

ESSEX

PROPERTY TRUST, INC.

Memorandum

Date: December 1, 2018
To: All Community Managers, Assistant Managers, Resident Relations Representatives, and Maintenance Associates
CC: All Regional Portfolio Managers, All Division Managers, John Burkart, Deborah Jones, Manuel Luna
From: Scott Reinert
Re: 2019 Team Achievement Bonus (TAB) Plan

I am pleased to provide this update to our on-site bonus program. This memo outlines the bonus structure for all eligible on-site office (except Leasing Associates) and maintenance associates. This program replaces and supersedes any previously distributed policies or bonus structure programs in any region or at any property, whether written or oral. This TAB Plan does not replace written bonus plans that are in place for specific purposes, such as Lease-Up Bonuses, Referral Bonuses, Stay Bonuses and Tenure Bonuses.

PLAN AND PURPOSE

The Team Achievement Bonus Plan is provided for eligible Associates (defined below) of Essex Property Trust, Inc. and affiliated entities (the Company); it is designed to provide an additional cash incentive for achievement of individual and property performance goals.

ELIGIBILITY AND CONDITIONS TO EARNING THE BONUS

All on-site administrative and maintenance associates (excluding Leasing Specialists and Floaters) hired at least sixty days prior to the end of a quarter are eligible to participate in the 2019 TAB Plan ("Eligible Associates"). For an Eligible Associate to earn a bonus under this plan, he or she must meet each of the following conditions:

1. Must be working in an eligible position at a "Non-Lease-Up" (stabilized) property.
2. Must be employed by the Company at the time the bonus is paid.
3. Must be in good standing with the Company during the plan payment year. Good standing is determined at the discretion of the direct supervisor, RPM, Division Manager and/or Human Resources.

BONUS TARGETS AND ALLOCATION

Bonus Targets: Eligible Associates may earn bonuses based on the following targets:

Position/Title	Annual Bonus Potential - Target
Senior & Community Managers	10% of Base Salary
Maintenance Supervisors	7% of Base Salary
Assistant Community Managers	\$1,500
Bookkeepers/Leasing Managers	\$1,500
Sr. Maintenance Technicians	\$1,500
Resident Relations Representatives	\$1,000
Maintenance Technicians & Painters	\$1,000
Porters	\$1,000

Bonus Allocation: Eligible Associates may earn bonuses based on the following 3 components:

1. Revenue production **paid quarterly** 50% of bonus potential
2. Expense control **paid annually** 25% of bonus potential
3. Discretionary **paid annually** 25% of bonus potential

Bonus Proration: Bonus targets are subject to proration as follows:

1. Eligible Associates, who are new hires, receive a promotion, demotion, or transfer into or between eligible positions will be eligible for a pro-rated bonus based on their hire date or the number of days in each position during the plan payment year.

For example, if an associate is promoted from Leasing Specialist to Assistant Manager and works two months as an Assistant Manager during the quarter, they would be eligible for a bonus in the amount \$125.00 (\$1,500*50%/4 Quarters/3 Months*2 Months).

2. Eligible Associates who work at more than one property will be eligible for a pro-rated bonus at each property at which they work, based on the end of quarter and/or end of year payroll allocation of the associate.

For example, if an associate worked 20% at property A and 80% at property B, then the associate would be eligible for 20% of the quarterly/annual bonus based on performance at property A and 80% of the quarterly/annual bonus based on performance at property B.

3. Leave of Absence Proration:
 - a. Quarterly: Eligible Associates on a leave of absence must work 2 full months (60 days) in the quarter to be eligible for a pro-rated bonus based on the time worked.
 - b. Annually: Eligible Associates on a leave of absence during the year will be eligible for a pro-rated bonus based on the time worked

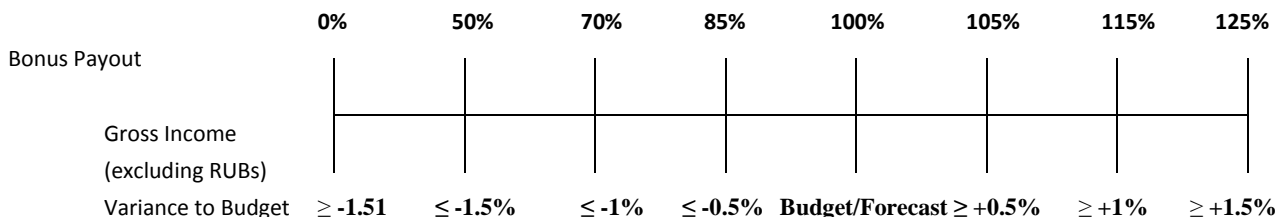
4. Eligible Associates who work at a Lease-Up property will have a separate bonus program for the lease-up property and will not be eligible to participate in the TAB Plan during any period of time while working at the lease-up property. Eligible Associates who work at a Non-Lease-Up property for a portion of the year will be eligible for a pro-rata bonus based on time spent working at the non-lease up property

For example, if an associate works six months at a Lease-Up property and six months at a Non-Lease-Up property, then the associate would be eligible for the TAB Plan. The TAB Plan and any such bonus earned by the associate would be pro-rated to the amount of time worked at the Non-Lease-Up property.

