To: Managers and Supervisors

CC: Executive Committee

From: Paul Dastugue, President;

Re: Project Administration Fee Policy

The purpose of this memo is to establish policy on the payment, administration, authorization and allocation of Property One Project Administration Fee (“PAF”) payments. Property One provides additional administrative functions to our clients for a fee related to jobs that require specifications and bidding approved by the client in advance. This program was established to incentivize and reward property managers and other staff who “go above and beyond” their normal duties in providing effective project administration and customer service during construction projects at our managed properties. It is a special award program, is not guaranteed or part of normal compensation.

**Eligibility**: Managers and other staff who provide a heightened level of service in attracting, managing, administrating or otherwise facilitating projects that generate PAF income to P1 may be eligible to participate in this award program. Participation, up to 20% of the total fee as determined at the discretion of the management team, will be proportion to effort and contribution to the project. Any employee who does not meet and exceed the expectation set forth by their supervision, does not appropriately administer the projects for completion, does not obtain authorization from the client prior to job start or who is no longer in the employ of P1 for any reason at the time the PAF is collected becomes ineligible.

**Classification of Income**: As an award program, any shared revenue will be paid through normal payroll, subject to withholding and classified as “Project Administration” on the individual pay stub. Any disbursement of funds will take place only after the PAF is collected.

**Record Keeping and Submittal**: Managers are expected to keep accurate, complete and exhaustive records of their projects to support the collection of PA fees and ensure compliance with all aspects of P1 policy including obtaining insurance certificates, lien waivers, multiple bids and written approval of costs including the PAF prior to project start. Upon successful completion of projects to the satisfaction of the client and P1 supervision, please submit the PAF utilizing the PAF form found on the intranet to the designated contact and include invoices and other supporting information for review. Once received, an invoice will be created and emailed to you for coding and submission, please also attach a copy of the support package to this invoice for purposes of long-term auditability of the accounting record.

**Thank you all for your ongoing contributions to this valuable program! The procedures and policies outlined within become effective as of the date of this memo.**

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