HOUSING AUTHORITY OF KITTITAS COUNTY

Board Meeting Agenda **March 18, 2026**

Place: Housing Authority Board Room (2nd Floor 107 W 11th Avenue; Ellensburg, WA 98926)
Also via Zoom link:
https://us02web.zoom.us/j/89804435782?pwd=lvTco6HI9jbuVeiw5SZaffMp1PNHaV.1

Meeting ID: 898 0443 5782
Passcode: 083533
One tap mobile: 1-253-215-8782 and follow prompts, including entry of meeting ID (898 0443 5782)

Members & Staff Present: Guests:

___ Nicalee Smith, Commissioner
___ Carole Rhodes, Commissioner
___ John Littel, Vice Chairperson
___ Rob Perkins, Chairperson
___ Jennifer Ellis, Executive Director
___ Katie Haggin, Operations Supervisor

A. OPEN REGULAR MEETING AND INTRODUCTIONS

B. COMMENTS FROM THE PUBLIC AND GUEST

C. APPROVE MINUTES – February 18, 2026 regular meeting Tab 1

D. CONSENT AGENDA Tab 2

A. Approve February 2026 Vouchers
   a. HAKC Voucher for February 2026
   b. HAKC Alder Terrace Voucher for February 2026
   c. HAKC Kittitas RAD Voucher for February 2026

B. Approve February 2026 Project and Activity Status Reports
   a. Housing Status Report
   b. Turnover, Occupancy Rate and Delinquent Tenant Accounts Report
   c. Contract Status Report

E. December 2025 Draft Financials Tab 3

F. RESOLUTIONS AND ACTION ITEMS Tab 4

a. RESOLUTION 26-1015, A Resolution Authorizing Housing Authority of Kittitas

County to Assume Management of Pine Terrace Apartments

b. RESOLUTION 26-1016, A Resolution Authorizing Housing Authority of Kittitas County to Extend Offer of Employment to On-Site Manager and On-Site Maintenance of Pine Terrace Apartments

G. INFORMATION ITEMS:

- Chairperson Report
- Executive Director Report
- Commissioner Reports

H. Executive Session (if needed)

ADJOURN (Time_____AM)

Next Meeting: April 15, 2026, 7:00 A.M. Regular Meeting

Agenda items with an asterisk (*) indicate material will be provided at the meeting.

HOUSING AUTHORITY OF KITTITAS COUNTY
REGULAR BOARD MEETING
Wednesday, February 18, 2026

A regular meeting of the Housing Authority of Kittitas County Board of Commissioners was held Wednesday, February 18, 2026, at 107 W 11th Ave, Ellensburg, WA 98926, held in person and by zoom conference call.

Commissioners Present:
Rob Perkins, Chairperson
John Little, Vice Chairperson
Nicalee Smith, Commissioner

Absent:
Carole Rhodes, Commissioner

Staff Present:
Jennifer Ellis, Executive Director

Guests:

OPEN REGULAR MEETING AND INTRODUCTIONS

Rob Perkins, Chairperson, called the meeting to order at 7:03 a.m.

COMMENTS FROM THE PUBLIC AND GUESTS

There were no comments from the public or guests.

January 21, 2026 MEETING MINUTES

Commissioner Smith moved to approve the January 21, 2026 meeting minutes. Vice Chair Littel seconded. There being no additional comments or questions, the motion passed unanimously.

CONSENT AGENDA

The Commissioners reviewed the January 2026 Vouchers and Project and Activity Status Reports and found no voucher irregularities or other irregularities. There being no additional questions or comments, Commissioner Smith moved to approve the consent agenda, Vice Chair Littel seconded. There being no additional questions, the motion passed unanimously.

DECEMBER 2025 FINANCIALS

Executive Director Ellis noted that the financials for December, 2025 were not final and would not be finalized until the completion of the partnership audits. Ellis noted that significant expenses were primarily tied to contracted services for repair done on the units as well as a higher amount of expense in connection with legal services this past year. Ellis also noted that the expenses for the repairs were also reimbursed by reserves as had previously been communicated.

RESOLUTIONS AND ACTION ITEMS

a. RESOLUTION 26-1014 Resolution Authorizing Payment by the Housing Authority to Washington State Housing Finance Commission of the Underlying Loan for Bender Road Property. Vice Chair Littel moved for approval of the resolution. Commissioner Smith seconded. Ellis outlined the loan obligation and its maturity date and provided the historical summary on the property acquisition and previous conversations with Washington State Housing Finance Commission ("WSHFC") about paying off the loan earlier. Ellis provided additional information regarding potential costs in connection to getting the property "build ready" condition, primarily in connection with water mitigation and re-routing the irrigation ditch that runs diagonal through the property and other water on the property. Ellis also noted that HAKC had received an email from Matthew Stalder emailed earlier in the week, asking about the process to submit an offer to purchase the property but that she had not yet had the opportunity to respond. The Board discussed the issue of costs,

the current construction economy and the property's position in connection with other development in the area. Ellis noted that she would be in further conversation with WSHFC regarding the repayment of the loan and the property itself. There being no further discussion, roll call was taken on the motion to pass the resolution. The motion passed unanimously.

INFORMATION ITEMS

- Chairperson Report – Chairperson Perkins had no separate Chairperson report to present however Chairperson Perkins discussed the possibility of changing the meeting time from 7 a.m. to 8 a.m. The Board discussed the same and the pros and cons of changing the time and noted that a proposed change would need to be brought before the Board for approval via resolution.

- Executive Director Report –

  Operations and Maintenance Update

  HAKC has hired a new maintenance personnel member, Justin Polzin who has good construction and maintenance background. HAKC has a full crew and plans to significantly reduce third party contracted costs going into the spring and summer seasons. Maintenance has continued to focus on preventative maintenance and landscaping while HAKC currently experiences a lower turn over rate. Katie Haggin, Operations Supervisor, conducted inspections with the maintenance lead, Guy McFadden in anticipation of upcoming INSPIRE inspections.

  Staff will be attending the upcoming AHMA training in Wenatchee. Three staff are also attending the Nelrod conference and training in Las Vegas, Nevada next week. This will be the first out of state travel in some time.

  Misty Ness, Office Coordinator/Accounts Payable, and Haggin have been reviewing and assessing potential software programs for HAKC to utilize moving forward. They have been scheduling and attending various demos and have another scheduled for HAKC's accountant to also attend in order to make a determination as to the best company to utilize moving forward.

  State Auditor's Office Exit Interview
  SAO conducted its exit interview on February 4, 2026 for the 2022-2024 accountability audit. Vice Chair Littel also attended the exit interview and the exit packages were sent to all Board Members. A management letter was generated due to HAKC failing to submit financial schedules to SAO's portal timely as an accountant for HAKC had previously submitted the schedules, but left the position. HAKC was unaware that the schedules had not been submitted and was not an authorized user for the portal so was not informed as to the lack of submission. HAKC subsequently submitted those schedules and is now an authorized user. Exit recommendations included HAKC implementing a written policy regarding electronic funds transfers and making sure that no executive sessions at Board meetings go too far under the time allotted for the session.

  Pine Terrace
  HAKC received communication that Ad-West was terminating their management of Pine Terrace effective March 31, 2026. Ellis had a conversation with Ad-West regarding the "offboarding" of Ad-West. There are specific steps that will need to be taken to ensure that HAKC is approved by USDA-RD to manage the property and HAKC will be putting everything together as soon as possible so that there is adequate time for USDA-RD's review and approval. Ad-West has committed to assisting with the transition to make it as smooth as possible. There is software and a calendar system that USDA-RD utilizes to show compliance and when certain tasks must be completed. Ad-West noted that Pine Terrace was currently in compliance but needed to submit previous audits that had been completed. Ellis noted that she would likely be asking for weekly meetings to assure that steps are being appropriately taken for the transition and that she had also spoke with on-site management to note that HAKC would be maintaining the status quo until further assessment was made and that an offer of employment would need to be approved by the Board as it would be a new HAKC staff positions.

- Commissioner Report – Vice Chair Littel stated that he had volunteered to serve on the

Commissioner's Committee for NAHRO and had attended an interview with Lori McGowan, PNRC NAHRO's President. If appointed, Littel would like to attend the PNRC NAHRO conference in Portland in September, 2026.

There being no more formal business to conduct or discussion, comments or questions, Commissioner Smith moved to adjourn the meeting. Vice Chair Littel seconded. Motion passed. Chairperson Perkins ADJOURNED the meeting at 7:48 p.m.

Next Meeting: March 18, 2026, 7 A.M. Regular Meeting
Minutes respectfully submitted by Jennifer Ellis, Executive Director

SEAL:

_____

Rob Perkins, Chair

ATTEST

_____

Jennifer Ellis, Secretary

Housing Authority of Kittitas County
107 West 11th Avenue
Ellensburg, WA. 98926-2568

HOUSING AUTHORITY OF KITTITAS COUNTY
ACCOUNTS PAYABLE/RECEIVABLE DISBURSEMENTS

WE, THE UNDERSIGNED BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF KITTITAS COUNTY, WASHINGTON DO HEREBY CERTIFY UNDER PENALTY OF PERJURY THAT THE MATERIALS HAVE BEEN FURNISHED, THE SERVICES RENDERED OR THE LABOR PERFORMED AS DESCRIBED HEREIN AND THAT THE CLAIM IS A JUST, DUE AND UNPAID OBLIGATION AGAINST THE ***HOUSING AUTHORITY OF KITTITAS COUNTY*** AND THAT WE ARE AUTHORIZED TO AUTHENTICATE AND CERTIFY TO SAID CLAIM (S) THIS 18th DAY OF MARCH 2026.

Transaction Type	Check Numbers	Comments	Total
Accounts Payable	34818 to 34837 801159 to 801168	See Check Register 2/1/26-2/28/26	$58,722.09
Transfer to Alder Terrace LLLP	Online	None	$0.00
Bank Analysis Fees	Online	None	$164.77
Voided Checks	None	None	$0.00
		Total Disbursements	**$58,886.86**

SEE ATTACHED LISTINGS FOR PAYMENT VOUCHER DETAIL

ROBERT H. PERKINS, CHAIR

CAROLE RHODES

JOHN LITTEL

NICALEE SMITH

HOUSING AUTHORITY OF KITTITAS COUNTY

Check Register

HAKC

HAKC

Bank Account: 5 01 111.1 0 - HAKC - Cash Operations
All Check Numbers
Check Dates from 2/1/2026 through 2/28/2026

Check Number	Check Type	Check Amount	Status	Check Date	Vendor Name
00034818	Check	$327.35	Open	02/11/2026	AMAZON PAYMENTS INC
00034819	Check	$27.78	Open	02/11/2026	CANON SOLUTIONS AMERICA, Inc
00034820	Check	$2,456.55	Open	02/11/2026	NUVODIA, LLC
00034821	Check	$199.06	Open	02/11/2026	The Hartford
00034830	Check	$1,025.96	Open	02/23/2026	KITTITAS COUNTY TREASURER
00034831	Check	$60.00	Open	02/23/2026	PNRC-NAHRO
00034832	Check	$5,407.50	Open	02/23/2026	CLIFTONLARSONALLEN
00034833	Check	$4,141.59	Open	02/23/2026	Elan Financial Services
00034834	Check	$14,834.00	Open	02/23/2026	HARRP
00034835	Check	$391.60	Open	02/23/2026	Lightcurve
00034836	Check	$6,208.40	Open	02/23/2026	STATE AUDITOR'S OFFICE
00034837	Check	$7,916.62	Open	02/23/2026	BENEFIT SOLUTIONS INC
00801159	Check	$15.00	Open	02/03/2026	DEPARTMENT OF LICENSING driving
00801160	Check	$2,982.82	Open	02/06/2026	1 DEPT OF RETIREMENT
00801161	Check	$116.50	Open	02/06/2026	Nationwide TFS, LLC
00801162	Check	$4,764.30	Open	02/06/2026	1 PAYROLL TAX DEPOSIT HAKC
00801164	Check	$2,464.56	Open	02/20/2026	1 DEPT OF RETIREMENT
00801165	Check	$11.94	Open	02/20/2026	Nationwide TFS, LLC
00801166	Check	$116.50	Open	02/20/2026	Nationwide TFS, LLC
00801167	Check	$4,944.38	Open	02/20/2026	1 PAYROLL TAX DEPOSIT HAKC
00801168	Check	$309.68	Open	02/28/2026	T-Mobile

Total # of checks listed: 21
Total amount of all checks: $58,722.09
Total Open: 21
Total Cleared: 0
Total Reconciled: 0
Total Void: 0

Housing Authority of Kittitas County
107 West 11th Avenue
Ellensburg, WA. 98926-2568

HOUSING AUTHORITY OF KITTITAS COUNTY
ALDER TERRACE LLLP
ACCOUNTS PAYABLE/RECEIVABLE DISBURSEMENTS

WE, THE UNDERSIGNED BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF KITTITAS COUNTY, WASHINGTON DO HEREBY CERTIFY UNDER PENALTY OF PERJURY THAT THE MATERIALS HAVE BEEN FURNISHED, THE SERVICES RENDERED OR THE LABOR PERFORMED AS DESCRIBED HEREIN AND THAT THE CLAIM IS A JUST, DUE AND UNPAID OBLIGATION AGAINST THE ***ALDER TERRACE LLLP*** AND THAT WE ARE AUTHORIZED TO AUTHENTICATE AND CERTIFY TO SAID CLAIM (S) THIS 18th DAY OF MARCH 2026.

Transaction Type	Check Numbers	Comments	Total
Accounts Payable and Security Deposit	1568 to 1588	See Check Register 2/1/26-2/28/26	$15,263.66
Bank Analysis Fees	Online	None	$107.58
Transfer to HAKC – Intercompany	Online	None	$0.00
Transfers to Chase – Loan Payment	Online - ACH	None	$13,623.88
Transfers from Operations to Security Deposit Account	Online - ACH	None	$0.00
Transfers from Security Deposit Account to Operations – Move Out Assessed Charges	Online - ACH	None	$0.00
		Total Disbursements	**$28,995.12**

SEE ATTACHED LISTINGS FOR PAYMENT VOUCHER DETAIL

ROBERT H. PERKINS, CHAIR

CAROLE RHODES

JOHN LITTEL

NICALEE SMITH

Kittitas County WA Tax credit

Check Register

AT Tax Credit

Alder Terrace

Bank Account: 4 01 111.1 0 - Alder Terrace Affordable Housing, LLLP

All Check Numbers

Check Dates from 2/1/2026 through 2/28/2026

Check Number	Check Type	Check Amount	Status	Check Date	Vendor Name
00001568	Check	$70.36	Open	02/10/2026	A-1 PETROLEUM & PROPANE
00001569	Check	$1,869.67	Open	02/10/2026	CITY OF ELLENSBURG
00001570	Check	$21.75	Open	02/10/2026	ELLENSBURG ACE HARDWARE
00001571	Check	$298.89	Open	02/10/2026	HD Supply
00001572	Check	$678.75	Open	02/10/2026	PROSITE PEST CONTROL
00001573	Check	$271.50	Open	02/10/2026	SINGER ELECTRIC
00001574	Check	$1,081.66	Open	02/10/2026	ABC FIRE CONTROL
00001575	Check	$265.67	Open	02/10/2026	AMAZON CAPITAL SERVICES
00001576	Check		Void	02/10/2026	JOHN MCFADDEN
00001577	Check	$3.86	Open	02/10/2026	KELLER SUPPLY COMPANY
00001578	Check	$87.00	Open	02/10/2026	KITTITAS COUNTY SOLID WASTE
00001579	Check	$50.00	Open	02/10/2026	SPECTRUM ENTERPRISES INC
00001580	Check	$2,389.53	Open	02/10/2026	WASTE MANAGEMENT OF ELLENSBURG
00001581	Check	$6,045.83	Open	02/10/2026	HOUSING AUTH. OF KITTITAS CO
00001582	Check	$160.17	Open	02/10/2026	KATIE HAGGIN
00001583	Check	$572.06	Open	02/23/2026	KITTITAS COUNTY TREASURER
00001584	Check	$485.60	Open	02/23/2026	HD Supply
00001585	Check	$468.00	Open	02/23/2026	AHRP
00001586	Check	$60.86	Open	02/23/2026	Elan Financial Services
00001587	Check	$322.50	Open	02/23/2026	KATHY RODEWALD
00001588	Check	$60.00	Open	02/23/2026	LIGHTCURVE

Total # of checks listed: 21

Total amount of all checks: $15,263.66

Total Open: 20

Total Cleared: 0

Total Reconciled: 0

Total Void: 1

Housing Authority of Kittitas County
107 West 11th Avenue
Ellensburg, WA. 98926-2568

HOUSING AUTHORITY OF KITTITAS COUNTY
KITTITAS RAD LLLP
ACCOUNTS PAYABLE/RECEIVABLE DISBURSEMENTS

WE, THE UNDERSIGNED BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF KITTITAS COUNTY, WASHINGTON DO HEREBY CERTIFY UNDER PENALTY OF PERJURY THAT THE MATERIALS HAVE BEEN FURNISHED, THE SERVICES RENDERED OR THE LABOR PERFORMED AS DESCRIBED HEREIN AND THAT THE CLAIM IS A JUST, DUE AND UNPAID OBLIGATION AGAINST THE ***KITTITAS RAD LLLP*** AND THAT WE ARE AUTHORIZED TO AUTHENTICATE AND CERTIFY TO SAID CLAIM (S) THIS 18th DAY OF MARCH 2026.

