

I Executive Summary

Preferred Compliance Solutions is organized in four primary divisions: Ongoing Compliance, Asset Management, Federally Funded Services, and Education and Training. Each of these divisions are led by our nationally recognized Vice Presidents. Today Preferred offers comprehensive services to handle any need or issue that an owner, syndicator, developer, or management company could encounter.

Preferred's nationally distributed team structure comprising of some of the industry's best professionals ensures that your organization will have access to the expertise needed for any compliance related service or need

The Preferred's promise is same day turnaround for all initial certifications and corrections – Preferred will never be the cause of a delay in approving a tenant file and filling the vacant units for our clients. Your organization will never have to worry again about their compliance team keeping up with the pace of unit growth or changing regulations and guidelines.

Leveraging Preferred's NextGen eFile access system, your organization's team and leadership will have powerful reporting tools and real-time insight from high level portfolio summary data to individual tenant file tracking on any internet connected browsing device.

Preferred offers an extensive suite of products and services covering all national and local funding programs ensuring that your organization will never have to look anywhere else for compliance, auditing, or advisory services as your portfolio grows.

II Background

Preferred Compliance Solutions is a monitoring and advisory firm serving developers, syndicators, investors, lenders and management companies in the multi-family affordable housing industry. Preferred was founded over 25 years ago by our current CEO Jose Aponte who is still leading the tremendous growth that Preferred is experiencing today.

Preferred was the first in the industry to introduce paperless tenant file reviews and we continue to lead the industry today with our NextGen eFile access system. Preferred has chosen to remain independent from the consolidation that has been occurring in the industry due to our client first focus. Preferred's extremely low client turnover reinforces and strengthens our motivation keep our clients and their needs paramount.

III Team and Leadership Structure Ensures Success

Preferred's team is nationally distributed throughout the country on purpose. With this distributed strategy, the Preferred team lives and works alongside of our clients in cities and towns throughout the country. Our team is never physically far away should the need arise for face-to-face meetings, trainings, or audit support. Our teams are experts in the states they live and work which supports Preferred's clients in all 50 states and US territories.

When your organization joins our Preferred family, A Senior Portfolio Manager and their dedicated team will be assigned to deliver our industry leading support. These teams are specifically structured and assigned based on the needs of our clients and their portfolios. Ensuring that your team has these program specialists available the minute they start their day and continuing until the last light is turned off when the day has come to a close. The Senior Portfolio manager will lead the monthly review meetings where the concerns and results of the month will be reported and reviewed. Specific training will be provided by these industry experts to ensure that your organization's leasing agents are well trained and able to facilitate fast tenant file approvals.

IV Best in Class Technology Platform

Preferred Compliance Solutions was the first company in the affordable housing industry to offer paperless tenant file reviews and has not stopped innovating. Today, NextGen eFile access is the most comprehensive monitoring and auditing platform that exists in the marketplace. With these powerful tools at the hands of your team and ours – the combined efficiency and effectiveness of the site staff and our portfolios managers has never been greater. Preferred released the industry leading Rent and Income Calculator (ris.preferredcompliance.com) last year and this powerful engine removes the human error from calculating and applying correct rent and income limits for all federal and local funding programs. Has your team struggled with tracking and updating utility allowances? Put this issue permanently with our automated UA tracking process.

Your organization's team will have instant, real-time reporting of the compliance efforts from entire portfolio summaries to individual tenant file metrics. Dashboards in the system show adherence to our promised service levels and turnaround times. The compliance review process will never again be the bottleneck in getting tenants approved and moved in to fill vacancies.

Preferred's systems are cloud based and leverage industry leading security platforms and measures ensuring data integrity and security. Preferred's NextGen eFile access is the hub of all communication and coordination with our clients and can be accessed on any internet connected device. This ensures that our clients will always have the data they need when they need it.

