STRATOP TRAINING

June 24, 2024

Agenda

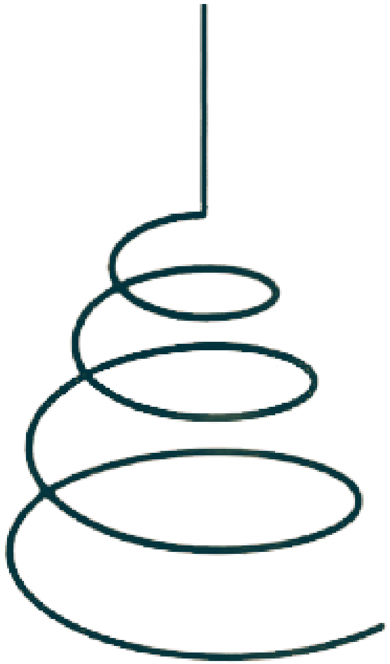
I. What is StratOp?
II. StratOp Philosophy & Process
III. What's an AIP?
IV. Effective AIP Management
V. Examples of AIP Successes
VI. What an AIP Can Do for You
VII. Q&A

What is StratOp?

- Process that aligns people and resources to highest priorities
- Closes the gap between big-picture vision and day-to-day action steps
- Accelerates impact by focusing on the right things
- Ends with a clear action plan

StratOp Philosophy

Speed-driven approach



Perspective-driven approach

StratOp Process

Perspective
Where are we now?

Planning
Where are we headed?

Action
What's important now?

Structure
What form best facilitates our plan?

Management
How are we doing?

Renewal
What must change?

StratOp
(1x/year - May)

Champion Check-Ins
(Every 6 weeks)

StratOp Scrub
(1x/year – Nov.)

StratOp Process

Perspective

Where are we now?

RWMC			
Right	Wrong	Missing	Confused

Gaining Perspective

1. Core Assumptions	
Strategic	We must work our hedgehog strategy of pursuing and acquiring core-plus and value-add properties in secondary and tertiary markets in the mountain west.
Operational	We must continually improve our cross-functional underwriting process and active asset management to achieve pro forma returns, and provide enhanced training and development for our team.
Financial	We must build momentum on our 20-mile march by acquiring 6-8 deals every year for the next 10 years.

Strategic, operational, and financial assumptions that strengthen the company (Our hedgehog)

2. Our Mission

Using Business as a Force for Good!

