

PRINCETON
PROPERTIES

STATEMENT OF QUALIFICATIONS





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**“I AM PLEASED TO BE
PART OF A TEAM** OF
PROPERTY MANAGEMENT EXPERTS
THAT BOTH OPERATE WITH
*GLOBAL SOPHISTICATION
& MICRO UNDERSTANDING*
OF OUR LOCAL MARKETS **”**

ANDREW CHABAN
CHIEF EXECUTIVE OFFICER



ABOUT **US**

Since its inception in 1973, Princeton Properties has grown to a firm that operates in three states as owner and/or manager of 5500+ units in 37 apartment communities in MA, NH, and ME. Princeton has managed assets for institutional clients such as Clarion, RREEF, Realty Financial Partners, John Hancock Real Estate Investment Group, Berkeley Investments, Guggenheim Real Estate and General Electric Capital Corporation.

Princeton Properties acquires, renovates, develops, builds, leases and manages apartment communities.

In the past 3 years Princeton has served or is serving as a trusted third party property management company for the following residential communities:

PROPERTY/LOCATION	# OF UNITS	OWNERSHIP GROUP
Millbrook Lofts, Somerville MA	100	Berkeley Investments Inc.
Watch Factory Lofts, Waltham MA	164	Berkeley Investments Inc.
381 Congress, Boston (Seaport) MA	44	Berkeley Investments Inc.
625 McGrath, Somerville MA	34	Berkeley Investments Inc.
The Highland Portfolio, Norcross GA	1208	Realty Financial Partners
*Princeton Westford, Westford MA	200	Guggenheim Real Estate
*Princeton Commons, Chelmsford MA	108	Clarion Partners
*Princeton at Boston Rd, Billerica MA	156	Clarion Partners
Katahdin Woods, Lexington MA	128	Clarion Partners
*Boulder Park, Nashua NH	482	Blackstone Group

**Princeton also served as the deal sponsor & minority equity participant.*



THE RIGHT PEOPLE

Princeton's management style is typified by a high level of involvement from the principals of the firm and from all senior management. This attention to detail and level of support is unique and exists because of the size of the Management Company.

In addition, our somewhat smaller size as compared to our competitors, allows for reduced bureaucracy and readily available access of front line staff to senior personnel. Employees are confident that they are empowered to provide the best possible service to our clients and residents. Time proven systems and procedures in place, provide the guidelines for staff to do the right things for the properties and the residents.

MAKING THE **RIGHT DECISIONS**

A hallmark of Princeton's reputation is sound judgment in preserving and protecting its assets, spending only the dollars needed, and not one dollar more, each year.

Princeton recognizes that the retention and renewal process never ends. Solid annual and long term capital planning is key to asset preservation, but equally important to keeping a property fresh and competitive. Princeton sees this approach as a long-term investment in the quality, livability, and profitability of the properties it manages.

IMPLEMENTING THE **RIGHT INNOVATIONS**

From cutting edge technology, to our more recent forays into co-generation and solar power, Princeton excels at finding and implementing the right innovations to keep properties fresh and competitive, reduce operating costs, and reaffirm for our residents that they have chosen a home managed by a company committed to doing the right things as well as doing things right.

CULTIVATING THE **RIGHT ASSOCIATIONS**

National associations and connections keep Princeton abreast of industry trends and changes. Local involvement, through business associations, chambers of commerce, and local charitable endeavors, provide us with local grounding and an opportunity to serve the community. The emphasis is to be good citizens wherever our business takes us.

It is these differences and an attitude of unflinching professionalism that have allowed Princeton to succeed in spite of upheavals in the economy, delivering satisfaction to a vast range of residents with changing needs, and positions

HAVING THE **RIGHT CONNECTIONS**

Founded in the Merrimack Valley in 1973, Princeton Properties has an established professional network that enhances its operational efficiency and profitability. Our executives and associates have cultivated contacts that help facilitate the company's business interests with best-of-breed providers. Notably, CEO Andrew Chaban is a past president of the Northeast Builder's Association of Massachusetts, and past president of the Rental Housing Association of the Greater Boston Real Estate Board, (as well as a board member, and public policy committee member). Andrew's community involvement includes support of the Lawrence Boys and Girls Club and Bellesini Academy in Lawrence. Terry Flahive, President, is on the Board of Directors of the Lowell Plan, a public-private partnership. Formerly serving as the chairman of the marketing committee he was tasked with promoting economic growth in the Merrimack Valley. In his over 25 years of heading Princeton's corporate furnished housing program, Terry has contacts at major employers throughout the region.

