# The Arendsee Group
# QUARTERLY NEWSLETTER
## 3RD QUARTER 2026

We would be remiss not to pause and acknowledge that this past quarter marked the 25th anniversary of September 11, 2001 – a day that forever changed our country and remains deeply personal for so many.

Though the Twin Towers stood in New York, the impact of that day reached every corner of the nation. It reminded us that in moments of heartbreak and tragedy, we are called to come together – not as regions, companies, or individuals, but as one people.

Out of that terrible day also came stories of extraordinary courage, service, and humanity. Stories like Welles Crowther, "The Man in the Red Bandana," who helped lead others to safety. Michael Cammarata, the youngest FDNY firefighter lost that day. Rick Rescorla, whose preparation, and leadership helped save thousands before he gave his own life. Betty Ong and Amy Sweeney, whose calm voices from Flight 11 helped provide critical information in an unimaginable moment. And Stephen Siller, who ran through the Brooklyn-Battery Tunnel in full gear toward the towers.

These stories do not erase the pain of that day. But they do remind us that even in the darkest moments, people are capable of remarkable bravery, love, sacrifice, and grace.

Life is fragile. Time is not promised. But each day gives us the opportunity to serve, to lead, to care for one another, and to do something meaningful with the time we are given.

We honor the lives lost, the families forever changed, and the heroes whose actions continue to inspire us.

**We remember. We reflect. We never forget.**

# FROM THE DESK OF ALLAN ARENDSEE:

Each quarter I get the opportunity to write one of these memos, “From the Desk of Allan Arendsee”... It gives me a moment to pause and think about what I want to share, and what I have been thinking about over the past quarter.

This quarter I’m a little bit late - I have missed Luigi’s deadline for my column...Truth be told, I am writing this while watching my wife and two of my grandkids splashing in the pool. “Gigi" and I (Pops) get to watch Arlo and Vita while Andrea and Luigi are at the hospital for the delivery of our fifth grandchild... We are so blessed to be able to spend time with them and we are so grateful. That being said, it’s about 90 degrees in my house today and Gigi is sleeping with the grandkids in the basement where the A/C works! Despite the heat, I have been reflecting on gratitude and independence this quarter.

My gratitude extends to my immediate family - my wife Lyndsey and my daughters and their husbands and soon to be 5 grandchildren (two of whom are with my eldest daughter and her husband in Seattle). As well as to my brothers and their families in Nashville and Fort Worth and their kids scattered between, among other places, Colorado, Utah, Mississippi and Tennessee. I’m grateful they see the value of a family-owned business.

And my gratitude extends as well to the teams we have assembled. We have good people throughout the organization who are believers in our mission to provide good, clean, and affordable housing throughout our properties. We have professionals who can manage, account for and report on their various operations.

Finally, I am grateful for the independence we have as a family organization; for the independence and flexibility to decide what we invest in, when we do it, and if we have to invest in additional properties. We have spent nearly $6 million fixing up properties we already own this year to make them better for our residents and easier for our teams to keep leased and to deliver quality product to our residents.

I’m grateful for the partnerships and relationships we have with our teammates and consultants, suppliers and vendors and our relationships with the brokers and lenders. Thank you to all of you,

Warmly and with gratitude,

Sincerely,

ALLAN W. ARENDSEE
CHAIRMAN & CEO

For the record, we genuinely enjoy writing this newsletter!

We enjoy thinking through the quarter, telling the story, highlighting the people, sharing the wins, admitting the challenges, and giving everyone a window into what we are seeing and feeling across the business.

We are also very aware of the time and effort it takes to sit and read it. We ask ourselves all the time: why should anyone care? And that is the right question. If we do not know why it matters, you the reader, sure as heck will not either!

Time is the one thing the reader cannot get back.

So, we do not want this newsletter to be filler. We do not want it to be corporate noise. We do not want to waste anyone's time with polished sentences that say nothing.

**We do try to spill our guts a little. We try to be honest, thoughtful, raw, and vulnerable – while also understanding that honesty alone does not automatically make something interesting.**

Our hope is that when you read this, it feels worth your time. That you learned something, felt something, smiled at something, or saw the business a little more clearly.

