



## MEADOWVIEW I MANAGEMENT PLAN

1. **THE ROLE AND RESPONSIBILITY OF THE OWNER AND ITS RELATION AND DELEGATION OF AUTHORITY TO THE MANAGING AGENT.**
  - a. **Identity of Interest:** LMVI Affordable, LP is a California limited partnership (hereinafter referred to as "Owner"). The Owner desires to contract Peak Living (hereinafter referred to as "Peak Living") to provide Property management services for its asset, Meadowview I Apartments located in Perris, California. LMVI Affordable, LP is a California limited partnership whereby 99.9% of its limited partnership interest is held by PC CA MCF JV, LLC.
  - b. **Supervisory/Day-to-day Operation:** It is the responsibility of the Owner to establish the general policies under which Lakeview I Apartments operates. The Owner has established broad policy guidelines and will delegate to Peak Living the authority and responsibility for carrying out these policies on a day-to-day basis. Peak Living will employ supervisory staff who will be responsible for the successful operation of the Property. The site Community Manager and Service Manager are directly accountable to the Regional Manager of Peak Living, who directly reports to the Vice President and President of Peak Living.
  - c. **Conditions to Consult:** Peak Living will be required to consult the Owner prior to taking any action not clearly covered by existing policy or the Management Agreement. Peak Living will consult the Owner whenever it is deemed sufficiently important, however, under no circumstances will decisions be made that would involve expenditures which exceed two thousand dollars, (\$2,000.00) in any one instance for labor, materials or otherwise in connection with the maintenance and repair of the Property, except in cases of emergency or when identified as an approved item within the Property operating budget. In the case of an emergency, the Owner will be notified of the circumstances as soon as possible.
  - d. **Key Contact Person:** The key contact person for the Owner with decision-making powers, who will be readily available for consultation, is Olivia Riggs, 4956 North 300 West, Suite 300, Provo, UT 84604; phone (801) 890-4207.



### Contact Person's Authority:

**Owner Duties:** The primary responsibility of the Owner is to assure the Property is operated in a fashion consistent with good professional management practices and in a manner conducive to the preservation and enhancement of a desirable living environment. The Owner assumes the responsibility and has an obligation to:

- Provide decent, safe, and sanitary housing.
- Provide housing to meet the needs of the population to be served.
- Appoint liaison representatives with appropriate authority.
- Review monthly progress reports, budgets, and statements.
- Appoint a Management Agent to perform the day-to-day management operations of the Property.

Insure that all basic responsibilities of the Owner and Management Agent are clearly defined and there is no overlapping. The areas in which Peak Living may make decisions without consulting the Owner include, but are not limited to:

- All hiring of on-site personnel and determination of compensation, when within approved Property operating budget.
- Such activities as may be necessary to comply promptly with any and all governmental requirements affecting the Property.
- Compliance with all pertinent requirements of the Regulatory Agreement(s).
- Proposed operating budgets will be prepared annually by Peak Living and submitted to the Owner for review. Provided the Owner agrees with the budget and any proposed rent increase, the Managing Agent will proceed with posting of the rent increase once all applicable approvals are achieved.

## 2. PERSONNEL POLICIES AND STAFFING ARRANGEMENTS

a. **Hiring Practices:** All hiring of employees of Peak Living shall conform to equal opportunity requirements. Peak Living shall not discriminate against any applicant for employment because of race, color, religion, ancestry, national origin, age, sex, pregnancy, marital status, disability, sexual orientation, or AIDS.

In addition, Peak Living will follow an employment policy at the Development which will afford Resident's maximum opportunities for employment at the Development and will promote employment opportunities for lower income persons in the area. While personnel will be hired on the basis of ability, the Managing Agent will make efforts to provide training, if appropriate, for Development Residents when chosen for employment.



**b. Staffing Plan:**

On-site staffing needs currently consist of two full-time team members, and one part-time team member, which is planned to stay the same. If the need arises to increase staffing should the Property need additional support, approval would be obtained through the budgeting process. Currently, one full-time administrator, 1 full-time maintenance and 1 part-time maintenance employees are needed.

**Housing:** As an added provision for the safety of residents and in compliance with state laws, local laws, and local ordinances, one unit in the Property will be utilized by the administration or maintenance employees, in addition to his/her wage compensation. Benefits will be offered to full-time team members, including medical, dental, vision, vacation, and sick time.

**On site housing and compensation:** As stated above, housing would be a free benefit to one of the employees at the Property in addition to his/her wage compensation. Compensation is based on the Property's current annual approved budget.