“EFFICIENCY^{IN} OPERATION”

The essence of excellence in property management is the maximization of the value of the real estate asset. Efficiency and cost effectiveness of operation combined with optimization of revenue are the required components to achieve the goal of enhancement of value.

At Princeton Properties, success is achieved through attention to details. The site-specific management, marketing, and operating plans, which are developed for each property, reflect the goals of the client. Princeton implements and monitors specific strategies and procedures to make the client's goals a reality while ensuring the quality of life of the residents.

The specific procedures for a property will speak to every part of the property operation including but not limited to:

- Establishing and communicating the property's marketing image.
- Attention to resident (and prospective resident) service.
- Superior physical operations, from preventative maintenance of highly technical equipment to the minutia of building cleanliness.
- Accurate annual budgeting and comprehensive monthly reporting.
- Ongoing accounting. We measure ourselves against the plan in place, which will define our shared goals for the community.



CORPORATE FURNISHED
HOUSING

Princeton Properties is Massachusetts' leading provider of corporate furnished apartments and the only property management company in the area that employs an outside corporate outreach sales team.

Princeton has been providing corporate furnished apartments for more than 30 years. The furnished units are designed to meet the needs of executives in the midst of relocation, traveling medical staff, special projects, training and leisure travels.

- More comfortable & less expensive than a hotel
- Units include all furnishings, accessories, high-speed internet, cable TV, telephone and weekly housekeeping service

As of 2016, our managed Waltham property, Watch Factory Lofts, has 16 fully furnished units with an average rent of **\$4570 per unit**.

The furnished program at Watch Factory produced \$135,000 of additional NOI in 2016 - growing the value of the property by \$2.7M (4.5 CAP)



PROFITABILITY

Corporate furnished apartments rent at two plus times the unfurnished market rent. Even with the incremental cost associated with furnished goods and services, the result is additional profit to the bottom line.



FEEDER PROGRAM

We have a long track record of “converting” the guests of our corporate furnished apartments into long term residents. We also benefit from numerous resident referrals due to the furnished apartment exposure.



ADAPTABLE DEMAND

During low demand real estate cycles, it minimizes unfurnished vacancies and the furnished units help occupy potentially vacant units and drive revenue.



BRAND AWARENESS

Due to the dedicated corporate sales team’s outreach and relationship building, the apartment community’s name and reputation becomes well known, giving better exposure to the asset.

SITE PLAN **REVIEW**



A comprehensive review of the competition is the foundation of sound product positioning.

Our approach to site plan review is informed by our understanding of what is important to residents. A full understanding of the environment is critical to developing a sound plan for marketing the property. The site review by Princeton will include, but is not limited to:

Access to Public Transportation

Access and Visibility

View Lines

Sense of Community

Sense of Security

A prospective resident's impression of an apartment community is affected by many factors. The apartment home itself may be secondary to what the client has viewed and experienced prior to arriving at the model apartment. Critical path marketing strategy addresses issues such as:

Directions to the community: The ideal route is not always the most direct but the most scenic or convenient.

Approach to the community: A well-marked, clearly designated entry monument or sign establishes an easy path for the client to follow. Directional signage leading up to the entrance allows the client to prepare for a turn.

Community entry: Landscaping expenditure should be focused along the route that the client will travel to the Leasing Center. This is where impact is most important.

PROPERTY **AMENITIES**





Property amenities can be physical facilities and/or virtual features. Gone are the days of relying solely on offering on-site fitness centers and clubrooms to attract and retain a resident base. Site amenities now come in many forms, including online concierge services and robust social sites allowing residents to communicate with the office teams, participate in social site conversations, online rent pay and work order submissions, as well as keeping abreast of community events all from the comfort of their own couch and smart phone or home computer. We realize that in this busy world, access to our services on their schedule is critical.

