



KMG PRESTIGE

Strategic Property Management Solutions

KMG Prestige Commitment & Values

Since July 1, 2005, KMG Prestige has proudly served as the management company for Meadowbrook Commons, providing consistent leadership, high quality service, and a resident focused approach for more than 20 years.

At KMG Prestige, it is our commitment to grow a high-functioning and talented team by integrating inclusion and engagement strategies into all aspects of recruiting, hiring, advancement, and retention. Guided by this commitment, our mission is to become the best and most respected property management company in the industry. Our vision is simple yet powerful: to create happy residents by fostering communities where people feel valued, supported, and at home. At the core of everything we do is our mission statement: *Do the right thing*. This principle guides our decisions, our culture, and the way we serve both our team and the communities under our care.

KMG Operational Philosophy in Alignment with the City of Novi

KMG's operational philosophy is designed to align seamlessly with the values and vision of our ownership group, the City of Novi. We are committed to transparency with our residents and have implemented quarterly meetings with management to keep residents informed about the latest happenings and updates within the community they call home.

Additionally, we have re-implemented an annual resident meeting, which was brought back in response to resident feedback post-COVID, as they expressed appreciation for this type of open communication. These meetings bring together city representatives, the Fire Chief, Police Chief, residents, and KMG management to encourage collaboration, transparency, and problem-solving.

Recognizing that the building is aging, we place a strong focus on detailed oversight and diligent management of maintenance to ensure the property remains safe, functional, and visually appealing. Our approach prioritizes minimizing annual rent increases historically ranging from as low as \$5 to no more than \$25, maintaining the asset to the highest quality, and fostering lasting, meaningful relationships with residents.

KMG Historical Capital Projects and Community Enhancements

From an infrastructure standpoint, KMG has overseen numerous major capital improvements, including the installation of new sidewalks and concrete, as well as a complete rebuild of the main entrance to provide enhanced protection for residents from weather exposure and to improve safety and efficiency during drop-offs and pick-ups. Additional improvements include the replacement of windows and door walls in both residential apartment homes within the main building and the ranch-style units, replacement of common area hallway furnaces and air conditioning units, installation of three rooftop HVAC units; and replacement of four main building boilers.

Total roof replacements have been completed on the main building, all nine (9) ranch buildings, and the maintenance shop to ensure long-term structural integrity. Further projects include pond enhancements; the installation of an outdoor exercise area featuring rubber flooring; construction of a gazebo; and implementation of a resident security intercom system with key fob capability. Additionally, 60 hot water tank replacements and refrigerator replacements for all ranch homes have been completed. All common-area hallways in the main building have been updated with new carpet, removal of original wallpaper, and refreshed paint throughout all three floors of the building.

Throughout 2025, KMG continued this commitment by overseeing capital improvements to ensure Meadowbrook Commons remains safe, modern, and well maintained. Projects that have been recently completed in the past year include courtyard concrete replacement, shutter and siding replacement on the main building, resident deck/balcony rebuilds, steel door replacement in Receiving and basement. Stairwells, restrooms, laundry rooms, and trash rooms were painted. Irrigation and sprinkler repairs for the pickleball area were also completed to support both safety and recreational use.

Projects that were approved in 2025 and are scheduled to be completed upcoming include exterior building painting planned for spring 2026 at a cost of \$45,000, the installation of additional security cameras totaling \$32,900, and pillar rebuilds, which has been completed, exceeding \$65,000.

Beyond core infrastructure, KMG has focused on enhancements that directly support resident quality of life. These improvements include relocating and renovating the Fitness Center, adding a hydration station near the Fitness Center, creating a dedicated Meadowbrook Café space with 24-hour, seven-day-a-week coffee and tea access, adding a new gazebo by the pond, installation of a fountain in the pond, installing benches throughout the community to encourage outdoor engagement, and renovating the community sundry store which has been a favorite resident activity that KMG Management introduced to Meadowbrook Residents for a bi-weekly on-site grocery shopping market opportunity for social engagement and picking up daily essentials. Digital display boards have also been installed throughout the property to highlight daily and weekly events, improving resident awareness and participation.

Recently, Management has negotiated a contract with the laundry vendor to upgrade equipment, providing new 35lb front-load washer/dryer units on each of the three floors

in the main building. These larger capacity machines allow senior residents to complete fewer trips and manage larger laundry loads more comfortably. The upgrade also introduces multiple payment options including credit card, mobile app, and traditional pre-loaded laundry cards ensuring ease of use and accessibility for residents with varying preferences. KMG staff hosts an annual Resident Appreciation Picnic, providing food and entertainment to show our appreciation to residents for being an important part of the community.