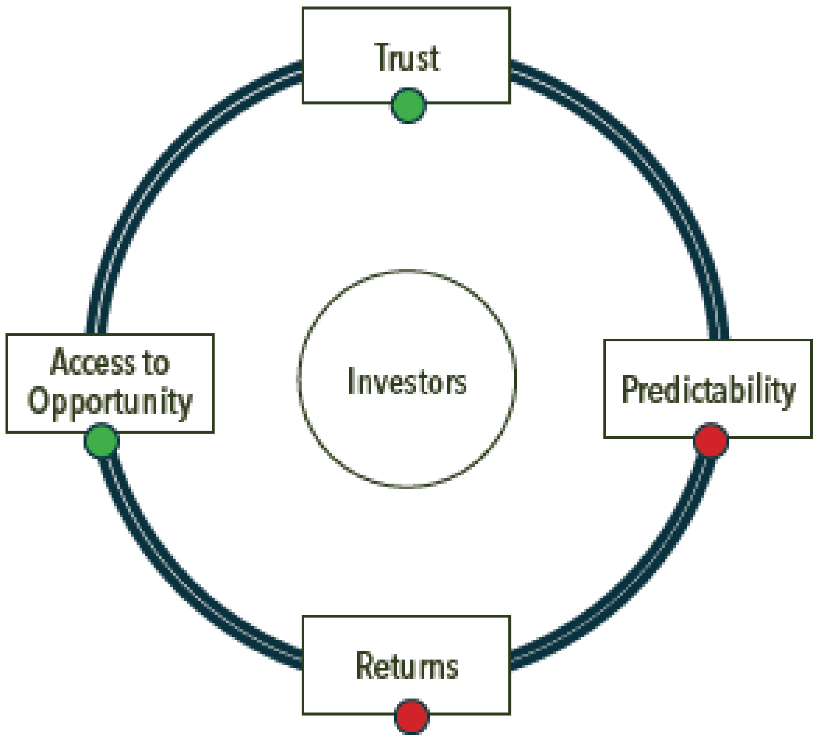
3. Our Vision

Where We Stand	Where We're Headed	How We'll Get There
Strategic • We acquired three properties in 2023 and two so far in 2024. • We are maintaining strong investor relationships but appetite to invest is decreasing given the economic climate. • We have built relationships with family offices and closed several single LP transactions with family offices. • We are concerned about paused distributions negatively affecting investor relationships. • We executed three successful investor summits in 2023, one so far in 2024, and one more planned for the fall. **Operational** • We have updated our processes related to asset management and investor relations. • We are living our core value of Optimize Balance through our Hybrid Work Model and it is working well. • We have two offices and a staff member out of state and it is working well. • We are a high-performing team with great momentum. • We are right-sized for the foreseeable future. • We are utilizing improved budgeting and forecasting processes for properties. • We are achieving great success in filling our commercial and retail units with new tenants and leases. • We are improving and continually evaluating our underwriting process to understand new markets and get more competitive. • We're managing the complexity of short-term leaves and reduced schedules, and making sure all projects are covered. • We are providing pro bono back-of-house services to OneCanopy as part of our community impact strategy. • We've had capital calls in 2023 and 2024 and are working to minimize future capital calls. **Financial** • We are focused on DSCR and other debt covenant issues • We are cognizant of current market conditions and have reduced variable operating expenses. We've put a few new positions on hold. • We are providing competitive compensation and benefits to attract and retain employees, but we have had to make cuts to profit sharing and 401k match. • Our commercial portfolio is performing well with regard to occupancy, but we need to transition our focus to distributions. • We are not making monthly distributions on some of our MF properties and all hotels except AHGI. We are focused on getting all properties to pro forma returns and back to regular distributions. • We are working towards reinstating profit sharing for 2024. • We are providing employees a 401K match of 2%. • We are still able to provide a 3% raise to employees in this tough market.	**Strategic** • We see continuing to strive to achieve our 20-mile march of acquiring an average of 500 to 1,000 units per year through 2032. • We see building our portfolio in high-growth markets in the MW region with a focus on core-plus and value-add multifamily opportunities. • We see strong investor relationships with a focus on family offices and developing a programmatic vehicle with them • We see executing at least two investor summits a year and casting a smaller net to build key relationships. • We see a strong community impact strategy that supports OneCanopy. **Operational** • We see managing vacancies in our properties in 2024. • We see new opportunities for employee growth and contribution through enhanced training opportunities. • We see a more streamlined and effective marketing strategy for our new multifamily assets. • We see successful execution of our value-add projects to meet pro forma returns. • We see implementing a strong platform of support services for our company including HR, IT, Payroll/Benefits, and Admin. • We see a continued focus on positive organizational health through this market cycle. • We see continuing to align with the best 3PMs in our markets **Financial** • We see accomplishing the numbers outlined in our performance model. • We see a Net Income Margin of 8% by 2025. • We see profit sharing remaining an important part of our culture and compensation program. • We see actively managing all of our assets to achieve pro forma returns and regular distributions. • We see maximizing our placed promote.	**Strategic** • We will continue to execute on our hedgehog concept. • We will better understand new target markets and audiences to create a strategic marketing platform to support our business plans. • We will identify strategic partnerships with third party managers, brokers, banks, investors, and family offices. • We will continuously evaluate our organizational structure to support growth and opportunities. **Operational** • We will evaluate our employee training and development program. • We will maintain the strongest, healthiest teams to ensure trust, accountability, and financial performance. • We will focus on accountability and execution of our business plans. • We will excel at communication with our investors. **Financial** • We will work to secure two new single LP investor relationships in 2024. • We will strive to continue offering a robust profit-sharing program. • We will continue to optimize top line revenue while managing operating expenses to reasonable levels. • We will be good stewards of our assets and our company financials to provide a stable, financially prosperous company.

What will happen based on the course we're on.
"Seeing the truth before it finds us."

