

OMB APPROVAL	
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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>Walker Jonathan</u>			2. Issuer Name and Ticker or Trading Symbol <u>APPFOLIO INC [ APPF ]</u>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Chief Technology Officer</u>		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <u>05/20/2016</u>			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
<u>50 CASTILIAN DRIVE</u>			4. If Amendment, Date of Original Filed (Month/Day/Year)					
(Street)								
<u>SANTA BARBARA</u>	<u>CA</u>	<u>93117</u>						
(City)	(State)	(Zip)						

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Employee Stock Option (Right to Buy) <sup>(1)</sup>	\$13.43	05/20/2016		A		50,001		(2)	05/19/2026	Class A Common Stock	50,001 <sup>(3)</sup>	\$0	50,001	D	

**Explanation of Responses:**

- The options were granted pursuant to the Issuer's 2015 Stock Incentive Plan.
- The options vest as to 50% of the underlying shares based upon the Issuer's achievement relative to pre-established targets relating to free cash flow for each of fiscal year 2017 and fiscal year 2018. The Issuer's performance relative to the targeted amount will be determined by the Compensation Committee by reference to the Issuer's 2017 and 2018 financial statements.
- The reported amount of shares assumes achievement at the maximum level, which would require performance at 150% of the targeted amount. For performance at the targeted amount, approximately 67% of the options would vest. For fiscal year 2017, Issuer performance below 50% of target will result in no options vesting. For fiscal year 2018, Issuer performance below 80% of target will result in no options vesting. The specific vesting percentages for Issuer achievement relative to the performance targets will be determined by reference to sliding vesting scales for each of fiscal year 2017 and 2018.

**Remarks:**

/s/ Ida Kane, as Attorney-In-Fact for Jonathan Walker      05/24/2016

\*\* 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 4 (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.**