

TENANT RELATIONS

We ensure every tenant is aware of our management services and has office, pager and cellular numbers in the event of a request for service, legal, administrative and operational matters or emergencies. Our offices react to calls and emergencies on a '24hours a day - seven days a week' basis. We arrange tenant meetings and maintain accurate correspondence to keep our tenants informed. Sound tenant relations promote long term relations resulting in downtime and capital cost savings for our Owners.

TENANT ACCOUNTING

We maintain detailed records of each tenant's account and are diligent in the collection of rents. We provide reconciliations of their account as required and ensure they are properly advised of any rent increases.

TENANT COLLECTIONS

Effective rent collection requires strong communication with the tenant and a clear understanding of the landlord's remedies under the Governing Acts. While we make collections a management priority, our long range focus is to take measures to prevent the uncontrolled growth of rent arrears by direct contact with the tenant. Our monthly reports review the status of each account and outline actions we take to secure the Owner's position. We also communicate with our Owners to ensure we obtain their approval of our collection approach.

BUSINESS PLANS

We submit comprehensive budgets, scheduled on a month by month basis of revenues by tenant, operating expenses, mortgage payments (if applicable), capital expenditures and cash flows for Owner's approval, prior to the new operating year.

SERVICE CONTRACTS

Service contracts are established or renewed after a complete review of the scope and standard of work required and in accordance with budget guidelines. Contracted services are monitored throughout the year. A bidding process is applied where appropriate. Opportunities for volume buying are regularly used in combination with other Macdonald Realty properties.

PAYABLE PROCESS

We adhere to a strict purchase order system for the purchase of supplies, materials and contracting of any labour required to maintain the property. In consultation with the Client, various levels of expenditure approval for the property and the Property Manager will be determined.

PROPERTY TAXES AND INSURANCE

We review property tax assessments and where appropriate or necessary, arrange for and assist with an appeal. There are a number of consulting firms that can be utilized to negotiate a settlement with the BC Assessment Authority.

In our annual review of the building, rental loss and liability coverage, we recommend a replacement cost appraisal to ensure the property is adequately insured.

PERSONNEL AND PAYABLE ADMINISTRATION

On-site staff, if required, will be hired, trained, and evaluated by our Property Manager. Our services include preparation and maintenance of personnel files, payroll records and

related reporting and remittances. A schedule of duties and responsibilities is provided to each employee. The Building Caretaker and other full time staff (if required) will receive the Macdonald benefit package (i.e.: dental, disability, extended care, etc.) on a very cost effective basis, allowing us to attract the most suitable employees for the property.

CLIENT ACCOUNTING

All rental receipts are deposited in a trust account for the Client and expenses paid from the account. The account is audited annually by the Real Estate Council of British Columbia as part of our annual real estate licensing filing to ensure we are operating the account appropriately.

SITE INSPECTIONS

We perform regular physical inspections of the buildings and grounds and use this opportunity to maintain close contact with tenants and staff, as well as to review the work of contractors and investigate operational issues.

TENANT IMPROVEMENTS

We ensure any tenant improvements or changes are in accordance with the Lease, through a landlord approval process and regular monitoring of contractors while the work is underway. All work is checked for compliance with applicable bylaws and permits and that the contractor has insurance and WCB coverage in place.

TENANCY AGREEMENTS

With respect to new tenants, we obtain detailed applications and conduct credit checks as well as background checks with previous landlords, prior to presenting Rental Applications to the Landlord for consideration.

Upon approval by the Owner, we prepare Fixed Term or Month to Month Residential Tenancy Agreement in accordance with the unique requirements for each building we manage, and as specifically required by the Owner.

PRE-LEASING SERVICE

Macdonald Commercial and its team of property managers will use their experience and knowledge of the area to pre-lease the apartments once an expected completion date for construction has been established.

It is recommended that the marketing campaign begin three months prior to the expected completion date to create a demand for the units and allow potential tenants to make the necessary arrangements at their current homes. Signage on the property advertising the units will be coming available soon as well as online advertising will create a strong demand for the units.

The expected absorption time for the 51 units is three to six months. Our property managers will show the units and screen potential tenants during the pre-leasing phase with the caretaker being able to take over these duties once the building is operating.

We suggest that a figure of \$25,000.00 be included in your building opening budget for marketing and leasing expenses.