Gaining Perspective

4. Value-Building Cycle



The core needs and wants of our primary customer

5. Core Values

Be all in

Communicate Authentically

Do the Right Thing

Inspire Change

Optimize Balance

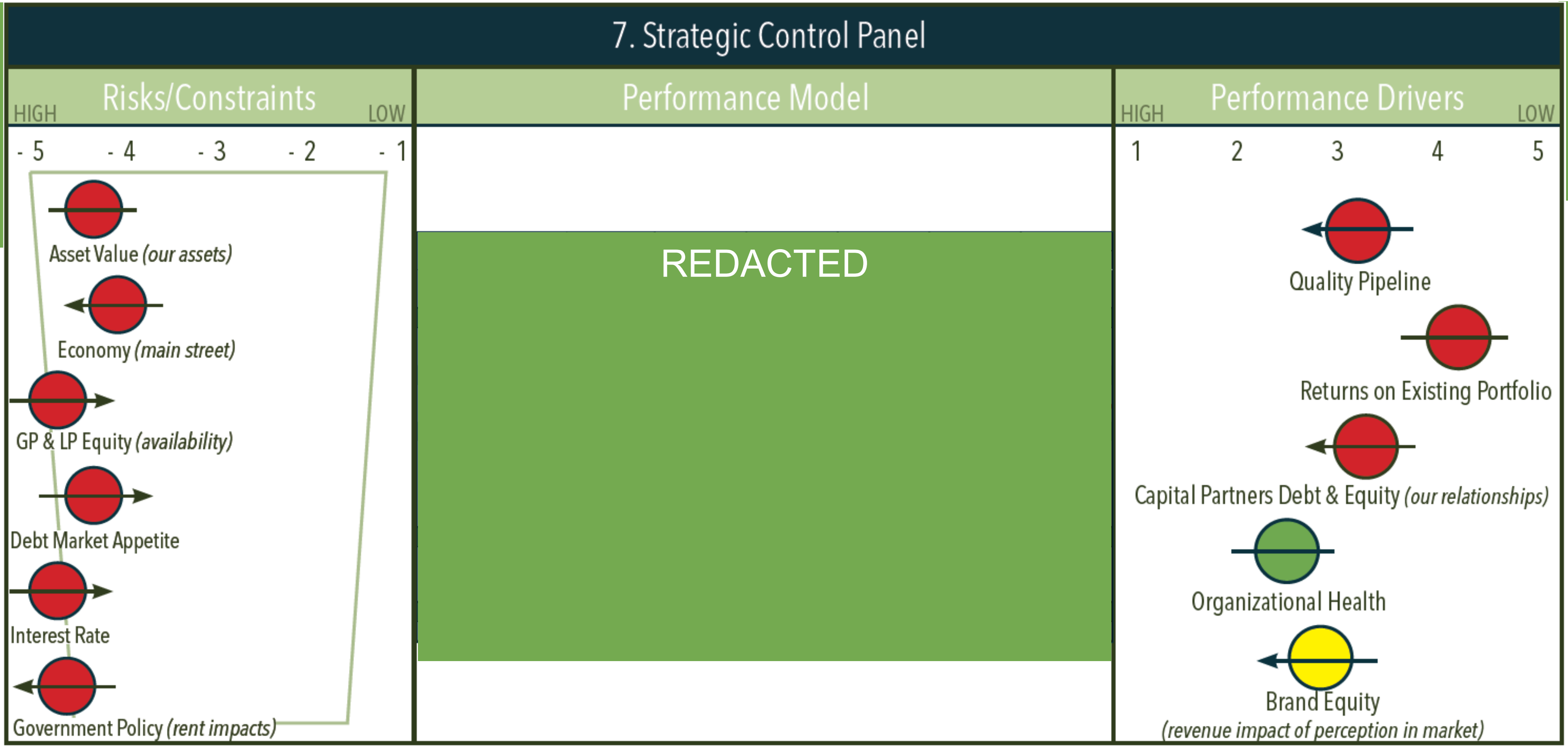
6. Our Big Idea Core Strategies

Nimble	We are nimble and flexible company that raises capital on a deal-by-deal basis, allowing us to be creative and execute quickly.
Focused & Best in Class in the Mountain West	We are focused and experienced in core plus and value add acquisitions in the growing Intermountain West region.
B Corp Accountability	We are a well governed company, using business as a force for good for our team, communities, environment, and customers.
Culture that Recruits and Retains Top Talent	We create a culture of opportunity and growth for our people. We are committed to their highest good allowing us to recruit and retain outstanding talent.
All In	Our team is passionate, competes to win, and is disciplined in execution. We serve our investors while keeping it fun. Fun team serious about business.

Our differentiators

Gaining Perspective

Risks can prohibit or paralyze desired outcomes



Drive the organization toward success

The measurements by which we define success

StratOp Process

Perspective
Where are we now?

Planning
Where are we headed?

RWMC			
Right	Wrong	Missing	Confused

Core Issues

StratOp Process

Perspective
Where are we now?

Planning
Where are we headed?

Action
What's important now?

Structure
What form best facilitates our plan?