Transaction Type	Check Numbers	Comments	Total
Accounts Payable and Security Deposit	2004 TO 2029	See Check Registers 2/1/26-2/28/26	$32,528.92
Bank Analysis Fees	Online	None	$133.80
Transfer to HAKC – Intercompany	Online	None	$0.00
Transfer to Chase – Loan Payment	Online - ACH	None	$27,806.74
Transfers from Operations to Security Deposit Account	Online - ACH	None	$0.00
Transfers from Security Deposit Account to Operations – Move Out Assessed Charges	Online - ACH	None	$0.00
		Total Disbursements	**$60,469.46**

SEE ATTACHED LISTINGS FOR PAYMENT VOUCHER DETAIL

ROBERT H. PERKINS, CHAIR

CAROLE RHODES

JOHN LITTEL

NICALEE SMITH

Kittitas County WA Tax credit

Check Register

RAD Tax Credit HAKC

RAD Tax Credit HAKC

Bank Account: 5 01 111.1 0 - Kittitas RAD Affordable Housing, LLLP

All Check Numbers

Check Dates from 2/1/2026 through 2/28/2026

Check Number	Check Type	Check Amount	Status	Check Date	Vendor Name
00002004	Check	$136.58	Open	02/11/2026	A-1 PETROLEUM & PROPANE
00002005	Check	$3,311.77	Open	02/11/2026	CITY OF ELLENSBURG
00002006	Check	$2,161.51	Open	02/11/2026	CITY OF KITTITAS
00002007	Check	$100.00	Open	02/11/2026	CLEAN HOUSE CARPET CLEANING
00002008	Check	$24.73	Open	02/11/2026	ELLENSBURG ACE HARDWARE
00002009	Check	$179.39	Open	02/11/2026	HD SUPPLY FACILITIES MAINT
00002010	Check	$2,089.50	Open	02/11/2026	LATHROP, WINBAUER, HARREL ETAL
00002011	Check	$62.77	Open	02/11/2026	MRI SOFTWARE, LLC
00002012	Check	$1,456.10	Open	02/11/2026	PROSITE PEST CONTROL
00002013	Check	$792.78	Open	02/11/2026	SALA'S DRAIN & SEWER CLEANING
00002014	Check	$2,254.53	Open	02/11/2026	ABC FIRE CONTROL
00002015	Check	$373.19	Open	02/11/2026	AMAZON CAPITAL SERVICES
00002016	Check	$6,565.79	Open	02/11/2026	HOUSING AUTH. OF KITTITAS CO
00002017	Check	$322.50	Open	02/11/2026	KATIE HAGGIN
00002018	Check	$74.00	Open	02/11/2026	KITTITAS COUNTY SOLID WASTE
00002019	Check	$322.50	Open	02/11/2026	MISTY NESS
00002020	Check	$767.07	Open	02/11/2026	PUGET SOUND ENERGY
00002021	Check	$50.00	Open	02/11/2026	SPECTRUM ENTERPRISES INC
00002022	Check	$5,176.14	Open	02/11/2026	WASTE MANAGEMENT OF ELLENSBURG
00002023	Check	$85.00	Open	02/23/2026	KITTITAS COUNTY TREASURER
00002024	Check	$5,309.10	Open	02/23/2026	CITY OF ELLENSBURG
00002025	Check	$7.90	Open	02/23/2026	ELLENSBURG ACE HARDWARE
00002026	Check	$269.98	Open	02/23/2026	HD SUPPLY FACILITIES MAINT
00002027	Check	$30.39	Open	02/23/2026	KNUDSON LUMBER
00002028	Check	$145.70	Open	02/23/2026	Elan Financial Services
00002029	Check	$460.00	Open	02/23/2026	LIGHTCURVE

Total # of checks listed: 26

Total amount of all checks: $32,528.92

Total Open: 26

Total Cleared: 0

Total Reconciled: 0

Total Void: 0

TENANTS ACCOUNTS RECEIVABLE ANALYSIS AND PROJECTION

Kittitas RAD Affordable Housing Portfolio LLLP
FYE 2026
February 28, 2026

Projects	Rent Roll	Collection Loss	Retro Rents	Tenant Refunds	Late Charges	NSF Fees	Other Charges/ Excess Util.	FEB Adjusted Rent Totals
Cherry Lane	$8,909.00	$0.00	$0.00	$0.00	$0.00	$0.00	$663.65	$9,572.65
Trinal Manor	$22,158.00	$0.00	$0.00	$0.00	$0.00	$0.00	-$233.69	$21,924.31
Mt Stuart/Vista	$36,374.00	$0.00	$0.00	$0.00	$100.00	$0.00	$12.89	$36,486.89
Helena	$4,605.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$4,605.00
Kittitas Family	$16,873.00	$0.00	$0.00	$0.00	$50.00	$0.00	$484.83	$17,407.83
Cahill Manor	$13,193.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$13,193.00
Totals	$102,112.00	$0.00	$0.00	$0.00	$150.00	$0.00	$927.68	$103,189.68

TENANT ACCOUNTS RECEIVABLE REPORT (TARS) SUMMARY

As of February 28, 2026

Projects	Beginning Balance	Prior Month Adjustments	Adjusted Beginning Balance	Rent & Other Charges	Collections	Ending Balance	Prepaid Rental Amount	Actual Amount Owed
Cherry Lane	-$316.88	$0.00	-$316.88	**$9,572.65**	$8,538.00	$717.77	$51.88	$769.65
Trinal Manor	$58.69	$325.80	$384.49	**$21,924.31**	$22,512.00	-$203.20	$755.60	$552.40
Mt Stuart/Vista	$3,236.21	$0.00	$3,236.21	**$36,486.89**	$35,674.00	$4,049.10	$663.04	$4,712.14
Helena	$3,413.00	$0.00	$3,413.00	**$4,605.00**	$7,729.00	$289.00	$78.00	$367.00
Kittitas Family	$4,719.31	$0.00	$4,719.31	**$17,407.83**	$19,872.00	$2,255.14	$3.00	$2,258.14
Cahill Manor	-$448.73	$0.00	-$448.73	**$13,193.00**	$13,078.00	-$333.73	$333.73	$0.00
Totals	**$10,661.60**	**$325.80**	**$59.00**	**$103,189.68**	**$107,403.00**	**$6,774.08**	$1,885.25	**$8,659.33**

Current Tenants Accounts Owing Over $50.00

Notes:

Trinal Manor — Made Payment went to outstanding

P Bare	$ 226.60	$50.00	Payment Arrangement $50.00 month
C Deck	$ 325.80		WO Charges
Total Trinal Manor	$ 552.40		

Mt Stuart/Vista

N Linares	$ 684.00		Non-Payment of Rent
D Miller	$ 1,131.54	$ 104.00	Payment Arrangement $104.00 month
V Meske-Vincent	$ 547.22		Non-Payment of Rent
K McCarter	$ 1,899.49	$ 108.00	Payment Arrangement $108.00 month
C Gilpatrick	$ 374.00	60.00	Non-Payment of Rent
Total Mt Stuart Vista	$ 4,636.25		

Cherry Lane/Helena

C Elliott	$ 722.73		Awaiting Payment from YHA
M Harris	$ 279.00		Non-Payment of Rent
V Irish	$ 88.00		Non-Payment of WO Charges
Total Cherry Lane/ Helena	$ 1,089.73		

Kittitas Family/ Patrick Place

S Jaramillo	$ 58.69		WO Charges
L Gonzalez	$ 70.42		WO Charges
S Hunter	$ 122.99		WO Charges
A Gibb	$ 1,737.88	$ 100.00	Payment Arrangment $100.00
K Kohutek	$ 260.18	$ 51.00	WO Charges
Total Kittitas Family	$ 252.10		

Cahill Manor

Total Cahill Manor	$ -		

Total Current Tenants All Projects $6,530.48

Vacated Tenants Amounts Owing

Trinal Manor — Made Payment

Total Trinal Manor	$0.00		

Mt Stuart/Vista

Total Mt Stuart Vista	$0.00		

Cherry Lane/Helena

A Hernandez	01/20/26	$46.92		
Total Cherry Lane/ Helena	$46.92			

Kittitas Family/ Patrick Place

Total Kittitas Family	$0.00		

Cahill Manor

Total Cahill Manor	$0.00		

Total Vacated Tenants All Projects $46.92

Payment Made
Sent to collection
Abandoned Apt
No Change
Non-Reporting of Income
New
Monthly payment plan determination: $20/month minimum, 12 months or less, if hardship exists will extend as necessary.
Written off December 2024

Prepared by: Katie Haggin

RAD
February-26

Occupancy Rate:

# of days in month	# of units	# of possible days	# of vacant days	Occupancy Rate	$ Lost due to vacant days	GOAL
31	110	3410	0	100.00%	$ -	98%
	(Units On Hold)			100.00%		

Collection Rate:

Total Rent $ Collected	Gross Potential Rent $	Collection Rate	Total Arrears $ Collected	Total $ Awaiting Payment from YHA/HopeSource	Actual Collection Rate	GOAL
$ 101,471.00	$ 102,112.00	99.37%	$ -	$628.00	99.99%	97%

Vacant Unit Turnaround Time:

Total # of Days Vacant	Total # of Units Rerented	Average Turnaround Time	GOAL
		Days	14 Days

Work Order Completion Rate:

	Average Completion Time	# with Completion Time over the goal	GOAL
Routine	3.322	0	72 Hours
All Other	5.875	0	72 Hours
Emergency	1.107	0	24 Hours

Average Completion Time All Workorders: 3.480 Hrs.

Kittitas County WA Tax credit
Daily Vacancy Control Log

RAD Tax Credit HAKC

2/1/2026 To 2/28/2026

INCOME CODE	
A	0 - 12,599
B	12,600 - 20,599
C	20,600 - ABOVE

UNIT #	ADDRESS/LOCATION	ADA MOBILITY	BR SIZE	UP	DN	HCP	DATE VACATED	DATE SENT TO PREP	DT	DATE READY	MR	DATE LEASED	LU	TT	UNIT LEASED TO	TENANT NAME	INCOME CODE
PHA:	PROJECT:								0		0		0	0			
PHA:									0		0		0	0			

TOTAL NUMBER OF VACANT UNITS AS OF DATE RANGE:	0	DT = Down Time	0
TOTAL NUMBER OF OCCUPIED UNITS AS OF DATE RANGE:	110	MR = Make Ready Time	0
THE TOTAL NUMBER OF UNITS IN THIS DEVELOPMENT IS:	110	LU = Lease Up Time	0
		TT = Total Turnaround Days	0

No Data Found

DT = Down Time MR = Make Ready Time LU = Lease Up Time (May differ from PHAS Report) TT = Total Turnaround Days * = PHAS Exception Unit

TENANTS ACCOUNTS RECEIVABLE ANALYSIS AND PROJECTION

Alder Terrace Affordeable Housing LLLP

FYE 2026

February 28, 2026

Projects	Rent Roll	Collection Loss	Retro Rents	Tenant Refunds	Late Charges	NSF Fees	Other Charges/ Excess Util.	FEB Adjusted Rent Totals
Alder Terrace Apartments	$77,191.00	$250.00	$0.00	$0.00	$25.00	$0.00	$331.43	$77,797.43
Totals	$77,191.00	$250.00	$0.00	$0.00	$25.00	$0.00	$331.43	$77,797.43

TENANT ACCOUNTS RECEIVABLE REPORT (TARS) SUMMARY

As of February 28, 2026

Projects	Beginning Balance	Prior Month Adjustments	Adjusted Beginning Balance	Rent & Other Charges	Collections	Ending Balance	Prepaid Rental Amounts	Actual Amount Owed
Alder Terrace	$18,790.26	$0.00	$18,790.26	$77,797.43	$93,590.00	$2,997.69	$2,541.89	$5,539.58
Totals	$18,790.26	$0.00	$18,790.26	$77,797.43	$93,590.00	$2,997.69	$2,541.89	$5,539.58

Current Tenants Accounts Owing Over $50.00

Notes:

Alder Terrace	amount owning	Made Payment	comments and notes
M Hart	$150.00	$50.00	Payment Plan $50.00 a month
M Kelso	$86.00		WO Charges
C Abbe	$454.94		Non-Payment of Rent
D Hess	$919.00		Non-Payment of Rent
M Dixon-Almond	$525.00		Non-Payment of Rent
H Michael	$75.00		
T Dokke	$305.42		WO Charges
S Mitchell	$83.24		WO Charges
C Kruger	$343.42		WO Charges
S Glidewell	$73.00	$50.00	Payment Plan $50.00 a month
K Lansford	$163.80		WO Charges
A Pham	$579.00		Payment Plan $150.00 a month
M Spears	$102.00		Awaiting Payment from YHA
Alder Terrace Apartments	$3,859.82		
Total Current Tenants Payments Made		**$100.00**	

Vacated Tenants Amounts Owing

Alder Terrace Apartments	amount owning	Made Payment	Collections	move out date
S Chaney	$1,642.38	$ -		12/1/2025
A Hernandez	37.38			12/1/2025
Alder Terrace Apartment		**$1,679.76**		
Total Vacated Tenants Payments Made		**$0.00**		
Sent to Collection		**$0.00**		

Payment Made
Sent to collection
Abandoned Apt
No Change
Failure to report
New

Monthly payment plan determination: $20/month minimum, 12 months or less, if harship exists will extend as necessary.

Alder Terrace
February-26

Occupancy Rate:

# of days in month	# of units	# of possible days	# of vacant days	Occupancy Rate	$ Lost due to vacant days	GOAL
31	51	1581	0	100.00%	$ -	98%
(Includes units uninhabitable)						

Collection Rate:

Total Rent $ Collected	Gross Potential Rent $	Collection Rate	Total Arrears $ Collected	Total $ Awaiting Payment from YHA/HopeSource	Actual Collection Rate	GOAL
$ 76,220.00	$ 77,191.00	98.74%	$ 250.00	$102.00	98.87%	97%

Vacant Unit Turnaround Time:

Total # of Days Vacant	Total # of Units Rerented	Average Turnaround Time	Goal
0	0	Days	14 days

Work Order Completion Rate:

	Average Completion Time	# with Completion Time over 72 hours	GOAL
Routine	3.38	0	72 Hours
All Other	7.679	0	72 Hours
Emergency	0.75	0	24 Hours

Average Completion Time All Workorders: 4.034 Hrs.