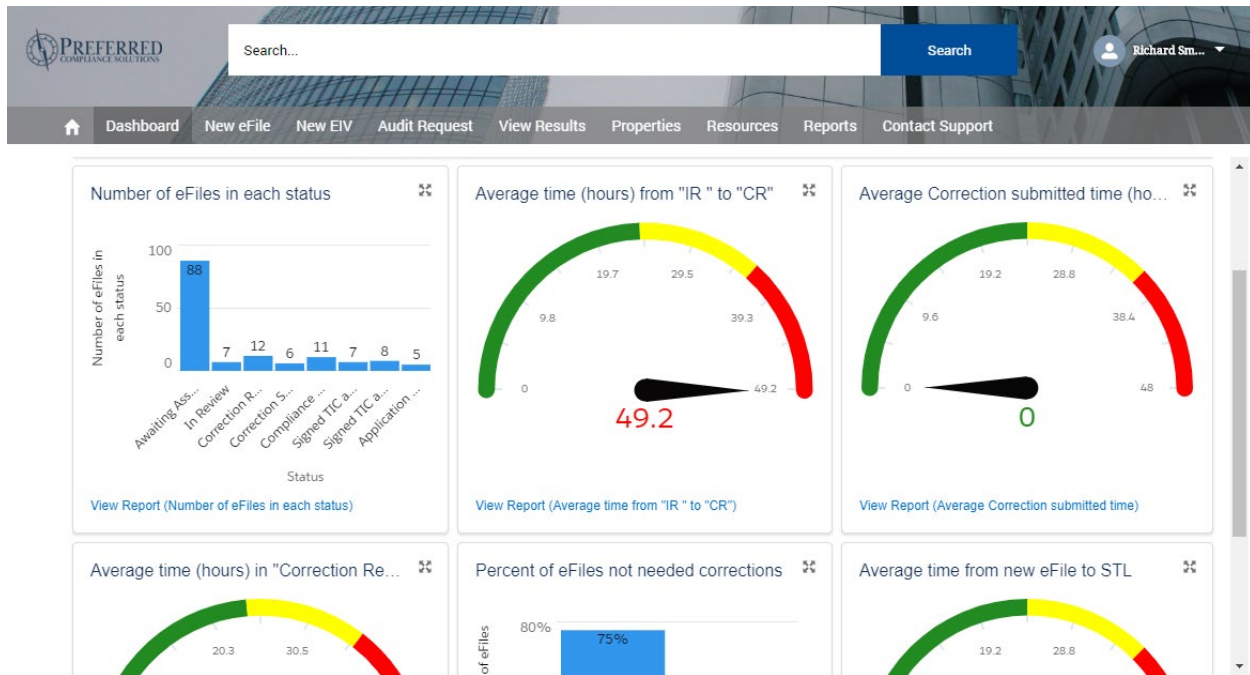


Image above shows NextGen dashboard. A quick and easy way to keep track of how our team and the site staff are doing to stay within the agreed service levels.

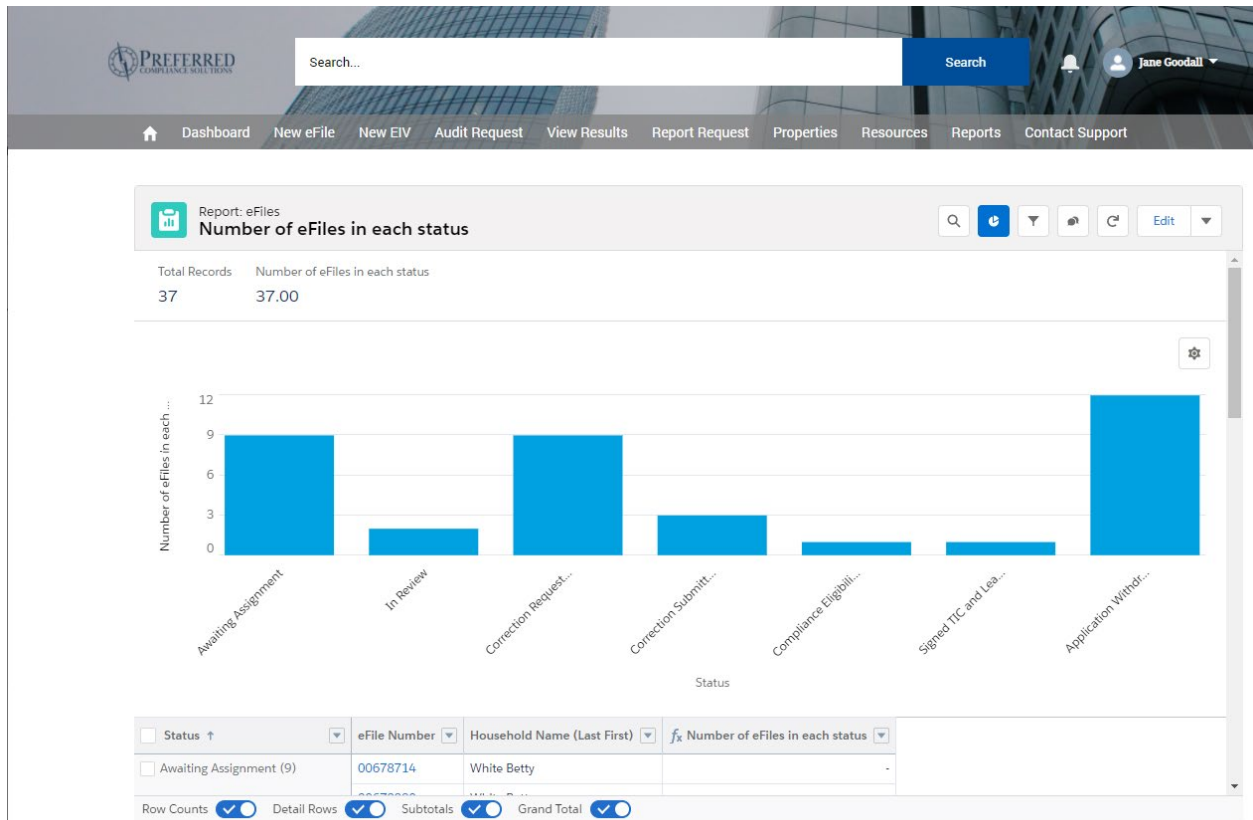
The screenshot displays the Preferred Compliance Solutions web application. The browser address bar shows the URL: <https://communitypreferredcompliance.force.com/cs/s/newresourcesfile>. The application header includes the Preferred Compliance Solutions logo, a search bar, and a user profile for Jane Goodall. A navigation menu contains links: Dashboard, New eFile, New EIV, Audit Request, View Results, Report Request, Properties, Resources, Reports, and Contact Support.