- Enhancements to site amenities add to functionality and therefore to property value
- The mere existence of a unique amenity sets the tone for the community and shows prospective residents what they can expect in terms of services and quality (the community's "unique selling proposition")
- The increase in friendly interaction between residents can increase retention rates by giving the community more of a neighborhood atmosphere. The right amenity mix provides an outstanding opportunity to couple convenience and life enhancing ease with a lively neighborhood feel



OUR TECHNOLOGY



WORK
HARD!
BE NICE!

YOU
CAN
YOUR
One

Providing residents with an exceptional location, the right floor plans and finishes, and superior community amenities is not enough, if we fail to provide the right technology.

Princeton Properties has a history of successful negotiations with both Verizon and Comcast providing financial benefits to the asset and the best services available to residents.

Today's renter often makes decisions regarding where to go or live based on the cutting edge feel of the community.

We work on **YOUR** time.

Princeton Properties retained the services of **Entrata** as a marketing partner to offer online resident and prospect services enhancing the benefits and functionality of our existing Princeton Properties website. **Resident-Pay and Resident Portal** provides residents with an easy tool to

- *pay rent online*
- *submit maintenance requests*
- *set up recurring payments*
- *and more!*

Olive & Oil

MINIPLANTER

FOR
DESIGN

Goodlab
CREATE



STAYING CONNECTED



MOBILE ACCESS

Pay your rent online, submit requests, find a property, connect with us and so much more!



THERE WHEN YOU NEED US

24 hour maintenance requests - Princeton will never leave you out in the cold.



HELP FROM “REAL PEOPLE”

Best of all, Princeton offers knowledgeable, helpful property staff who are only a call or email away.

The **Entrata Message Center** allows our site team to easily email or text message our residents and prospective residents. This real time communication streamlines disseminating important site information as well as package delivery notification, resident events, and even invitations to apply online for an apartment home.





PROPERTY MARKETING



“ Our focus is on attracting the right amount of the right people at the right times.

”

Sarah Greenough
EXECUTIVE VICE PRESIDENT &
CHIEF MARKETING OFFICER

Marketing Strategies Attracting & Retaining Residents

Media channels are implemented in a strategic and layered process to maximize exposure while minimizing cost. When developing our brand presence we review organic, paid and earned search results. A well thought out combination of the three is a recipe for success. Our philosophy behind theme (branding) development is to create a top of mind presence through graphic and visual presentation in reaching the desired target audience. It is essential to create a logo and image that conveys the message and theme of the asset. These themes must be memorable, eye-catching, sophisticated, able to stand the test of time and able to attract the targeted audience demographic.

Resident Services: Customer-centric approach. Well trained leasing and management team along with a suite of on-line resident services available such as rent pay & resident insurance.



LOFTY 10'-12' CEILINGS

WINDOWS UP
TO 8' TALL

EXPOSED CONCRETE
COLUMNS IN EVERY UNIT

HIGH-EFFICIENCY
LIGHTING PACKAGES

MODERN INTERIOR
FINISHES & CONCRETE
FLOORS

MARKETING SERVICES

- Website Development (responsive design that is mobile friendly)

- Extensive Search Engine Optimization (SEO) and Search Engine Marketing (SEM)
- Local search and map optimization with Google, Bing and MSN/Yahoo

- Creative photography and videography to showcase the property effectively
- Signage, logo and brand development

- Development of Google AdWords campaigns to maximize paid search
- Creation and effective implementation of email marketing / lead generation

- Robust social site and reputation site management to maximize earned search
- Craigslist posting strategies and internet listing site review and implementation



OPERATIONAL MANAGEMENT

STAFFING

The management services planned for any community are only as good as the site based team on board to deliver those services on a day-to-day basis. We are particularly proud of the management/leasing and maintenance talent Princeton has been able to attract and retain.