**Employee benefits:** For employees with at least thirty hours per week, benefits other than those required by statute include two weeks' vacation per year, nine paid holidays, 6 days' sick leave and participation in major medical, disability, hospitalization, and life insurance coverage. Employees with less than thirty hours per week are not covered by Peak Living health plan, life insurance, or eligible for paid vacations. Sick leave pay accrues in accordance with their part-time status.

**Employee grievance procedures:** The Regional Manager assigned to the Property regularly visits the site at which time problems can be discussed. If employees do not choose to speak with the Property's supervisor, he/she may contact the Human Resources Director or President via email or phone call.

**Employee termination procedures:** Demotion, layoff, or termination shall be determined on a nondiscriminatory basis. When an employee's performance is substandard, the employee shall be notified in writing. Efforts are made to work closely with an employee to provide additional training if this is deemed appropriate. Peak Living recognizes the at-will relationship between the Company and its employees. Voluntary and involuntary terminations do occur. Subject to any written agreement to the contrary, team members may end employment at any time and for any reason. The Company reserves the same right to end employment



at any time, with or without cause, for any reason which does not violate the law. While involuntary terminations are uncommon, any employee that displays insubordination, dishonesty, unwillingness to meet job requirements, excessive absenteeism, unlawful distribution, or consumption of drugs while on Company premises or while conducting Company business, physical violence and willful destruction of Company Property, residents' Property or another employee's Property are subject to immediate termination of employment.

**c. Lines of Authority:** The Community Manager is responsible for the day-to-day operation of the Property. He/she is directly accountable to the Regional Manager who, in turn, is accountable to Peak Living. Subject to the discretion of the Owner, Peak Living may provide substitute personnel in the absence (i.e., vacation, sick leave) of the Community Manager or Grounds and Maintenance Personnel.

The Community Manager will receive general supervision and direction from the Regional Manager. The Regional Manager may be vested with the authority to make discretionary decisions in the event circumstances occur that are not covered by written instructions or known policies and procedures. The Property Manager/Administrator will comply with established policies and procedures and not take any action contrary to such guidelines without the approval of a supervisor of Peak Living.

The Community Manager/Supervisor is responsible for assuring that the residents receive prompt, efficient, courteous, and quality service from onsite staff. In order to execute this responsibility, he/she shall supervise the general administration and physical operation of the Development. The Community Manager/Supervisor should provide direction to the Regional Manager and assure that the rental program is properly executed; assure the provision and maintenance of efficient mechanical operations, adequate and proper maintenance of the buildings and equipment; and be responsible for the employment of qualified and competent personnel and establishment of good resident relations.

The Community Manager and Service Manager are to perform the following duties:

- i. Regularly inspect the buildings and grounds, noting deficiencies and physical appearances of the Property's maintenance, and other related data.



- ii. Prepare monthly reports based upon daily inspections, outlining Property condition, including cleanliness of buildings and grounds, and a summary of maintenance operations.
- iii. Inform the Management Agent of observed deferred maintenance and Property deficiencies in writing, noting specific locations, conditions, and recommendations for corrective measures;
- iv. Follow rental office procedures as established by Peak Living;
- v. Interview all potential residents and perform qualification tests as established by Peak Living;
- vi. Maintain compliance of all regulatory requirements;
- vii. Confer with the Regional Manager on all proposed evictions, lease violations, etcetera;
- viii. Conduct and document at minimum annual physical inspections of each residential unit and provide findings to the Regional Manager;
- ix. Contact Peak Living immediately upon knowledge of any substantive event or emergency.

### **3. TRAINING**

- a. Specific training in policies and procedures is provided to the on-site team to ensure Property conformity to program requirements.
- b. The Community Manager becomes knowledgeable through training and ongoing Property management. The Community Manager is encouraged, at the discretion of Peak Living, to attend any training sessions provided by HUD, TCAC, or USDA. Site employees are required to take training through Peak Living, both on-line and in person. In addition, as the budget permits, the on-site team will participate in any mandatory relevant training conducted by professional agencies and organizations regarding compliance to the Property's affordable aspects.

Each on-site team member has direct access to The Peak Living Policy and Procedures Manual which includes detailed policy requirements and procedures. The Regional Manager, the National Director of Compliance, the Property's assigned Compliance Specialist, Director of Training and Accountants assigned to



the Property review with the on-site team the manual and provides necessary training, initially and ongoing. Each on-site team members attends at least one training session offered by The Peak Living National Director of Compliance as part of his/her on-site training. In addition, Peak Living holds monthly training sessions of a general nature for all team members off-site as well as specific on-site and webinar sessions tailored to the needs of individual properties. The Community Manager receives training on Fair Housing, Diversity in the Workplace and several other job specific trainings through the Peak Living Training and Marketing Department. Peak Living offers individual training based on the team members' assigned job roles and individual needs.

c. In addition to the above training, all maintenance personnel receive training in Fair Housing Laws and OSHA regulations as well as maintenance certification programs as deemed necessary, compulsory and/or appropriate by Peak Living.