Kittitas County WA Tax credit
Daily Vacancy Control Log

AT Tax Credit

Alder Terrace

2/1/2026 To 2/28/2026

INCOME CODE	
A	0 - 12,599
B	12,600 - 20,599
C	20,600 - ABOVE

UNIT #	ADDRESS/LOCATION	ADA MOBILITY	BR SIZE	UP	DN	HCP	DATE VACATED	DATE SENT TO PREP	DT	DATE READY	MR	DATE LEASED	LU	TT	UNIT LEASED TO	TENANT NAME	INCOME CODE
PHA:	PROJECT:																
									0		0		0	0			
PHA:									0		0		0	0			

TOTAL NUMBER OF VACANT UNITS AS OF DATE RANGE: 0

TOTAL NUMBER OF OCCUPIED UNITS AS OF DATE RANGE: 51

THE TOTAL NUMBER OF UNITS IN THIS DEVELOPMENT IS: 51

DT = Down Time 0

MR = Make Ready Time 0

LU = Lease Up Time 0

TT = Total Turnaround Days 0

No Data Found

DT = Down Time MR = Make Ready Time LU = Lease Up Time (May differ from PHAS Report) TT = Total Turnaround Days * = PHAS Exception Unit

HOUSING AUTHORITY OF KITTITAS COUNTY

AND ITS COMPONENT UNITS

FINANCIAL STATEMENTS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2025

HOUSING AUTHORITY OF KITTITAS COUNTY
AND ITS COMPONENT UNITS ALDER TERRACE, LLLP AND KITTITAS RAD, LLLP
EXECUTIVE SUMMARY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2025

Notes to the Reader:

The financial statement of the Authority have been prepared in accordance with the criteria established by the Governmental Accounting Standards Board ("GASB"), which is the source of authoritative accounting principles accepted in the United States of America ("GAAP") as applied to governmental units. The financial statements include the following departures from GAAP:

- The financial statements omit management's discussion and analysis and substantially all the disclosures required by accounting principles generally accepted in the United States of America.
- The net pension asset/liability and related deferred inflows and deferred outflows are adjusted only at year-end.
- Inventory items are adjusted only at fiscal year-end.
- Component unit (Kittitas RAD) ground lease amounts are booked annually.
- Totals and subtotals may not exactly equal the sum of their components due to rounding where decimals are not displayed.

The financial statements are developed by Housing Authority of Kittitas County and its component units to comply with the GAAP basis of accounting, although there may be departures from the GAAP basis of accounting not identified. These statements are primarily intended for use in managing the Housing Authority of Kittitas County operations and may not be suitable for other purposes. Users should be aware of these limitations when utilizing the financial statements.

These financial forecasts present, to the best of management's knowledge and belief, the Authority's Net position and results of operations for the forecast periods. Accordingly, the forecasts reflect its judgment as of December 2024, the date these forecasts were prepared, of the expected conditions and its expected course of action. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The fiscal Year December 31, 2025 financial statements are subject to an audit which has not started yet for the Authority and is in process for both Alder Terrace and Kittitas RAD. Any adjustments resulting from this audit are not included in these financial statements. Adjustments may be material.

Housing Authority of Kittitas County
Financial Statements for Primary Government
Statement of Net Position as of December 31, 2025

	December 31, 2025
ASSETS	
Cash & Cash Equivalents	
Unrestricted	$ 6,772,076
Restricted	479,699
Tenant Security Deposits	13,650
Total Cash & Cash Equivalents	**7,265,426**
Accounts Receivable	
Tenant Accounts	7,721
Intra-governmental	(11)
Due from Component Units	276,341
Total Accounts Receivable	**284,052**
Other Current Assets	
Prepaid Expenses	19,723
Net Pension Asset	107,692
Total Other Current Assets	**127,416**
Total Current Assets	**7,676,894**
Capital Assets	
Land	442,220
Buildings	1,336,788
Furniture Equipment Machinery	210,542
Accumulated Depreciation	(466,801)
Construction in Progress	359
Total Capital Assets	**1,523,108**
Other Non-Current Assets	
LP Mortgages & Accrued Interest	4,931,555
Managing Partner Capital in LP	198
Total Other Non-Current Assets	**4,931,753**
TOTAL ASSETS	$ 14,131,755
DEFERRED OUTFLOWS OF RESOURCES	143,750
TOTAL ASSETS & DEFERRED OUTFLOWS	**$ 14,275,505**

See Executive Summary

Housing Authority of Kittitas County
Financial Statements for Primary Government
Statement of Net Position as of December 31, 2025

	December 31, 2025
LIABILITIES	
Current Liabilities	
Accounts Payable - Trade	$ 5,272
Accrued Expenses	25,637
Tenant Security Deposits	13,649
Unearned Revenues	252
Compensated Absences - Current	23,459
Current Portion LTD	11,834
Total Current Liabilities	**80,103**
Long Term Liabilities	
Long Term Debt Net of Current	1,829,374
Compensated Absences - Long Term	10,381
Net Pension Liability	25,620
Total Long Term Liabilities	**1,865,375**
TOTAL LIABILITIES	**$ 1,945,478**
DEFERRED INFLOWS OF RESOURCES	54,012
NET POSITION	
Net Investment In Capital Assets	$ (318,100)
Restricted Assets	479,701
Unrestricted Assets	12,114,414
TOTAL NET POSITION	**$ 12,276,015**
TOTAL LIABILITIES, DEFERRED INFLOWS, & NET POSITION	**$ 14,275,505**

See Executive Summary

Housing Authority of Kittitas County
Financial Statements for Primary Government
Statement of Revenues, Expenses & Changes in Net Position for the Twelve Months Ended December 31, 2025 and the Twelve Months Ending December 31, 2025

	Actual Current	Budget Current	Variance ($)	Actual To Date	Budget To Date	Variance ($)	Full Year Budget
OPERATING REVENUES							
Tenant Income							
Gross Rent	$ 9,079	$ 22,765	$ (13,686)	$ 117,010	$ 273,180	$ (156,170)	$ 273,180
Subsidies	14,602	-	14,602	167,205	-	167,205	-
Vacancy Loss	(1,225)	(683)	(542)	(27,879)	(8,195)	(19,684)	(8,195)
Other Tenant Income	417	252	165	8,407	3,025	5,382	3,025
Total Tenant Income	**22,873**	**22,334**	**539**	**264,743**	**268,010**	**(3,267)**	**268,010**
Other Operating Income	64,758	62,205	2,552	729,085	746,463	(17,378)	746,463
TOTAL OPERATING REVENUES	**87,631**	**84,539**	**3,091**	**993,828**	**1,014,473**	**(20,645)**	**1,014,473**
OPERATING EXPENSES							
Administrative Expenses							
Salaries & Benefits	39,701	40,447	746	470,445	485,361	14,916	485,361
Marketing	-	104	104	410	1,250	840	1,250
Legal & Accounting	7,919	9,507	1,588	89,257	114,080	24,823	114,080
Office Expenses	(4,159)	2,598	6,757	43,133	31,180	(11,953)	31,180
Phone & Internet	973	3,948	2,974	11,720	47,370	35,650	47,370
Management Fees	1,653	1,840	187	18,096	22,080	3,984	22,080
Other Administrative	(36,714)	1,396	38,110	(24,604)	16,750	41,354	16,750
Total Administrative Expenses	**9,372**	**59,839**	**50,467**	**608,458**	**718,071**	**109,613**	**718,071**
Utilities							
Water	525	769	245	8,823	9,232	409	9,232
Sewer	440	1,087	647	7,125	13,039	5,914	13,039
Electricity	592	479	(113)	6,018	5,750	(268)	5,750
Garbage	1,061	1,082	21	12,861	12,983	122	12,983
Other Expenses	-	104	104	-	1,250	1,250	1,250
Total Utilities	**2,618**	**3,521**	**904**	**34,827**	**42,254**	**7,427**	**42,254**

See Executive Summary

Housing Authority of Kittitas County
Financial Statements for Primary Government
Statement of Revenues, Expenses & Changes in Net Position for the Twelve Months Ended December 31, 2025 and the Twelve Months Ending December 31, 2025

	Actual Current	Budget Current	Variance ($)	Actual To Date	Budget To Date	Variance ($)	Full Year Budget
Maintenance Expenses							
Salaries & Benefits	23,517	23,498	(19)	256,119	281,975	25,856	281,975
Materials, Supplies & Tools	5,314	1,646	(3,668)	20,825	19,750	(1,075)	19,750
Contracted Services	375	2,754	2,379	17,074	33,045	15,971	33,045
Other Maintenance	-	-	-	3,702	-	(3,702)	-
Total Maintenance Expenses	**29,206**	**27,898**	**(1,309)**	**297,719**	**334,770**	**37,051**	**334,770**
General Expenses							
Insurance - Property & Liability	2,575	1,692	(883)	29,926	20,300	(9,626)	20,300
Bad Debt (Recoveries)	-	-	-	1,371	-	(1,371)	-
Total General Expenses	**2,575**	**1,692**	**(883)**	**31,297**	**20,300**	**(10,997)**	**20,300**
Depreciation / Amortization	4,495	6,481	1,986	54,533	77,775	23,242	77,775
TOTAL OPERATING EXPENSES	**48,266**	**99,431**	**51,165**	**1,026,834**	**1,193,170**	**166,336**	**1,193,170**
NET OPERATING INCOME / (LOSS)	**$ 39,365**	**$ (14,891)**	**$ 54,256**	**$ (33,006)**	**$ (178,697)**	**$ 145,691**	**$ (178,697)**
NON-OPERATING REVENUES & (EXPENSES)							
Interest Income	6	-	6	423,840	-	423,840	-
Interest Expense	(3,120)	(3,215)	95	(40,036)	(38,575)	(1,461)	(38,575)
Gain / (Loss) on Sale of Capital Assets	-	-	-	40,070	-	40,070	-
Other Income & (Expense)	-	-	-	-	-	-	-
TOTAL NON-OPERATING REVENUES & EXPENSES	**$ (3,114)**	**$ (3,215)**	**$ 101**	**$ 423,875**	**$ (38,575)**	**$ 462,450**	**$ (38,575)**
CHANGE IN NET POSITION	**$ 36,251**	**$ (18,106)**	**$ 54,357**	**$ 390,869**	**$ (217,272)**	**$ 608,140**	**$ (217,272)**
Prior Year Adjustment				-			
Asset Transfer In				-			
Net Position at Beginning of Year				$ 11,885,146			
Total Net Position at End of Year				**$ 12,276,015**			

See Executive Summary

Housing Authority of Kittitas County
Financial Statements for Alder Terrace, LLLP
Statement of Net Position as of December 31, 2025

	December 31, 2025
ASSETS	
Cash & Cash Equivalents	
Unrestricted	$ 807,996
Restricted	445,200
Tenant Security Deposits	28,232
Total Cash & Cash Equivalents	**1,281,427**
Accounts Receivable	
Tenant Accounts	41,418
Due from Primary Government	-
Total Accounts Receivable	**41,418**
Other Current Assets	
Prepaid Expenses	-
Inventory	7,070
Total Other Current Assets	**7,070**
Total Current Assets	**1,329,915**
Capital Assets	
Land	-
Buildings	10,296,660
Furniture Equipment Machinery	980,403
Leasehold Improvements	1,931,785
Accumulated Depreciation	(2,500,195)
Amortizable Expenses	286,331
Accumulated Amortization	(150,911)
Construction in Progress	-
Total Capital Assets	**10,844,073**
TOTAL ASSETS	$ 12,173,988
TOTAL ASSETS & DEFERRED OUTFLOWS	**$ 12,173,988**

See Executive Summary

Housing Authority of Kittitas County
Financial Statements for Alder Terrace, LLLP
Statement of Net Position as of December 31, 2025

	December 31, 2025
LIABILITIES	
Current Liabilities	
Accounts Payable	$ -
Due to Primary Government	217,169
Accrued Expenses	6,580
Tenant Security Deposits	28,232
Unearned Revenues	3,785
Current Portion LTD	23,317
Total Current Liabilities	**279,081**
Long Term Liabilities	
Long Term Debt Net of Current	1,648,724
Long Term Debt - Related Party	2,500,000
Total Long Term Liabilities	**4,148,724**
TOTAL LIABILITIES	**$ 4,427,805**
NET POSITION	
Net Investment In Capital Assets	$ 6,672,033
Restricted Assets	445,200
Unrestricted Assets	628,951
TOTAL NET POSITION	**$ 7,746,183**
TOTAL LIABILITIES, DEFERRED INFLOWS, & NET POSITION	**$ 12,173,988**

See Executive Summary

Housing Authority of Kittitas County
Financial Statements for Alder Terrace, LLLP
Statement of Revenues, Expenses & Changes in Net Position for the Twelve Months Ended December 31, 2025 and the Twelve Months Ending December 31, 2025

	Actual Current	Budget Current	Variance ($)	Actual To Date	Budget To Date	Variance ($)	Full Year Budget
OPERATING REVENUES							
Tenant Income							
Gross Rent	$ 77,008	$ 77,191	$ (183)	$ 933,169	$ 926,292	$ 6,877	$ 926,292
Subsidies	1,841	-	1,841	633	-	633	-
Vacancy Loss	(1,259)	(898)	(361)	(9,292)	(10,771)	1,479	(10,771)
Other Tenant Income	4,076	2,810	1,266	27,465	33,721	(6,257)	33,721
Total Tenant Income	**81,666**	**79,104**	**2,563**	**951,975**	**949,242**	**2,732**	**949,242**
Other Operating Income	-	195	(195)	-	2,345	(2,345)	2,345
TOTAL OPERATING REVENUES	**81,666**	**79,299**	**2,367**	**951,975**	**951,587**	**388**	**951,587**
OPERATING EXPENSES							
Administrative Expenses							
Salaries & Benefits	12,597	11,875	(722)	142,879	142,499	(380)	142,499
Marketing	-	8	8	-	100	100	100
Legal & Accounting	20	1,417	1,397	16,529	17,000	471	17,000
Office Expenses	-	437	437	3,758	5,245	1,487	5,245
Phone & Internet	60	67	7	720	800	80	800
Management Fees	6,095	5,833	(262)	77,219	70,000	(7,219)	70,000
Compliance Fees	-	313	313	2,900	3,750	850	3,750
Other Administrative	63	342	279	3,716	4,100	384	4,100
Total Administrative Expenses	**18,835**	**20,291**	**1,457**	**247,721**	**243,494**	**(4,226)**	**243,494**
Utilities							
Water	782	1,738	955	18,898	20,850	1,952	20,850
Sewer	449	583	135	8,305	7,000	(1,305)	7,000
Electricity	135	218	83	1,949	2,620	671	2,620
Garbage	2,615	2,333	(282)	27,516	28,000	484	28,000
Gas	57	75	19	1,108	900	(208)	900
Total Utilities	**4,038**	**4,948**	**910**	**57,774**	**59,370**	**1,596**	**59,370**

See Executive Summary

Housing Authority of Kittitas County
Financial Statements for Alder Terrace, LLLP
Statement of Revenues, Expenses & Changes in Net Position for the Twelve Months Ended December 31, 2025 and the Twelve Months Ending December 31, 2025