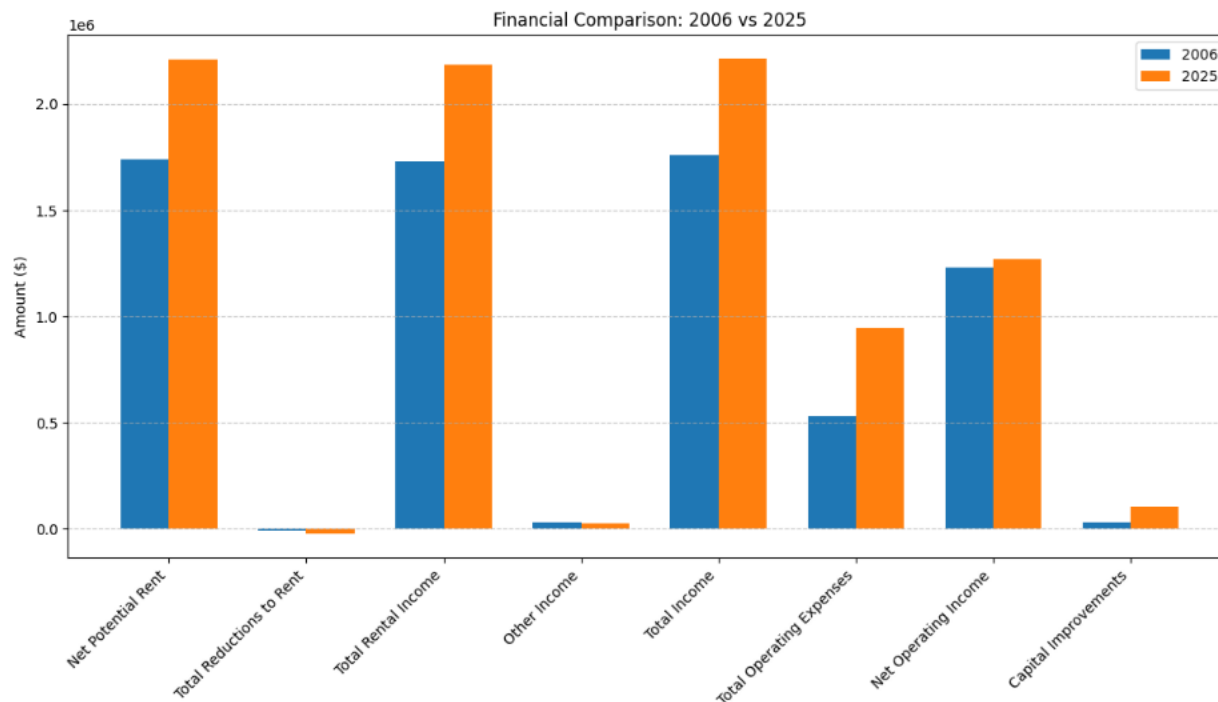
Throughout all phases of capital improvement and enhancement, KMG has worked closely with the City of Novi to plan, manage, and execute projects efficiently and thoughtfully. This ongoing collaboration ensures investments align with city priorities, address the evolving needs of an aging community, and continue to support a high quality of life for residents while preserving the long-term value of Meadowbrook Commons.

Financial Stewardship & Long-Term Stability

From a financial perspective, Meadowbrook Commons reflects the same long-term, resident-focused philosophy that guides KMG Prestige's day-to-day operations. Since assuming management in 2005, our approach, which aligns with the City of Novi, has been centered on maintaining affordability for residents while responsibly reinvesting in the asset to preserve its value and functionality over time.

From 2006 through 2025, Meadowbrook Commons experienced steady and intentional growth. Net Potential Rent increased by approximately 27% over this 19-year period, reflecting a measured and thoughtful approach to rent increases rather than aggressive adjustments. Historically, annual rent increases have remained modest; often as low as \$5 and generally no more than \$25 supporting resident retention and long-term stability within the community.

Despite keeping rent increases low, the property has continued to perform well financially. Net Operating Income increased from approximately \$1.23 million in 2006 to \$1.27 million in 2025, demonstrating that strong operational management, expense oversight, and strategic reinvestment can support long-term financial health without placing undue burden on residents.