The main content area is titled "Forms and Manuals" and features a "View Preferred Compliance Manual" button. Below this is a table of forms categorized under "Preferred Forms". The table has columns for Title, Category, and Download. The forms listed are:

Title	Category	Download
Certification of Unit Transfer	Preferred Forms	Certification of Unit Transfer
Employment Verification	Preferred Forms	Employment Verification
Interview Checklist	Preferred Forms	Interview Checklist
Non-Employment Affidavit	Preferred Forms	Non-Employment Affidavit
Student Status Affidavit	Preferred Forms	Student Status Affidavit
Sworn Statement of Assets	Preferred Forms	Sworn Statement of Assets
Tenant Income Certification	Preferred Forms	Tenant Income Certification
Verification of Assets Disposed	Preferred Forms	Verification of Assets Disposed
Zero Income Certification	Preferred Forms	Zero Income Certification

The footer section includes the Preferred Compliance Solutions logo and tagline "GUIDING THE WAY". It also contains contact information: "Explore our Resources" (Home, Rent Calculator, eFile Access, Reach Us), "Contact Us" (Email: info@preferredcompliance.com, Phone: (321) 284-4233, Address: 595 S. 80 E. Suite 415, Logan, Utah 84321), and "Follow Us" (Facebook, Twitter, LinkedIn). A "Learn More" button is also present.

All state required forms are kept up to date by our staff for quick and easy access by your team.



NextGen reporting suite extends powerful reporting capabilities to your team with drill down capabilities available across all devices. These reports can be viewed by property or rolled up to entire portfolio. All of these tools are available on any internet browser-based device – your team will have instant access wherever and whenever is needed.

The screenshot displays the Preferred Compliance Solutions website interface. At the top, there is a navigation bar with a search bar, a user profile for Jane Goodall, and a menu with links: Dashboard, New eFile, New EIV, Audit Request, View Results, Report Request, Properties, Resources, Reports, and Contact Support. Below the navigation bar, the 'Contact Support' form is visible. It includes fields for Account (Good Life Properties), Property (Select an Option), Property Staff Name (Select an Option), Email, Phone Number, Category (Please select), and a Description text area. A 'Submit' button is at the bottom of the form. To the right of the form, a 'Chat' window is open, showing input fields for First Name (Jane) and Last Name (Goodall), and a 'Start Chatting' button. The footer of the website contains the Preferred Compliance Solutions logo, a brief description of the company, and contact information including email (info@preferredcompliance.com), phone ((321) 284-4233), and address (595 S. 80 E. Suite 415, Logan, Utah 84321).