**4. PLANS AND PROCEDURES FOR MARKETING UNITS, ACHIEVING AND MAINTAINING FULL OCCUPANCY, AND MEETING HUD FORM 935.2, "AFFIRMATIVE FAIR HOUSING MARKETING PLAN," REQUIREMENTS.**

a. **Affirmative Marketing** practices will be utilized extensively. The Management Agent and the Community Manager will make every effort to achieve success in integrating the Property and will work with the Equal Opportunity divisions of Federal, State, and local fair housing agencies in developing affirmative marketing programs.

The Management Agent will contact, in writing, those organizations in the community that work with and/or have contact with minority groups. The primary purpose of the letter will be to encourage applicants for the Property in order to achieve as diverse a rental population as would be reasonably expected in terms of the general community population. This procedure will be done at least annually, but if needed will be done more frequently should the need arise.

b. **Achieve and Maintain Occupancy:** Lakeview I Apartments is a fully occupied project. For the purpose of serving its residents, maintaining a viable waiting list and for re-rental of turnover units, the on-site rental office will have posted hours on the entry door and/or adjacent window. In addition, vacant apartments that are ready to show will be available for examination by prospective residents at reasonable times by appointment in addition to the hours posted.



The Community Manager will take an active role in achieving and maintaining the highest level of occupancy reasonably attainable. Follow-up phone calls and/or letters will be made for prospective residents; marketing techniques will be employed as outlined in Sections A above.

c. **Advertising:** The Property will be advertised by signs at the site, internet postings, newspaper advertising in local media, signs posted on community billboards or other appropriate advertising media. Advertising will be done as necessary to maintain a viable and meaningful waiting list as is provided for in the Property's Affirmative Fair Housing Marketing Plan.

d. **Sight and Hearing Impaired:** For purposes of complying with RURAL DEVELOPMENT Exhibit B-1, Section 3(d) and accommodating the needs of those persons requiring assistance with communication, Peak Living will obtain the TDD (Telephone Device for the Deaf) service made available through the California Relay Service for all Development Administrators, including the subject Property. Insofar, as accommodations of sight or hearing-impaired individuals, Peak Living will allow service animals to live in the unit in this otherwise no pet policy apartment community.

e. **Reasonable Accommodation:** The Property will accommodate any reasonable accommodation given that the request is necessary and appropriate as verified by a third-party health care provider.

f. **Reasonable Modification:** Managing Agent will permit, at the expense of a person with handicap(s), reasonable modification of an existing unit, occupied or to be occupied by a person(s) with handicap(s), if the proposed modification may be necessary to afford that person full enjoyment of the apartment.

- i. The expense for reasonable modification may be borne by the Property but is subject to review and approval by the Owner prior to implementation.
- ii. Management will not increase, for person with handicaps, any normal security deposit fee for restoration of the unit. However, management and Resident may negotiate a separate non-interest-bearing escrow account to assure funds are available to restore units with substantial modification to the rentable condition.

g. **Waiting List:** A copy of the waiting list format (Attachment# ) previously approved by RURAL DEVELOPMENT and currently in use at the Property is attached



hereto. Peak Living will maintain the waitlist in accordance with Rural Development Requirements as well as maintain online internal and external waitlists.

h. **Unit Condition:** The Resident and the Community Manager will sign an apartment condition checklist upon move-in which will state in detail any defects of the unit. A copy will be given to the Resident and a copy will be put in the Resident's file. Any maintenance defects will be processed via the maintenance work order system.

i. **Orientation Services:** Many problems face new residents as they adjust to their new environment, and special attention must be given to familiarize them with the care and maintenance of their units, organization techniques in moving a household, and the aspects of running a household, sanitation, safety and housekeeping tools and cleaners will also be explained. A move-in orientation relating to appliance care, office hours, proper payment of rent, rules and regulations, recreational facilities, resident responsibilities, and management responsibilities will be given and explained to the new resident.

j. **Team Member Responsible for Wait List and Tenant selection:** The Community Manager, who will possess certification as an USDA Rural Development Certified Manager in RURAL DEVELOPMENT regulations, has the prime responsibility for determining eligibility, certifying and re-certifying incomes and selecting residents. The Community manager will work directly with a property assigned Compliance Specialist who will review and approve certifications and re-certifications. The Management Agent has the responsibility of ensuring the Community Manager follows the resident selection criteria and eligibility requirements. All persons who are responsible for determining resident eligibility will be thoroughly familiar with governmental requirements, including but not limited to all fair housing laws, and copies of all guidelines and procedures will be retained on the Property. This information will be revised as regulations and guidelines are changed, and Peak Living will check to assure that all guidelines are followed.