- Senior Staff and Regional Managers proudly have an average tenure of over twenty years. This institutional knowledge and stable leadership has been a cornerstone to Princeton's continued success.
- Our Property Managers and Maintenance Supervisors also boast impressive lengths of service along with prioritizing ongoing education and industry certifications including NAHP, RAM, CPO and HCCP designation.

Princeton Properties currently employs over 40 Leasing professionals, many of whom have achieved the designation of NALP (National Apartment Leasing Professional) from the National Apartment Association. We also provide ongoing training and guidance to maintain fresh leasing and customer service skills.



A photograph of a maintenance room. In the foreground, a metal cart with a yellow fire extinguisher on wheels holds a black bag and various tools. Behind it is a large wooden toolbox with its lid open, revealing compartments filled with supplies. The room has a concrete floor with blue tape markings, large windows, and stone pillars. The word "MAINTENANCE" is overlaid in blue text on a white background.

MAINTENANCE

An important performance issue is the quality of the maintenance team. Kurt Shillington, CGPM, Princeton's Vice President & Operations Manager, will oversee the establishment of maintenance procedures specific to the property, including development of the site specific Preventative Maintenance Plan and systems for tracking all warranty issues and contracted maintenance.

We acknowledge that the primary reason residents leave an apartment community is satisfaction with maintenance service and responsiveness. With this focus, we prioritize providing quality of the service that dramatically effects our properties' exceptional resident retention. We know that a satisfied resident is more apt to renew their lease agreement. **All work orders are guaranteed to be responded to within 24 hours.**

We prioritize providing **quality of the service** that dramatically effects our properties' exceptional resident retention. A satisfied resident is more apt to renew their lease agreement.



- Twenty-four hour emergency maintenance response is always available at Princeton managed communities
- Ongoing contract maintenance will include snow removal, rubbish removal, landscaping, cleaning, and painting and other such repair work as may be necessary to maintain all building systems and components in excellent working order and the property in an exceptionally well maintained appearance

PREVENTATIVE MAINTENANCE

The Maintenance Supervisor, as working supervisor and operator of the property's mechanical systems, is responsible for the quality of the preventative maintenance work, assignment of tasks to individuals, and follow up to ensure that scheduled work is completed in a timely and thorough manner. Our objective is to provide clear assignments of responsibility and tasks as well as provide consistent standards to be met in the completion of tasks on an ongoing basis.

The Preventative Maintenance Plan includes:

- Annual Preventative Maintenance Schedule
- Monthly Work Orders
- Monthly To Do List