Core Issue 1

Core Issue 2

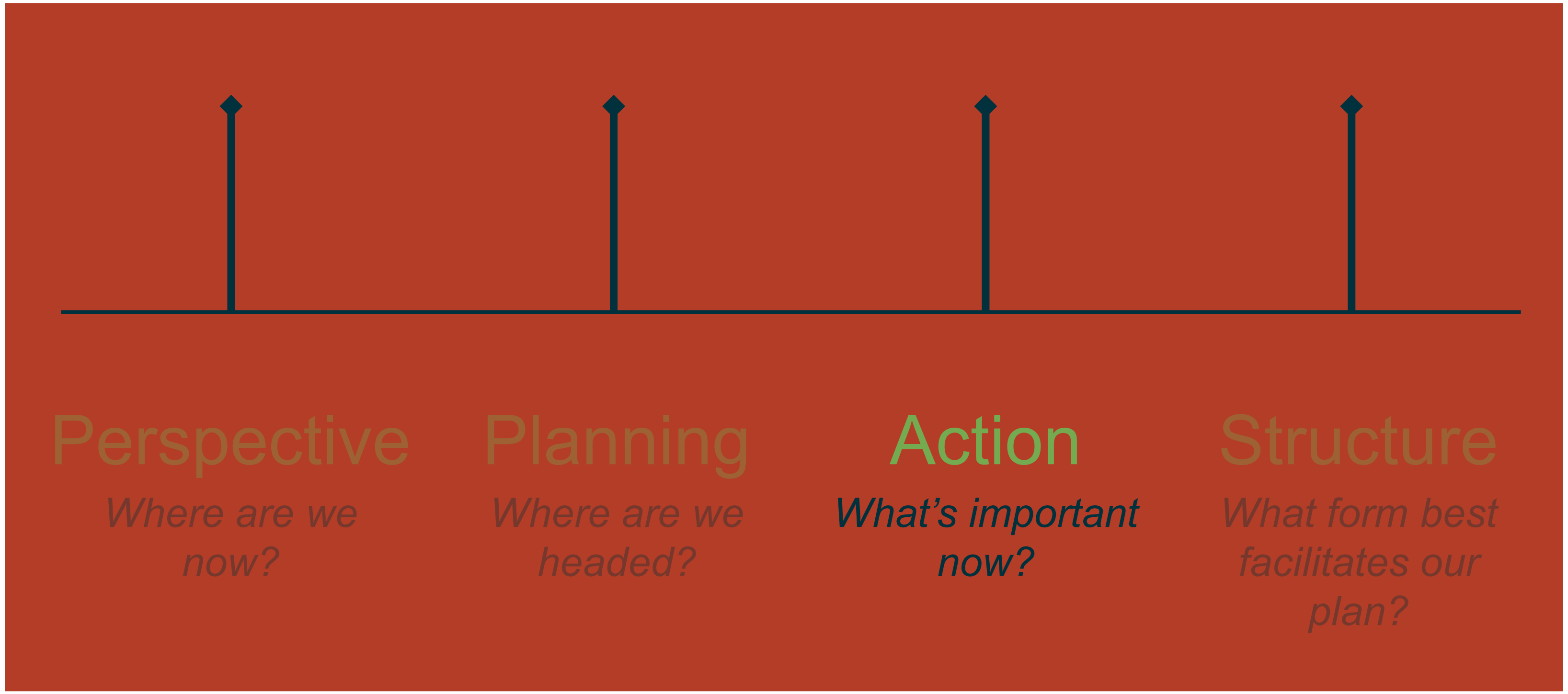
Core Issue 3

Core Issue 4

Core Issue 5

Core Issue 6

StratOp Process



Core Issue 1

AIP 1

Core Issue 3

Core Issue 4

AIP 2

AIP 3

StratOp Process

Perspective	Planning	Action	Structure
Where are we now?	*Where are we headed?*	*What's important now?*	*What form best facilitates our plan?*

AIP 1

- *Deliverable*
- *Deliverable*
- *Deliverable*
- *Deliverable*
- *Deliverable*
- *Deliverable*
- *Deliverable*
- *Deliverable*

AIP 2

- *Deliverable*
- *Deliverable*
- *Deliverable*
- *Deliverable*
- *Deliverable*
- *Deliverable*
- *Deliverable*
- *Deliverable*

AIP 3

- *Deliverable*
- *Deliverable*
- *Deliverable*
- *Deliverable*
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StratOp Process

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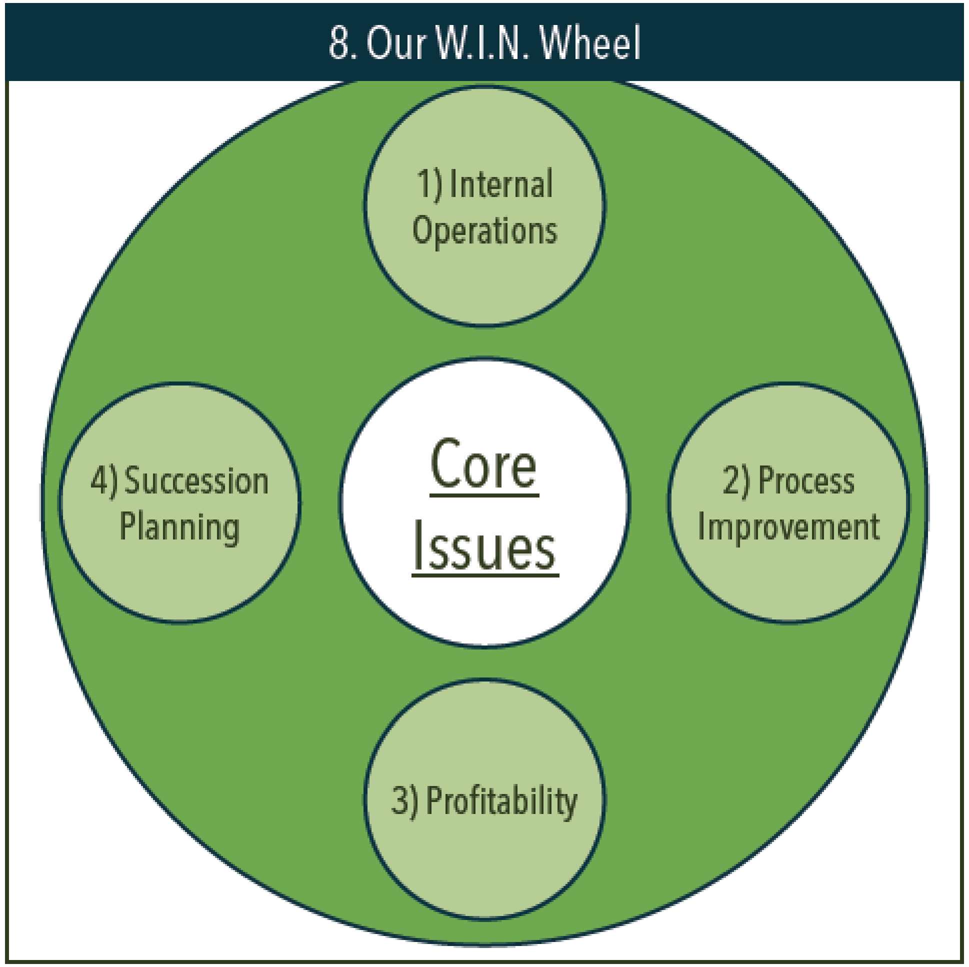
AIP 1
Lead
Team

AIP 2
Lead
Team

AIP 3
Lead
Team

Action Initiative Plans



- W.I.N. = What's Important Now
- Require an action plan, a cross-functional team, and accountability

AIP #1: TIP-TOP INTERNAL OPS | LEADER: Steph

PROBLEM STATEMENT

We need to memorialize HR, IT, and other internal processes and policies to ensure our team and culture remains strong.

OBJECTIVE

To strengthen team alignment and understanding through enhanced training, policies, bandwidth alignment, and culture opportunities.

