



ELMSTONE
— GROUP —
PROPERTY MANAGEMENT, LLC

Company Introduction

- Updated April 2018 -

Company Introduction

Our Mission

Core Values

Where we started

Where we're at

Where we're going

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Our Mission

to provide an exceptional lifestyle to our tenants, employees, vendors and member owners.

Better. Because we care.

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Core Values

In everything we do we embrace and encourage:

- Respect
- Integrity / Honesty
- Customer Focus
- Teamwork

Whenever possible we strive to partner with team members that share similar values.

To care is to give back. Our goal is to give back to you!

Core Values

- Respect & Integrity

Respect

- Our tenants, fellow employees, vendors and owners

Integrity / Honesty

- The law dictates an absolute minimum in this regards.
- Beyond that we also aim to *do the right thing* ethically so that we can all sleep better at night.
- Keep accurate records.
- Do not falsify information.

Core Values

- Customer Focus & Teamwork

Customer Focus

- We strive to deliver on the best product at the best price.
- In a service industry, we *must* focus on customer service. Without the customer, we have no business.

Teamwork

- No one can run a property single-handedly.
- Our employees are expected to work hand-in-hand with our vendors to best service the customer.
- Above all, have fun!
- A fun environment is contagious, will improve everyone's experience/life and help you deliver a better experience.

The Triple bottom line

- *Better. Because we care.*

Profits

- For the investors - the “traditional bottom line”
- Profit-sharing for the employees; ties in with bonus structure

People

- Residents:
 - Quality of life, quality of service, a place to call home
- Employees:
 - Quality of life: training, career advancement, job satisfaction
- Vendors:
 - Repeat business

Planet

- Minimize any negative impact we have
- Leave this world in a better place for future generations

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Where we started

- Ethical, minority owned business, formed in 2011
- Founder/CEO: Shari L. Gould, CAM, CAPS
- Co-Founder/CFO: Steven R. Gould, IROP
- Sustainable and profitable growth over a 6+ year period
- Manages MF properties for local, private investment companies

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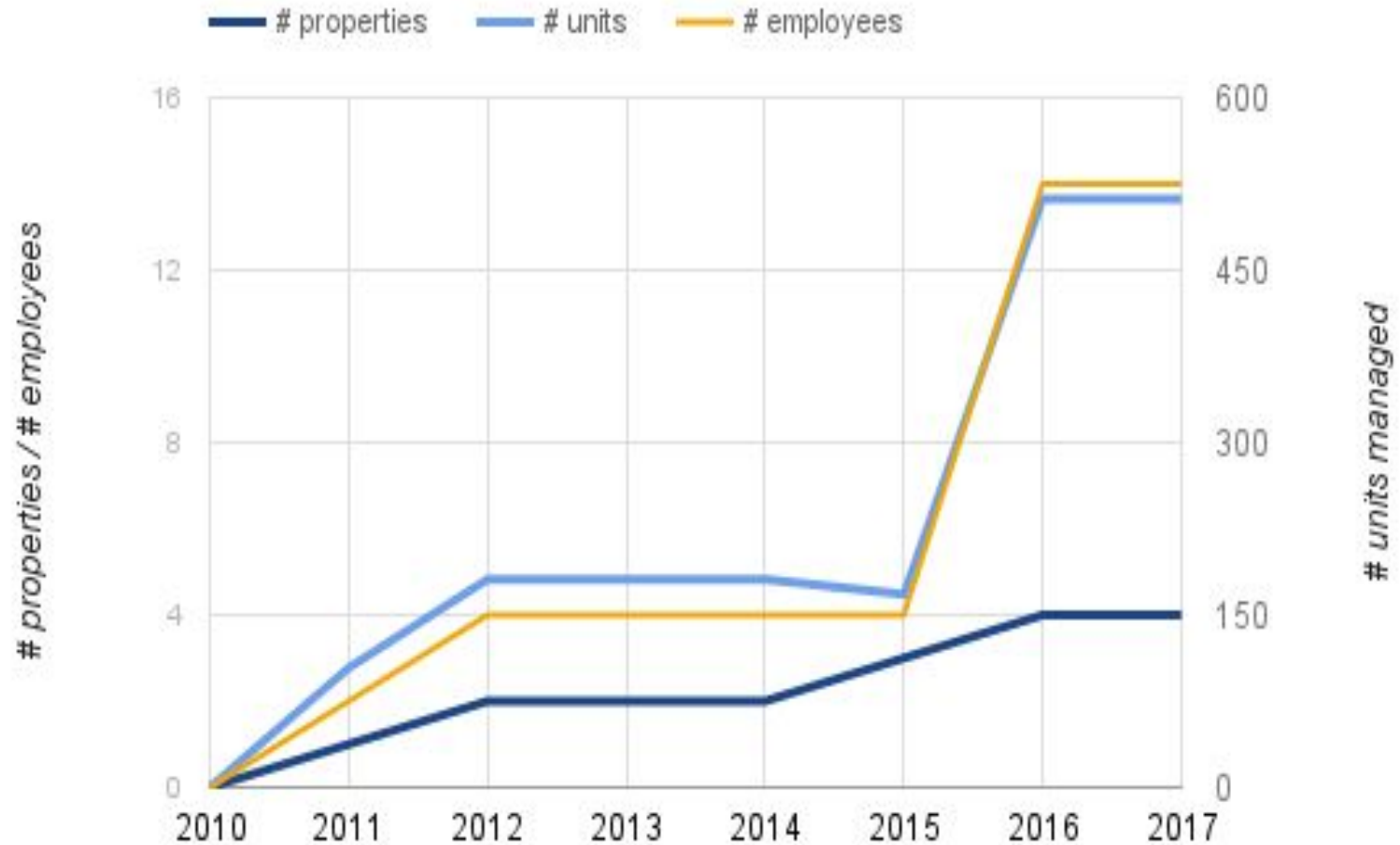
Where we started