k. **Special Procedures to be used for non-English speaking or reading persons:** Peak Living employs a diverse group of staff members who are bi-lingual English/Spanish and English/Hmong. When possible, all efforts will be made to ensure that applicants, tenants and members of the public are able to communicate in their primary language. If Peak Living is unable to locate a translator for a specific language, i.e., Braille, Sign language, we will contract with the appropriate local resource center to address the issue. For the hearing impaired



we have a TTDY line. For applicants and tenants that are unable to read, we provide a verbal translation of all documents.

follows the resident selection criteria and eligibility requirements. All persons who are responsible for determining resident eligibility will be thoroughly familiar with governmental requirements, including but not limited to all fair housing laws, and copies of all guidelines and procedures will be retained on the Property. This information will be revised as regulations and guidelines are changed, and Peak Living will check to assure that all guidelines are followed

#### **5. PROCEDURES FOR DETERMINING RESIDENT ELIGIBILITY AND FOR CERTIFYING AND ANNUALLY RECERTIFYING INCOME AND SIZE.**

a. **Applications:** Applications are accepted during normal business hours and on-line as posted in the rental office and on the Property's web page. Once an application is submitted the applicant's name is posted to the project's waitlist. An application fee in the amount of \$30 is collected at this time for the purpose of running a credit and background check. Should an applicant submit an incomplete application they will be notified in writing within 10 days of the items that are needed for the application to be considered complete. See Qualification Criteria attached hereto.

Record keeping and the maintenance of Resident files will be done on-site. The Community Manager will be responsible for the orderly performance of this task; under the supervision of Peak Living all reporting, Property worksheet and expense statements, etc., will be compiled from information received from the on-site staff and completed in the Peak Living office.

b. **Knowledge and Skill levels:** All employees will be in possession of the RURAL DEVELOPMENT operating manual and the Property Manager/Administrator will be a USDA Rural Development Certified Manager within 6 months of employment if they are not currently certified. The Regional Manager will be certified prior to the transition of the Property to Peak Living. Employees will have a working knowledge of procedures including certification and recertification requirements, Resident eligibility, and policies pertaining to rejection of applicants and maintenance of the waiting list. Also, unit size/occupant guidelines will be followed accordingly. Our Compliance team is registered for the RD training on 9/14 and 9/15.



## 6. LEASING AND OCCUPANCY POLICES

a. **Occupancy Standards:** Following are the unit size assignment standards subject to the clarifications and considerations attached hereto.

Unit Size	Minimum	Maximum
1 Bedroom	1	3
2 Bedroom	2	5
3 Bedroom	3	7

b. **Project Admissions Policy:** The Property's admissions and leasing/occupancy policies and procedures, and criteria for selecting Residents/members for occupancy are outlined in the "Qualification Criteria" handout that is given to all applicants. A copy of this handout is attached hereto and incorporated herein as Exhibit "A" to this management plan.

c. **Skill level of staff:** All employees will be in possession of the RURAL DEVELOPMENT operating manual and the Community Manager will be a USDA Rural Development Certified Manager within 6 months of employment if they are not currently certified. The Regional Manager will be certified prior to the transition of the Property to Peak Living. Employees will have a working knowledge of procedures including certification and recertification requirements, Resident eligibility, and policies pertaining to rejection of applicants and maintenance of the waiting list. Also, unit size/occupant guidelines will be followed accordingly.

d. **Special procedures:** A standard lease form will be in use at all sites that comply with all RURAL DEVELOPMENT requirements and will be approved by RURAL DEVELOPMENT prior to being used. It is the policy of Peak Living to only utilize forms in the nationally recognized and accepted English language.

## 7. RENT AND OCCUPANCY CHARGE COLLECT ON POLICIES AND PROCEDURES

a. **Rent Collection Policy:** The Property Manager/Administrator will collect rent from Residents at the Property. Rent payments will be made payable to Lakeview I Apartments and presented to the office on-site with a receipt given. All rents are due on or before the first (1st) day of the month. Walk-in payment systems (WIPS), online payment debit, personal check or certified check are acceptable; no cash will be accepted. After hours payments can be made online through the resident payment portal or mailed to the leasing office.

i. If rent is not received by the tenth day of the month, a late charge of



\$25.00 will be assessed on the eleventh day of the month.

ii. Any Resident not paying by the tenth day of the month will be contacted. Unless prior arrangements have been made, a 3-day notice will be issued if the rent is not paid by the eleventh day of the month. In extreme cases, a Resident may request a payment plan, which must be pre-approved by the Regional Manager. If the work-out arrangement is not complied with, eviction procedures will begin.