KEY DELIVERABLES

- Provide manager training: leadership, coaching, documentation requirements
- Focus on culture enhancement in Denver office
- Develop safety/security plan and enhance drug testing policy with instructions
- Explore B Corp alignment, develop messaging, and mitigate potential culture impact
- Review in-place IT security procedures and explore additional options
- Create staffing plan for 2025/26 (including OC coverage)
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- From last AIP:
    - Implement stay interviews
    - Roll out manager check-in sheets
    - Communicate new annual review process
    - Implement monthly Monday “donut chats”

STATUS

TEAM

Brandy, Ryan, Pete, Jake, Vanessa, Claire

SR: Employers Council

START BY

6/1/24 – 9/1/24

RESOURCES

TBD

Effective AIP Management

STEP 1:
Convene your cross-functional team

STEP 2:
Explain the goal of the AIP that came out of StratOp

AIP #1: TIP-TOP INTERNAL OPS | LEADER: Steph

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6/1/24 – 9/1/24

RESOURCES
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Effective AIP Management

STEP 3:
Conduct a RWMC with your AIP team

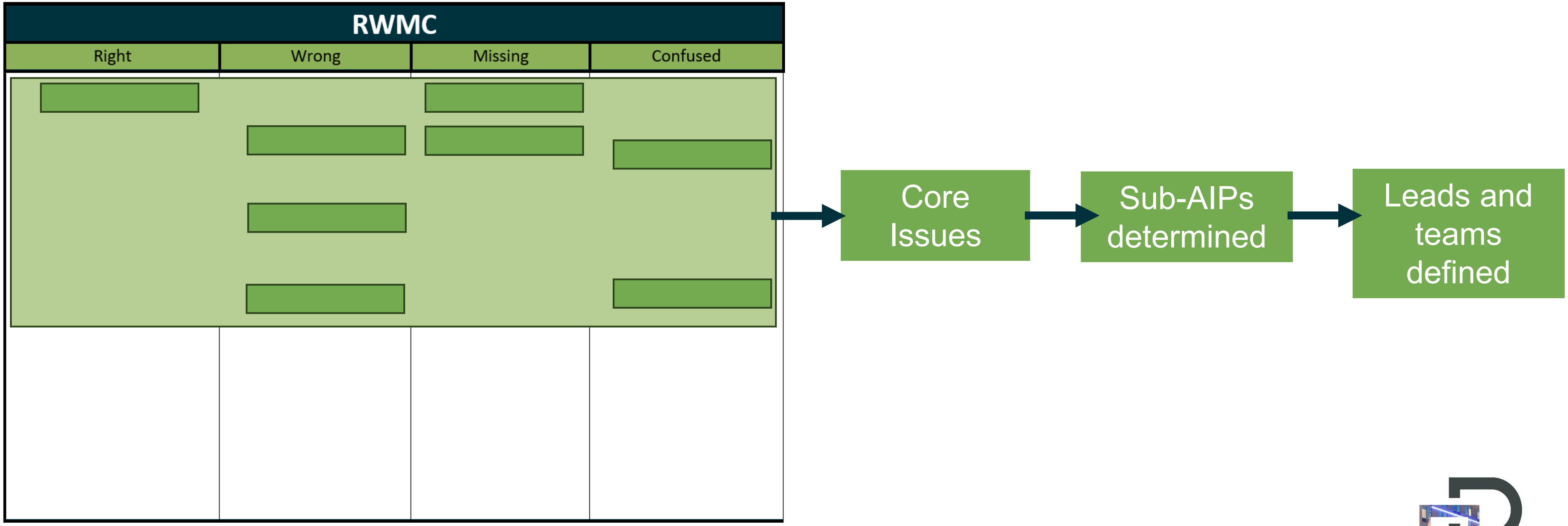
RWMC			
Right	Wrong	Missing	Confused

- The group brings different perspectives
- Adds/removes/updates items from the deliverables

Effective AIP Management

STEP 4:

Determine core issues, which become Sub-AIPs



Effective AIP Management

ACTION INITIATIVE STEP PLAN

Leader: Steph **Team:** Mitch Lueders, Connor Jones, Brandon Secord, Hailey Kutcher, Chris Medina	**Plan Name:** Employee Training Initiatives **Date:** 9.1.22	**Last Review:** **This Review:**	3A-4

	Action Steps	Today's Status	By	Cost	Accountable
Objectives: *Establish a committee to provide recommendations around employee training, whether that be training/resources for managers, training on our business, company-led training like 5 voices, or individualized outside training.*	1. Research ideas for how to structure the training program; look into how other companies have done this: a. **Recommendations** i. Standardize onboarding plan ii. Develop department-level SOPs and walk through them in employee's first week 1. Training should be task-oriented instead of time-oriented 2. Adapt training per individual to see how they prefer to do training – video, hands-on, reading, etc.		9/1	$0	Brandon
Key Deliverables: • Training program recommendation • Include how this is tracked and managed • Include program brand • Training program budget recommendation	2. Look into tools that could be helpful as a starting point for departments that don't have specified training portals (explored LinkedIn Learning, Udemy, Coursera, and several maintenance websites) a. **Recommendations** i. Determined it will be employee-specific which platform will work best, if any. Provide a budget per employee for job-specific training.		9/1	$0	Steph
	3. Talk to directors to get an idea of training budget needs per department per year a. **Recommendations** i. Past budget has been $400 per person per year; managers should work with team to provide a realistic estimate for what they think training will cost for their department each year. ii. We will provide an amount that managers can approve for their staff without further approval – beyond that will need ET approval. iii. Certifications and conferences would be outside this and get it approved ET.		9/1	$0	Mitch