Get immediate answers to any questions by leveraging our NextGen chat solution. Never have to leave a message or wait for a return call again.

Innovation Continues

Several projects are underway now to further automate processes through digitalization of the tenant application and connect to on site property management solutions.

1. Our digital tenant kiosk will provide an easy way for potential tenants to apply for tenancy as well as to recertify as needed. This can be done either in the property leasing office at a shared computer, or at home with their own personal computer, and eventually on their smart phones.
2. Integrations are underway with Yardi and Resman currently. RealPage, Entrada and Boston Post are also on the roadmap. This will allow property staff to stay working in these platforms if desired and will reduce any data entry redundancy.
3. Additional development is underway to seamlessly connect with the leading property management platforms in the marketplace, allowing our clients to stay working in their platform of choice. (Yardi, RealPage, ResMan, etc.)

Leveraging these industry leading cloud solutions will allow Preferred Compliance to remain at the leading edge of technology to ensure maximum productivity and efficiency which leads to cost savings for our clients.

V Extensive List of Services

Preferred Compliance Solutions is organized in four primary divisions: Ongoing Compliance, Asset Management, Federally Funded Services, and Education and Training. Each of these divisions are led by our nationally recognized Vice Presidents. Today Preferred offers comprehensive services to handle any need or issue that an owner, syndicator, developer, or management company could encounter. The following sections are meant to provide a summary of some of the services that we provide, but is not inclusive of all. If there is a service you desire that is not listed below, please contact us to discuss.

1. Ongoing Compliance

- a. Preferred has a unique pricing and service bundling structure and strategy for Ongoing Compliance clients which will allows them to have a low, fixed monthly fee to simplify budgeting, accounting and tracking while bundling our most requested services. These include:
 - i. Move-in file reviews
 1. Review of all income and assets as well as program required additional forms such as Race and Ethnicity and State Specific forms for eligibility and accuracy.
 2. Review of trial TIC/HUD 59 and the draft residential lease agreement for accuracy.
 3. Review and approval of final documents post move in to include signed lease agreement and signed TIC/HUD 59.
 - ii. Annual recertifications (self-certifications, interim certifications also)
 1. Review all income and assets as well as program required additional forms such as State Specific forms for eligibility and accuracy.
 2. Review of trial TIC/HUD 59 and draft residential lease agreement for accuracy.
 3. Review and approval of final documents post recertification signing to include signed lease agreement and signed TIC/HUD 59.
 - iii. Utility allowance tracking and automated rent and income sheet generation. Our system will send automated notices to site staff for UAs that need to be updated. Our team will enter these new UA amounts into Nextgen and a new rent and income sheet will be generated by the system and made active.
 - iv. State agency responses to findings (related to compliance)
 - v. Training (as covered in the monthly coordinating meetings with the site staff to train and review the areas that are noted to be of concern).
 - vi. Lender / Syndicator coordination as needed. Many required reports are available within NextGen, we can also assist as needed to generate custom reports as required. (may incur a reporting fee)
 - vii. Monthly / Annual reporting is available through our reporting team and can include data entry into state or agency web portals.

- viii. Syndicator / Lender support. The way our system is structured, it is easy and quick to send tenant files as needed.

The Preferred promise is same day turnaround for all initial certifications and corrections – Preferred will never be the cause of a delay in approving a tenant file and filling the vacant units for our clients. Any file uploaded before 4 PM EST will be reviewed that same day.

2. Asset Management Division

- a. Our Asset Management division is Preferred's SWAT team – these we send on site to discover, analyze and resolve any compliance issue or need related to the operation of the property. Some of these services include but are not limited to:
 - i. Onsite support for anything from interviewing tenants to moving in households. We have a proven system to deliver fast and reliable results while minimizing the expense to the property or management company.
 - ii. Audits – these audits can be conducted either electronically through Preferred's NextGen platform or in person State agency reporting is handled by our Reporting team and supported through the NextGen platform.
 - iii. Lender / Syndicator audits, reviews, and reconciliations. We represent some of the largest lenders and syndicators in completing the first-year file certifications as well as annual compliance audits for both physical and program compliance. Our system allows for the lender / syndicator to have access to the platform to track audit and household status and to view reports. They are also able to download tenant files from this audit request as needed.