	Actual Current	Budget Current	Variance ($)	Actual To Date	Budget To Date	Variance ($)	Full Year Budget
Maintenance Expenses							
Salaries & Benefits	9,223	9,239	16	101,435	110,871	9,436	110,871
Materials, Supplies & Tools	71	1,733	1,662	15,233	20,800	5,567	20,800
Vehicle Expenses	72	225	153	2,537	2,700	163	2,700
Contracted Services	1,203	5,417	4,214	98,980	65,000	(33,980)	65,000
Other Maintenance	-	54	54	1,926	650	(1,276)	650
Total Maintenance Expenses	**10,568**	**16,668**	**6,100**	**220,112**	**200,021**	**(20,091)**	**200,021**
General Expenses							
Insurance - Property & Liability	2,514	2,514	-	30,171	30,171	-	30,171
Bad Debt (Recoveries)	-	583	583	(12,537)	7,000	19,537	7,000
Total General Expenses	**2,514**	**3,098**	**583**	**17,634**	**37,171**	**19,537**	**37,171**
Depreciation / Amortization	38,535	39,399	864	462,418	472,789	10,371	472,789
TOTAL OPERATING EXPENSES	**74,490**	**84,404**	**9,914**	**1,005,659**	**1,012,846**	**7,187**	**1,012,846**
NET OPERATING INCOME / (LOSS)	**$ 7,176**	**$ (5,105)**	**$ 12,281**	**$ (53,684)**	**$ (61,259)**	**$ 7,575**	**$ (61,259)**
NON-OPERATING REVENUES & (EXPENSES)							
Interest Income	172	-	172	2,880	-	2,880	-
Interest Expense	(22,260)	-	(22,260)	(269,201)	-	(269,201)	-
Other Income & (Expense)	272	-	272	2,947	-	2,947	-
TOTAL NON-OPERATING REVENUES & EXPENSES	**$ (21,817)**	**$ -**	**$ (21,817)**	**$ (263,374)**	**$ -**	**$ (263,374)**	**$ -**
CHANGE IN NET POSITION	**$ (14,640)**	**$ (5,105)**	**$ (9,535)**	**$ (317,058)**	**$ (61,259)**	**$ (255,799)**	**$ (61,259)**
Prior Year Adjustments	-			-			
Equity Transfers	-			-			
Net Position at Beginning of Year				$ 8,063,241			
Total Net Position at End of Year				**$ 7,746,183**			

See Executive Summary

Housing Authority of Kittitas County
Financial Statements for Kittitas RAD, LLLP
Statement of Net Position as of December 31, 2025

	December 31, 2025
ASSETS	
Cash & Cash Equivalents	
Unrestricted	$ 146,116
Restricted	803,990
Tenant Security Deposits	46,234
Total Cash & Cash Equivalents	**996,340**
Accounts Receivable	
Tenant Accounts	50,657
Due from Primary Government	-
Total Accounts Receivable	**50,657**
Other Current Assets	
Prepaid Expenses	-
Inventory	27,510
Total Other Current Assets	**27,510**
Total Current Assets	**1,074,507**
Capital Assets	
Land	-
Buildings	18,913,397
Furniture Equipment Machinery	1,655,901
Leasehold Improvements	1,849,322
Accumulated Depreciation	(3,984,002)
Amortizable Expenses	379,765
Accumulated Amortization	(116,433)
Construction in Progress	-
Total Capital Assets	**18,697,949**
Other Non-Current Assets	
LP Mortgages & Accrued Interest	-
Lease Asset	815,462
Managing Partner Capital in LP	-
Total Other Non-Current Assets	**815,462**
TOTAL ASSETS	$ 20,587,918
TOTAL ASSETS & DEFERRED OUTFLOWS	**$ 20,587,918**

See Executive Summary

Housing Authority of Kittitas County
Financial Statements for Kittitas RAD, LLLP
Statement of Net Position as of December 31, 2025

	December 31, 2025
LIABILITIES	
Current Liabilities	
Accounts Payable - Trade	$ -
Intra-Governmental	-
Due to Primary Government	1,411,624
Accrued Expenses	11,523
Tenant Security Deposits	46,234
Unearned Revenues	2,967
Current Portion LTD	68,942
Current Portion Lease Liability	(8,618)
Compensated Absences	-
Total Current Liabilities	**1,532,671**
Long Term Liabilities	
Long Term Debt Net of Current	3,843,627
Lease Liability Net of Current	919,947
Long Term Debt - Related Party	12,048,811
Total Long Term Liabilities	**16,812,385**
TOTAL LIABILITIES	**$ 18,345,056**
NET POSITION	
Net Investment In Capital Assets	$ 1,825,240
Restricted Assets	803,990
Unrestricted Assets	(386,368)
TOTAL NET POSITION	**$ 2,242,862**
TOTAL LIABILITIES, DEFERRED INFLOWS, & NET POSITION	**$ 20,587,918**

See Executive Summary

Housing Authority of Kittitas County
Financial Statements for Kittitas RAD, LLLP
Statement of Revenues, Expenses & Changes in Net Position for the Twelve Months Ended December 31, 2025 and the Twelve Months Ending December 31, 2025

	Actual Current	Budget Current	Variance ($)	Actual To Date	Budget To Date	Variance ($)	Full Year Budget
OPERATING REVENUES							
Tenant Income							
Gross Rent	$ 102,862	$ 95,185	$ 7,677	$ 1,181,050	$ 1,142,220	$ 38,830	$ 1,142,220
Subsidies	1,649	-	1,649	5,906	-	5,906	-
Vacancy Loss	-	(290)	290	(7,081)	(3,481)	(3,600)	(3,481)
Other Tenant Income	5,128	2,198	2,930	52,620	26,375	26,245	26,375
Total Tenant Income	**109,639**	**97,093**	**12,546**	**1,232,495**	**1,165,114**	**67,381**	**1,165,114**
Other Operating Income	-	281	(281)	-	3,373	(3,373)	3,373
TOTAL OPERATING REVENUES	**109,639**	**97,374**	**12,265**	**1,232,495**	**1,168,487**	**64,008**	**1,168,487**
OPERATING EXPENSES							
Administrative Expenses							
Salaries & Benefits	17,395	16,399	(997)	197,309	196,785	(524)	196,785
Marketing	-	8	8	-	100	100	100
Legal & Accounting	3,875	1,833	(2,042)	31,985	22,000	(9,985)	22,000
Office Expenses	159	923	764	6,316	11,070	4,754	11,070
Phone & Internet	460	500	40	5,520	6,000	480	6,000
Management Fees	6,805	6,100	(705)	83,428	73,200	(10,228)	73,200
Compliance Fees	150	492	342	6,205	5,905	(300)	5,905
Other Administrative	180	350	170	4,289	4,200	(89)	4,200
Total Administrative Expenses	**29,023**	**26,605**	**(2,418)**	**335,051**	**319,260**	**(15,791)**	**319,260**
Utilities							
Water	5,946	4,697	(1,249)	58,856	56,365	(2,491)	56,365
Sewer	5,208	3,750	(1,458)	40,979	45,000	4,021	45,000
Electricity	1,751	1,138	(613)	12,260	13,650	1,390	13,650
Garbage	6,108	4,667	(1,442)	60,458	56,000	(4,458)	56,000
Gas	81	100	19	634	1,200	566	1,200
Total Utilities	**19,094**	**14,351**	**(4,743)**	**173,186**	**172,215**	**(971)**	**172,215**

See Executive Summary

Housing Authority of Kittitas County
Financial Statements for Kittitas RAD, LLLP
Statement of Revenues, Expenses & Changes in Net Position for the Twelve Months Ended December 31, 2025 and the Twelve Months Ending December 31, 2025

	Actual Current	Budget Current	Variance ($)	Actual To Date	Budget To Date	Variance ($)	Full Year Budget
Maintenance Expenses							
Salaries & Benefits	12,736	12,759	23	140,078	153,108	13,030	153,108
Materials, Supplies & Tools	(4,207)	2,075	6,282	26,863	24,900	(1,963)	24,900
Vehicle Expenses	140	292	152	4,897	3,500	(1,397)	3,500
Contracted Services	2,870	8,142	5,272	172,335	97,700	(74,635)	97,700
Other Maintenance	-	46	46	1,759	550	(1,209)	550
Total Maintenance Expenses	**11,539**	**23,313**	**11,774**	**345,930**	**279,758**	**(66,173)**	**279,758**
General Expenses							
Insurance - Property & Liability	6,474	6,474	0	77,687	77,687	-	77,687
Bad Debt (Recoveries)	-	158	158	(7,419)	1,893	9,312	1,893
Land Lease	5,336	5,336	0	64,037	64,037	0	64,037
Total General Expenses	**11,810**	**11,968**	**158**	**134,305**	**143,617**	**9,313**	**143,617**
Depreciation / Amortization	62,260	62,260	-	747,123	747,121	(2)	747,121
TOTAL OPERATING EXPENSES	**71,467**	**76,237**	**4,771**	**1,735,595**	**914,850**	**(73,622)**	**914,850**
NET OPERATING INCOME / (LOSS)	**$ 38,172**	**$ 21,136**	**$ 17,036**	**$ (503,101)**	**$ 253,637**	**$ (9,615)**	**$ 253,637**
NON-OPERATING REVENUES & (EXPENSES)							
Interest Income	292	-	292	4,859	-	4,859	-
Interest Expense	(44,577)	-	(44,577)	(529,462)	-	(529,462)	-
Other Income & (Expense)	34	-	34	9,645	-	9,645	-
TOTAL NON-OPERATING REVENUES & EXPENSES	**$ (44,251)**	**$ -**	**$ (44,251)**	**$ (514,958)**	**$ -**	**$ (514,958)**	**$ -**
CHANGE IN NET POSITION	**$ (6,079)**	**$ 21,136**	**$ (27,215)**	**$ (1,018,058)**	**$ 253,637**	**$ (524,573)**	**$ 253,637**
Prior Year Adjustments	-			-			
Equity Transfers	-			-			
Net Position at Beginning of Year				$ 3,260,920			
Total Net Position at End of Year				**$ 2,242,862**			

See Executive Summary

RESOLUTION 26-1015
A RESOLUTION AUTHORIZING HOUSING AUTHORITY OF KITTITAS COUNTY TO ASSUME MANAGEMENT OF PINE TERRACE APARTMENTS

WHEREAS, Housing Authority of Kittitas County (HAKC) acquired Pine Terrace Apartments, located at 906 W. 2nd Street, Cle Elum, Washington on or about September 11, 2019;

WHEREAS, Ad-West Realty Services has managed Pine Terrace Apartments under the ownership of HAKC since HAKC's acquisition of the property;

WHEREAS, Ad-West Realty has communicated its intent to terminate the Management Agreement for Pine Terrace effective March 31, 2026;

WHEREAS, HAKC must execute and submit requisite documentation, including but not limited to the documents referenced in Attachment A and the Owner-Managed Management Plan, for review and approval by USDA-RD in order to be approved by USDA-RD to assume the management of Pine Terrace;

AND WHEREAS, HAKC, through its Executive Director, must take all necessary steps required by USDA-RD for its review and approval of HAKC's management of Pine Terrace as well as all steps necessary to effectuate the transfer of funds and continued operations from Ad-West Realty to HAKC including executing and delivering any government forms, affidavits, certificates, letters, documents, agreements and instruments that the Executive Director determines to be necessary and advisable to give effect to this resolution and to consummate the transactions contemplated here in for HAKC's assumption of management and continued operations of Pine Terrace as in the Executive Director's judgment may be necessary or desirable to give effect to this resolution and to consummate the transactions contemplated herein;

NOW THEREFORE, be it resolved by the Board of Commissioners of the Housing Authority of Kittitas County that HAKC's Executive Director and its authorized officers, each of them acting alone, are authorized on behalf of HAKC to (1) execute and submit all requisite documentation, including but not limited to the documents referenced in Attachment A and the Owner-Managed management Plan, which is in substantially the form attached to this Resolution, for review and approval to USDA-RD and any additional documentation required for USDA RD's review and approval for assumption of management of Pine Terrace; (2) HAKC's Executive Director is authorized, on behalf of HAKC, to take all necessary steps required by USDA-RD for its review and approval of HAKC's management of Pine Terrace as well as all steps necessary to effectuate the transfer of funds and continued operations of Pine Terrace, including executing and delivering any government forms, affidavits, certificates, letters, documents, agreements and instruments that the Executive Director determines to be necessary and advisable to give effect to this resolution and to consummate the transactions contemplated here in for HAKC's assumption of management and continued operations of Pine Terrace as in the

Executive Director's judgment may be necessary or desirable to give effect to this resolution and to consummate the transactions contemplated herein.

PASSED AND ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF KITTITAS COUNTY, AT ITS REGULAR BOARD MEETING, THIS 18th DAY OF MARCH, 2026.

_____
Chairman, Board of Commissioners

_____
Date

ATTEST:

_____
Secretary

CERTIFICATE

I, the undersigned, duly chosen, qualified and acting Executive Director and Secretary of the Housing Authority of Kittitas County ("HAKC") and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No. 26-1015 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of HAKC as adopted at the regular meeting of HAKC held at the regular meeting place on March 18, 2026 (the "Meeting"), and duly recorded in the minutes of HAKC;
2. That the public was notified of access options for remote participation in the Meeting via HAKC's website; and;
3. That the Meeting was duly convened, held and included the opportunity for public comment, in all respects in accordance with law, and to the extent required by law, due and proper notice of the Meeting was given; that a quorum was present throughout the Meeting, and a majority of the members of the Board of Commissioners of HAKC were present at the Meeting and noted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this Certificate.

IN WITNESS THEREOF, I have hereunto set my hand this 18th day of March, 2026.

_____

Jennifer M. Ellis, Secretary

ATTACHMENT A

1. RD Form 1944-37, PREVIOUS PARTICIPATION CERTIFICATION
2. Owner-Managed Management Plan
3. RD Form 3560-13, MULTI-FAMILY PROJECT BORROWER'S/MANAGEMENT AGENT'S MANAGEMENT CERTIFICATION
4. RD Form 3560-30, CERTIFICATION OF NO IDENTITY OF INTEREST or RD Form 3560-31, IDENTITY OF INTEREST DISCLOSURE/QUALIFICATION CERTIFICATE
5. Affirmative Fair Housing Marketing Plan
6. Tenant Application
7. Approved Lease with Attorney opinion and all attachments
8. Rules and Regulations including Occupancy Rules, Tenant Grievances, VAWA an Pet Policy
9. Proof of fidelity insurance

HOUSING AUTHORITY OF KITTITAS COUNTY
MANAGEMENT PLAN

For Pine Terrace

Goals and Objectives:

The management plan has been designed around the following goals and objectives, which allow for the formulation of policies and procedures and becomes the criterion against which day-to-day management decisions are compared. The goals for Pine Terrace are as follows:

1. To accurately reflect USDA program requirements for the project.

2. To manage and operate the property in a manner that is consistent with the highest professional and ethical standards.

3. To provide sound, safe, and sanitary housing in such a manner as to ensure the goodwill and cooperation of all tenants.

4. To prepare a budget that provides the necessary services and the proper maintenance to protect the value of the property. At the same time, provides adequate cashflow to the project to assure a sound financial base.

5. To maintain the interior, exterior, and grounds in a workmanlike manner making necessary repairs and operating decisions to sustain the project at a level, which provides, protects and enhances not only the property, but a desirable living environment.

6. To hire management and on-site personnel with a policy that is consistent with Equal Opportunity provisions and Fair Labor Standards. To provide the proper training, supervision, and assistance to employees to ensure the correct maintenance and operation of the project.

7. To provide equal opportunity for all qualified applicants to secure this housing through equal housing opportunity marketing and fair, consistent screening of applicants. To work with community agencies and groups to promote goodwill within the project and the community.

I. Roles, Responsibilities and Relations of the Owner

A. Owner will be involved in all management decisions.

B. The Owner will be responsible for the day-to-day operation of the project. The Owner will have a thorough understanding of all USDA Rural Development regulations and state and federal laws that affect the operation of the project.

C. The Owner will disclose and justify any identity of interest, or the appearance of the same, that exists or will exist between themselves and suppliers of materials, and services used in the operation. Disclosure will be provided by use of Form RD 3560-30, "Identity of Interest (IOI) Disclosure Certificate" and if appropriate, Form RD-3560-31, "Identity of Interest Qualification."

The appropriate form is hereby attached and made a part of this Plan.

D. The fundamental responsibilities of the Owner are described as follows:

(1) Owner's Responsibilities

(a) General supervisory responsibilities over policies and procedures and the execution of the duties and services for the apartment complex and authority for both the physical maintenance and financial administration of the project within the financial limitations and within the policy guidelines.