BONUS PROGRAM COMPONENTS

1. REVENUE PRODUCTION¹ (50% Paid Quarterly)

Quarterly total revenue (Gross Income, excluding RUBs²) meets or exceeds budget based on quarterly financial statement. There is no sliding scale between milestones – must meet milestone to accomplish next level of bonus pay out. At the discretion of the Senior Management Committee, we may use forecast in place of budget.



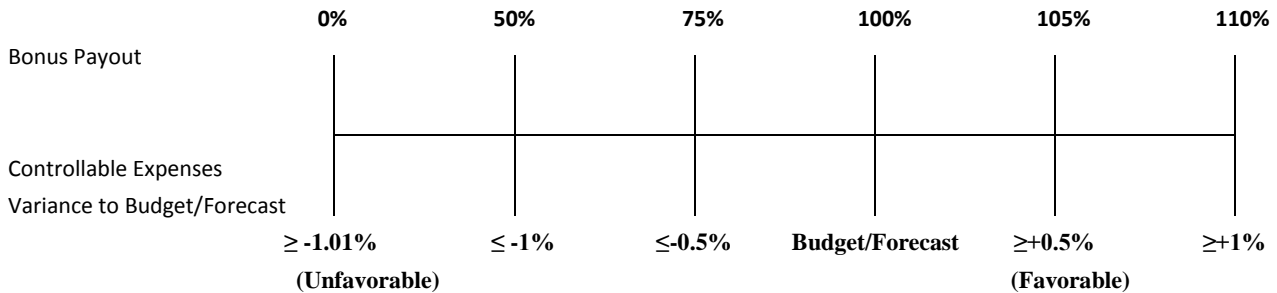
¹ Note – The Revenue Production goal is no longer impacted by a Scheduled Rent Coefficient as utilized in prior TAB Plans.

² Note – Elimination of RUBS from the Gross Income calculation is a change from prior years.

/Forecast

2. EXPENSE CONTROL (25% Paid Annually)

Controllable Expenses must be at or less than budget for the year. There is no sliding scale between milestones – must meet milestone to accomplish next level of bonus pay out. At the discretion of the Senior Management Committee, we may use forecast in place of budget.



3. DISCRETIONARY COMPONENT (25% Paid Annually)

Leadership, customer service and team-play comprise the final components of the bonus plan. These components are a subjective and discretionary assessment by your supervisor, RPM and Division Manager. Not every item outlined below is applicable to every position nor should they be weighted equally. The goal is to provide flexibility in awarding eligible Associates for superior performance and exemplary contributions to the Company and may range from zero to 150% of potential.

- a. Communication
 - Holds and/or actively participates and contributes to team meetings
 - Communicates effectively with all levels of Essex Associates and vendors to achieve best results for the company
- b. Develops staff and self through attendance at appropriate training
- c. Collaboration
 - Build an effective partnership with Property Operations and other departments
 - Committed to making a positive contribution to Essex
 - Supports company initiatives and Essex's Mission
- d. Other
 - Provides timely and accurate reporting
 - Provides solid attention to detail, including data entry in Yardi and other systems such that reporting accuracy is positively impacted
 - Prepared for site visits and shows a thorough understanding of Playbook
 - Maintains records per Playbook
 - Provides acceptable level of customer service to both residents and internal Essex departments
 - Meets quality and quantity of work expectations
 - Meets training expectations
- e. Customer service is reflected in the Resident Satisfaction Survey scores from the Kingsley Event Driven Surveys, and we strive to have properties consistently achieve an overall satisfaction score that tracks closely to the average Kingsley Index Score during the measurement period.

PAYOUT CRITERIA

1. The financial portion of the bonus will be calculated based on audited quarter end financial and operating results in the following time periods:

Period	Months	Bonus Paid
QTR 1	January – March	May
QTR 2	April – June	August
QTR 3	July – September	November
QTR 4	October – December	February
ANNUAL	January - December	February

2. Bonuses will be paid in accordance with the Company's payroll calendar. If the appropriate paperwork is received after the deadline, payment will be made in the following payroll run.
3. Maximum bonus potential paid per quarter is 125% of quarterly potential unless exceptional circumstances apply and Senior Vice President of Operations and Human Resources Department approval has been received.
4. This bonus program is subject to change or modification at any time.
5. All bonus program payouts require final approval of a member of the Senior Management Committee.

We are confident you will find this bonus plan straight forward, attractive and rewarding. If you have any questions, please contact your Division Manager or the Senior Vice President of Operations.

ASSOCIATE ACKNOWLEDGEMENT:

I, _____, an associate at Essex Property Trust, have received, reviewed, and understand the above-referenced Team Achievement Bonus Plan. The information given to me includes eligibility requirements, bonus allocation, and payout criteria. I understand that I will need to meet all of the eligibility requirements in order to earn and thus receive the bonus.

Signature:	Date:
Print Name:	Clock #:
Property:	Title: