

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

OMB APPROVAL	
OMB Number:	3235-0104
Estimated average burden hours per response:	0.5

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>Clarity Ventures, Inc.</u> (Last) (First) (Middle) 1482 EAST VALLEY ROAD SUITE 300 (Street) SANTA BARBARA CA 93108 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 12/22/2015	3. Issuer Name and Ticker or Trading Symbol <u>APPFOLIO INC [APPF]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)	5. If Amendment, Date of Original Filed (Month/Day/Year) 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
CLASS A COMMON STOCK	12,890	D ⁽¹⁾	
CLASS A COMMON STOCK	175,025	D ⁽²⁾	
CLASS A COMMON STOCK	5,700	D ⁽³⁾	
CLASS A COMMON STOCK	5,000	D ⁽⁴⁾	

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date				
CLASS B COMMON STOCK	(5)	(5)	CLASS A COMMON STOCK 26,577	(5)	D ⁽⁶⁾	
CLASS B COMMON STOCK	(5)	(5)	CLASS A COMMON STOCK 118,740	(5)	D ⁽⁷⁾	
CLASS B COMMON STOCK	(5)	(5)	CLASS A COMMON STOCK 45,264	(5)	D ⁽⁸⁾	
CLASS B COMMON STOCK	(5)	(5)	CLASS A COMMON STOCK 557,654	(5)	D ⁽⁹⁾	

1. Name and Address of Reporting Person* <u>Clarity Ventures, Inc.</u> (Last) (First) (Middle) 1482 EAST VALLEY ROAD SUITE 300 (Street) SANTA BARBARA CA 93108 (City) (State) (Zip)
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1. Name and Address of Reporting Person* <u>Clarity Ventures, L.P.</u> (Last) (First) (Middle) 1482 EAST VALLEY ROAD

SUITE 300

(Street)

SANTA
BARBARA CA 93108

(City) (State) (Zip)

1. Name and Address of Reporting Person*

Meadowridge Ventures, L.P.

(Last) (First) (Middle)

1482 EAST VALLEY ROAD
SUITE 300

(Street)

SANTA
BARBARA CA 93108

(City) (State) (Zip)

1. Name and Address of Reporting Person*

KARAN STEVEN L

(Last) (First) (Middle)

1482 EAST VALLEY ROAD
SUITE 300

(Street)

SANTA
BARBARA CA 93108

(City) (State) (Zip)

1. Name and Address of Reporting Person*

Steven L. Karan Revocable Trust dated the 29th
day of October, 2014

(Last) (First) (Middle)

1482 EAST VALLEY ROAD
SUITE 300

(Street)

SANTA
BARBARA CA 93108

(City) (State) (Zip)

1. Name and Address of Reporting Person*

Hughes Family Trust dated 8/7/03

(Last) (First) (Middle)

1482 EAST VALLEY ROAD
SUITE 300

(Street)

SANTA
BARBARA CA 93108

(City) (State) (Zip)

1. Name and Address of Reporting Person*

HUGHES JASON F

(Last) (First) (Middle)

1482 EAST VALLEY ROAD
SUITE 300

(Street)

SANTA CA 93108

BARBARA

(City) (State) (Zip)

Explanation of Responses:

1. These shares are directly owned by Jason F. Hughes ("Mr. Hughes"), who is a member of a "group" (the "Group") with the other reporting persons herein for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended. These shares are held in the Jason F. Hughes Roth IRA.
2. These shares are directly owned by Steven L. Karan ("Mr. Karan"), who is a member of the Group. These shares are held in the Steven L. Karan Roth IRA.
3. These shares are directly owned by Meadowridge Ventures, L.P. ("Meadowridge"), which is a member of the Group. These shares are indirectly owned by Clarity Ventures, Inc. ("Clarity GP"), as the general partner of Meadowridge. These shares are also indirectly owned by Mr. Hughes, as an authorized officer of Clarity GP, and by Mr. Karan, as the President and 100% owner of Clarity GP.
4. These shares are directly owned by Clarity Ventures, L.P. ("Clarity LP"), which is a member of the Group. These shares are indirectly owned by Clarity GP, as the general partner of Clarity LP. These shares are also indirectly owned by Mr. Hughes, as an authorized officer of Clarity GP, and by Mr. Karan, as the President and 100% owner of Clarity GP.
5. These shares are convertible into shares of AppFolio, Inc.'s Class A Common Stock on a one-for-one basis at any time, and the conversion has no expiration date. All outstanding shares of AppFolio's Class B Common Stock will convert automatically into shares of AppFolio Class A Common Stock on the date when the number of the outstanding shares of Class B Common Stock represents less than 10% of the sum of AppFolio's outstanding Class A Common Stock and Class B Common Stock. In addition, each share of Class B Common Stock will convert automatically upon any transfer of such shares, except for certain permitted transfers.
6. These shares are directly owned by Mr. Hughes and are held in the Jason F. Hughes Roth IRA.
7. These shares are directly owned by Mr. Karan and are held in the Steven L. Karan Roth IRA.
8. These shares are directly owned by the Hughes Family Trust dated 8/7/03 ("HFT"), which is a member of the Group. These shares are indirectly owned by Mr. Hughes, as a Co-Trustee of the HFT.
9. These shares are directly owned by the Steven L. Karan Revocable Trust dated the 29th day of October, 2014 ("Karan Trust"), which is a member of the Group. These shares are indirectly owned by Mr. Karan, as Trustee of the Karan Trust.

Remarks:

The reporting persons herein collectively form a Section 13(d) "group" as described in a Schedule 13G filed with the Securities and Exchange Commission on December 30, 2015. Exhibit List: Exhibit 24 ? Confirming Statement

/s/ Jason F. Hughes, attorney-
in-fact 12/30/2015

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 5 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

Confirming Statement

This statement confirms that the undersigned have authorized and designated Jason F. Hughes to execute and file on behalf of the undersigned all forms that the undersigned may be required to file with the U.S. Securities and Exchange Commission under Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as a result of the undersigned's ownership of or transactions in securities of AppFolio, Inc. The authority granted under this statement shall continue until the undersigned is no longer required to file forms under Section 16 of the Exchange Act with respect to the ownership of or transactions in the securities of AppFolio, Inc., unless earlier revoked in writing.

Clarity Ventures, Inc.

By: /s/ Steven L. Karan 12/30/15
Name: Steven L. Karan
Title: President Date

Clarity Ventures, L.P.

By: Clarity Ventures, Inc., General Partner

By: /s/ Steven L. Karan 12/30/15
Name: Steven L. Karan
Title: President Date

Meadowridge Ventures, L.P.

By: Clarity Ventures, Inc., General Partner

By: /s/ Steven L. Karan 12/30/15
Name: Steven L. Karan
Title: President Date

Steven L. Karan Revocable Trust dated the 29th day of October, 2014

By: /s/ Steven L. Karan 12/30/15
Name: Steven L. Karan
Title: Trustee Date

[Signature Page to Confirming Statement]

Hughes Family Trust dated 8/7/03

By: By: /s/ Jason F. Hughes
Name: Jason F. Hughes
Title: Co-Trustee

12/30/15
Date

Individuals

By: /s/ Steven L. Karan
Name: Steven L. Karan

12/30/15
Date

By: /s/ Jason F. Hughes
Name: Jason F. Hughes

12/30/15
Date

[Signature Page to Confirming Statement]