**That is the standard we should hold ourselves to in everything we do.**

Why work if you do not want to be the best?

As Think and Grow Rich by Napoleon Hill reminds us, a burning desire is the starting point of all achievement.

We are not perfect. Not flashy. Not loud for the sake of being loud. **But we are trying to be the best version of ourselves.**

The best stewards. The best operators. The best teammates. The best family business we can be.

# Waiting for the Right Pitch

Hey – it's still baseball season! (for some)

This quarter at Brandy was a reminder that disciplined businesses do not need to swing at every pitch.

Warren Buffett often talks about the advantage of patience – the idea that, unlike baseball, business does not call strikes on you. You can stand at the plate, let opportunity after opportunity pass by, and wait for the one actually worth swinging at.

That mindset feels especially important today. Interest rates, operating costs, labor, capital markets, and resident expectations are all moving at once. There is constant pressure to react, chase, and do more.

*But sometimes the most important discipline is knowing when not to swing.*

At Brandy, our role is to protect the foundation while positioning the enterprise for what comes next. **That means understanding what has made us successful, being honest about what needs to improve, reducing complexity where we can, listening to the people closest to the work, and focusing on the few priorities that matter most.**

It also means learning from mistakes without carrying them longer than necessary. Every quarter teaches us something. Some lessons come from wins; others come from hard conversations, missed assumptions, or decisions we would handle differently next time. The goal is not to avoid every mistake. The goal is to stay humble, keep learning, and get better.

**We have plenty of "experience" – those mistakes that don't kill you.**

We also continue to think deeply about purpose, especially as the next generation looks for work that feels meaningful. In our business, that purpose is not hard to see. The work touches families, homes, employees, communities, partners, and the long-term stewardship of assets entrusted to us.

**We pride ourselves on not just being "capital allocators".**

This quarter highlighted that work – the decisions made, projects advanced, team moments shared, and steady effort required to keep building a family enterprise with discipline, care, and purpose.

*We do not have to swing at everything. But when the right pitch comes, we want to be prepared.*

# Detail-Oriented vs. Consequence-Oriented

In our business, paying attention to details is important. Apartment operations involve many decisions every day that may seem small or routine, but those decisions can affect our residents, fellow team members, vendors and suppliers, compliance, the performance and value of our properties, and even our own job satisfaction.

At WAK, we have approved policies and procedures we are encouraged - and often required - to follow. These procedures are important. They provide consistency, protect the company and our residents, and help us perform our jobs effectively. But being detail-oriented is not the same as being consequence-oriented. A detail-oriented person may ask, "Did we follow the procedure?" A consequence-oriented person also asks, "What happens because we did-or did not-follow the procedure?" That distinction is important, and at WAK we need both approaches so that we don't lose sight of the objective.

We can become so focused on completing a task exactly as prescribed that we might lose sight of why we are doing it in the first place. A form gets completed, a box gets checked, a work order gets closed, a notice gets sent, or a policy gets followed. But did we achieve the larger objective? Consequence-oriented thinking requires us to look beyond the immediate task and consider the result we are trying to achieve. Before finalizing a decision or completing an important task, ask yourself:

What is the intended result?
What could happen if I do this - or don't do this?
How could this affect our residents, our reputation, or our fellow team members?
What are the financial, legal, operational, or reputational consequences?
Is there a better way to accomplish the objective?

These questions don't mean that we should ignore WAK policies or procedures. They mean we should understand why the procedure exists and what we are ultimately trying to accomplish.
The cheapest solution isn't always the best solution.

Consider a $500 repair versus a $2,500 repair. Saving $2,000 on a repair may appear to be a good decision, but if the cheaper solution is only temporary and fails in a few months and ultimately costs $2,500 to repair correctly, we haven't saved any money, and we may have negatively affected our reputation or our relationship with a resident.

Likewise, spending a large amount of money to correct a deficiency is not necessarily a bad decision. If a $10,000 expenditure prevents a much larger loss, and protects the property, improves resident relations, or extends the useful life of an asset, that expenditure may be the best business decision. The question isn't simply "How much does it cost?" The better question is, "What are the consequences of spending, or not spending, $10,000 to correct a deficiency?"