(b) Monitor operation of the project and maintain a staff of the size and quality necessary to carry on the functions of the management program and be responsive to tenant problems and needs. The following employees will be required: Site Manager and Maintenance Person. Owner will direct these personnel and be available to them to deal with non-routine issues. Hiring Policies will be in accordance with equal employment opportunity goals. Owner will be responsible for keeping all employees current on USDA Rural Development Regulations and state and federal laws as they apply to the operation of the apartment complex. During regular correspondence with the Site manager, convey any concerns or questions and offer advice or solutions to these concerns.

(c) Utilize a qualified accountant to administer and monitor the financials operations of the project.

(d) Approve all non-budget expenditures which exceed the amount agreed to with Site Manager ($3,000.00) unless emergency repairs are needed to avoid endangering life or property regardless to this cost limitation.

(e) Appoint and allow the Site Manager to perform the day-to-day operation of the project as per the details of this management plan. The on-site manager is to consult with the owner on all other matters.

(f) Appoint a contact person with authority or to be a liaison with the Site Manager. The personal contact with the owner is Katie Haggin, Operations Supervisor, 107 W. 11th Avenue, Ellensburg, Washington 98926, phone number (509) 962-9006.

(g) Provide decent, safe, and sanitary housing.

(h) Provide housing to meet the needs of the population to be served.

(i) Accept financial responsibility for the project.

(j) Review monthly financial statements, reports, and budgets.

(k) Ensuring the rental of available units to satisfactory, qualified tenants, after completion of credit and reference checks and completion of government tenant certifications and required forms. To ascertain that all eligibility, income certifications, lease, and recertification requirements have been met.

(l) Coordinate any repairs or corrections or project defects with on-site personnel and/or contractors.

(m) Conform to all federal and local agency regulations and file all reports required by federal and local agencies in a timely and accurate manner.

(n) Maintain both the interior and exterior of the project, including the grounds, parking areas, recreation areas and garbage enclosures, to meet the standards of good housing and to protect the value of the property.

(o) Maintain monthly financial statements showing all deposits of income and disbursements. These monthly financial activities will be measured against the budget. Keep a comprehensive set of books consistent with the HUD chart of accounts, and prepare monthly bank reconciliations, and lists of accounts receivable and accounts payable.

(p) Maintain accurate records of the day-to-day operations of the property, including collection and accounting for rental income, government subsidies, and miscellaneous income. Deposit rental income and security deposit collections in separate trust accounts. Negotiate and document funds from laundry and concession income sources.

(q) Negotiate contracts with water, electric, gas, fuel, oil, telephone, and other services.

(r) Provide referrals and coordination in the field counseling, guidance, and social services. Cooperate with all agencies which provide financial and other services to residents.

(s) Enforce the provisions of the lease, the project rules and regulations and the State Landlord Tenant Act.

(t) Work with on-site personnel to move tenants in and out of the project with as little vacancy loss as possible and with as little inconvenience to the tenants as possible.

(u) Work with on-site personnel to receive and respond to tenant complaints in a timely fashion. Make all necessary corrective actions in accordance with the lease and the State Landlord Tenant Act.

(v) Meet requirements for fidelity bond, hazard, and liability insurance coverage.

(2) Owner's Financial Obligations Included in Management Fee are:

(a) The overall management expertise and bookkeeping services.

(b) Monitoring project operations, training, hiring and supervision of on-site staff.

(c) Preparation, submission, and monthly monitoring of an annual budget.

(d) Preparation and distribution of monthly reports.

(e) Maintaining project books and records.

(f) Maintaining bank accounts and monthly reconciliations.

(g) Preparation, approved, and distribution of operating disbursements and oversight of project receipts and reconciliation of deposits.

(h) Preparation and distribution of annual reports of operation and maintenance.

(i) Preparation of requests for reserve withdrawal, rent adjustment, rehabilitation, and energy conservation proposals, plans and specifications.

(j) Preparation and implementation of an Affirmative Fair Housing Marketing Plan and general marketing plans and efforts.

(k) Execute and monitor service contracts.

(l) Develop tenant services referral programs.

(m) Site inspections and reports.

(n) Supervision of program's direction and general overall management.

(o) Review tenant certifications and submission of monthly Rental Assistance request and overage.

(3) Project's Financial Obligations

The following project services are to be paid directly from the project's operating account by Owner, but not included in the management fee.

(a) Within the confines of the annual, USDA pre-approved budget, cost for personnel assigned directly to the site, including salaries, wages, FICA, federal and state taxes, worker's compensation, insurance, health insurance premiums, leasing, incentive pay, direct cost of travel by on-site staff for property business or training, and retirement benefits.
(b) All costs of insurance, including property liability, casualty, fidelity or crime and dishonest coverage for on-site employees, and insurance deductibles and adjuster expenses to be paid from the project's operating account.
(c) Legal fees directly related to the operation and management of the property, including tenant lease enforcement actions, property tax appeals and suits, and other project-related matters.
(d) Accounting and auditing expenses, directly related to preparation of annual audits and/or financial reports, partnership tax returns and Schedule K-1, and any other reports required by any government agency.
(e) All repair, maintenance and security costs associated with the property, including supplies, labor and contracts.
(f) All property office costs incurred for the project, including office supplies, bookkeeping supplies, record keeping items, government agency required forms, tenant screening reports, copying, postage, furniture, equipment, computers, service agreements and warranties.
(g) All bank charges related to the property including stamps, checks, deposit slips, returned check fees and service fees.
(h) Costs of site-based telephone and communication services, including installation, basic services, directory listings and long-distance charges.
(i) All advertising costs related to the site.
(j) Partnership filing expenses, including state taxes and state or local fees.

(k) Cost of site licenses and permits.
(l) Expenses related to site utilities, including actual costs, surcharges and deposits.
(m) Real estate taxes, personal property taxes and expenses related to controlling or reducing taxes.
(n) Public relations expenses related to maintaining positive relationships between the local community and the tenants with the management staff and borrowers.
(o) Professional services contracts.
(p) Management fee. Owner will be compensated for its services as manager, including overall management, by monthly fees to be paid from the General Operating Account and treated as project operation and maintenance expenses. Such fees will be payable at the end of the monthly accounting cycle. The fee amount is set forth in the Management Certification.

II. Personnel Policy and Staffing Arrangements

A. All hiring is conformed to equal employment opportunity requirements. Owner will hire the most qualified applicant regardless of race, creed, color, national origin, marital status, or sex. Recruitment and advertising for employment are carried out in such a manner to enable all interested parties to obtain equal access to the job and job information.

B. Projected Staffing Needs/On-Site Personnel

Owner hires and trains the necessary on-site personnel for the project. A competent management team of two can run this project effectively. The building employees are covered for work related accidents, receive paid time off in proportion to the time worked on the job. Due to the small size of the apartment complex, if a team is used, one of the two members of the management team can have another job but needs to be able to be available to assist in different areas of the on-site manager's responsibilities. The on-site manager will be compensated based on experience and scope of responsibilities from a range of $65.00 to $90.00 per unit per month. The manager lives on site and pays rent. Unless the on-site manager qualifies for rental assistance, they will receive an appropriately sized non-revenue producing unit but provided as part of the total compensation to the on-site managers as a rent credit at the rental value to be considered as the basic rent.

The on-site manager is responsible for assuring that the tenants receive prompt, efficient, courteous, and quality service. Its responsibilities to the owner to implement its procedures and policies to assure by its actions that the building keeps on a secure basis financially. There are four main areas of responsibilities and duties for the on-site managers:

Apartment Rental

1. To keep the apartments rented to good tenants through intelligent screening of applicants and references. Screening includes juveniles.
2. To clean and prepare apartments for rental as quickly as possible to avoid vacancy loss.
3. To alert Owner of the need to advertise as quickly as possible. To initiate other actions to rent the units such as calling the applicants on waiting list, hanging the vacancy sign, contacting community action groups, and checking with other housing groups to see if they have people that they cannot accommodate.

4. To show the apartments to all interested parties in a professional manner.

Bookkeeping and Record Keeping

1. To collect and bank all the rents accurately and promptly.
2. To record all money collections and post to tenant ledgers.
3. To keep all tenant records and certifications up to date.
4. To send all collections and tenant certifications and other reports to Owner in a timely fashion to facilitate production of the financial statements.

Maintenance and Repairs

1. To regularly inspect the buildings and grounds, making routine corrections immediately and reporting to Owner deferred maintenance and property deficiencies.
2. To respond to tenant complaints promptly and to keep a record of all repairs in a two-part maintenance notebook.
3. To contact and alert Owner of the need for major repairs and to make suggestions for actions to be taken.
4. To perform all necessary routine maintenance and repair on apartments.
5. To handle all emergency repairs in a fashion that solves the problem quickly with the least long-run damage to the building.

Custodial / Yard Maintenance

1. To inspect and clean all public areas, stairways, halls, laundry rooms, entrances and trash areas daily.
2. To wet mop, clean all washers and dryers in the laundry rooms once a week, and to remove the empty soap boxes and trash daily.
3. To inspect all light fixtures daily, changing lights as necessary; globes should be cleaned monthly.
4. To cut the lawn as often as necessary during the growing season to keep it looking good, and to water all grass and shrubs as often as necessary to keep healthy.
5. To weed and trim the grounds on a regular basis.
6. To fertilize the grounds and kill weeds on a seasonal basis worked out with Owner.

C. The Lines of Authority, Responsibility and Accountability within the Management Entity

Owner

|
|
|

On-Site Manager

Other On-Site
Personnel

The owner oversees the day-to-day operation of the project as per the details of the management plan and approved budget and has general supervisory responsibility of policies and procedures and the execution of duties and services outlined in the management plan. The owner fulfills the government agencies' requirements.

Owner hires on-site personnel, authorizes major repairs and purchases, and makes sure policies and procedures are being followed. Owner supervises and assures that bookkeeping responsibilities and paperwork are completed appropriately as well as supervises and completes tenant certification responsibilities and paperwork submitted by on-site manager.

The on-site manager works for and is responsible directly to the Owner, responds to needs of tenants, collects the rents and maintains the project.

Other on-site personnel take instructions from the on-site manager.

D. Owner's plan is to train and familiarize employees with their job-related responsibilities and applicable program requirements, is to hold monthly review sessions will be held to review their responsibilities and program requirements. In addition, employees will be given written instructions on how to perform these tasks. On-site managers are encouraged to enroll in housing related course(s) offered through organizations such as Affordable Housing Management Association of Washington (AHMA of Washington).

III. Plans and Procedures for Marketing, Achieving and Maintaining Full Occupancy and Meeting Affirmative Fair Housing Plan Requirements

A. The units will be advertised in accordance with the Affirmative Fair Housing Marketing Plan. A copy of the plan is attached. Additional advertising may be required for vacancies as they occur, however, the first venue for advertising will be that identified in the Affirmative Fair Housing Marketing Plan. Site signs, newspaper advertisements, and flyers may all be used. The Equal Housing logo and/or slogan and the International Symbol of Accessibility will be used in all advertising where accessibility exists. Advertising will be designed to attract applicants who would be the least likely to apply who meet tenant eligibility requirements. HUD's Fair Housing Poster and USDA "And Justice for All" poster will be displayed in a permanent place on the project and in the rental office as required. All persons engaged in the rental of property will be instructed annually to ensure that they are aware and knowledgeable of Fair Housing requirements.

B. Among the methods used to achieve and maintain the highest possible occupancy will be for the management agent to attempt to anticipate any vacancies at least thirty (30) days prior to a vacancy occurring. The site manager will advertise in local newspapers for vacancies and observe the requirements listed on the property's Affirmative Fair Housing Marketing Plan. The project has been operational for more than one (1) year and does not anticipate the need for additional lease-up incentives at this time.

C. Advertising in commercial media will be primarily local newspapers and flyers. Community contacts will be made to reach minority groups, ethnic groups, the elderly, and individuals/families with disabilities.

In the case where the project is maintaining maximum occupancy, advertising will still be conducted at least annually to comply with the requirements of the Affirmative Fair Housing Marketing Plan.

D. Communications systems available to applicants, tenants, and the public that may be sight or hearing impaired are:

1) TDD (Telephone Device for the Deaf). System controlled at the project by utilizing the state TDD number.
2) Encourage hearing impaired applicants and tenants to bring sign language interpreters or provide them, if necessary.
3) For the sight impaired, application policies, leases, rules and regulations, etc. will be either read in their entirety by site personnel or be recorded on tape.

E. The project is readily able to offer tenants with disabilities such reasonable accommodations in the units and common areas, when requested, as lever doorknobs, stoves with front mounted controls, lever faucets, grab bars, tub benches, lowered peep holes, and visual smoke detectors and assigned handicap parking. The entire project either has been evaluated or is in the process of being evaluated for 504 compliance and a transition plan is in the process of being developed to address physical barriers to persons with disabilities.

F. The process Owner will follow to review and to determine whether structural modifications of an apartment are feasible will be:

1) The tenant will make a request for a structural modification to the regional property manager. Owner encourages the request be in writing, but it is not required. If the request is not presented in written form, the oral request will be reduced to written form by management and the tenant requested to sign it to ensure it is accurate.
2) The owner will review the request to determine if it presents an undue financial or administrative burden to the property.
3) If it does not present an undue financial or administrative burden, the owner will request reasonably detailed plans that will meet owner specifications and local building codes. Any alternations to the structure will be paid for the property's operating account or available replacement reserve account unless it poses an undue financial or administrative burden. The tenant will not be required to reimburse the project for structural changes that will not adversely impact the ability to rent the unit to subsequent tenants.
4) If the requested structural modification does present an undue financial or administrative burden, the owner will seek other sources of funding from the community and try to develop or suggest other alternatives to accommodate the tenant.

G. WAITING LIST: A sample copy of the waiting list format is attached. The waiting list is kept in a 3-ring notebook. Once a prospective tenant completes an application for occupancy, their

name will be placed in chronological order in the appropriate section of the waiting list. Separate waiting lists will be kept in the waiting list book for the following:

1) Income levels (Very low, low and moderate)
2) Various size units
3) Units for elderly, disabled or handicapped persons or families.

The waiting list will be maintained by the on-site manager and updated annually. The on-site manager and Owner are responsible to be aware of USDA, RD requirements regarding eligibility, rejection, withdrawn applications or placement on a waiting list.

All applications and rejected and withdrawn applications are kept in separate files on site for at least three (3) years, or until USDA, RD conducts a compliance review.

H. The form used to record unit conditions at move-in is called Apartment Inspection Report form (a copy of this form is attached). Tenants and a management representative will sign and date this report at the time of moving in and moving out of the project. The original will be retained in the tenant file and a copy will be given the tenant

The form used to record unit conditions during occupancy is called Unit Inspection Report. The original is retained at the project.

I. Orientation services to be provided tenants to acquaint them with the project and care of the unit include reviewing the terms of their lease and the House Rules, the locations and rules of such facilities as laundry rooms and any unique features the project has that may affect them, and instructions on the use, care and maintenance of smoke detectors, appliances and furnishings. The orientation will occur prior to a tenant taking occupancy. As the need arises, the on-site manager may distribute announcements to the tenant or post them in the project's office.

J. The person responsible for determining that eligibility and placement on the waiting list is the on-site manager.

K. TAX CREDITS: This project is ____ / is not X a tax credit project. At initial rent-up, all tenants gross income must be income eligible based on the current tax credit limits, which are set at 60% of the county's median income based on the bedroom size of the individual apartment. The borrower may be required to rent to other eligible applicants at higher income limits when USDA Rural Development determines that vacancies of at least 6 months duration exist and that such vacancies threaten the financial status of the project. To determine eligibility for continued occupancy, the tenant's adjusted annual income cannot exceed the current USDA Rural Development income limits. No special waiting list is required.