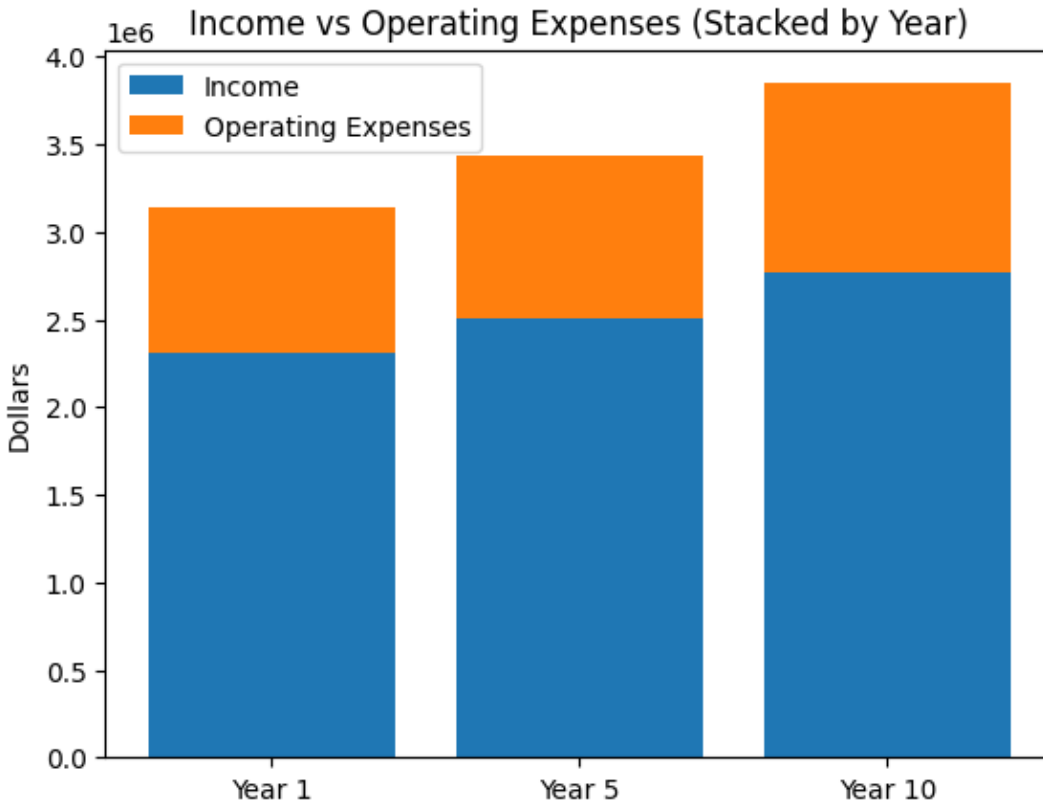
As the building has aged, operating expenses have naturally increased, driven by rising utility costs, insurance, labor, and expanded service offerings. It is important to note that some capital-related improvements over the years were expensed through operations rather than capitalized. While this may cause some variability or skewing in year-over-year expense comparisons, it reflects a proactive philosophy of addressing needs as they arise, rather than deferring work and allowing conditions to deteriorate. This approach has helped preserve the physical integrity of the community and reduce the risk of larger, more disruptive capital events.

Even with these reinvestments, Meadowbrook Commons continues to operate efficiently, with operating expenses remaining below 50% of gross income. This operating margin has allowed the property to maintain positive NOI growth while continuing to invest in safety, maintenance, and resident quality-of-life improvements.

Forward-Looking Financial Outlook

Looking ahead, the 10-year financial projections included in this presentation are based on conservative and sustainable assumptions. Income is projected to increase at 2% annually, while operating expenses are projected to increase at 3% annually. Although expenses are expected to grow slightly faster than income, the property's strong operating position allows for continued NOI growth over time.

This projection approach supports KMG's recommendation and the City of Novi's ownership priorities of maintaining the asset responsibly, spreading costs in a predictable manner, and continuing to minimize rent increases for residents whenever possible.



Financial Summary

In summary, the financial performance of Meadowbrook Commons over the past two decades demonstrates a consistent and balanced model: keeping rent increases modest, maintaining the property at a high standard, and achieving long-term financial stability. This approach has resulted in steady NOI growth from 2006 through 2025, while preserving affordability and supporting the needs of a senior population aging in place.

This financial track record, combined with ongoing capital planning and operational stability, reinforces that the current management structure is working effectively protecting residents, preserving the City's investment, and positioning Meadowbrook Commons for continued success.

10-Year Capital Vision

Over the next 10 years, KMG, in coordination with the City of Novi, has evaluated and encapsulated the long-term needs of the community. This Capital Improvement Plan (CIP) is designed to preserve the asset, support aging-in-place, and minimize disruption to senior residents, while spreading capital costs in a measured and predictable manner.

Years 1–5 Capital Improvement Plan (Immediate & Mid-Term Needs)

Focus: Asset preservation, safety, and interior improvements that can be coordinated with unit turnover.

