



Citadel

Property Management Corp.

Sample Management Plan

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513 East 13th Street

New York, New York

646.654.0733 Phone

646.654.0723 Fax

www.citadelnyc.com

SAMPLE MANAGEMENT PLAN

Functions and Responsibilities of Citadel Property Management Corp.

The supervisory relationship and reporting accountability is as follows:

- Assist and advise Principal in Principal's hiring, supervision and payment of all necessary persons to be employed by Principal to properly maintain and operate the Building.
- Through Building employees and/or independent contractors retained on Principal's behalf, maintain the Building in such condition as may be advisable, including interior and exterior cleaning, ordinary repairs, and alterations.
- Recommend, and with the approval of Principal, take such action as shall be necessary or desirable to comply with any and all orders or violations affecting the Building, imposed by any federal, state, or municipal authority having jurisdiction, and orders of the New York Board of Fire Underwriters or other similar body.
- Consider and, where reasonable, attend to the complaints tenants and where appropriate, advise Principal of problems or unresolved issues.
- Arrange for payment of Building employees, including issuance of payroll checks and preparation and filing of necessary forms and tax returns for unemployment insurance, social security and withholding taxes.
- Maintain in good order the corporate books of account, ledgers, check books, minute books, insurance policies, lease files and other corporate records of Principal and correspondence and records pertaining to the operation of the Building.
- Citadel Property Management Corp. shall provide a monthly Reporting Package to the sponsor which shall include, but not necessarily be limited to, the following:
 - Balance Sheet
 - Income and Expense Statement
 - Year to Date Summary
 - Operational Narrative
 - Refer to additional reports available
- Cooperate with the independent accountant of Principal and arrange for the preparation and filing of federal, state and other tax returns required by any governmental authority.

- Work to assist the Principal to prepare, submit and explain annually, an operating budget setting forth the anticipated income and expenses of Principal for the ensuing year.
- Enter into contracts in the name of and at the sole expense of Principal for electricity, gas, steam, elevator, telephone, window cleaning, rubbish removal, fuel oil, security, vermin extermination and other services as deemed advisable.
- Cause to be effected and maintained (if maintainable), in such amounts as Agent or the insurance broker for the Principal may consider necessary or advisable, casualty, rent, plate glass, boiler, water damage, liability, workers' compensation, disability, directors and officers liability, crime insurance and such other insurance as may be necessary or advisable.
- Coordinate with Principal's tax assessment counsel with respect to real estate tax assessment appeals.
- Carefully review all bills received for services, work and supplies ordered in connection with maintaining and operating the Building, and cause to be paid such bills properly due, together with utility bills, water charges, sewer rent, and assessments from the account of Principal.
- Changing rents or occupancy standards
- Process and coordinate applications for leases and the transfer of units and obtain and prepare necessary documents.
- Arrange for the Building superintendent to supervise the moving in and out of residents and tenants.
- Bill tenants for rent and other charges, and use its reasonable efforts to collect such rent, and other charges.
- Legal action against delinquent tenants
- Agent's representatives shall visit the Building as reasonably necessary and/or requested by Principal to perform its services under this Agreement.
- Generally, do all things reasonably deemed necessary or desirable for the proper management of the Building in accordance with all applicable laws

PERSONNEL

Projected Staffing Needs for the Property

- Staffing needs at the property will be determined based on number of units, market conditions and maintenance requirements.

Hiring Policies

All hiring will be done in full compliance with applicable state and federal non-discrimination laws. All applicants will be screened through a national employment service. The following areas will be noted:

- Verifiable employment history
- Criminal background check
- Reference check
- Drug screen

No applicant with a felony conviction or positive drug screen result will be hired.

MAINTENANCE PROGRAM

Preventative Maintenance

- A preventative maintenance program will be initiated for all maintenance.
- Records shall be kept indicating the date of all preventative maintenance.
- Warranty files shall be maintained.
- Inventory records shall be kept and updated on a monthly basis.

Service calls

- Citadel Property Management Corp. requires response to all service requests within 24 hours.
- Service requests will be followed up with a call to insure satisfaction.
- The Property Manager shall personally follow up with all residents who indicate unsatisfactory service.

Market Ready Apartments

- A checklist for market readies will be followed for the pre-maintenance, painting, cleaning, final maintenance and turnover of the apartment to the Property Manager.
- Additional upgrades to the apartments will be completed as needed to maintain market competitiveness.
- The Manager will inspect each apartment prior to move-in.