Effective AIP Management

INTERNAL PROCESSES & TRAINING - SUB-STEP PLAN

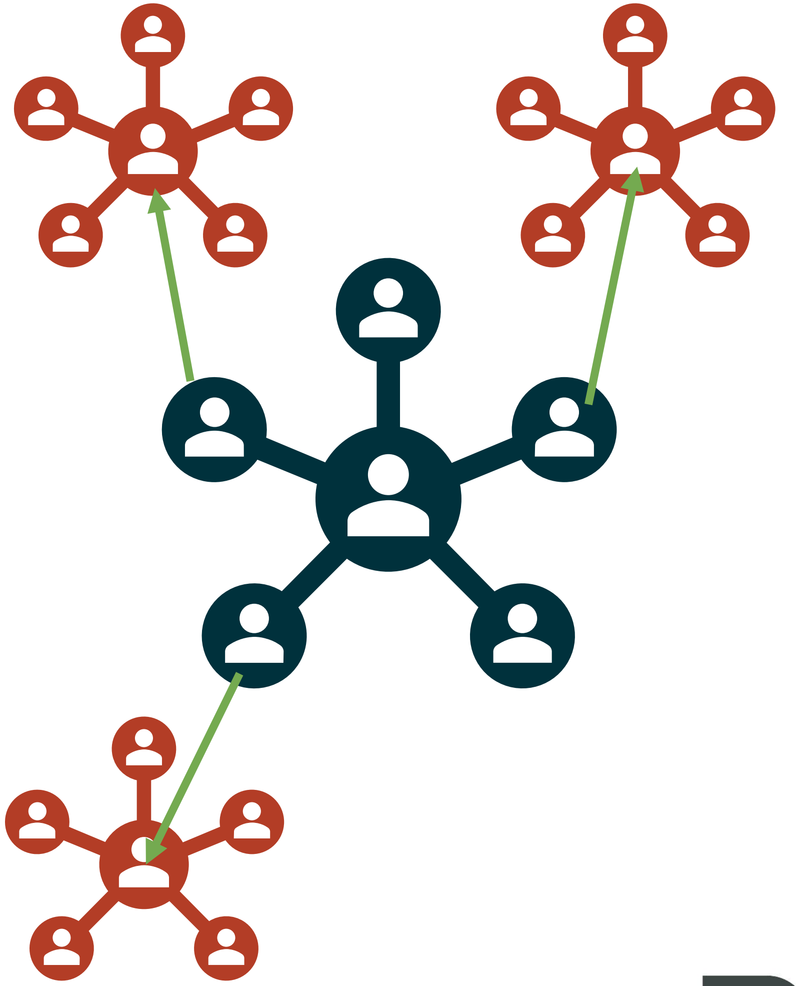
Leader: Steph **Team:** n/a	**Plan Name:** Internal Processes & Training **Date:** 7/17/23	**Last Review:** **This Review:**	1

Objectives:
- Evaluate the timing of internal processes for the rest of the year:
- Determine what can shift and by how much?
- Create a dovetail timeline to ensure process overlap is as minimal, as possible
- Gather feedback on desired training opportunities on the market cycles and our financials through the employee survey
- Plan and implement companywide training, if desired
- ~~Determine changes to individual training budgets and how to communicate these~~

Key Deliverables:
- Completed B Corp recertification
- Revised timelines for key processes
- Companywide training opportunities (1-2)

Costs:
TBD – cost of internal training support

Action Steps	Today's Status	By	Cost	Accountable
1. Identify last year's timelines for key processes a. Property budgeting b. Corporate budgeting c. B Corp certification (2024) d. Investor reporting e. Benefits renewal f. Annual reviews		7.11.23	N/A	Steph
2. Create a dovetail timeline showing the overlap of Q3 processes from last year and propose new timelines for this year.		7.11.23	N/A	Steph
3. Confirm that B Corp recertification process can take place starting now		7.11.23	N/A	Steph
4. Set kickoff meeting with Brandy for us to begin the process		7.11.23	N/A	Steph (Brandy)
5. Revise annual employee survey		7.25.23	N/A	Steph
6. Send annual employee survey to KB and then LT for review/approval		7.31.23	N/A	Steph
7. Send revised timelines for internal processes to appropriate parties		7.31.23	N/A	Steph
8. Send employee survey		7.31.23	N/A	Steph



Effective AIP Management

INTERNAL PROCESSES & TRAINING - SUB-STEP PLAN

Leader: Steph

Team: n/a

Plan Name: Internal Processes & Training

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Management

How are we doing?

Champion Check-Ins (Every 6 weeks)

Effective AIP Management

Champion Check-In Summary Sheet
TIP-TOP INTERNAL OPS

Brinkman REAL ESTATE

Date: 6/17/24	CHAMPION: Steph TEAM LEADER: Steph	Previous Status:	Current Status:	Due: 9/1/24

Summary

PROBLEM STATEMENT: We need to memorialize HR, IT, and other internal processes and policies to ensure our team and culture remains strong.