iii. Receipt of collections is entered into the project's accounting system the same day, funds are endorsed and deposited within 1 business day of receipt in the project's operating account. Checks and certified checks that are not deposited into the bank on the date received are locked in a safe located in the rental office. The Community Manager has access to the safe. Deposits are verified monthly via bank reconciliations performed in the Peak Living corporate office.

b. Security Deposits are required and will be deposited in a separate account in the name of the Development.

i. The amount of the deposit will be equal to the basic rent for one (1) month on each particular sized unit. Should payment of the full deposit create a hardship on the household, Managing Agent agrees to provide a payment plan that allows the resident to pay the deposit in three (3) equal monthly installments not to exceed a ninety (90) day period. Should installments not be met, the total security deposit charge will become due and payable in full. Any funds received after the ninety (90) day period will be applied towards the outstanding security deposit.

ii. All deposit refunds are sent directly from the Peak Living corporate office. No refunds are made by the Community Manager, or on-site staff. It is Peak Living policy to process any security deposit refunds within fourteen (14) days of the resident's actual move-out date. In any event, disposition of security deposits will be provided to resident within twenty-one (21) days of the date management is aware of the vacancy in accordance with state law.

## **8. PROCEDURES FOR REQUESTING AND IMPLEMENTING A RENT OR OCCUPANCY CHARGE INCREASE**

a. **Process:** When requesting RURAL DEVELOPMENT approval of rent increase, an Application for Rental Assistance on Form RURAL DEVELOPMENT 1944-25 "Request for Rental Assistance" will be submitted when the proposed increase will cause



twenty percent of the low-income Residents to pay in excess of thirty percent of adjusted monthly income of rented utilities. A current year's operating budget, actual income and expense year to date, and a proposed budget with a new basic (and market) rent will be submitted. Facts justifying the need for the rent increase along with current Resident Certifications will be submitted. Request will be in accordance with RURAL DEVELOPMENT'S regulations. Residents will be notified of the proposed increase by posting prominently in common areas around the Development a "Notice to Residents of Proposed Rent Increase". Residents will be advised of their rights during the twenty-day comment period and that they should submit all written comments or objections directly to the RURAL DEVELOPMENT Servicing Official by the end of the twenty-day period. Residents will be mailed copies of the Notice at least sixty (60) days prior to the anticipated effective date of the rent change.

b. **Preparer:** Rent increases are processed by Peak Living and must be approved by the Owner prior to forwarding the submission to RURAL DEVELOPMENT.

c. **Timing:** Rent increase requests will normally be made to coincide with the start of the Property's fiscal year. Any and all facts that demonstrate the need for a rent increase will be submitted to RURAL DEVELOPMENT.

## 9. PLANS FOR CARRYING OUT AN EFFECTIVE MAINTENANCE, REPAIR AND REPLACEMENT PROGRAM

a. **Objective:** It is the goal of Peak Living to provide safe and decent housing to the persons that qualify under the 515 program. Peak Living will pursue this initiative via all reasonable and viable avenues possible which include the implementation and monitoring of such policies insuring the care and upkeep of the asset by on-site team members as well as Residents and their guests. In addition, when necessary, Peak Living will request additional funding such as rent increases, loan requests, reserves withdrawal and/or capital infusion by the owner/borrower in order to maintain the Property in a safe and decent fashion. It is the purpose of any maintenance program to extend the operating life of the building and all equipment so as to minimize the possibility of failures resulting in expensive replacement.

b. **Building Plans:** Development as-built plans and specifications will be kept in the Property office. Updating, when and if modifications are made, will be the responsibility of the Managing Agent.



c. **General Procedures and Schedules:** The following program provides an overview of the Peak Living policies regarding maintaining Lakeview I Apartments, reducing costs and operations, and protecting the owner's investment.

i. Scheduled maintenance and repair for installed equipment will be accomplished in accordance with manufacturer's recommendations and the requirements of equipment operating manuals. Maintenance records will be maintained to insure proper service.

ii. Perform regular monthly safety checks smoke/fire alarms, fire extinguishers, outside lighting, etc.

iii. Regular inspection of units, buildings and grounds will serve to identify maintenance problems, which if tended to promptly, should not become serious. Inspection of units will be scheduled a minimum of every six months and also will be conducted whenever a Resident either moves into or vacates a unit. To ensure that a continual inspection program is carried out, when a Resident gives a notice to vacate, a date for inspection of his unit will be scheduled before his departure. At this time, the Community Manager and/or Service Manager and the Resident will inspect the unit, compare the damages or wear with that on the move-in checklist and determine what damages, if any, the resident will be responsible for. The Community Manager and Maintenance Team will take the same inspection sheet, make all necessary repairs, have the unit painted (if necessary) thoroughly cleaned and check all equipment and appliances for proper operation.