3. Additional Services

- a. Training. Most training needs can be covered in the monthly review meetings for the site and are included in the Ongoing Compliance program. Preferred does have a training division and can provide a wide variety of training and certification programs for site staff as needed. Preferred also has built a library of on demand webinars and training courses (both free and paid) that can be accessed as needed. Preferred also conducts a free webinar each week on a compliance hot topic that anyone can join.
- b. Paid training (in person or via web conference). Preferred's Training division will assist with the specification, design, and delivery of training services for any affordable housing topic of your organization's choice.
- c. MOR preparation. During the onboarding of the properties, all inspection related documents will be reviewed and the work to prepare for the next MOR review will be completed. Preferred's team can be utilized to perform the physical inspections, and follow up on any REAC deficiencies, or this work can be handled by onsite staff and Preferred will follow-up to ensure all work was completed. For the day of the MOR inspection, Preferred's team can be onsite or available via web-conference or telephone whichever is preferable.

- d. EIV reporting (coordinating). Preferred will serve as the EIV coordinator for all properties requiring this service.
 - e. Utility allowance analyses and submissions. For UAF analyses, these are included in the ongoing fee for the properties. If a new baseline submission is required Preferred can complete this new analysis for a fee.
 - f. HUD contract renewals
 - g. HUD OCAF submissions
 - h. HUD Special Claims Services
4. Other items of interest
- a. Turnaround times
 - i. Initial certifications and corrections for these certifications – Same day as outlined above. The site team will receive either a “Compliance Eligibility Cleared” (Preapproval) or a “Correction Requested”. If corrections are submitted before 4 PM ET, these will also be reviewed the same day.
 - b. Pre-Approvals
 - i. NextGen efile status of “Compliance Eligibility Cleared” indicates that the household has met the minimum standard for occupancy and move-in can begin. Additional steps of submitted the signed TIC and lease for final “Approval” would be the remaining task for the site staff. With our Preferred promise a household could apply and receive this cleared status all in the same day.
 - ii. Preferred leadership will work with your management team to determine what these minimum requirements will be for each of the properties and programs. Preferred will always error on the side of caution and our recommendations will be shared with your team for consideration. This is part of our onboarding process for new clients and their properties.
 - iii. Archiving of files. Preferred does not currently charge for data storage for our ongoing clients. This data is safely stored behind Salesforce’s and Google Enterprise’s firewalls. If your organization wishes to also store this data, this can be easily done through a file share process which we can coordinate.
 - c. Advisory services
 - i. Our preferred team has a state expert for all 50 states whose role it is to stay current on all updates and changes to regulation, required forms, etc. This is part of the ongoing services package, and NextGen ensures that our team has the most recent list of these regulations, forms, and recommendations as they are reviewing the tenant files.
 - 1. Your organization will be assigned a Senior Portfolio Manager who will be able to provide additional guidance as needed – also part of the ongoing services.
 - d. Reporting
 - i. As shown in the screen clips above, NextGen’s reporting capabilities are unsurpassed in the industry. Many standard reports have been created for

use, and we can train your staff how to create any custom report that they dream up.

1. For re-certifications. Once we have the households entered into NextGen, notifications and reports will be sent to the site staff showing which households are due for recertification. Reports will also show outstanding re-certs through this period and past due as well.
 - a. Households will be entered into NextGen as they submit an IC or recertification. We can also discuss loading existing tenant files into NextGen to help facilitate these notifications and reports.

e. NextGen access

- i. This platform is the center for all work and communication between Preferred and the properties. We'd love to show a demonstration of the full extend of the capabilities here as appropriate. We know that some of your team has already been exposed to some of its functionality through the Asset Management work completed in the past.
 1. Each property will receive a shared login for all site staff as part of the ongoing agreement. We will setup the property with each of the site staff's contact details so that we know their individual contact details for notifications, emails, etc.
 2. For clients over 5 properties, a leadership team license will also be provided which will show the work across the portfolio.
 3. For large portfolios, regional manager logins can be provided and limited to their portfolios in addition to the leadership license discussed above which will be able to access all properties and all data.
 4. Once we know how many properties, the organizational structure and your organization's requirements here, we can determine the best way forward here.

f. Transmittal checklist

- i. When the applicant package has been determined Preferred can assist with generating a transmittal checklist if needed. This can be sent with the tenant package for tracking on both sides. The NextGen system will capture all needed corrections and clearly communicate any outstanding items needed between our team and yours.

g. Special consideration for new construction lease-ups and acquisition/rehab scenarios

- i. Our systems and services handle these scenarios as the need arises. For our ongoing clients, there is a fee to review regulatory agreements and get the properties setup in the system, and a slightly elevated monthly fee during lease-up. These fees transition to the portfolio standard rate once lease-up is completed to continue the ongoing monitoring.