IV. Procedures for Determining Tenant Eligibility / Certifying and Recertifying Tenant Income

Owner is aware of the importance of the tenant selection process for determining tenant eligibility and certifying income. Adherence to proper procedure and attending to details at the initial stages ensures an orderly certification process and an avoidance of many potential problems. The following is our procedure for tenant certification, eligibility checks and recertification
of tenant income:

A. Initial contact with the tenant is made by the on-site manager who has received her/his training concerning the application and certification process. The on-site manager processes the application and certification paperwork with the tenant. Each household has a separate file in the on-site office. Records are retained on-site for a minimum of three (3) years or until a Rural Development compliance review has been conducted at the property management office or on-site. Copies of the original certification forms are sent to the Owner who goes over all certifications to determine that they have been calculated correctly. A professional applicant screening company is used to obtain credit reports prior references, applicant history, criminal records, and other public records. The applicant is charged and pays for this screening. Grievance procedure information will be given to all rejected applicants, when appropriate, per the 7 CFR 3560.160 (HB 2-3560, Chapter 6, Section 8).

B. Owner has assigned a staff member to each government program who is the program specialist. It is this person's responsibility to learn all aspects of the program's requirements, to make sure that the program is administrated correctly, to train personnel and to keep abreast of all changes in the program and its requirements. Knowledge of all government programs is also the responsibility of the Owner's supervisory personnel. Owner and on-site manager are responsible to be aware of USDA, RD requirements regarding eligibility, rejection, or placement on a waiting list. Owner will train on-site personnel in application processing, eligibility determination, selection, unit assignment, certification, recertification, and record keeping. A procedures manual providing instructions on these procedures is available to the on-site managers for reference. Certifications are reviewed for accuracy in the Owner's office. On going training is provided by the Owner. Specialized training is also provided by such national training organizations as Spectrum and local organizations as the Council for Affordable and Rural Housing and Rural Development.

C. If overage is incurred as a result of tenant failure to recertify, the overage will be paid by the tenant. If overage is incurred as a result of the Owner's failure, the overage will be paid by Owner.

V. Leasing and Occupancy Policies

A. The occupancy standards for the project are:

(1) A minimum of one person per bedroom or

(2) A maximum of two persons per bedroom plus one additional person per unit **at move-in.**

(3) Exceptions to this policy may be made for **existing households** when circumstances require. Over/under housed existing households will be required to move to an appropriate size unit as soon as one is available.

(4) Remaining household members that are over housed must move to a suitably sized rental unit within 30 days of its availability. If a suitably sized unit does not exist at the property, the tenant will be required to vacate the property. Surviving household members who are over housed may remain in the unit but must move to a suitably sized unit within 30 days of its availability. If a suitably sized unit is not available, surviving household members may remain in the rental unit according to the housing project's occupancy rules.

(5) Exceptions to the minimum of one person per bedroom may be made as a reasonable accommodation.

B. The project admissions and occupancy policies and procedures and criteria for selecting tenants for occupancy are:

(1) All applicants will be processed by exactly the same procedures to avoid any possibility of discrimination.

(2) The actual processing of the applications begins when an applicant on the waiting list reaches one of the top three positions on the list. If the application is greater than 90 days old, another application is required to be completed so that all information is current. No applicant will be processed unless the Application for Tenancy is completely filled out with no omissions and the applicant has submitted a signed Authorization to Verify Employment.

(3) A time is set up for applicants to come into the site office for an in-person interview and to begin the paperwork process. Everyone must come for at least one in-person interview if possible.

(4) The applicant must fill out an Income/Asset statement so the site manager can determine all sources of income and all deductions to income.

(5) The applicant must provide a copy of their most recently filed Federal income tax form unless the person was exempted from filing.

(6) The applicant must provide Social Security numbers for every tenant and co-tenant in the household.

(7) The applicant must sign verification release forms for each source of income. The following are the types of verification forms that are used:

(a) Bank Verification (for checking and savings accounts)

(b) Consent for Release of Information [to verify Social Security benefits or Supplemental Security Income (SSI) payments]

(c) Declaration of Amount Paid for Child Care (to verify amount paid out for childcare)

(d) Fixed Income Verification (to verify pensions, child support payments, assistance from relatives, disability payments, unemployment payments, veteran's pay or other non-wage income)

(e) Verification of Disability/Handicap to Determine Eligibility (to verify that an applicant qualifies because of a disability or handicap). The receipt of veteran's benefits for disability, whether service oriented or otherwise, does not

automatically establish disability.

(f) Stock Dividend Verification (to verify the value and income from stocks)

(g) Wage Earner Verification (to verify the wages of anyone who is working)

(8) All adults are also required to sign the following authorization forms:

(a) Authorization for the Release of Information form. This is a blanket authorization that is kept in the file so the site manager can check on any other suspected sources of income that may not be reported. The original is always kept in the tenant file and copies only are sent with the other relevant verification form that requests specific information.

(b) Consent for Wage Matching. The original is maintained in the tenant file for USDA, Rural Development use only and a copy given to the applicant/tenant.

(9) All sources of income must be verified by the source. The verifications are to be mailed directly to the source of the income from the on-site manager or Owner.

(10) If a third-party verification is absolutely not possible, and it has been documented, other acceptable sources of verification are:

(a) Award or benefit letters for Social Security, Unemployment, Public Assistance, etc. Said award/benefit letters must not be older than 12 months.

(b) Copies of checks, bank statements, W-2's, etc.

(c) Copies of year-end statements for some investment funds.

(d) Current documentation of income and expenses that is not older than the previous fiscal year for persons who are self-employed.

(e) Driver's license or other reliable document that documents Social Security number.

(11) Applicants with no sources of income will be denied occupancy.

(12) The eligibility requirements are explained to all applicants, and they are given a written notification of what they are. Applicants must qualify in all areas to be eligible for initial occupancy. These areas are:

(a) Must meet government requirements for income and tenant population type.

(b) Must meet the project's occupancy policies.

(c) Must have good landlord/good housekeeping references.

(d) Must have good credit/be able to demonstrate the ability to pay the rent, if applicable.

(e) Must have an acceptable report from a rental screening service, or approved extenuating circumstances reviewed by the Owner. There is a charge to the tenant for the actual cost of this service.

(f) Must have good personal references from people who are not relatives.

(g) Must submit a complete application with no omissions, a signed Authorization to Verify Employment form (if applicable).

(h) Must attend at least one in-person interview, if possible.

(i) Must be legally responsible to enter a legal contract.

(j) Must be capable, with or without assistance, to carry out lease requirements.

(k) Must not be engaging in any illegal activities.

(l) Must cooperate in all areas of determining eligibility, including signing authorization forms and providing necessary documents within the appropriate timeframes.

(13) All applicants, including juveniles, will have all their references checked by the professional screening company and they will have a credit report, public records, criminal records and prior landlord check conducted. They will be screened to see if they can meet the essential lease requirements, which are: The Applicant must demonstrate ability to...

(a) Pay rent and other fair charges in a timely manner;

(b) Care for and avoid damaging the unit and common areas, use the facilities and equipment in a reasonable manner, avoid creating any health, safety or sanitation hazards, and report maintenance needs;

(c) Avoid interfering with the rights and enjoyment of others, and avoid damaging the property of others;

(d) Avoid criminal activity that threatens the health, safety or rights of others and avoid drug-related and/or criminal activity;

(e) Comply with necessary and reasonable rules and program requirements of USDA, Rural Development and the housing provider, and comply with health and safety codes; and

(f) Meet the tenant obligations of the lease.

(14) If an applicant qualifies in ALL areas, they are accepted for tenancy. If they do not, they

are sent a Notice of Ineligibility which informs them they have the right for a hearing.

C. Management personnel are expected to understand the provisions included in the project lease and how they are applied. Lease provisions, occupancy standards, and admission policies are periodically reviewed with site and office staff by the occupancy specialists.

D. Special procedures used in marketing areas that include non-English speaking/reading people include making available interpreters and translating certain documents into the dominant non-English language. Where possible, site management will be hired that is bilingual in the area's dominant non-English language. Documents that may be compromised in the clarity of their meaning by being translated will remain in the English language with a copy in the non-English language being provided for interpretive purposes only. Documents that require a signature will be signed on the English language version, with a translation being attached for interpretive purposes only.

E. The project has a _ Xno pet policy / ____ pet policy. If pets are allowed the tenant must sign a pet addendum to the lease, comply with pet rules and pay a pet deposit in addition to security deposit.

F. The project has a nonsmoking policy.

VI. VAWA – Violence Against Women Act Protections and Requirements

A. PROTECTIONS PROVIDED UNDER THE VAWA: The Violence Against Women Reauthorization Act of 2013 (VAWA) provides protections to women or men who are the victims of domestic violence, dating violence, sexual assault and/or stalking – collectively referred to as VAWA crimes. The Owner understands that, regardless of whether state or local laws protect victims of VAWA crimes, people who have been victims of violence have certain rights under federal fair housing regulation.

This policy is intended to support or assist victims of VAWA crimes and protect victims, as well as affiliated persons, from being denied admission or from losing their Rural Development assisted housing as a consequence of their status as a victim of VAWA crimes. Affiliated persons include:

1) A spouse, parent, brother, sister, or child of the victim, or a person to whom the victim stands in the place of a parent or guardian (for example, the affiliated individual is a person in the care, custody, or control of the victim); or

2) Any individual, tenant/applicant, or lawful occupant living in the household of that individual.

VAWA ensures that victims are not denied housing and housing assistance solely because the person is a victim of a VAWA crime. However, being a victim of a VAWA crime is not a reason to change the eligibility or applicant screening requirements set forth in the management plan unless such requirements interfere with protections provided under the VAWA.

For example: The Borrower or Management Agent may waive the requirement to review landlord history for an applicant if the victim has provided necessary documentation to certify their status as a

victim and if contacting a previous landlord would put the applicant's location at risk of exposure to the accused perpetrator.

B. LEASE BIFURCATION: Under VAWA 2013, lease bifurcation can be initiated by the Owner, or at a victim's request to remove an abuser from a unit without evicting, removing, terminating assistance to, or otherwise penalizing a victim who seeks to remain in a unit. If the Owner determines that physical abuse caused by a tenant is clear and present, the law provides the authority to bifurcate a lease. Victims are encouraged to seek police/legal protection from their accused perpetrator. In some cases, the Owner may file a restraining order against the accused perpetrator to prevent the accused perpetrator from entering the property.

Lease bifurcation in order to evict or remove the abusing tenant shall be done under the authority of 7 CFR 3560.159(d) Criminal Activity. A victim must be a tenant or household member on the lease to request a bifurcation of the lease. Bifurcation is not the appropriate remedy to remove a person living in the unit who is not on the lease and who is not a lawful tenant.

- In the event that one household member is removed from the unit because of engaging in acts of domestic violence, dating violence, sexual assault, or stalking against another household member, an interim recertification should be processed reflecting the change in household income and tenant composition, as outlined in HB-2-3560, Chapter 6.28 B "Interim Recertification Process."

- When terminating assistance or bifurcating a lease, the Borrower or Management Agent should follow the procedures outlined in HB-2-3560, Chapter 6.32 "Termination of Occupancy.

C. EMERGENCY TRANSFER: Rural Development (RD) tenants who are actual or imminent victims of domestic violence, dating violence, sexual assault, or stalking, in accordance with The Violence Against Women Reauthorization Act of 2013 (VAWA Act of 2013), shall be permitted by the owner or manager to request a transfer to another safe dwelling unit in another RD Multi-Family Housing (MFH) property, if:

(1) The tenant reasonably believes that he or she is threatened with imminent harm from further violence if he or she remains within the same dwelling; or

(2) In the case of a tenant who is a victim of sexual assault, the sexual assault occurred on the premises during the 90-day period preceding the request for transfer.

Transfers under this plan are subject to the availability of other RD MFH units. Tenants who are actual or imminent victims of domestic violence, dating violence, sexual assault, or stalking and are requesting an emergency transfer under the Rural Development Emergency Transfer Plan may receive benefits by the use of a Letter of Priority Entitlement (LOPE) from the Agency, as RD considers this to be a situation beyond the tenant's control under 7 CFR 3560.159(c).

A LOPE entitles victims to receive priority for available housing at any Section 515 Rural Rental Housing or Section 514 Farm Labor Housing property, anywhere in the United States, if the victim otherwise meets the normal RD program eligibility criteria. This letter may also help the victim get preference in a non-RD financed apartment if permitted by the occupancy

policy of the non-RD financed program.

- Tenants who receive a LOPE and are beneficiaries of Rental Assistance (RA) may not transfer the RA to another RD property. The RA will remain with the original RD property.

Tenants should contact the Owner to request an emergency transfer. The Owner may request written certification and offer the tenant a HUD Certification of Domestic Violence Form, though this is not required when requesting an emergency transfer. The Owner shall immediately contact their MFH RD servicing office, who shall provide the LOPE along with a letter to the tenant indicating at a minimum, that the tenant may receive priority placement in an available RD unit and the given timeframes.

D. VAWA NOTICE AND CERTIFICATION: The HUD 5380 Notice of Occupancy Rights and the Certification of Domestic Violence and HUD 5382 Alternate Documentation Form will be posted in a place(s) where it can be visible to tenants and prospective tenants. These documents are available from HUD in multiple languages.

HUD 5380 Notice of Occupancy Rights under the Violence Against Women Act provides notice to the tenant/applicant of the confidentiality of information about a person seeking to exercise VAWA protections and the limits thereof.

HUD 5382 VAWA Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking and Alternate Documentation must be used by the Borrower or Management Agent for documenting incidents of domestic violence, dating violence, sexual assault, and stalking.

BOTH the VAWA Notice and the VAWA Certification form must be provided:

1) When an individual is denied residency;
2) When an individual is assigned a RD unit;
3) With any notification of eviction or termination of assistance.

E. VAWA MODEL LEASE ADDENDUM: Owners have incorporated a HUD-approved VAWA Lease Addendum containing the rights and protections afforded to victims under VAWA 2013 as part of their Initial move-in lease or modification to the current lease. In addition, the VAWA lease addendum has been implemented for current tenants as follows.

- To all existing tenants during the 12-month period following the effective date of the HUD Final Rule (by 12/16/17) during their annual recertification process
- If there will be no recertification or lease renewal for a tenant during the first year after HUD's Final Rule takes effect, through other means.

F. CONFIDENTIALITY: Reasonable confidentiality measures must be incorporated by owners and managers so that the location of the new dwelling is not disclosed to the person that commits an actual or imminent act of violence. The identity of the victim and all information provided to the Owner or managers relating to the incident(s) of abuse covered under the VAWA will be retained in confidence. Information will not be entered into any shared database nor provided to a related entity, except to the extent that the disclosure is:

1) Requested or consented to by the victim in writing; or
2) Required for use in an eviction proceeding or termination of assistance; or
3) Otherwise required by applicable law.

The Owner or manager will retain all documentation relating to an individual's domestic violence, dating violence, sexual assault and/or stalking in a separate file that is kept in a separate secure location from other applicant or tenant files.

G. REQUESTS, CERTIFICATION AND DOCUMENTATION: When the Owner or manager responds to a request to exercise protections provided under the VAWA, the Owner or manager will request, in writing, that an individual complete, sign, and submit the VAWA certification form, within fourteen (14) business days of the request. This timeframe may be extended by the Owner or manager. This certification may be submitted in an equally effective manner, as a reasonable accommodation, if there is the presence of a disability. The victim is not required to name his/her accused perpetrator if doing so would result in imminent threat or if the victim does not know the name of his/her accused perpetrator.