iv. An interior and exterior painting schedule will be maintained. All vacated apartments will normally be painted prior to re-occupancy and carpet and window coverings will be replaced as may be necessary. The exterior of all buildings should be painted as needed. In addition to scheduled painting, the Management Agent will ensure that all interior and exterior surfaces are painted as necessary to maintain the Property, as funds are available.



v. Perform major repairs and grounds maintenance. Major repairs (\$1,000.00 or more) that cannot be handled by the on-site maintenance staff will be subcontracted. The Community Manager and Service Manager will determine proper corrective action after consultation with the Regional Manager, and obtain appropriate approvals as identified in the Management Agreement. The Project Manager will solicit bids from other contractors who have a proven cost and performance record. Quality of workmanship and performance, as well as cost, will be the criteria for approval of bids.

vi. Trash removal is handled by a city-approved Contractor. Residents will be instructed as to where to place their trash for pick-up. A regular schedule for pick-up will be maintained.

vii. A Preventative Maintenance schedule for cleaning entryways and all common areas will be developed by the Regional Manager.

d. **Maintenance Requests:** All maintenance work repair requests will be taken by the Community Manager, in writing, (telephone only if necessary) at the rental office during regular working hours. The residents can also submit a maintenance request online. The original will remain in the on-site office. When the repair person completes the necessary repairs on this ticket, he will have it signed by the Resident, if present, and return the copy signed by him also, to the rental office. The office staff must file completed work orders in the unit maintenance file kept separately from the Resident's file, and make a record of incomplete orders, which will be followed up to assure the ordering of parts and additional maintenance service as needed. The Service Manager will also keep a running log of all maintenance performed at the Property.

Emergency maintenance calls during the time the rental office is closed will be taken by the on-call maintenance staff, or Service Manager.

e. Any purchase that exceeds budget must be pre-approved by the Regional Manager, who will obtain additional approvals when necessary and in accordance with the terms of the Property Management Agreement.



f. When possible, major repairs including capital improvements will be budgeted items. It is anticipated that the on-site team will resolve most routine repairs. If outside contractors are required, bids will be solicited from contractors. Work anticipated to cost over \$5,000 will be referred to the Project Manager, Director of Maintenance, VP and/or President of Peak Living for review and referral to a technical contractor for designing specifications if necessary.

#### **9. PLANS AND PROCEDURES FOR PROVIDING SUPPLEMENTAL SERVICES.**

- a. **Types of Supplemental Services:** The following will provide for any supplemental services that may be used as necessary at Lakeview: Laundry machines are currently on-site and under contract by outside Vendors (i.e., WASH).
- b. **Ownership of Vending Machines:** All vending machines currently on the subject Property are owned and operated by outside Vendors. The Owner and Managing Agent have no ownership interest in the equipment or in the companies that own the equipment. The Owner and Managing Agent hereby reserve the right to install their own equipment.
- c. **Collections:** Commissions are paid via check from the Vendor in the name of the Property and are deposited by the Managing Agent into the Property's operating trust account. All commissions are tracked under a separate general ledger line item and reported monthly in the income and expense statement.
- d. Maintenance is the responsibility of the contracted Vendor.
- e. **Consignment Agreement:** In general, the outside Vendor provides equipment and maintenance of equipment. The Property supplies space for the equipment in exchange for 90% of proceeds exceeding \$35.00 per machine per month.

#### **10. PLAN FOR MAINTAINING ADEQUATE ACCOUNTING RECORDS AND HANDLING NECESSARY FORMS AND VOUCHERS.**

- a. **Type of Accounting Method and Records:** Accounting will be reported monthly on an accrual basis in accordance with generally accepted accounting practices and principles. The accounting system will provide the necessary financial information for the effective planning, control, and evaluation of Property activity. Property records, including leases, certifications, move-in and move-out records will be maintained for each separate rental unit. The Property Manager/Administrator will be responsible for the maintenance of records, including but not limited to the



separate resident files that include all pertinent information regarding their tenancy including leases, certifications, notices, move-in and move-out records. Accounting records accessible onsite include budget, income and expense statement and billing reports. Corporate office personnel are responsible for the preparation of monthly reports and the reconciliation of the Property's bank accounts. In order for the Owner to maintain accurate records and proper control over the property, monthly financial reports will be produced and reviewed by the Community Manager, Regional Manager, Accountant and Owner on a monthly basis.

b. **Separate Bank Accounts and Interest:** Peak Living will collect all rental charges, miscellaneous charges, and other amounts receivable for the Property's account in connection with the management and operation of the Property. Such receipts will be deposited in an account, separate from all other accounts and funds, with a bank whose deposits are insured by the Federal Deposit Insurance Corporation. This non-interest-bearing account will be placed in Owner's name and designated of record as the Property's Operating Account.