- Apartment & Ranch interior up grades Renovations: \$620,420
- Apartment & Ranch appliance upgrades: \$330,034
- Elevator Cab Upgrades: \$64,900
- Elevator Modernization (State of Michigan Compliance): \$796,000 for both elevators
- Building Common Room Interior & Exterior Renovations: Estimated \$900,000
- Bathroom Renovations: \$16,000
- Card/Game room renovations \$10,000 est
- Activity/Craft room renovations \$10,000 est
- Courtyard Renovations: \$400,000 est
- MAC Renovations: Pricing in progress
- Salon Renovation \$12,000 est
- Flat Roof Replacement: \$100,000
- Access to flat roof from inside main building: Pricing in progress

These projects prioritize life-safety systems, accessibility, resident gathering spaces, and aging building components nearing end-of-life.

Years 6–10 Capital Improvement Plan (Long-Term Enhancements)

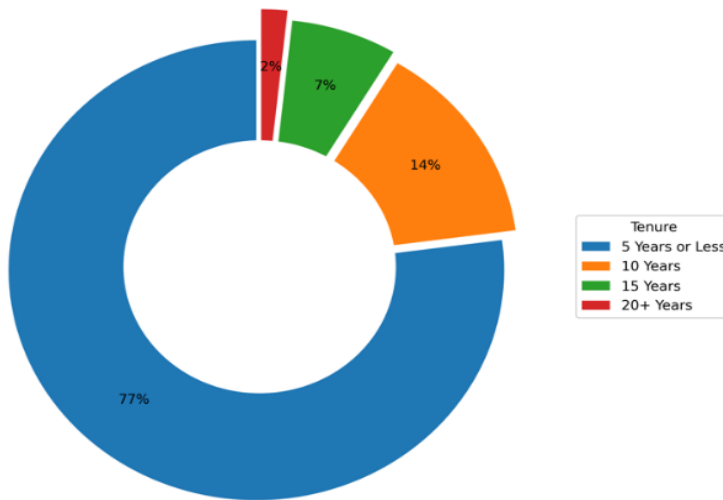
Focus: Accessibility improvements, site infrastructure, and resident convenience.

- Carport Renovation
- MAC Kitchen upgrade
- Hallway and lighting upgrade
- Parking Lot Resurfacing
- Automatic Door Openers
- Covered Walkway South Resident Entrance
- Installation of EV Charging Stations

Resident Engagement & Commitment

KMG's commitment to residents is reflected in the long-term stability of the community, the breadth of resident-focused services, and the ongoing programs designed to support health, connection, and independence.

Resident Tenure Distribution



Resident Longevity

The length of residency within the community demonstrates a strong sense of satisfaction, trust, and continuity:

- 3 residents who have lived at Meadowbrook Commons for 20 years or more
- 12 residents with 11-15 years of residency.
- 25 residents who have lived in the community for 6-10 years.
- 135 residents who have called Meadowbrook Commons home for 1-5 years or less.

As you can see, over the last five years, more than 77% of Meadowbrook Commons has experienced turnover, much of which is due to residents aging and transitioning to new living arrangements. This turnover reflects not only the time required to turn units but also the considerable effort of our maintenance staff and leasing team to prepare and lease each unit efficiently. The dedication and expertise of our team ensure that vacancies are minimized and units are leased quickly, maintaining the community's high standards and resident satisfaction.

Resident Services & Special Events

KMG supports residents through a wide range of on-site services and special events designed to promote health, convenience, and social engagement, including:

- Weekly communion services
- On-site vaccination clinics
- Mobile pop-up shop events
- Quarterly resident craft shows and fairs
- Assistance with all city-led resident events, including room setup and breakdown, meal preparation support, and providing additional on-site assistance as needed during events.

- Mobile secretary of state quarterly, provides senior residents with convenient, on-site access to essential government services, including ID renewal, license updates, and other documentation, reducing the need for travel and ensuring accessibility for residents with mobility or transportation challenges.

Monthly Programs & Communication

To ensure residents remain informed and engaged:

A monthly newsletter, prepared by the on-site office team, is distributed to residents and includes calendars, flyers, and information on all upcoming activities and services.

Regularly scheduled social, wellness, and educational programs are offered throughout the year.

Visiting Medical Professionals

To support resident health and aging-in-place, KMG coordinates visits from medical professionals, including:

Podiatrist and Dermatologist services on a rotating schedule every 9–10 weeks.

Weekly blood pressure checks by registered nurses or novi fire department.

Annual flu vaccination clinic which provides senior residents with on-site access to essential preventive healthcare, helping to protect their health and well-being while reducing the need for travel to offsite medical facilities.