In lieu of, or in addition to, the HUD 5382 VAWA Certification form, the Owner or manager may request documentation/proof of outreach for assistance from whom the victim has sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse such as:

- A Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency

- A document signed by an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional, or a mental health professional (collectively, 'professional') and signed by the applicant or tenant that specifies, under penalty of perjury, that the professional believes in the occurrence of the incident of domestic violence, dating violence, sexual assault, or stalking that is the ground for protection and remedies under this subpart, and that the incident meets the applicable definition of domestic violence, dating violence, sexual assault, or stalking under §5.2003

- If the person seeking VAWA protections cannot provide any of the documents described above, the Borrower or Management Agent should discuss with them acceptable alternatives such as a statement or other evidence provided by the applicant or tenant. The Borrower or Management Agent has the final decision regarding acceptable alternatives.

Requests from the Owner or manager for additional documentation must be in writing and provide a timeframe of fourteen (14) business days to return documentation to the Owner or manager for consideration. If the Owner or manager receives documentation that contains conflicting information (including certification forms from two or more members of a household each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator), the Owner or manager may require the applicant or tenant to submit third-party documentation within thirty (30) calendar days of the date of the request for the third-party documentation. This timeframe may be extended by the Owner or

manager.

If an applicant or tenant does not provide the documentation requested within the timeframe required, after the date that the applicant or tenant receives a request in writing for such documentation, requests for protections may be denied.

VII. Rent Collection Policies and Procedures

A. A firm and consistent rent collection policy is the first step in establishing a solid financial base for the project. Tenants, regardless of income level or age group, respond to a firm, but fair rent collection policy which is uniformly applied to all tenants. This, in turn, assures early banking of funds, more accurate and timely recording of rent collections, and the available cash to make mortgage, utility, service and supply expense distributions on time.

The sequence of rent collection policy for the project is detailed below:

(1) The rent is due and collected on or before the first of each month in the on-site office, manager's unit or by mail. If submitted via the postal service, the date of receipt of payment is the date it is delivered to the site management office, not the post mark date. Prepayment of rent is always accepted. Provisions will be made so that people who are absent from the project during the day can make their payments after normal business hours. The office has a mail slot in the door. Rent due notices are delivered to any tenants who have not paid their rent by the fifth of the month.

(2) Rent due notices are delivered to any tenants who have not paid their rent by the fifth of the month.

(3) Late charges of $10 or 5% of the tenant's gross tenant contribution (GTC), which ever is greater, will be charged for late payment of rent after a 10-day grace period will be assessed. If tenant pays rent with an NSF (Non-Sufficient Funds) check, tenant will be charged a $25 fee in addition to any late fees which may be due.

(4) The on-site manager contacts the Owner on the 11th of the month if there are any rents which are uncollected. All tenants who are delinquent at that time are sent a Thirty-Day Pay or Quit notice. If the time for a tenant to cure a Pay or Quit Notice is shorter pursuant to the State Landlord Tenant Act, the State Landlord Tenant Act controls. A copy with an original signature is delivered in person to the tenant by the on-site manager. The original notice is sent by First Class mail to tenant's address, and a copy is delivered in person by the site manager. If personal delivery of a copy of the notice to the tenant is not possible, the delivery will be accomplished by hand-delivery to any adult who answers the door at tenant's address or by posting the notice on, under or through the tenant's apartment door. A copy of the notice with a Certificate of Service filled out by the site manager is retained in the tenant's on-site file, and a copy is kept in the property's correspondence file and in the management company's central office file. All service requirements for the notice as set forth in the State Landlord Tenant Act shall apply.

(5) If the tenant is having difficulty making payments, the on-site manager will work with him/her to get over the difficult period. This includes accepting partial payments of rent. This is a short-term solution. Tenants are counseled on budget management to help them schedule

their entire rent payments on time. If a tenant is in chronic need, they can be assisted with contacting community, state, and federal groups to assist his/her financial problems.

(6) If a tenant does not respond to a Thirty-Day Pay or Quit, an attorney is contacted to start unlawful detainer action. Usually, tenants respond to a court summons by making the rent payment. If not, we instruct the attorney to follow through with court action to evict the tenant.

(7) All rent collections should be complete, recorded and received in Owner's office by the 10th of the month. The on-site manager shall bank all monies within 24 business hours of receipt.

(8) A payment is considered missed if it is not received when the monthly statement of cash collections and disbursements is prepared. Collection action will already be in process at that time. Unless a tenant makes special arrangements for a payback schedule, one month's rent loss is cause for eviction. Any rent which we are not able to collect for any reason is turned over for collection.

(9) If a tenant is repeatedly late in making rent payments so that he/she has been sent several Thirty Day Pay or Quit notices, he/she is sent a letter warning him/her that continual late payment is cause for eviction. Repeatedly late is defined as remitting payment for rent after the 10th day of the month in excess of three (3) times in any consecutive twelve-month period. If the tenant continues to be delinquent, eviction will be commenced with issuance of the proper notice pursuant to the State Landlord Tenant Act.

(10) It is the primary responsibility of the on-site manager to bank the rents and write rent receipts. State law requires rents to be banked within 24 hours. Managers are asked to bank daily to comply with state law and to avoid theft, loss, or misuse of funds. The Owner checks rent deposit slips against rent receipts to ensure that this policy is being followed. Monies not banked on the same day as received are to be retained in a locked, secured location such as a safe or locking file cabinet.

(11) The on-site manager gives all tenants, regardless of the method of payment, a rent receipt that is made out in triplicate. The original goes to the tenant, the first copy is sent with the bank deposit slips to Owner's office, and the second copy stays with the site records.

(12) Each property has a separate trust operating account into which its rents and security deposits are deposited. In Owner's, the computerized accounting system is programmed so that each property's accounts are separate and individually maintained.

(13) A security deposit must be collected in its entirety prior to allowing occupancy of a unit, unless this is an Owner approved exception as stated below. The security deposit will be an amount equal to the Basic Rent or the calculated Tenant's Contribution, whichever is greater, as of the date of first occupancy. The security deposit will not be adjusted during the tenant's term of occupancy within the same unit. In the event a tenant transfers from one apartment unit at the project into another apartment unit at the project, the security deposit on record will be disbursed as though the tenant had vacated the project, and a new security deposit will be established for the unit into which the tenant is transferring. If tenants cannot pay the full amount of the security deposit initially, they may be placed on a payment plan. Should installments not be met, the total

charge may become due and payable in full. Households receiving a HUD rental subsidy must pay security deposits according to HUD requirements.

(14) Each tenant's security deposit is individually recorded and accounted for. It is deposited into a separate security deposit trust account in a federally insured bank and held in trust for the tenant until the time that the tenant leaves the property. Any charges deducted from the security deposit will be detailed on the Unit Move-Out Inspection Report that will be mailed to the tenant within 30 days of moving out of the property.

(15) Tenants with pets will be required to make an additional pet deposit of $NA, which is separate and in addition to the security deposit. No pet deposit will be required for a service animal. The pet deposit will be recorded and accounted for in the same manner as the security deposit. The pet deposit will be refunded, less any charges, within fourteen (14) days of the pet no longer occupying the apartment unit.

(16) The owner may not increase for persons with disabilities any customarily required security deposit for restoration after modifications which may be made to permit the disabled person's full enjoyment of the unit.

(17) The Owner keeps all security deposits in a savings account in which the interest accrues to the project.

VIII. Procedures for Requesting and Implementing a Rent Increase

A. The Owner will provide the appropriate government agency with facts demonstrating the need and justification for a rent increase including:

(1) An updated utility allowance analysis.

(2) A proposed operating budget on form RD 3560-7, *Multiple Family Housing Project Budget/Utility* Allowance, for projects' fiscal years showing:

---Current approved budget at old rents
---Actual income and expenses to date
---Proposed budget at proposed new basic rents
---Proposed budget at proposed new note rate rents, if applicable

(3) Annual Capital Expenditure budget

(4) A budget narrative with supporting documentation

(5) A copy of *Notice to Tenants of Proposed Rent and Utility Allowance Change.*

Rent increase requests will typically be made, if possible, to be effective on the first day of the project's fiscal year. Changes in past actual expenses or anticipated future expenses, will be noted on the proposed budget for the coming year as the rationale for raising rents.

Notification of a proposed rent change will be accomplished by delivering copies of USDA, Rural Development's required "*Notice to Tenants of Proposed Rent and Utility Allowance Change*" to

every tenant at least 90 days prior to the anticipated effective date of the rent change. The notice will also be posted in common areas around the project, such as laundry rooms, parking areas, recreation rooms, etc. The notice will inform tenants that during a 20-day comment period, they will have an opportunity to inspect, copy and make written comments or objections to all materials submitted to USDA, Rural Development to support the rent change. All tenants will be informed of USDA, Rural Development's approved rent increases in writing at least 30 days prior to the effective date of the rent change.

B. Rent change requests are initiated by the Owner and processed with the assistance of the occupancy specialist and bookkeeper, if applicable.

C. Rent changes will typically be requested 90 days prior to the end of the fiscal year. Under special circumstances, where a change is necessary to preserve the financial integrity of the project, a rent change may be requested at times other than 90 days prior to the end of the fiscal year.

IX. Plans and procedures for carrying out an effective maintenance, repair, and replacement program

A. The objective for preventative maintenance is to perform maintenance in such a way as to avoid the development of unexpected, deferred maintenance conditions. The preventative maintenance plan, cash flow allowing, is to repaint, reroof, recarpet, and respond to other typical wear cycles so as to avoid unexpected peak expenses.

B. The as-built plans, when available, will be kept at the home office. When available, copies will be kept on site. The Owner will attempt to keep as-built files up to date in the event of modifications.

C. The general maintenance procedures and schedules will be performed as follows:

(1) The on-site manager will typically be responsible for checking and servicing appliances and mechanical equipment. Any repairs beyond the on-site managers' level of expertise will be performed by independent repairmen. Subcontractors shall provide proof of business license and Insurance.

(2) In terms of life/safety/security provisions, all units will be equipped at the tenant's move-in with a working smoke detector. Smoke detectors are tested each time management or property staff enters a unit, not less than one time per year during the annual unit inspections. Fire extinguishers, mounted on the building's exterior in accordance with local fire code, will be provided in the common areas and checked annually per fire code. The outside lighting will be checked regularly to make sure all bulbs are replaced as needed. De-icer will be bought early in the fall so that an adequate supply is on hand. Walks are cleared as soon as possible and practical after a snow. If icy conditions prevail, despite these efforts, a caution sign will be posted.

(3) The on-site managers will typically be responsible for performing maintenance related to tenant move-ins and move-outs, with the exception of major redecorating, such as flooring, countertop or cabinet replacement, which is performed by contractors. Units are inspected prior to each move-in, at least once each year and after each move-out by on-site

management.

(4) Interior painting and decorating will be done on an as-needed basis. Exterior painting will be done as needed and as reserve balances allow. Ideally, interior painting will be performed on a five-year cycle, carpet replacement on a seven-year cycle, resilient flooring on a seven- to ten-year cycle and exterior painting on a seven- to ten-year cycle.

(5) Major repairs will be handled by obtaining competitive bids from reliable, licensed and bonded contractors. The Owner will review these bids and select a vendor based on cost and ability to perform the work. Grounds upkeep will either be performed by the site manager or by a landscape contractor, whichever is the most cost-effective and capable.

(6) Garbage and trash removal will be contracted for pick up on at least a weekly basis. Trash service is paid by the property.

(7) All halls, entries, and common areas will be checked as needed, but not less than weekly. Litter, fire hazards, and any other necessary cleaning will be done immediately during the walk through. Carpets will be vacuumed as often as necessary depending on weather conditions and any other conditions which affect the carpets and entries, but the work will be done at least once a week. The property will establish an annual or more frequent schedule, if needed for a professional cleaning of the common area carpets. Parking lots will be inspected at least monthly and cleared of litter, leaves, etc. on a regular basis but with more frequency during the autumn months.

D. Tenants are instructed to use maintenance request forms to report any major and/or minor repairs. For those tenants who have a disability that affects their ability to read or write and for those with limited English proficiency, a verbal request will be accepted, with the site manager recording the request on a maintenance request form. Emergency repairs will be reported immediately.

E. Purchase order books are issued to site managers who use them when ordering supplies, services, or project equipment. Purchase orders are to be submitted by vendors with the invoices that are sent to the management company. Project bills are paid monthly.

F. The Owner will perform an analysis of the major capital replacements. The life expectancy of each capital item is estimated as well as the cost of replacement. Reserve funds are analyzed for adequacy. Each anticipated capital expenditure is, if feasible, included in the proposed annual budget. For expenditures anticipated to exceed $3,000, a minimum of three (3) proposals will be obtained, expenditures exceeding $3,000, copies of bids will be attached to the replacement reserve withdraw request and forwarded to USDA, Rural Development for approval. If there is an Identity of Interest between one of the bidders and the Owner, the bidder with the Identity of Interest will submit their bid directly to USDA, Rural Development prior to obtaining at least two additional bids. Due to emergencies, there may be unscheduled reserve withdrawals that will be subject to USDA, Rural Development approval. In the event prior approval cannot be obtained before emergency repairs commence, post approval will be requested within 72 hours of work commencing.

G. The project is not migrant or seasonally occupied labor housing.

H. An inspection of the apartment unit will be made within thirty (30) days after a tenant initially occupies an apartment and at least annually thereafter to assure tenant's adherence to the terms of the lease agreement and to assure adequacy of maintenance and upkeep.

I. The costs for maintenance and replacement costs will be paid from the project's general operating account. Should the balance in the general operating account be insufficient to pay such costs, the Owner will submit a request to USDA Rural Development to use reserve funds to complete the necessary repairs.

X. Plans and procedures for providing supplemental services

A. Laundry machines are provided as a supplemental service to the tenants. The laundry machines are located in the project's laundry room.

B. This equipment is owned by WASH Multifamily Laundry Systems.

C. The vendor's employee collects the proceeds and gives the property an accounting of the machine's counter and/or a receipt for cash collected. The Owner monitors the deposits for consistency based on expected income and property type.

D. WASH Multifamily Laundry Systems is responsible for maintaining the laundry equipment.

E. The terms of the laundry contracts are indicated in the attached copies of the contracts.

XI. Plans for meeting USDA, Rural Development accounting, record keeping and reporting requirements

A. The Owner will establish and maintain a comprehensive system of records, books and accounts in a manner conforming to the loan agreement. The accounting method is cash ___/ accrual X which is maintained on a computerized accounting system. The records produced include monthly financial statements with invoices to substantiate all expenditures, a rent roll backed up by rent receipts and a security deposits reconciliation. These records are prepared in the Owner's office by bookkeeping or accounting personnel. All invoices are approved by the Owner before payment. Financial statements are reviewed monthly by the owner. Owner is responsible for the preparation and submission of the financial reports to USDA Rural Development electronically through MINC.

B. Each property's replacement reserves are kept in a separate account. Interest earned remains in the property's account. There are also the following accounts: rental account – noninterest bearing. Tax & insurance account – interest bearing. Security deposit account – interest bearing.

C. The project chart of accounts is based on the HUD chart of accounts. The account numbers are consolidated at year end to conform with the USDA, Form RD 3560-7, *Multiple Family Housing Budget/Utility Allowance.* All accounts are compatible with USDA, Form 3560-7, *Multiple Family Housing Budget/Utility Allowance.*

D. The Owner prepares the annual report to USDA, Rural Development. Monthly or quarterly reports, if required, are prepared by the project bookkeeper.

E. The accounting firm that prepares the annual audit, engagement report will be selected by the Owner. This is an independent accounting firm with no ownership or identity of interest in the project.

F. The complete original tenant records file is maintained by the On-Site Manager and will include the application and screening documents, the lease, rules and regulations, certifications with all verifications, the unit inspection report, notices, and any pertinent correspondence. When a tenant is initially certified or is recertified, copies of the certification and all verifications and/or documents are sent to Owner's office for review by compliance specialists. A copy of the reviewed certification is kept at the property management office. After review and approval by the main office, the tenant is asked to sign the certification and one signed copy of the certification is given to the tenant to keep along with copies of the tenant's completed Unit Inspection Report, signed lease, and rules and regulations. The original signed certification/recertification and verification information is kept in the tenant's on-site file. Tenant records are retained for at least three (3) years after the tenant has moved out.