VI Pricing Details

Pricing as shown below is our standard list price and shown as a reference only. Once the list of services has been finalized and the properties / units numbers covered are known, a bundled service price can be generated and shared.

1. Ongoing Compliance Program
 - a. First 1,500 units
 - i. \$3.90/unit/month for single layer funding
 - ii. \$2.00/unit/month for second layer requiring separate file review
 - b. 1,501 – 2,500 units
 - i. \$3.40/unit/month for single layer funding
 - ii. \$2.00/unit/month for second layer requiring separate file review
 - c. 2,501 – 5,000 units
 - i. \$2.90/unit/month for single layer funding
 - ii. \$2.00/unit/month for second layer requiring separate file review
 - d. NextGen access
 - i. 1 license for accounts with three properties or less
 - ii. 1 license per site for accounts with 4 or more properties
 - iii. 1 executive license included for each 10 properties
 - iv. Additional licenses for \$30/month
 - e. Reporting
 - i. Monthly Program Report \$75/month.
 - ii. Annual Owners Certification \$175/year
 - f. Consulting and Additional Services not specifically defined in scope of services
 - i. \$175/hr
2. Asset Management
 - a. \$35 per file reviewed electronically / \$15 per correction turn reviewed
 - b. \$45 per file reviewed onsite / \$15 per correction turn reviewed
 - c. \$65 per physical unit inspected
 - d. \$175 for syndicator closeout letters
3. Federally Funded Services
 - a. Enterprise Income Verification (EIV) Coordination
 - i. \$300 initial setup fee
 - ii. \$2.50/unit/month or \$100 whichever is greater
 - b. Tenant Rental Assistance Certification Services
 - i. \$300 initial setup fee
 - ii. \$2.50/unit/month or \$100 whichever is greater as a stand-alone service
 - iii. \$1.00/unit/month or \$75 whichever is greater if combined with EIV service
 - c. Management Interactive Network Connection (MINC)
 - i. \$2.50/unit/month or \$150 whichever is greater

- d. Special Claims Services
 - i. One-time setup fee of \$100 per property
 - ii. \$40 or 15% of the total approved claim amount (whichever is greater)
plus
 - 1. \$25/month for properties less than 25 units
 - 2. \$50/month for properties between 25 and 50 units
 - 3. \$75/month for properties between 50 and 100 units
 - 4. \$100/month for properties between 100 and 200 units
 - 5. \$150/month for properties greater than 200 units
- 4. Special Scenario Pricing
 - a. Acquisition Rehab
 - i. \$4.75 per unit during phase
 - ii. Accelerated payments due if sold or terminated before 12 months
 - iii. \$250 syndicator coordination for file transfers and questions
 - iv. NextGen report included, if specific Syndicator / Lender report required \$125 to complete
 - b. Lease-up
 - i. \$4.75 per unit through lease-up period
 - ii. Regulatory agreement review is mandatory (x\$)
 - iii. \$250 syndicator coordination for file transfers and questions
 - iv. NextGen report included, if specific report is required (\$75) to complete
 - c. Income Averaging
 - i. \$4.75 per unit through lease-up period
 - ii. \$350 for regulatory review and unit mix matrix setup
 - iii. \$250 syndicator coordination for file transfers and questions
 - iv. Monthly tracking report included if NextGen / else \$75 for special format

VII Summary

Preferred Compliance Solutions is uniquely positioned to monitor your organization's portfolio and help with any additional auditing, consulting or training needs. Our Preferred promise will ensure that your organization can focus on the aggressive growth plans and delivering exceptional tenant experiences while Preferred ensures compliance.

Preferred has led the affordable housing compliance advisory and auditing industry for over 25 years and our record of client retention confirms our unending quest to deliver exceptional client experiences with unsurpassed support levels. Preferred is excited to be your

organization's partner in providing these services and being part of their tremendous growth and continued success in the affordable housing industry.