Owner’s attorney for leasing
   d. Property manager
4. Post listing materials on commercial data base services
   a. PropertyLine:
      i. Post flyer, floor plans, and property specs on PropertyLine
      ii. Purchase featured listing and broker announcement emails
   b. CoStar: Update all listing data via CoStar research team
   c. LoopNet: Post listing flyer data on LoopNet
5. Design and order signage for property  
   a. Banner’s for building parapet or eyebrow  
   b. Signage for roadway frontage in landscape area  
6. Produce presentation boards for leasing office and vacant unit windows  
7. Produce pricing benchmarks for building standard finishes, painting, and flooring

**Third Week:** Begin tenant and broker sales calls.

8. Outline calling targets and begin tenant calls and prospect tracking logs  
9. Set up recurring meeting with owner for review of marketing efforts, prospects, and deals  
10. Review with owner the plan for cosmetic improvements in vacant spaces and other capital improvements
LEASING PROCESS

Odyssey will coordinate the leasing team consultants and report status of all deals to owner as they progress. A typical lease progresses as following:

1. LOI generation, negotiation of lease business terms
2. TI scope and cost definition
3. Tenant credit review
4. Lease draft and negotiation
5. Lease execution, delivery of certificate of insurance, deposit and rent check
6. TI bidding, construction management, Certificate of Occupancy, punch list, lien release documentation
7. Lease abstract, Memorandum of Commencement

**Tenant Retention:** The leasing team will conduct quarterly informal tenant visits to insure tenants are happy. The goal of these visits will be to understand the tenant and advance the relationship. We will ask about the tenant’s satisfaction, complaints, their need for expansion space, and opportunities for renewal. It is our opinion that owners should cooperate with outside brokers in negotiating lease renewals with existing tenants and pay them a market fee (half the commission for a new tenant) for renewing a tenant.

**Reporting:** Odyssey will deliver a monthly prospect tracking sheet that will show current active prospects and call targets for the coming month. We will review this tracking sheet with the owner monthly or as desired by owner. Attached is a sample tracking sheet.
LEASING FEES

Odyssey recommends the following fee schedule for the marketing and leasing program. The fee will be paid on net rents due over the lease term.

- **Co-Op Deal:** 5% to Outside broker, 2% to Odyssey
- **Direct Deal:** 4% to Odyssey
- **Co-Op Renewal:** 2.5% to Outside broker, 2% to Odyssey
- **Direct Renewal:** 2% to Odyssey
- **Construction Management:** 4% of TI contract cost

We believe the direct marketing efforts and the central locations of the Centerpoint and Cam 965 properties will result in a large fraction of direct deals and renewals.
ODYSSÉE REFERENCES

C-III Capital Partners
Austin R. Cartlidge
Vice President, Fund Asset Management
(972) 868-5206
Website: c3cp.com

Asset: 100 N Green Valley Parkway, a 90,000 SF Class A Medical Office Building, Green Valley Parkway and 215. Odyssey is partners with Island Capital, a private equity subsidiary of CIII Capital Partners in ownership of this medical office building. Odyssey performed the initial acquisition underwriting, and continues to perform the leasing, construction management, and property management services for the partnership.

Crow Holdings
Tamara Mills
Fund Asset Manager
(214) 661-8235
Website: crowholdingscapital.com

Asset: Odyssey purchased three of the buildings at Marnell corporate center in partnership with Crow Holdings in 2007. Odyssey performed the initial underwriting, and later the leasing, construction management and property management services for the partnership. Odyssey also was retained along with Cassidy Turley for disposition advisory and marketing services.

Hudson Americas
Andrew Nettune
Vice President, Asset Management
(214) 754-8646
Website: hudson-advisors.com

Assets: Odyssey served as acquisition advisor and subsequently as leasing, property manager, TI construction manager, and exclusive sales broker to Hudson for a portfolio of 12 buildings which included industrial, office and retail product totaling 264,000 SF. The properties were acquired through foreclosure. Odyssey’s property management took possession and control of operations within a half-hour’s notice of a bankruptcy court order.