Where we're at

Where we're going

Where we're at

- EGPM Growth



Current Portfolio

3 apartment communities:

- The Monterey, Irving (160 units)
- Silverado, Irving (185 units)
- Villas Del Sol / The Village on West Irving, Irving (91 units)

Previously-managed apartment communities:

- Spanish Chase, Irving (77 units) - 2012-2017
- Casa Del Sol, Irving (104 units) - 2011-2015

The Monterey

700 S. Story Rd, Irving

<http://www.themontereyirving.com>

Phone: 972-848-3373

ResMan code: TM

- 160 units
 - 1/1, 2/1 apartments
 - 2/2 townhomes
 - Average unit size: 974 sq. ft.
- Purchased Oct. 2016
- 42 investors/owners
- > \$500K in capital improvements



Silverado

1319 N. Nursery Rd, Irving

<http://www.silveradoapartments.com>

Phone: 972-438-2248

ResMan code: SILVER

- 185 units
 - 1/1, 2/1, 2/2, 3/2 apartments
 - 2/1.5 townhomes
 - 1 efficiency
 - Average unit size: 782 sq. ft.
- Purchased Apr. 2016
- 32 investors/owners
- > \$600K in capital improvements



The Village on West Irving

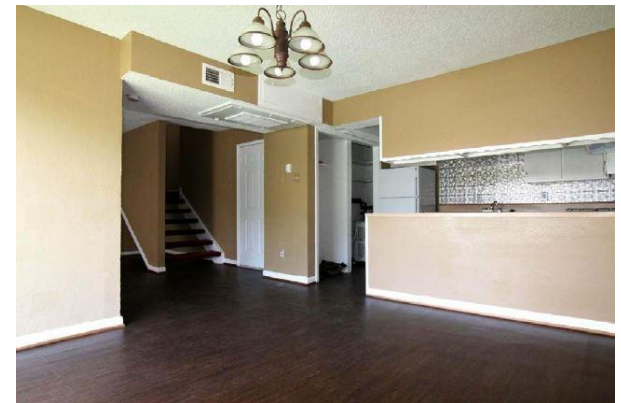
2121 W. Irving Blvd., Irving

<http://www.thevillageonwestirving.com>

Phone: 972-870-0900

ResMan code: TV

- 91 units (90 + office unit)
 - 1/1, 2/1.5, 2/2 townhomes
 - 2/1, 2/2 apartments
 - Average unit size: 1,082 sq. ft.
- Purchased Jan. 2015
- 23 investors/owners
- > \$325K in capital improvements