The same consequence-oriented principle applies to our relationships with residents and team members. A decision that is technically correct but creates unnecessary frustration, turnover, or conflict may have consequences that are far greater than any issue we are trying to resolve or correct.

For example, we may have a policy that clearly allows us to take particular action with a resident. But before taking that action, we should consider whether there is a reasonable way to accomplish the same objective while avoiding unnecessary conflict. Solving the problem, maintaining a productive relationship, and helping the person understand the reason for a decision may be much more important than simply proving we were right.

Being right is not the same as getting the right result. We don't want team members who simply say "That's the way we've always done it." If you believe a process isn't producing the best result, think through the consequences and offer a solution. Good managers and good staff don't just complete tasks - they understand the reason behind the task and the consequences of their actions. They think beyond "today."

Our responsibilities are not just to manage apartments. We are entrusted with people's homes, our teammates' livelihoods, the resident experience, and a significant investment in real estate. Our goal should not be to choose between being detail-oriented and consequence-oriented. We need both.

Details help us execute well. Consequence-oriented thinking helps us determine whether we are executing in the best way. At WAK, we should strive to develop people who don't simply ask, "What are we supposed to do?" but also ask, "Why are we doing it, and what will happen as a result?" Before you check the box, close the work order, approve the expense, send the notice, or make the decision, stop for a moment and ask: "What happens next?"

That is the difference between simply managing tasks and managing a business.

**Details matter. Consequences matter more.**

John Gillespie

# BEST OF DENTON

It is with immense pride and excitement that we share some wonderful news! Christina Castaneda and her incredible team at Autumn Breeze Apartments have been awarded “Best Apartment Community in Denton 2026”!

Our team at Autumn Breeze has always taken great pride in being an active part of their community and, more importantly, in giving back. Christina and her team understand that being a great community is about so much more than beautiful apartments, it’s about the people, the residents, and the communities we all serve.

This award is also a wonderful reminder that you don’t have to be the newest community to shine bright. Autumn Breeze continues to prove that dedication, heart, and remarkable service make a difference.

*One example, and a quick look behind the curtain at Autumn Breeze: Christina and her team arrange for refrigerated food trucks to be on location. They unload food donations for residents and stock their food pantry for use by the residents.*

WATCH NOW

When you want someone representing your business, it’s important to choose the right people.

# Built for The Heat

Let’s talk weather. And let’s talk maintenance.

A humongous shout-out to all the WAK Maintenance Team for making it through another challenging summer while continuing to provide our residents and company with remarkable service.

How do they do it?!

They continue to show up every day, handle the heat and workload, and get the job done. Their dedication and commitment do not go unnoticed, and we appreciate everything they do for our residents, our properties, and for WAK Management.

2026 Heat Statistics – Texas

- Total 100° Days: 52 days (tied for the 5th-most all-time)
- First 100° Day: July 7, 2026
- Last 100° Day: September 16, 2026
- Highest Temperature: 109°F on August 24, 2026

2026 Heat Statistics – Tennessee

- Nashville also experienced an unusually hot year, with 8 days reaching at least 100° (5th-most all-time)
- Hottest Day: 101°F on July 3, 2026
- Late-Season Heat: Nashville experienced a record-breaking September heat wave, including multiple days reaching or approaching 100°F

Working in these conditions is not easy, especially when you're dealing with HVAC calls, plumbing issues, make-readies, turns, emergencies, and everything else that comes with maintaining our communities.

Thank you again to the entire WAK Maintenance Team for your hard work, dedication, and commitment to taking care of our residents!

# Learning, Leading and Celebrating

This quarter brought several exciting moments across both Texas and Tennessee – moments that reflect what we love to see at WAK Management: people learning, growing, stepping into new roles, and representing the company well in the broader multifamily industry.

Several of our Texas rock stars attended the FWAA Education Conference and Trade Show at the Gaylord Texan Resort in Grapevine. Following the education sessions, attendees also had the opportunity to participate in the FWAA Trade Show – one of the largest multifamily trade show experiences in North Texas, featuring more than 220 booths and hundreds of supplier partners. To not be outdone, many of our teammates also joined the AAGD (now serving over 750,000 units!) Business Exchange as well!