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Accomplishments

- First meeting – RWMC process
- Developed core issues and assigned sub-AIP leads
- Second meeting – reviewed deliverables for sub-AIPs:
  - Manager support
  - Culture
  - Policies and protocols
  - B Corp alignment
  - Bandwidth management
  - Core values enhancement

Issues & Risks	Owner

Key Performance Indicators	Target	Actual

Next Steps

- Sub-AIP leads are convening teams and starting on deliverables

TEAM: Brandy, Ryan, Pete, Jake, Vanessa, Claire
SR: Employers Council

Management

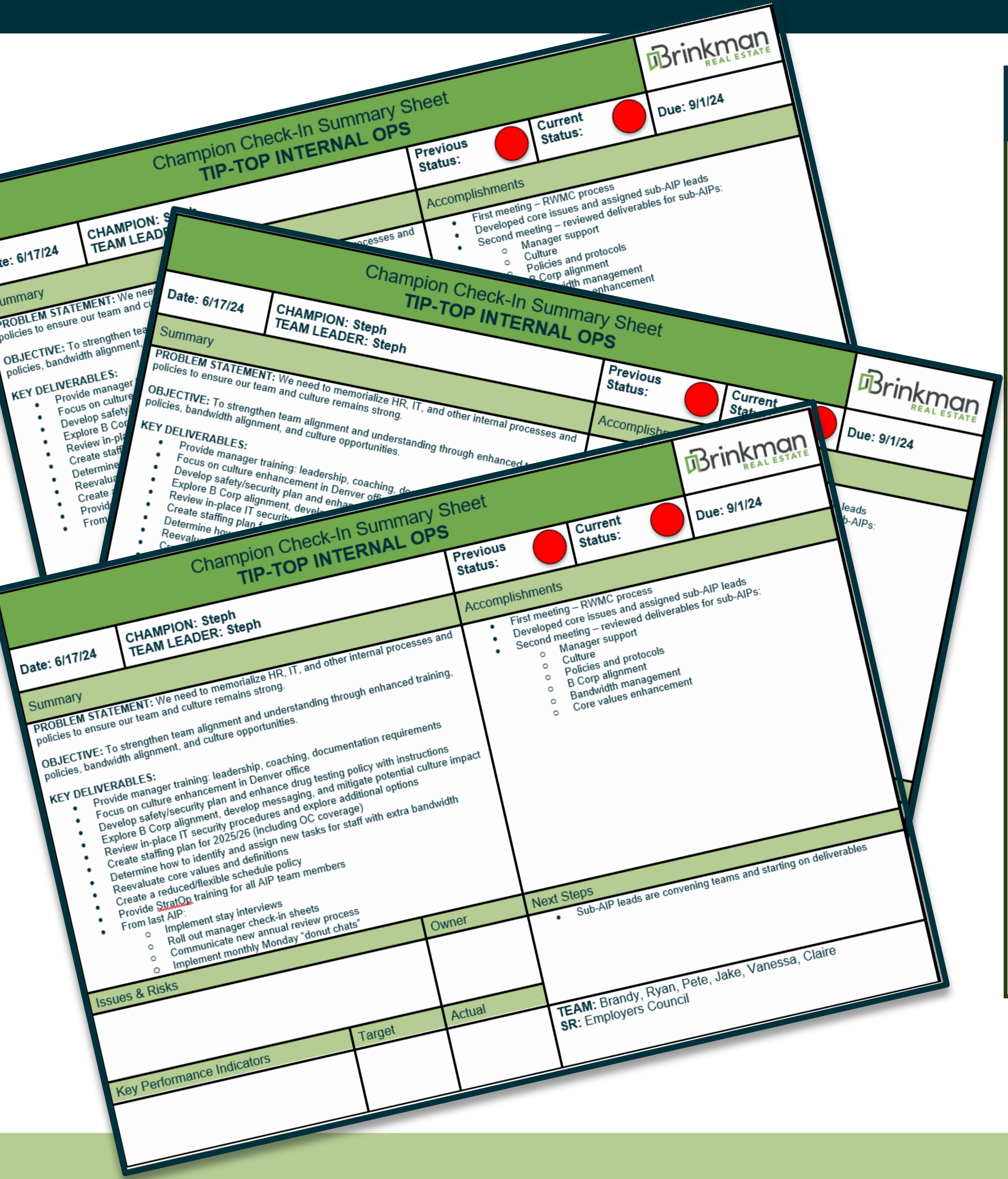
How are we doing?

Champion Check-Ins (Every 6 weeks)