Spanish Chase

3200 W. Pioneer Dr., Irving

- 77 units
- 1/1, 2/1, 2/2 and 3/2
- Average unit size: 823 sq. ft.
- Purchased Nov. 2012;
sold Nov. 2017
- 13 investors/owners
- > \$120K rehab.
- Converted from ABP to RUBS
- Increased property value \$2M



Casa Del Sol

700 N. Nursery Rd, Irving

- 104 units (103 + office unit)
- 1/1, 432 sq. ft.
- Purchased Sept. 2011;
Sold Jul. 2015
- 14 investors/owners



Corporate Offices

Visitors by appointment only



Primary office:

- 320 Decker Dr., Irving, TX 75062
- Phone: 972-719-2544

Also:

- While we may use personal cell phones to communicate internally, ***DO NOT give out anyone's personal cell phone number to anyone*** (residents or vendors)

What we do?

Offer a superior quality product at a competitive price

Business Model

- Acquire properties that have upside potential
 - Below market rent; need capital injection - interior and exterior
 - Some/all dated units needing upgrading
 - Occasionally mis-managed
- Year 1 after acquisition
 - Major capital improvements
 - Bring rents up to market level
 - <3% delinquency
- Year 2
 - Improve property performance - 90%/90 days, aim for >95% occupancy.
- Year 3
 - Look at sale or refinance (owners final decision)
- Year 4 and beyond
 - Refi. allows additional capital injection
 - Run property for maximum cash flow (occ. 95% or more)

Increase Income

- For under-performing assets, increase rents to market rent
- Rehab. “classic” units to help with rent increases:
 - Classic: not upgraded in last 20+ years! (no new leases)
 - Standard: clean and functional, modern apartment
 - Upgraded: add upgraded faucets/fixtures, faux hardwood floors
 - Deluxe: upgraded + tile backsplash, black appliances in kitchen, 2” faux wood blinds
- Other options:
 - Convert from ABP to RUBS
 - Parking
 - Pet rent
 - Add new amenities (depending on property)

Environmental Consciousness

→ leading to cost savings

Cost savings through:

- Water conservation
- Energy conservation

Leads to improved NOI & increased property value. Benefits:

- Residents
- Employees
- Investors/Owners
- Future generations



Challenge the status quo

Don't blindly accept the status quo.

- If we've always done things a certain way, does it still make sense? (Or is there a better way?)
- If the industry always does things a certain way, does it make sense and can we do it better?

The Village on West Irving

- Before-and-after rehab. photos



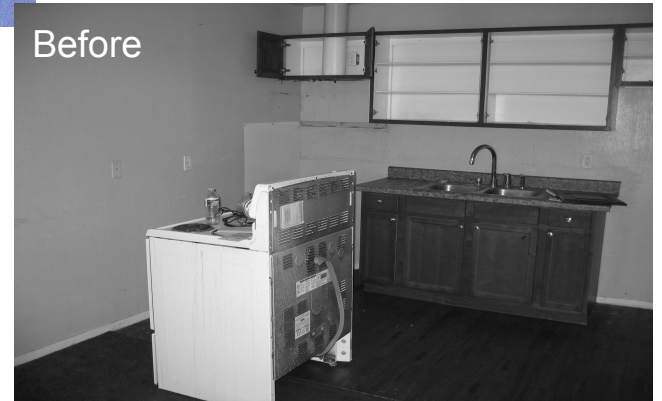
Casa Del Sol

- Before-and-after rehab. photos

After



Before



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Acquisition Plan

2018:

- Q2/Q3 Acquire 1980's construction property
- Q3/Q4 Sell TV; 1031 into another property

2019 and beyond:

- Acquire 1-2 properties/year for next 5 years
- Sell properties as needed
(and depending on the market)

For more information

Web Site: www.elmstonegroup.com

Employee Portal: www.elmstonegroup.com/egpm*

Investors: www.elmstonegroup.com/investors*

* Login required