PURCHASING



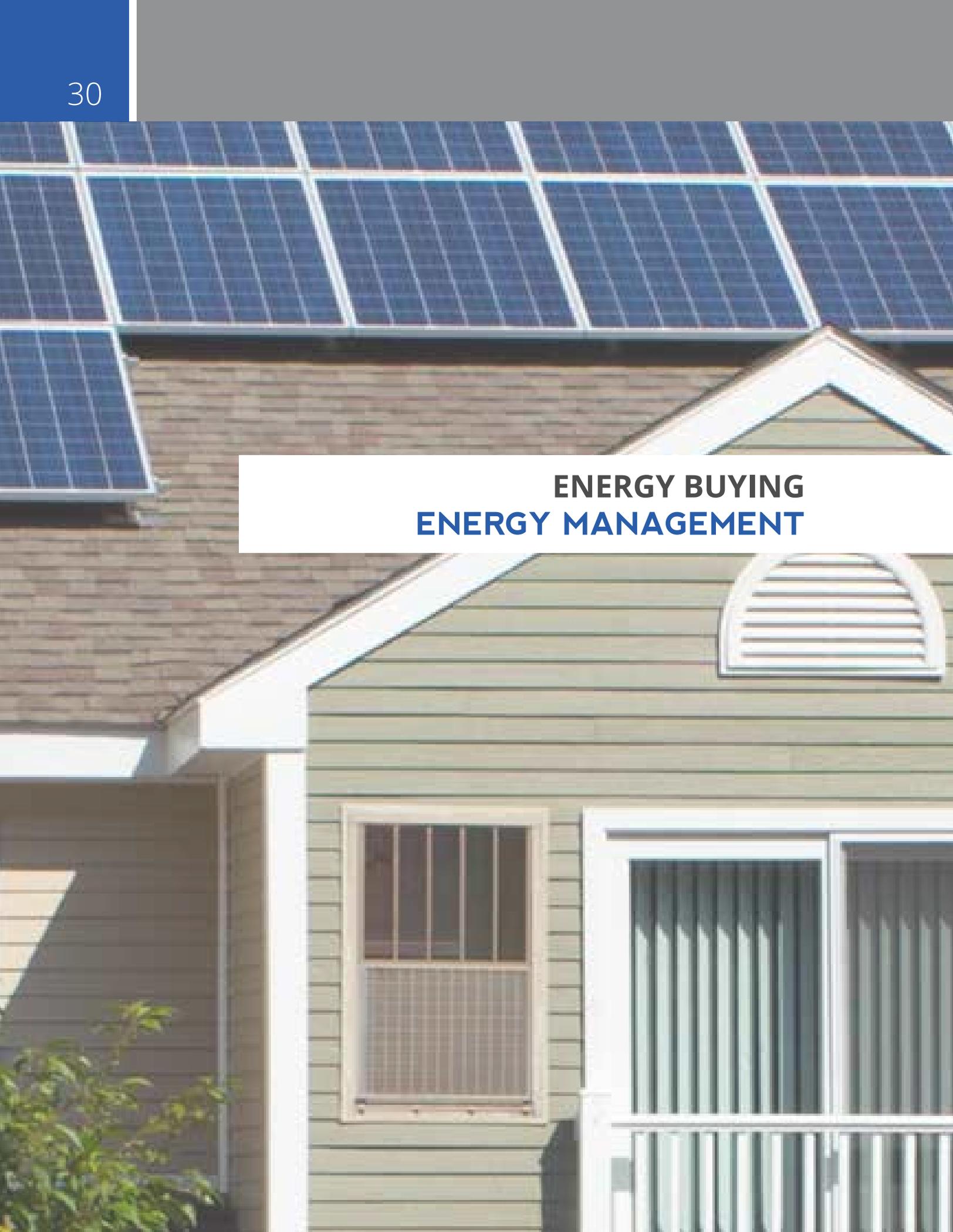
Princeton Properties has a department dedicated to the task of bulk purchasing, securing discounts and volume rebates with company wide buying power. This significant strength is apparent in the bottom-line performance of our properties.

The property portfolio will benefit from our purchasing power and the economies of scale achieved. In addition, funds will be expended in a way that assures a return in increased value and resident satisfaction.

Subject to the direction of the owner and in accordance with the approved operating budget, Princeton will negotiate and execute as applicable on behalf of the property's contracts for insurance, water, gas, electricity, telephone, capital improvements and other professional and non-professional services for the operation and administration of the property as may be necessary and advisable.

Princeton will solicit at least two verbal bids for service contracts and materials the cost of which exceeds \$5,000. Princeton will solicit at least three written bids for items the cost of which exceeds \$10,000. In all cases, Princeton will issue any necessary documents in accordance with its internal purchasing guidelines.



A photograph of a house with solar panels on the roof and a white balcony railing in the foreground. The house has light-colored horizontal siding and a white gable roof. A white balcony railing is visible in the lower right corner. The solar panels are dark blue and cover a significant portion of the roof.

**ENERGY BUYING
ENERGY MANAGEMENT**

Princeton Properties is committed to caring for the environment, actively taking steps towards reducing our carbon footprint. Within our company, we are taking both big and small steps to make a difference, from solar panel installations to recycling programs offered to our residents. Our goal is to provide opportunities for residents and employees alike to live a greener lifestyle.

Princeton has implemented energy conservation retrofits including replacement windows, addition of wall and attic insulation, LED lighting retrofits, and installation of low flow water conservation devices, all with impressive pay-backs.



