Camp Pendleton and Quantico Housing, LLC

2011 REACT Resident Satisfaction & Opinion Survey

Results for:

Camp Pendleton - Tabulation II

June 2011

CEL & Associates, Inc.
Real Estate Strategies, Benchmarking & Performance Solutions

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Introduction

CEL & Associates, Inc. is pleased to present **Camp Pendleton and Quantico Housing, LLC** with the results of the REACT Resident Satisfaction & Opinion survey process for **Camp Pendleton - Tabulation II**. In this report, responses from each survey received are compiled into a variety of summaries to provide you with not just data, but with business information you can use for decision making and planning for the future.

The report is designed to give you consolidated information to evaluate overall Portfolio performance, as well as results for individual properties within the Portfolio so you can evaluate relative performance among them.

There are three summary levels found in this report:

- Satisfaction Indexes
- Business Success Factors
- Individual Questions

The three **Satisfaction Indexes** provide the highest level overview and are an immediate indicator of how well the Portfolio is performing. Scores are shown for the Portfolio and then for each component property so you can easily compare property performance. The nine **Business Success Factors** provide specific insight into which functions have a high level of satisfaction and which need a focused effort for improvement. Again, scores are presented for the Portfolio and for the component properties. At the **Individual Question** level you can see question results organized by both survey question and question score order.

The quality and level of service provided to Residents is a key factor in building and sustaining brand and customer loyalty, retention, increasing asset value and generating Best In Class operating and financial performance. Customer service is more than a slogan or policy; it is a reflection of an organization's values and commitment to service quality. Outstanding customer service creates valued, recurring customer relationships.

The survey process and this report are the first two steps in customer service performance improvement. Within this report you will find information indicating necessary improvements for your properties. Working with the properties to create and implement specific **Action Plans** is the key third step in improving Portfolio performance. While some of these action items will require a longer project effort, there are also items that can be adjusted immediately. Remember too, to acknowledge the outstanding results and maintain efforts in those areas rated highly.

Thank you for selecting CEL & Associates, Inc. to conduct the surveying phase of your ongoing performance improvement plan and process. We look forward to reviewing your progress in your next survey cycle.

Serving the needs of over 500 clients in the U.S., Canada and Europe, CEL & Associates, Inc.'s advice, guidance, data, forecasts, insights and predictions have become integral components in the 24/7 business operations of our clients. For over 30 years, the principals of CEL & Associates, Inc. have been in the business of recommending solutions on complex and challenging issues; improving our clients' profitability, performance and productivity; supplying proprietary data and information needed by our clients to make important strategic, investment and leadership decisions; and creating innovative strategies and operational improvement recommendations that give our clients a competitive edge. Many of our strategies, benchmarks and solutions have become industry standards.

Report Contents

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Calculated numbers are rounded throughout this report.
Percentages may not total to 100 due to rounding.

Summary Report

Camp Pendleton and Quantico Housing, LLC

Please see Score Watch on the next page for more score details

[redacted]

Camp Pendleton - Tabulation II

[redacted]

**Alert status indicates properties with a decrease in any Satisfaction Index score of 10 or more points, or a score of 69.9 or below. Properties with Alert Status are indicated by red property names in the list above. Properties with a decrease of 10 or more points in the (1) Overall Satisfaction Index score, (2) Property Index score and (3) Service score are indicated by the numbers following the property name. Properties in red not followed by a number are in Alert status due solely to one or more Index scores of 69.9 or below.*

Score Ratings

100.0 to 85.0	Outstanding		69.9 to 65.0	Below Average
84.9 to 80.0	Very Good		64.9 to 60.0	Poor
79.9 to 75.0	Good		59.9 to 55.0	Very Poor
74.9 to 70.0	Average		54.9 to 0.0	Crisis

Camp Pendleton - Tabulation II

[redacted]

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Camp Pendleton - Tabulation II

[redacted]

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Camp Pendleton - Tabulation II

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Camp Pendleton - Tabulation II

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Camp Pendleton - Tabulation II

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Business Success Factors

The following pages present the survey results grouped by CEL's Business Success Factors and include Prior scores and Best Practice scores. The Best Practice scores for each property type are derived from the average of the top ten percent of scores from the prior year posted by all real estate companies utilizing CEL's REACT survey process. These scores are considered the "Best in the Industry" and change on an annual basis.

Questions on the survey are coded to roll up into one of the nine Business Success Factors. Similar questions are coded the same for all firms to ensure a valid comparison.