We also want to celebrate several team member milestones. **Congratulations** to Kyra Owens on earning her CALP designation. **Congratulations** to Emma Raney on her promotion to Assistant Manager at Hulen Gardens. And **congratulations** to Yesenia Garcia on her new role as Community Relations Manager at Vita. Each of these accomplishments reflects hard work, professionalism, and a willingness to keep growing.

Tennessee had its own exciting highlights as well. Our team celebrated the annual Maintenance Appreciation Event at Topgolf, giving everyone a chance to step away from the properties, enjoy time together, and recognize our maintenance teams for the work they do every day. Maintenance is often where the resident experience is won or lost, and we are grateful for the pride, responsiveness, and problem-solving our teams bring to the job.

We were also proud to see WAK represented at the PMAC 10-Year Anniversary Gala. **PMAC announced** that Ernest Farrior, Tanara Piteo, and Kaleigh Allen will serve as 2027 Board Members for the Property Management Association of Clarksville. All three have made a real effort this year to become more involved with PMAC, attend events, support the organization, and represent WAK within the Clarksville multifamily community!

Last and final celebratory announcement – **congratulations** to Daniel Corbett on his promotion to Corporate Support Specialist! The role is the first of its kind at WAK Management and one that has been desperately needed due to our growth and size of our organization. This role will play a key part in supporting our ResMan software, marketing initiatives, and accounting projects as we continue to grow and evolve. Daniel had previously worked at Springfield Crossing and The Vita @ Three60. Please join me in congratulating Daniell on this well-deserved promotion. We are thrilled to have him in the corporate office and look forward to the impact he will make in this new role!

## FWAA Trade Show & Conference

## Coverage, Captives, and the Road Ahead

Our captive team Brown & Brown met with the KAWA Insurance team for its annual shareholder meeting in Arlington, TX. Yes, it was hot – but we were inside! You wouldn't believe it, but yes, we have already reached the midpoint of our current policy term, and we are using this time to take a careful look at coverage, market conditions, and the broader risk environment around the portfolio. Good thing we have our partners at Brown & Brown to help us navigate the waters and help shape our strategy for our March 2027 renewal.

We are also planning to meet with underwriters in London this November – a first for us! Together with Brown & Brown, we look forward to telling our story clearly: who we are, what we own, why we own it, and how we operate. We thank Brown & Brown for their continued support us across property, casualty, and the day-to-day details that keep coverage functioning properly for our businesses.

There is plenty of work ahead, but that is the point. While we've been in "maintenance mode" over at Brandy Investments and WAK Management, we came up for air and had time to think about KAWA's longer horizon. We've grown to learn that insurance is not just a renewal exercise. It can, and should, be a part of how we protect the enterprise, support our operators, serve our residents, and plan responsibly for the future.

The Arendsee
FAMILY FOUNDATION

## Serving Beyond Our Properties

Philanthropy is always front and center and discussions have begun for The Arendsee Family Foundation's charitable donations for 2026. We want to start by thanking everyone who has helped support this effort over the past several years. We have already begun donating to some organizations near and dear to us in the DFW, Nashville, and San Diego areas.

A big focal point of our donations gear towards helping our properties and residents in the submarkets in which they live. Many of our WAK Management teammates have recommended organizations for consideration, joined tours or meetings with nonprofit leaders, helped coordinate introductions, or participated in presenting donations to the organizations ultimately selected. Your involvement has been incredibly helpful, and as we look ahead to 2026, we would once again appreciate your input!

When this initiative began, many of us knew these organizations were helping residents and families in need. Over time, we have gained a much deeper appreciation for just how broad and important their work really is. These organizations assist individuals and families with rent, utilities, food, clothing, transportation, medical and dental care, employment guidance, tax preparation, holiday assistance, and many other essential needs. It has been both humbling and inspiring to see the dedication of the people serving our communities every day.

To our WAK Family – thank you again for your continued support of this effort. Through the partnership of the Arendsee Family Foundation, WAK Management, and our team members, we have been able to provide financial support to outstanding organizations while also learning more about the compassion, commitment, and generosity of the people working every day to serve our neighbors.