KMG staff supports the 3rd-Floor Massage Clinic by managing client transactions, including collecting payments, providing receipts, and ensuring all funds are accurately submitted to the City of Novi.

KMG staff supports the Older Active Lifestyle for community residents by gathering registration details and payments for City of Novi exercise programs.

Resident Volunteer Involvement

KMG encourages and supports resident-led engagement, fostering ownership and community pride through volunteer opportunities, including:

Monthly resident-led line dancing

Weekly music performances during lunch by resident groups

Monthly resident-led sing-along events

On-site sundry store managed by resident volunteers, encouraging community involvement and convenience of essential market items.

Employees

KMG places a strong emphasis on employee retention, continuity, and institutional knowledge, which directly benefits the residents of Meadowbrook Commons.

Longevity & Experience

Our staff includes team members with longstanding tenure, reflecting both their dedication and satisfaction in serving our senior residents:

- **Donna Phillips**, Housekeeper-18 years of service
- **Russell Rockentine**, Groundskeeper-18 years of service
- **Greg Nara**, Maintenance Technician-14 years of service

These individuals bring extensive knowledge of the property, its systems, and the needs of our residents, ensuring consistent, high-quality service.

Low Turnover & Returning Employees

Meadowbrook Commons has experienced very little employee turnover, and many staff members have returned after periods away, underscoring the positive work environment and strong team culture cultivated by KMG. Arielle Blagg, who was previously employed for 2.5 years, left the property for one year and has since returned as Assistant Manager. While Ginny Hallam will continue in her leadership role, Arielle is being cross-trained in preparation for eventual succession, ensuring continuity and a smooth transition when the time comes.

Through a combination of returning, experienced staff, and proactive succession preparation, KMG maintains operational stability, preserves institutional knowledge, and continues to provide high-quality support and care for our senior residents.

By prioritizing staff retention, recognition of experience, and proactive succession planning, KMG demonstrates its commitment to operational stability and the ongoing well-being of our senior residents.

Over the past 20+ years, Meadowbrook commons have received many internal awards, the most recent and consistent are:

- **Best Performance in the Occupancy-Senior Market Rate Community** award, acknowledging strong leasing results, sustained demand, and effective market positioning within the senior housing sector, maintaining 100% occupancy. This has been an award Meadowbrook Commons has received consistently over the decade +.
- **Market Rate Community of the Year 2024**, an award that reflects comprehensive excellence in property operations, resident satisfaction, financial performance, and overall community management.
- **Prestige Community of the Year 2024** distinction, highlighting Meadowbrook Commons as a top performing property within the KMG Prestige portfolio. This award represents consistent achievement in service delivery, operational standards, and leadership in senior housing management.

Collectively, these awards demonstrate KMG Management's commitment to maintaining high-quality operations, strong occupancy, and superior resident experiences at Meadowbrook Commons.

Meadowbrook Commons has been awarded the 2025 DMAA Award for Best Community by the Detroit Metropolitan Apartment Association. This prestigious award recognizes communities that exemplify excellence in property management, resident engagement, operational integrity, and overall community presentation.

DMAA's selection process is competitive and evaluates communities based on established industry standards, including quality of operations, physical condition, resident experience, and professionalism. Receiving this award affirms Meadowbrook Commons' commitment to maintaining high standards and delivering a quality living environment.

This recognition also reflects the value of strong collaboration between community management, residents, and municipal partners. We appreciate the City's continued support and partnership and look forward to sustaining the level of excellence represented by this achievement.

Meadowbrook Commons (KMG Prestige): Awarded STAR Senior Community of the Year by the DMAA in 2024.

- Exemplary living experience.
- Strong community engagement and events.
- High standards of property management and maintenance.
- Focus on senior wellness and purposeful living.

These awards celebrate communities that provide a superior lifestyle for older adults, reflecting excellence in the senior housing sector.

This success is also a reflection of the City of Novi's dedication to responsible ownership and oversight. By maintaining a strong partnership and supporting long-term planning, the City has ensured its asset remains in capable hands. Together, the City and KMG have fostered a community that is financially stable, well-maintained, and highly regarded within the senior housing sector.

As we look ahead, it is important to recognize that change is not always beneficial, particularly when current management is delivering consistent, measurable results. Resident longevity, employee tenure, industry recognition, and a clear long-term capital strategy all point to a model that is working. Preserving this stability protects residents, safeguards the City's investment, and ensures continuity of care and service.

In closing, KMG Prestige remains committed to continuing its partnership with the City of Novi to responsibly steward Meadowbrook Commons, ensuring it remains a safe, vibrant, and well-managed community for many years to come.