The Security Deposit Account will be a separate non-interest-bearing account which is FDIC insured.

**Security Deposit Disposition:** At the time a Resident vacates the unit, a move-out inspection will be conducted with the Resident, where possible. All items needing cleaning or repair plus the charges or estimated charges for each will be determined at the time of inspection. The inspection form will be signed by both the Community Manager and the vacating Resident. The final closing statement will be prepared for each vacating Resident itemizing any charges to be made against the security deposit. This final closing statement will be forwarded to each vacating Resident within 21 days of their vacating and will include a refund if there are no damage charges or if any rental charges are being charged against the deposit. If damages are charged, then the remaining security deposit and/or the final closing statement will be sent within 21 days of the time of the Resident's departure.

c. **USDA Reporting Format:** The Managing Agent has adopted procedures and maintains a system of records and accounts, which conforms with generally accepted accounting practices in multifamily housing developments. Adjustments are made when necessary to accommodate reporting formats such as RURAL DEVELOPMENT 3560-7, "Multiple Family Housing Project Budget" via in-house corporate computer systems that belong to the Managing Agent



d. **Annual Reports:** The Managing Agent will be responsible for the preparation and submission of the annual reports required by RURAL DEVELOPMENT.

e. **Audits:** Annual audit preparation is performed by an outside agency and is not associated with the Property, Owner or Managing Agent.

Tenant and Unit Maintenance Files. The Community Manager will maintain complete files on all Residents which will include Applications, Leasing, Income Certification, Re-Certification, and any other data relating directly to the Resident. Separate files will be kept for each unit providing a history of maintenance. Information as to income verification, eligibility and re-certification will be maintained for a minimum of three (3) years after Resident vacates. Rejected and withdrawn applications will be kept on file subject to a compliance review by RURAL DEVELOPMENT and rejected applications will be advised In writing specifically explaining the reason(s) for ineligibility.

f. **Records:** Records subject to RURAL DEVELOPMENT review will be kept on file in the Property Rental Office under the control of the Administrator. Bank statements or information regarding insurance, taxes, etc. are kept at the corporate offices of the Managing Agent, copies of which will be made available to RURAL DEVELOPMENT upon request.

## 11. ENERGY CONSERVATION MEASURES

a. **Communication with Residents:** All efforts will be made to emphasize energy conservation. Recommendations will be submitted to RURAL DEVELOPMENT for consideration of any design modifications that would enhance conservation.

i. Residents will be sent periodic newsletters and energy saving tips and ideas created either by the Community Manager or the utility companies. Water saving instructions also will be distributed.

ii. Periodic meetings with local utility representatives will be requested by management so that the Managing Agent will stay apprised of the latest energy conservation practices in the area as they apply to the buildings and will enforce these practices where possible. The practices could include such things as water saving devices in toilets and on showerheads, insulation on water heaters, low wattage light bulbs, etc.



iii. Results of energy audits performed by local utility companies at the request of management will be made available to each Resident to help orient Residents toward conservation.

b. **Energy Conservation Practice:** The energy conservation audit will be an integral management tool. It is the goal of the Managing Agent to implement conservation measures identified in the audit within six months of receipt of the audit.

c. **Project Objective:** It is the policy of Peak Living to explore and implement any energy saving services offered by many statewide utility companies. In addition, periodic flyers received from utility companies are provided directly to each resident as an ongoing method of educating them in conservation methods. All conservation measures will be coordinated through the agent's office.

## 12. PLANS FOR RESIDENT - MANAGEMENT RELATIONS

a. **Tenant Organizations:** Peak Living encourages its residents to form organizations that promote Resident wellbeing, creativity, and education. Learning and Activity centers developed at the property provide residents with not only a meeting place, but with up-to-date computer equipment to utilize for taking meeting notes, making flyers, resumes, accessing email, internet surfing, etc. Facilities are open during business hours and can be reserved for special events by contacting the Community Manager.

b. **Grievance Procedure:** Each Resident will be given a copy of the Lease and grievance and appeal procedure. The Grievance and Appeals procedure will be posted in the onsite leasing office and the community room.

c. Specific problems will always be reported to the Managing Agent in writing by the Community Manager to assure compliance with the Grievance and Appeals procedure.

d. Residents that do not find satisfaction with on-site management are encouraged to contact the Managing Agent in writing and are provided with immediate attention to their request. If and when the Managing Agent feels the problem has escalated for any reason, the Managing Agent's policy is to notify RURAL DEVELOPMENT directly of the problem and discuss possible solutions. Although the Managing Agent looks to RURAL DEVELOPMENT for support, it does not look to the



agency for handling the problem, simply to ensure a good understanding of the problem, as many times the resident will contact the Agency with alleged facts that may not provide for the entire situation.

