KMG PRESTIGE
Strategic Property Management Solutions

Property Management Services

KMG Prestige, Inc. is committed to excellence in the delivery of comprehensive and innovative property management services. The following are services we provide:

- Administration
- Accounting
- Compliance Monitoring
- Computer Support Services inc. Resident Management Software
- Maintenance
- Marketing
- Risk Management
- Payroll and Human Resources

Administration

KMG Prestige provides the following services to each community.

- Supervise the community's overall operation and capital improvements.
- Meet with owners, investors, and agencies as required to conduct business for the community.
- Prepare and implement site specific management and marketing plans.
- Employ, develop and supervise on-site personnel.
- Frequent on-site inspections.
- Municipality and environmental compliance
- Every community is assigned a Regional Vice President, Regional Property Manager, and Operations Support Specialist to assist the on-site personnel with the overall operation of the community.
- Preparation of annual operating budgets with long term planning strategies, and thorough review of expenses to reduce costs to the development.
- Recommend and implement policies and procedures for the proper management and operation of the community.
- Maintain property insurance, liability insurance, and workman's compensation coverage (of on-site personnel) in the community.

Accounting

Financial Services encompass the processing and reporting of financial and operational data, and analysis of operational activity for the benefit of improving performance. These general tasks are specifically defined as follows:

- Entering and processing of accounts payable.
- Payment of accounts payable as directed by designated supervisory staff.
- Preparation of all financial and operational activity in detailed ledgers on a monthly basis including preparation of monthly bank reconciliations.
- Analysis of account activity and operational performance as required.
- Generate and distribute to owner the month end financial report including:

  - Monthly and YTD actual versus budget comparison report.
  - 12 month historical statement of profit and loss.
  - Balance sheet.
  - Open accounts payable.
  - Cash disbursements report.
  - General ledger.

- Coordinate an annual audit with third party accounting firm as designated by client.

Compliance Monitoring

Compliance Monitoring services include review and approval of resident certification and recertification files, corresponding with regulatory agencies, compliance reporting, and training of on-site staff. These general tasks are specifically defined as follows:

LIHTC – Oversight

Our LIHTC Compliance Monitoring services encompass reviewing and approving tenant certification and recertification files, corresponding with regulatory agencies to include compliance reporting, and training of on-site staff. These general tasks are broken down more specifically as follows:

Processing Certifications
- Verify that the correct forms are completed for each resident.
    i. Mail any updates of forms to site with directions on proper use of form.
- Verify that anticipated annual income is calculated correctly based on information provided by third parties and per the HUD Handbook 4350.3.
- Verify that files meet all requirements as set forth by IRS Code Section 42.

Approve Files
- Once the file meets the above criteria, the file will be approved by the Compliance Department. Site Staff will complete the following documents and obtain appropriate signatures.
- Leases
- Lease Addendums
- Tenant Income Certification

Correspondence
- Prepare response letters to any monitoring agency due to audit findings.
- Prepare and file annual compliance reports with State Agency.

Training
- Provide initial training and follow-up to site managers and staff at site locations. Employees will be required to attend the KMG Prestige Compliance Training Course within ninety (90) days of contract start date. This cost is nominal and not covered by the management agreement.

LIHTC – Processing

LIHTC Compliance Monitoring Processing includes all the above Oversight processes as well as:

- Complete and send all third-party verifications to determine eligibility with program requirements. Site Staff to assist Compliance staff with obtaining necessary verifications.

<u>**HUD Compliance**</u>

Our HUD Compliance services encompass the processing and verification of specific HUD transactions. These general tasks are broken down more specifically as follows:

- Prepare subsidy HUD payments and upload via the HUD TRACS system.
- Verify that all files transmitted were received by HUD.
- Verify that subsidy payments correspond with approval payments.
- Distribute subsidy allocation to accounting department for correct distribution.
- Respond to correspondence from monitoring agencies as required.
- EIV monitoring.
- Special claims.