Major Repairs

- Will be handled on a bid basis after approval by Sponsor
- A minimum of three bids shall be provided for repair items that exceed Managing Agent's approval limit, as designated by Sponsor in the Management Agreement.

Exterior Grounds Maintenance

- Maintenance may be handled by an outside contractor or by on-site staff
- The Property shall be cleaned according to schedule and cleanliness monitored by regular walk-through.

LEASING POLICIES (If applicable)

Occupancy Standards

In compliance with Federal Fair Housing laws, the following limitations shall apply to all applicants and residents:

- Efficiency/Studio – one person
- One bedroom – two people
- Two bedroom – four people
- Three bedroom – six people

Resident Selection / Screening Practices

- Principal Lessee must be at least 18 years of age
- Residency – Must have at least one-year verifiable positive references from a mortgage company or apartment community.
- Income – Must be a minimum of three times the market rent.
- Employment – All applicants must have at least one-year current employment or income.
- Credit – 75% of applicant's credit rating must be rated as 1. No accounts with current past due balances are acceptable, with the exception of student loans and medical bills.
- Housing Court Searches - will be conducted to assure that tenant has not had prior evictions.
- Guarantors – Guarantors may be used to compensate for an item that does not meet the criteria, but may not replace bad debt.
- Criminal – Individuals with either a conviction or deferred adjunction for a felony or a misdemeanor against persons or property will not be accepted.
- All residents will be approved by the Manager to insure above criteria have been met.

RENT / MAINTANENCE / COMMON CHARGES COLLECTION POLICIES AND PROCEDURES

Rent

- No cash will be accepted
- Rent may be paid via our online payment network or with cashier's checks, money orders, or personal checks only
- After 2 non-sufficient fund checks, the resident will be required to pay via money order or cashier's check.
- Daily rent deposits shall be made to the bank.
- All late fees shall apply in a non-discriminatory fashion to residents.
- Late fees will be established in accordance with local and state laws in accordance with local competition.
- Rent is due on the 1st of each month and is considered late on the 10th of the month.
- Reminder notices and/or phone calls shall go out to all residents with outstanding balances the day before late charges begin.
- Late fees will be assessed per each resident's Lease agreement and in keeping with the property's Community Policies.
- Landlord liens will be placed and evictions will be filed as appropriate and in keeping with all applicable Federal, State and Local statutes.

MARKETING

(Separate Agreement)

Objective

Citadel Property Management Corp. will implement a marketing strategy for the property that will achieve the Sponsor's occupancy and income goal while, at the same time, increasing the value of the asset.

Audience

The marketing strategy will identify the appropriate target audience for the property, in a manner consistent with the Sponsor's goals and in keeping with Federal Fair Housing regulations and any other applicable state or local laws.

Marketing

A Marketing Plan will be developed and implemented, based on Managing Agent's evaluation of the current market conditions. The Marketing Plan may include the following

- Notice of New Management to residents
- Dedicated marketing webpage on Citadel website with photographs, description, demographic information, Schools, Maps, photos etc.
- Dedicated property/portal websites with unit availability lists
- Online marketing on major advertising sites (Vflyer, Trulia, StreetEasy, Zillow, Craigslist and over 20 additional online residential advertising sites.)
- Email Blasts to direct customers and over 20,000 licensed brokers in NY
- Multiple Listing service Advertising direct to brokers in NY Area
- Local newspaper advertising
- Signage and brochure marketing
- Outside direct marketing
- Locators/Realtors/Brokers
- Direct marketing to local businesses
- Contact with competitive properties
- Property brochure development and distribution
- Concessions as the market dictates

Affirmative Marketing Practices

- Every segment of the appropriate market area will be exposed to the Property by advertisement in local newspapers.
- Implementation of fair housing procedures and laws.
- All prospective residents will be asked to complete an application

Reporting Items Available

- Bank Deposit Report
- Budget Report
- Checking activity Report
- Check Report
- Expense Report
- Fuel Usage Report
- Water Usage Report
- Journal Report
- Ledger Report
- Aged Payables Report
- Operating Statement
- Income Statement
- Expense Statement
- Payroll Deductions
- Summary Report
- Vendor Accounts
- Vendor Check Totals
- Deposit Slip Report
- Lease Expirations Report
- Legal Summary
- MBR / MCR Report
- Occupancy Report
- Parking Report
- Rent / Security Receipt Report
- Tenant Records
- Tenant Transaction Report
- Vacancy Report
- Vacancy Loss Report
- Violations Report