G. All records relating to tenants will be kept at the project. All accounting records and financial statements and back up are kept at the management company's office or storage facilities. USDA, Rural Development should contact the regional property manager to set up an appointment to review the records.

XII. Energy conservation measures and practices

A. Actions to stimulate conservation will be to emphasize its importance at move-in, and to issue seasonal and weather sensitive announcements, such as posting the company wide weatherization notice. Tenants will be oriented to conservation at move-in and periodically throughout their tenancy. The tenants are advised that they directly control energy conservation related to the amount of water and the amount of power they consume. Tenants can control their use of energy and are informed of the importance of the conservation of water by not letting faucets run and promptly reporting leaking plumbing fixtures and by conserving power by not using excessive heat or air conditioning. The Owner installs shower flow restrictors, insulated hot water tanks, lowers water heater temperatures to 120 degrees, and buys energy efficient appliances to help conserve energy in the units. During unit inspections, staff looks for tenant practices that may waste power and advises the tenant of corrective measures.

B. The Owner controls conservation of power as it relates to common areas, common area lighting and vacant units. Also, Owner controls the amount of water used in the project's common area and for such work as watering the landscaping. Proposed energy conservation practices related to management-controlled utilities include shutting off electrical power in vacant units (only during summer months), installation of photo-cell, fluorescent and sodium vapor lighting fixtures for common areas, installation of keyed shut-offs for exterior hose bibs, and research into retro-fitting single pane windows with insulated glass. The Owner, in coordination with on-site personnel, conducts an ongoing maintenance program to ensure that the insulation, weather stripping, and caulking are in good repair.

C. The object in implementing energy conservation measures is to control or reduce operating costs as much as possible.

D. The following are energy conservation practices both by Owner and residents:

HEATING/AIR CONDITIONING

(1) Lower thermostat setting in winter/raise in summer to point that the unit furthest from the heat source will be at the minimum (maximum in summer) setting allowed by local law for day and night settings.

(2) Lower thermostat setting in winter/raise in summer to point that the unit furthest from the heat source will be at the minimum (maximum in summer) setting allowed by local law for day and night settings. Rooms with individual thermostats should be turned off or down when not occupied, and doors to these rooms should be closed.

(3) Thermostat settings in vacant units, where individually controlled, should be set to operate at a minimum level necessary to prevent damage to water systems.

(4) Keep heaters clean. Arrange furniture, curtains and drapes so they do not block the flow of warm air.

(5) If the furnace has natural gas standing pilot, turn it off during the summer months.

(6) Use the sun's heat. On sunny days, open blinds and draperies. At night or on cloudy days, close them to reduce heat loss.

(7) Keep windows and outside doors closed when the heat is on.

(8) Install window shades, external shading elements, tinged glass or interior binds to direct sunlight, thereby reducing air conditioning needs.

(9) When making replacements consider the installation of storm or other energy efficient doors and windows.

(10) Where there are individual window units, install inside air conditioner covers during the winter months, and provide tenants with specifics as to proper size of a unit that they may install.

HOT WATER

(1) Use insulated hot water tanks.

(2) During move-in, the on-site manager will make sure the hot water temperature is set at the state laws required 120 degrees and have the tenant verify it.

(3) Install a shower flow restrictor provided by on-site manager, which can cut the hot water used by as much as 50%.

(4) Typically, a shower takes 5 to 10 gallons less hot water than a bath.

(5) Report leaky faucets to on-site manager immediately to minimize hot water waste.

(6) Hang signs in the laundry room requesting that tenants use lower water temperatures and full loads when doing laundry.

COOKING

(1) Whenever possible, use small appliances that use less electricity such as crock pots, electric skillet, broiler-oven, etc.

(2) Cook several items at one time in the oven.

(3) Preheating is necessary only with delicate items such as cakes.

(4) Turn off oven or range five minutes before cooking is finished, the heat that is left usually will be enough to finish the job.

(5) Don't peek! Opening the oven door causes the temperature to drop about 25 degrees.

(6) Match the pot size to the size of the surface element. Putting a small pot on a large element wastes energy.

(7) Use tight fitting lids on pots and pans to help trap the heat.

(8) Heat water in a covered pan or teakettle instead of using hot tap water.

REFRIGERATORS & OTHER MAJOR APPLIANCES

Run 24 hours a day, 365 days a year, so it is important to make sure the appliance works properly. Report any problems to the on-site manager immediately.

(1) Keep condenser coils clean by vacuuming them regularly. Dust and dirt make your refrigerator work harder and, therefore, use more electricity.

(2) Check gaskets regularly to make sure doors fit tight. To check, place a piece of paper between the door and cabinet. Close the door, then try to pull the paper straight out. There should be slight resistance. If the paper pulls out easily, the manager will need to replace the gasket.

(3) Adjust the temperature of the refrigerator to the manufacturer's recommended setting. (Usually 38 - 40 degrees in the refrigerator and 0 degrees in the freezer.) Settings that are too cold waste electricity.

(4) Use frost free refrigerators. For old refrigerators that are not frost free, keep the freezer defrosted. Don't allow ice to build up to more than 1/2" thick.

(5) When replacing kitchen appliances, install energy efficient appliances (Energy Start).

LIGHTING

While normal lighting uses an insignificant amount of electricity compared to other energy users, there is still room for saving.

(1) Turn off lights that are not needed in unoccupied rooms.

(2) Use natural daylight as much as possible.

(3) When possible, use one large bulb rather than several smaller ones. One 100-Watt incandescent bulb for example, produces more than two 60-Watt bulbs and uses 20% less electricity.

(4) Replace exterior and interior incandescent lighting with fluorescent or other energy efficient lighting in common areas, and as appropriate, in individual units.

(5) Use plug-in timers to turn lights on and off automatically.

(6) Turn off lights in community rooms and other common areas when not in use.

(7) Reduce lighting and bulb wattage in public hallways, lobbies, garage and parking areas, consistent with safety requirements.

(8) Install photoelectric sensors to turn on all exterior lights at dusk and off at daybreak.

(9) If some halls and stairwells receive natural light, rewire so that lights can be turned off when not needed.

OTHER APPLIANCES

Almost everyone these days has a number of small appliances. Radios, televisions, fans and electric blankets should be turned off when you are not using them. For safety purposes, coffee makers, toaster ovens, irons and appliances that produce heat, should be unplugged when you are not using them.

OTHER ENERGY CONSERVATION MEASURES & PRACTICES

The Owner's goal is to maximize energy conservation procedures and improvements to minimize the use of energy and accordingly minimize utility costs. The Owner will directly control the following energy conservation practices:

(1) Carry out energy conservation measures. The Owner will supervise the implementation of the measures. Approved energy conservation contractors will perform the major work. Less demanding measures such as caulking, installing flow restrictors, etc., may be performed by the on-site manager or competent handyman.

(2) Caulk around windows and doors.

(3) Weatherstrip windows and doors.

(4) Orient all tenants to energy conservation measures and update these measures periodically.

(5) Make sure ceilings, walls and floors are properly insulated.

(6) Install foam insulation gaskets in outlets and switches in outside walls.

(7) Wrap all water heaters and hot water pipes with an insulation blanket.

(8) Lower all hot water temperature settings to 120 degrees.

(9) Install shower flow restrictors.

(10) Regulate tenant's use of additional major appliances such as freezers.

(11) Use energy-saving bulbs where possible.

(12) Regularly inspect the exterior and interior of the building for areas that need repairs or improvements such as: Cracks that could be caulked or weather-stripped, leaky plumbing, etc.

(13) Install low flow water toilet tanks.

(14) Check to make sure adequate ventilation in attic spaces and crawl spaces is protecting against moisture. Add screened openings in eaves, at gable peaks or along ridgelines if necessary.

(15) Install insulated (double glass) windows.

(16) Ensure proper vapor barriers are in use.

GREEN PLAN FOR RESIDENTS

In addition to measures undertaken by Owner, involving residents in conservation is a key to success for cost and energy use reduction. A green plan for each resident involved them in day-to-day efforts to improve the quality of life in their unit and community, while saving money. At move-in, residents will receive a list titled "Ways You Can Assist in Conserving Energy".

To keep the building healthy and to conserve natural resources, it is important that its residents and maintenance staff clean, maintain, and operate the building using green and healthy products and practices. Many of these things are easy to do, and all of them are worth the time and effort.

Conserving energy and water resources benefits the environment in a variety of ways. For example, using less electricity reduces fossil fuel emissions from power plants, which reduces air and water pollution, and that helps protect everyone's health. In addition, the less energy and water used in the property, the less

money the owner will have to pay for these utilities, and the more money the owner saves on utility bills, the more funding will be available to support on-going operations and reduce the need for rent increases and Rental Assistance.

ENERGY REDUCTION TIPS FOR RESIDNETS

1. When high wattage light bulbs burn out, replace them with compact fluorescent bulbs.

2. Turn off lights when not in use – both in own unit and in community rooms.

3. Do not use electric appliances longer than necessary and be sure to turn off appliances when not in use.

4. Do not run hot water longer than necessary.

5. Do not leave stove burners on longer than necessary.

6. Call the management office immediately to report leaky faucets, plumbing leaks, and drafty rooms.

7. In the winter, close the shades or drapes in the evening and leave the thermostat at 70 degrees or less. Lower the thermostat to 65 degrees when retiring for the night. Open drapes or shades n the morning to admit winter sunlight and warmth through the windows.

8. In the summer, open shades or drapes in the evening and leave the thermostat at 78 degrees. Close drapes or shades in the morning to reduce heat from the sunlight.

9. If you leave your apartment for a day or more, set thermostat at 55 degrees in the summer and 60 degrees in the winter.

10. Never have heat or air conditioning on while doors and windows are kept open.

11. In nice weather, turn off heat and air conditioning and open windows.

12. Keep fan coil units, radiators, and baseboard heater surfaces clean.

13. Schedule use of laundry (and dishwashing) machines to allow for full loads.

14. Report broken or cracked windows to the manager immediately.

15. Use cold water detergents in washing machine, and wash and rinse in cold water.

16. Do not block air outlets or returns and radiators with furniture or curtains.

17. Close doors and shut off heating supply to rooms that are seldom used.

18. Increase amount of carpeting in unit.

19. Call the management office if you have any questions or if you have some ideas on further energy

conservation. They will be appreciated.

XIII. Plans for tenant participation in rural rental housing (RRH) project operations and tenant's relationship with management

A. There are no current plans for a tenant organization. In the event a tenant organization becomes active, Owner may periodically meet with them to discuss positives and negatives concerning the project and mutually agreeable actions to be taken.

B. The site manager is provided a copy of the USDA, Rural Development 7 CFR 3560.160, Tenant Grievance Procedure. The procedure is posted in the project's office by the site manager and will be provided to tenants at their request. If a grievance is filed, the Owner conducts the grievance procedure and writes all the necessary reports and ensures that all required steps are properly taken.

XIV. Plan for carrying out management training programs

A. Staff are expected to be proficient in their knowledge of all USDA, Rural Development program and property management job requirements. This proficiency is measured by periodic evaluations of job performance and by obtaining such professional designations as Spectrum's STAR program, AHMA training certificates, RealPage on-line training certificates, CARH's RAHP or RAHE Designations, state real estate license requirements, Zeffert & Associates, and IREM's Certified Property Manager.

B. Internal training includes sending staff to periodic training seminars sponsored by Spectrum, and Affordable Housing Management Association of Washington (AHMA). Owner also conducts ongoing staff and on-site manager training.

XV. Termination of leases and evictions

A. Both the Owner and the site manager are responsible for knowing and administering state and local laws and USDA, Rural Development's requirements regarding termination of leases or occupancy agreements and evictions. The Owner works with the site personnel to implement all regulations and laws. No terminations of tenancy may be processed without the Owner's review and concurrence.

B. Both the site manager and the Owner are familiar with local and state laws and USDA, Rural Development's requirements for notices to comply with lease or termination of tenancy notices. Also, attorneys are frequently consulted if there is any question on the part of management regarding termination of tenancy.

XVI. Insurance

A. The Owner is knowledgeable of USDA Rural Development's insurance requirements, fidelity bond requirements, and loan repayment schedules. The Owner will arrange for obtaining and

renewal of insurance and fidelity bond coverage and for making monthly loan payments.

XVII. Management Certification The copy of the Management Certification, *Form RD 3560-13*, is attached.

XVIII. Management Compensation

A. The management fee is based on the PUPM fee in accordance with the USDA Rural Development's HB-2-3560. A copy of Form RD 3560-13, *Management Certification* is attached. Further, management compensation shall be paid monthly in accordance with the approved operating budget.

XIX. On-site management

A. Site management will be performed by the on-site manager, salaried or hourly repair and yard personnel, and contractors, as required.

B. The on-site manager is responsible for the day-to-day site management operations, such as the collection of rents, making deposits, initiating, and preparing certifications and recertifications, tenant relations, preparation of the units for rental, renting units, all routine maintenance, and all other activities listed in the site manager's employment agreement.

C. The on-site manager lives onsite.

D. The project's office hours are Monday - Friday 9:00 AM to 5:00 PM. Appointments may be made for hours outside of this schedule. The office is closed on all major holidays. The office hours are posted at the door to the project's office.

XX. Validity of the Management Plan

IN WITNESS WHEREOF, the parties have executed this agreement on the date below written.

OWNER: Housing Authority of Kittitas County

BY: Jennifer Ellis TITLE:Executive Director DATE

RESOLUTION 26-1016
A RESOLUTION AUTHORIZING HOUSING AUTHORITY OF KITTITAS COUNTY TO EXTEND OFFER OF EMPLOYMENT TO ON-SITE MANAGER AND ON-SITE MAINTENANCE OF PINE TERRACE APARTMENTS

WHEREAS, Housing Authority of Kittitas County (HAKC) acquired Pine Terrace Apartments, located at 906 W. 2nd Street, Cle Elum, Washington on or about September 11, 2019;

WHEREAS, Ad-West Realty Services has managed Pine Terrace Apartments under the ownership of HAKC since HAKC's acquisition of the property;

WHEREAS, Ad-West Realty has communicated its intent to terminate the Management Agreement for Pine Terrace effective March 31, 2026;

WHEREAS the current on-site manager and on-site maintenance for Pine Terrace are employees of Ad-West Realty and are both part-time employees; and

WHEREAS, HAKC believes that extending offers of employment to the current on-site manager and on-site maintenance of Pine Terrace in conformity the approved 2026 budget is necessary to ensure a smooth transition and continued consistency with the management and operations of Pine Terrace;

NOW THEREFORE, beit resolved by the Board of Commissioners of the Housing Authority of Kittitas County that HAKC's Executive Director is hereby authorized to extend offers of employment to the on-site manager and on-site maintenance of Pine Terrace in conformity with the approved 2026 budget for Pine Terrace.

PASSED AND ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF KITTITAS COUNTY, AT ITS REGULAR BOARD MEETING, THIS 18th DAY OF MARCH, 2026.

_____
Chairman, Board of Commissioners

_____
Date

ATTEST:

_____
Secretary

CERTIFICATE

I, the undersigned, duly chosen, qualified and acting Executive Director and Secretary of the Housing Authority of Kittitas County ("HAKC") and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No. 26-1016 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of HAKC as adopted at the regular meeting of HAKC held at the regular meeting place on March 18, 2026 (the "Meeting"), and duly recorded in the minutes of HAKC;
2. That the public was notified of access options for remote participation in the Meeting via HAKC's website; and;
3. That the Meeting was duly convened, held and included the opportunity for public comment, in all respects in accordance with law, and to the extent required by law, due and proper notice of the Meeting was given; that a quorum was present throughout the Meeting, and a majority of the members of the Board of Commissioners of HAKC were present at the Meeting and noted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this Certificate.

IN WITNESS THEREOF, I have hereunto set my hand this 18th day of March, 2026.

_____

Jennifer M. Ellis, Secretary