Computer Support Services inc. Resident Management Software

KMG Prestige provides support for hardware, software, and networking needs as they relate to the operations of required tasks for employees. Our computer support services provide the required software packages necessary for the day-to-day operations, including anti-virus, accounting software, resident management, etc. The systems provided include processing capabilities for resident ledgers, rent rolls, vacancy loss, receivables, and marketing tracking. Included in the computer support services are:

- Hardware diagnostics and repair, software support and installation for products provided through KMG.
  - Items which would not be fully supported by KMG (best effort assistance provided) would be things under contract with a third-party vendor including but not limited to internet service providers, security systems, leased printers, etc.
- If remote troubleshooting for supported products is unsuccessful, an onsite visit may be arranged with the cost of mileage charged back to the property.
- Ordering hardware and software related products required by the site for continuing operation.
- *Computer Support does not apply to Resident computers or labs. KMG Prestige can provide contact information for third parties who can oversee these.*
  - *KMG can provide quotes for the necessary hardware for these labs, if desired.*

Resident Management Software

KMG Prestige provides the on-site software package necessary for day-to-day accounting and resident management operations. The web-based interface allows Owners to access information at any time through a web-browser.

The resident management software system includes processing capabilities for:
- Resident ledgers
- Rent roll
- Vacancy loss
- Receivables
- Marketing tracking
- Service requests
- Capital purchase tracking
- Credit checks

The monthly cost associated includes all required system updates for the Resident Management Software. Training options are available for purchase.

Maintenance

Maintenance of the physical asset is a crucial part of the overall management process. Maintenance encompasses a range of services including the following: service requests, apartment turns, and preventative maintenance.

- Training - Prestige University was designed by KMG Prestige to better train our staff in preventative maintenance.
- Response to emergencies 24/7/365.
- Maintain a unit turn goal of 3-5 days.
- Routine maintenance is performed at the community to minimize future repairs.
- Implementation of an annual preventive maintenance program. This proactive approach to maintenance has proven to prevent future costly repairs.

Marketing

Marketing services focus on leasing, one of the most important aspects of management. These general tasks are specifically defined as follows:

- Resident Screening: A comprehensive resident selection criterion is designed specifically for each community. The selection criteria outline the entire screening process for each applicant.
- A thorough market analysis is completed quarterly to optimize maximum rents.
- Marketing plans are developed for each community to specifically address occupancy goals and methods to meet said goals.
- Our communities are advertised comprehensively through numerous advertising venues, to create an abundant number of qualified prospects.
- Each leasing agent is trained in Fair Housing Law practices, as well as strategic selling strategies.
- Our goal is to create happy residents! Happy residents pay their rent on time and tell their friends about their positive experience.
- Each of our communities has a resident service program tailored to the demographics and needs of the residents, and information regarding resources available in the community.
- Utilize RealPage's resident management program to help determine the best price for each individual market rate unit by delivering daily insights into rent, occupancy and revenue trends.

Risk Management

Risk Management services encompass the placement of insurance and administration of claims. These general tasks are specifically defined as follows:

- Negotiate placement of insurance via the KMG Prestige master policy.
- Administer insurance claims, assist in recovery of damages from responsible parties and investigate all incidents reported.
- In cooperation with our insurance agent, provide accident prevention and loss control services to help eliminate or minimize the cause of accidents or damage to managed communities.
- Administer and develop loss prevention tasks and procedures.
- Provide safety education for both residents and staff.

Payroll & Human Services

Our Payroll and Human Resources departments include full-time, in-house payroll and human resource staff that are available to assist with any employee-related concerns. These general tasks are specifically defined as follows:

Payroll Services
- Process semi-monthly electronic timesheets and issue direct deposits.
- Process payment of all employee and employer related payroll taxes.
- Complete and submit all required state and federal filings.
- Issue IRS W-2's and 1095s at year end.
- Track use of accrued paid time off, sick and holiday hours.
- Service issued court order judgements, such as Withholding orders, garnishments, etc.
- Administer state unemployment reporting.
- Complete all third-party employment verifications.

Human Resources
- Process all new hire and termination paperwork, including all state and federal requirements such as COBRA.
- Conduct criminal background checks for all potential new team members.
- Coordination of employee benefits including healthcare, vision, dental, 401(k), etc.
- Process all work related injury claims and oversee the workers' compensation process.
- Coordinate the recruitment process of top talent via an integrated applicant tracking system.