Effective AIP Management

9. Action Initiative Profiles						
#	Objective	Key Deliverables	Launch Date	Leader	Team	Status
1	**Tip-Top Internal Ops** Objective: To strengthen team alignment and understanding through enhanced training, policies, bandwidth alignment, and culture opportunities.	• Provide manager training on key actions • Focus on culture enhancement in Denver office • Develop safety/security plan and policies • Explore B Corp alignment • Review in-place IT security procedures • Create future growth staffing plan for 2025/26 • Redistribute bandwidth • Reevaluate core values and definitions • Create a reduced/flexible schedule policy • Provide StratOp training for all AIP team members	6/1/24	Steph	Brandy, Ryan, Pete, Jake, Vanessa, Claire	
2	**Becoming Pros at Process** Objective: To improve aspects of our acquisition process, identify how we can improve efficiencies, and ensure that the processes we have created are implemented and maintained.	• Plan to provide clarity and create accountability in certain aspects of the acquisition process, including (a) DD unit walks, (b) clarity around pre-closing contact with seller on new acquisitions, (c) clarity around authorization on capital spends prior to close, and (d) clarity on timing of upfront capital costs and accountability of schedule • Plan for AI utilization • Plan to ensure that the processes that we have identified continue to be implemented	6/1/24	Dan	Larry, James, Medina, Brandon	
3	**Show Me the Money!** Objective: Determine steps and processes to bring Brinkman back to profitability and demonstrate we are able to provide a culture of success shared across all leaders and employees of Brinkman.	• Profit sharing plan • Maximize billable time for legal • Foreclosure opportunities exploration • Determine hurdles to return 401K match to 4%, safe harbor • Determine plan for spending additional funds on BD • Plan and timing to bring back profit sharing, raises, education, discretionary spending items • PI plan, process, and structures	6/1/24	Pete	Jake, James, Kevin, SR: Connor	
4	**Beer Trucks & Future Plans** Objective: To formulate a succession plan from a founder-led company to preparing for the next stage of growth.	• Sucession Planning for KMB • Roles and responsibilities (CEO, capital raise, etc.) • Determine new lender qualifications for sponsor guarantees/qualifications • Capital raise strategy – R&Rs, fund opportunities, team • Key Man insurance provision • Key Man clause into BRES OA • KMBEM OA, KMB Holding Company, KMB Acquisitions	5/7/24	Brandy	Brandy, Kevin, Pete, Dan	

Rolling Off the W.I.N. Wheel



Champion Check-In Summary Sheet
TIP-TOP INTERNAL OPS

Brinkman REAL ESTATE

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Key Performance Indicators | Target | Actual

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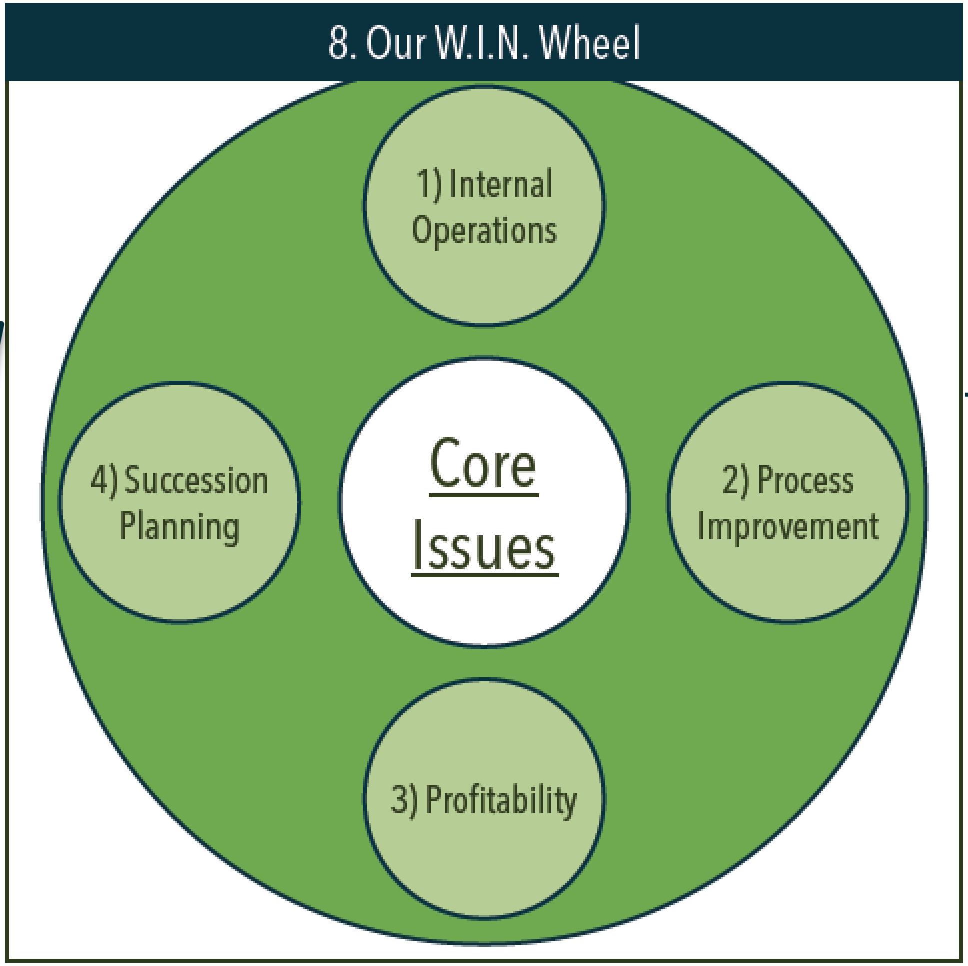

Renewal

What must change?

StratOp Scrub
(1x/year – Nov.)

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Examples of AIP Successes

- Hybrid Work Policy
- Most of the internal processes we all use today
- Our entire file structure
- Work protocols document
- Annual employee survey
- Rebrand
- Core values (and recognition program)
- Family office strategy
- Pro forma enhancements and clarity
- Tri-annual dispo/refi reviews
- 10-point asset check-ups and portfolio review meetings
- And more!

What can AIPs do for you?

- Learning opportunity
- Leadership development
- Teambuilding with other departments
- Contribute to the company's highest priorities
- Step outside your typical role

Brinkman
REAL ESTATE

THANK YOU!

Questions?