### **13. PARTICIPATION IN RURAL COOPERATIVE HOUSING PROJECTS. NOT APPLICABLE**

### **14. MANAGEMENT TRAINING PROGRAMS**

a. **Standards of Training/Proficiency:** Managing Agent requires the following standards of proficiency of its agents and/or employees: Corporate level employees in support of Lakeview I apartments have a minimum of 10 years of multifamily management, state and nationally recognized affordable housing designations, and California Real Estate license. Corporate supervisors will obtain 515 certifications.

b. **Internal Training:** All Administrative Personnel: Participation in the actual training sessions held on a monthly basis. Several job-related courses are available on-demand, via webinar, or on-going in person classes. This session includes professional review of policy, procedures, updates, fair housing, updates of applicable Federal, State, and local laws, etc. In addition, training is considered ongoing during site visits. All corporate administrative personnel are required to complete formal fair housing seminars as well as maintain required continuing education courses mandated by the Department of Real Estate. Continuing education includes, but is not limited to, updates of applicable Federal, State, and local laws. Additionally, Staff members are required to be proficient at Microsoft Office and Interface Industry Software programs. When possible, staffing of administrative and/or maintenance personnel will include bi-lingual individuals if the need is determined to be necessary given the situation.

### **15. TERMINATION OF LEASES AND EVICTIONS**

a. **Identity of Persons Responsible for Requirements Regarding Termination of Leases:** Any and all persons involved in the management of the Property will be knowledgeable of RURAL DEVELOPMENT'S requirements regarding termination of leases and evictions, and the notification that must be given to a Resident when termination of the lease or eviction is proposed. However, the Community Manager, through their immediate supervisor, may only recommend eviction of a resident to the Management Agent for any reason other than nonpayment of rent.



b. All proposed evictions, for whatever reason, will be brought to the attention of the Regional Manager by the Community Manager. Actual procedures will be handled by an attorney pre-authorized by the Management Agent.

#### **16. THE RESERVE WITHDRAWAL PROCESS IS AS FOLLOWS:**

a. Peak Living will submit a request to the field office using Form RD 3560-12. This request will include a statement of the purpose and description of the project for which the reserves will be used, the current balance of the withdrawal account including any other activity including deposits and withdrawals, the estimated cost of the project, copies of bids (when needed), a copy of the approved capital budget that included the project or an explanation of why the project was not included in the annual capital budget.

b. The Servicing Office will review the request. If the request is for a project that was approved during the Agency review of the engagement report, and is not a substantial construction activity, the Servicing Office will complete its review within 5 business days. If the request is for a capital expenditure that is not an emergency and was not part of the annual capital budget, the Servicing Office has 10 business days to complete the review.

c. The Servicing Office will notify the Housing Authority in writing of the decision to either approve the request, approve the request with conditions, or reject the request.

d. If approved, the borrower will submit a request for payment, supported by an invoice and accompanied by a two-party check made out to the vendor or contractor.

#### **17. INSURANCE**

a. The Managing Agent is responsible for knowing and complying with RURAL DEVELOPMENT'S requirements for fidelity coverage and acquiring such coverage.

b. (See 16 a)

#### **18. MANAGEMENT AGREEMENT**



**19. RCH BOARD OF DIRECTOR/ADVISER RELATIONSHIP. DISCUSS THE RELATIONSHIP OF THE ADVISER AND ITS EFFECT ON DECISIONS MADE BY THE BOARD.**

NOT APPLICABLE

**20. MANAGEMENT COMPENSATION**

Per Management Agreement.

**21. ON SITE MANAGEMENT**

See Section 2. 'PERSONNEL POLICIES AND STAFFING ARRANGEMENTS'

a. Management Office Hours are Monday through Friday 8am – 5pm. Office hours will be posted on the management office door.

**22. VALIDATION OF MANAGEMENT PLAN**

Respectfully submitted this 3<sup>rd</sup> day of September, 2021. Peak Living Property Management

By: Rebecca McBride  
Rebecca McBride, Operations Manager

**APPROVED BY:**

Signature: Greg Davis

Name: Greg Davis

Title: SVP PEAK CAPITAL PARTNERS

Date: 10 7 2021

**APPROVED BY:**

USDA Rural Development

**CANDACE WILLIAMS** Digitally signed by  
CANDACE WILLIAMS  
Date: 2021.10.07  
12:04:49 -07'00'

Title: MFH Specialist



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