The data is presented in the following manner:

- A one-page Business Success Factor (BSF) Score Summary indicating the Current and Best Practice Scores.
- Current and Prior scores for each Business Success Factor.
- A section for each Business Success Factor, which includes:
  - A description of the Business Success Factor;
  - Five years of scores for the Business Success Factor and response rate data;
  - A ranked list of each property in the portfolio. Current and Prior scores are shown for each property. The variance of the property's Current and Prior scores, and the variance of the property's Current score from the Current portfolio score for the Factor are also presented.

Question response data in this report is presented with column headings 5, 4, 3, 2, 1, 0. These values correspond to the following Rating Scale:

5: Very Satisfied or Strongly Agree
4: Satisfied or Agree
3: Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree, Neutral
2: Dissatisfied or Disagree
1: Very Dissatisfied or Strongly Disagree
0: Not Applicable, No Opinion, Don't Know, or No Answer.

There are two values presented for each rating choice, for each question. The upper value indicates the percent of respondents who chose the particular answer for that question. The lower, italicized value shows the count of respondents who chose the answer.

Camp Pendleton - Tabulation II

[redacted]

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Respondent Group Score Comparison

One of the unique features of REACT is the ability to compare the perceptions, opinions and responses of each respondent group to the others. On the following page, a table provides the REACT Satisfaction Index and Business Success Factor scores for each respondent group in comparison to the others. Differences of more than 10 points are highlighted in red. Indexes or Factors with significant differences indicate varying performance standards, opinions on what constitutes outstanding service, and expectations. Based on analysis of all of our surveying firms, CEL has determined that the size of this variance indicates the level of "disconnect" between respondent groups.

Variance	Disconnect
Less than 6 points	Of No Concern…No Attention Needed
6 to 10 points	Minor Concern…Limited Attention Required
11 to 15 points	Concern…Attention Needed
16 to 20 points	Significant…Attention Needed As Soon As Possible
More than 20 points	Critical…Immediate Attention Needed

Where Critical or Significant differences appear, immediate actions should be taken to address and remedy the variances in perceptions and standards. The ability of a management team and management firm to meet or exceed expectations must start with an agreed-upon/understood level of performance, regardless of the type or class of the asset.

Camp Pendleton - Tabulation II

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CEL & Associates, Inc. A List Awards for Customer Service Excellence

Each year CEL & Associates, Inc. compiles customer satisfaction survey data from thousands of properties. Since 1998, the **A List Awards For Customer Service Excellence** have been awarded in recognition of achieving a "Best In The Industry" rating for providing the highest level and quality of service.

[redacted]

The REACT Resident Satisfaction & Opinion Survey Process

CEL & Associates, Inc. ("CEL") developed the REACT Resident Satisfaction & Opinion Survey Process as a means of assisting real estate organizations to become Best In Class enterprises. To create REACT, CEL worked with Opinion Survey Specialists, Statisticians, Property Management Firms, Property Managers[1], Building Owners, Research Analysts, Residents[1] and others. Just as you strive to continually improve your asset and financial performance, CEL continually reviews and refines REACT to ensure the most relevant and current industry knowledge is conveyed.

The components of the REACT process are:

- A statistically valid, reliable and accurate survey;
- A reporting package that quantifies the survey results and provides information necessary for improvement decisions;
- A review of findings and assistance in developing an Action Plan for the future by uniquely trained CEL personnel.

Unique features of the REACT Resident Satisfaction & Opinion Survey Process include:

- Measuring satisfaction with the property and services, and assessing the likelihood of lease renewal from the perspective of the three major stakeholders: Residents, Property Managers, and Building Owners.
- Ascertaining and quantifying the similarities and differences in the perceptions of these Stakeholders to enable effective management of expectations.
- Summarizing satisfaction via three Satisfaction Index scores and nine Business Success Factor scores to allow for quick determination of the firm's relative strengths and weaknesses. Satisfaction Indexes and Business Success Factors provide consistent metrics that can be used in performance evaluations and/or incentive awards.
- Evaluating performance scores over time.
- Determining how current scores compare to the scores of "Best In Class" firms.
- Identifying specific, detailed areas in need of attention and assisting in the development of an Action Plan for improvement.
- Allowing for survey customization to add company-specific, importance and/or demographic questions.
- Providing performance evaluation and feedback in a prompt and cost-efficient manner.

[1] References to the Property Manager throughout this report include all members of the Manager's team who provide such services under the direction of that Property Manager. Residents are also referred to as "Customers."

Survey Methodology

CEL & Associates, Inc. worked closely with Camp Pendleton and Quantico Housing, LLC to create a survey process that maximizes the potential for a significant response rate and meaningful results.

The Survey

The survey process for Camp Pendleton and Quantico Housing, LLC included one survey instrument containing 51 standard REACT questions. Question response choices conform to a five-point Likert psychometric response scale, the most widely used scale in survey research. The five-point scale provides each respondent with a middle choice, indicating they are neither satisfied nor dissatisfied with the item being evaluated. A sixth "Not Applicable/No Opinion" option accommodates those questions not relevant to the respondent.