As of 2016, we are completing our 8th solar project, a 388kW ground mount system in Chelmsford that will be used to power our properties in Worcester. We've previously completed the installation of 7 solar rooftop installations that power properties in Lowell, Salem, Dracut, Lexington, Chelmsford and Billerica. With the new ground mount installation in Chelmsford we have installed a total of 1.6 Megawatts DC.

These systems produce over 2 Megawatts of electric offset, with a retail value over \$350,000 annually.

We are also an active participant in the Energy Buying Group of the Greater Boston Real Estate Board's Rental Housing Association (RHA). Through this affiliation we are able to track the best opportunities presented by utility deregulation.

We have completed bulk purchase of electricity, natural gas, and fuel oil. Working with Supreme Energy and Constellation New Energy, among others, we have secured dramatic cost reductions and predictability in electricity, gas and fossil fuel costs.



Additionally, Princeton partners with NStar at numerous locations, completing total weatherization programs including wrapping boilers, insulating windows and installing energy saving light fixtures.

Princeton also provides a robust suite of online services and utilizes numerous digital alternatives to decrease paper usage in our communities.



A close-up photograph of a person's hands working on a desk. The person is wearing a white long-sleeved shirt. One hand is holding a silver pen and writing on a blue-lined spreadsheet. The other hand is using a black calculator. The background is slightly blurred, showing more of the desk and the person's arm.

OPERATING BUDGET **AND PLAN**

Princeton Properties will prepare and submit to the owners of the property 60-days prior to the start of each fiscal year, a recommended Operating Budget and Plan for the following fiscal year.

The operating budget will show projected receipts and disbursements and where appropriate, the detailed quantity and price assumptions underlying the projections utilized. The operating budget will also show the capital expenditures recommended by Princeton and the assumptions underlying those recommendations.

RENTAL INCOME **AND OTHER INCOME**

Princeton will collect and deposit all monthly or other rents and charges due to the property for the operation of the property and will collect and account for rental or other payments from concessionaires, if any. We will also oversee the collection of delinquent rental and other charges and coordinate the action of attorneys when appropriate, all in accordance with Princeton's collection policy and applicable laws.

All monies collected by Princeton will be deposited on behalf of the property in one or more custodial accounts at a bank where deposits are insured by the Federal Government. Funds for use in operations will be maintained in a non-interest bearing checking account and not co-mingled with the funds of Princeton or of any other Princeton client. Security deposits will be maintained in separate interest bearing accounts pursuant to the requirements of all applicable laws. Princeton will reconcile all bank statements on a timely basis each month.

PERSONNEL **ADMINISTRATION**

Princeton will hire, train, supervise, pay, account for, and discharge, if necessary, onsite personnel required to maintain and operate the property in conformance with the Operating Budget, and Operating Plan. All such personnel will be the employees of Princeton Properties Management, Inc. All salaries, taxes, fringe benefits and other expenses payable on account of such employees will be the expense of the property for which Princeton will be promptly reimbursed.

INSURANCE **AND RISK MANAGEMENT**

Princeton Properties has developed a high level of expertise in purchasing of insurance and in risk management. Loss prevention and /or mitigation are a top priority of our site personnel. Formal training in loss prevention is conducted periodically, by our insurance underwriter. Our insurance premiums are significantly lower than other companies in our industry.

ACCOUNTING **AND REPORTING**

Princeton Properties' accounting and finance department, led by the Chief Financial Officer, Howard Reef, and supervised by Controller Tim White will provide timely and informative monthly financial reporting as required by institutional investors, government agencies and its management clients. Princeton Properties utilizes web based software programs allowing for customized property and tenant management reporting including profit/loss statements, balance sheets, rent rolls, aged receivables, and bank reconciliation.

Princeton will prepare and submit financial statements and management reports to the owner within fifteen working days of the end of each month. These statements will include an Income Statement, Balance Sheet, General Ledger, and any other reports agreed upon by the owner and Princeton. Budget comparisons will be presented and variances will be computed and explained. Princeton will cooperate with the accountant designated by the owner to prepare Federal or State income tax returns as well as year end reporting.



PRINCETON
PROPERTIES

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