



Citadel

Property Management Corp.

Sample Management Plan

Citadel Property Management Corp.

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MANAGEMENT PLAN

Functions and Responsibilities of Citadel Property Management Corp.

The supervisory relationship and reporting accountability is as follows:

- The Property Manager will report to the Board and Owners monthly
- 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

Managing Agent may make decisions without consulting the Sponsor for the following:

- Expenditures within the approved operating budget
- Capital Expenditures as outlined in the Management Agreement
- Legal action against delinquent tenants
- Hiring and firing of secondary personnel

Managing Agent will correspond with the Sponsor in regard to the following decisions:

- Approval of annual operating budget
- Expenditures as outlined in the Management Agreement
- Changing rents or occupancy standards
- Hiring or firing of key personnel

Managing Agents expenses – Reimbursable vs. non-reimbursable

- Management Agreement

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.

MARKETING

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
- Local newspaper advertising
- 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

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

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 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.

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