The Survey Process

Survey responses were collected via printed surveys. CEL provided [redacted] surveys to the properties in **Camp Pendleton - Tabulation II** in March 2011. The data collection period was closed May 19, 2011. CEL received [redacted] valid Resident surveys, resulting in a response rate of [redacted]%. Comments were provided to Camp Pendleton and Quantico Housing, LLC throughout the survey period.

Scoring

The CEL & Associates, Inc. scoring system provides a consistent methodology for evaluating survey results. Satisfaction Indexes, Business Success Factors and individual evaluation questions are all scored in the same manner, for ease of isolating high performance areas and identifying problem areas.

Scores can be interpreted in the following ranges:

- **Scores from 100 to 85 ("Outstanding")** - Any Satisfaction Index, Business Success Factor, or question score of 85 or greater is considered to be outstanding. The management team should be commended for providing excellence in service, while the Building Owner is to be applauded for providing the resources necessary to keep the property in outstanding condition and market-competitive.

- **Scores from 84 to 80 ("Very Good")** - Scores in this range are approaching the very best and the management team should be recognized for their efforts. While only a few points below Outstanding, scores in this category typically mean that while most Residents are very satisfied, others feel that more could be done. Special attention should be given to any areas where ratings are below "4".

- **Scores from 79 to 75 ("Good")** - Scores in this range tend to reflect a steady, stable and consistent level of satisfaction and performance with clear opportunities for improvement. The primary indicator of whether these scores will rise is the capacity and desire to take advantage of these opportunities. Improving these scores requires maintaining current efforts, while giving special attention to those specific REACT questions receiving the fewest ratings of "5".

- **Scores from 74 to 70 ("Average")** - Scores in this range generally reflect some satisfaction with the service or property features being evaluated, but the complete standards and expectations of the Residents are not being met. Taking action in these areas can remove obstacles to Residents feeling Very Satisfied.

- **Scores from 69 to 65 ("Below Average")** - Scores in this range generally mean that performance is just not adequate, and indicate areas of necessary improvement. CEL & Associates, Inc. believes it is important to strive for clear satisfaction, not just an absence of dissatisfaction, and therefore find scores in this range are a definite area of concern. Residents are likely to be aware of competitive properties that provide a better product or service.

- **Scores from 64 to 60 ("Poor")** - Scores in this range signify substandard performance and strong displeasure with the property and/or the level of service. Improvements are needed immediately. Resident expectations are significantly different from their perceptions of the property and/or service provided. Corrective measures taken soon will prevent the scores from dropping into a category where significantly more time and expense is necessary to improve them.

- **Scores from 59 to 55 ("Very Poor")** - Scores in this range are over 25 points below the scores received by the best in the industry. Corrective measures need a strong commitment, as improvements will require significant focus, time and resources. Scores in this range are not the result of a few dissatisfied Residents, but an expression of a majority of Residents. Remediation of each problem area is essential if the property is to improve its financial and operational performance.

- **Scores below 55 ("Crisis") -** When a significant majority of the Residents at a property fail to indicate a positive response, there is a major problem that must be addressed immediately. Corrective measures must be taken without delay. Improvements to areas receiving these low scores generally involve much more than a policy, staffing or cosmetic change to the property. Significant, noticeable investments must immediately be made to improve all areas with scores below 60.

CEL & Associates, Inc. Rating Scale:

Range	Rating
100 - 85	Outstanding
84 - 80	Very Good
79 - 75	Good
74 - 70	Average
69 - 65	Below Average
64 - 60	Poor
59 - 55	Very Poor
54 - 0	Crisis

Action Plan and Goal Setting

The Action Plans for the properties in this portfolio were provided in separate Microsoft Word files for your convenience. In addition to your Action Plan documents, you will receive guidance as to how to use the individual property reports and this portfolio report to complete the Plans.

Creating a specific Action Plan with goals, clearly spelled out responsibilities, anticipated expenditures and completion dates is the most direct way to use your survey results to improve performance for the next year. CEL & Associates, Inc. is fully prepared to assist you further, whether it is providing additional analysis of survey results, consulting with your management team, or providing customer service training. We look forward to helping you assess the success of these efforts, and to plan new directions for improvement with each survey process.

Thank you for choosing CEL & Associates, Inc.'s REACT Resident Satisfaction & Opinion Survey Process. Our passion lies in assisting our customers' development into Best In Class firms. We are a multi-faceted company with resources ready to assist you in this quest not just during your survey process, but throughout the year.

CEL & Associates, Inc.
Real Estate Strategies, Benchmarking & Performance Solutions

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