

Table of Contents

1	Fair Housing and Screening Process
2	Marketing
3	Leasing
4	Lease Renewal
5	Move-Out
6	Rent
7	Administrative and Operational Duties
8	Forms to Reference

1

Fair Housing and Resident Screening

1a Fair Housing

1b Resident Screening

1a Fair Housing; Open Housing

Apartment renting is based on Fair Housing and Open Housing laws. "Open Housing" decrees that there will be no discrimination practices with regard to race, color, creed, religion, national origin, sex, affection preference, marital status, familial status and status with regard to public assistance and physical disability of such person or group of persons.

All applications filled out completely by prospective residents will be treated equally with regard to race, color, creed, religion, national origin, sex, affection preferences, marital status and status with regard to public assistance and physical disability of such person or group of persons. The application is approved based on verification of employment, salary and references only.

There will be no discrimination against any person or group of persons with regard to race, color, creed, religion, national origin, sex affection preference, marital status, familial status or status with regard to public assistance and/or physical disability.

NO PERSON will be denied the right to inspect an apartment that is available for renting because of race, color, creed, religion, national origin, sex, affection preference, marital status, familial status and/or status with regard to public assistance and/or physical disability of such person or group of persons.

1b Resident Screening and Occupancy Standards

The Resident Screening/Occupancy Standards Policy should be read by every applicant and located in an area that is easily seen and read by all applicants.

These are the standard screening/occupancy standards, which will be enforced on a uniform basis with all residents.

1. Housing Application

All prospective residents must complete a rental application, pay a \$45.00 non-refundable application fee, (\$55.00 if we need an out-of-state criminal check), and provide a separate refundable check or money order in the full amount of a pre-lease deposit before an application will be processed. NOTE: Each applicant 18 years and over needs to fill out a separate application and must pay the required fee.

2. Minimum Income

Gross Household monthly income must equal 2 times the monthly apartment rent. Income from all sources will be considered. A rental applicant that has insufficient income may have their application considered with a co-signer or an additional deposit. The co-signer must also meet screening and occupancy standards.

3. Rental History

Applicants are required to provide 2 full years of address history for verification. Roommates and relatives cannot be used as references. A rental applicant that does not have 2 years of rental history may have their application considered with a co-signer or an additional deposit. The co-signer must also meet screening and occupancy standards.

4. Verifiable Income and Credit Record

Unverifiable information is a basis for rejection of an applicant.

5. Other Reasons for Rejection

- a. False/incorrect information.
- b. Attitude. If an applicant is rude or argumentative, this can be basis for rejection.
- c. Negative or unverifiable references.
- d. Prior evictions or a history of problems with prior owners/managers/residents.
- e. Poor credit history; i.e. judgments, collections, UD's or poorly rated accounts.
- f. Criminal history.

*For a felony to be accepted it must be a minimum of 10 years from date of conviction. If served more than 10 years in jail-must be out and no further arrests for three years.

6. Occupancy Limits

There is a maximum occupancy of 2 people per bedroom allowed.

2

Marketing

- 2a Market Survey
- 2b Advertising Sources
- 2c Trade Secrets
- 2d Marketing Binder Checklis

2a Market Survey

Market Surveys are used to gather contrasting and comparable information about properties that compete for prospects with our communities. Valuable information is gained when comparable properties are visited and surveyed. This information is an asset to managers for marketing any HBG community. A monthly visit to comparable properties is an imperative part of every manager's duties.

Complete a Market Survey monthly by the 15th and place it in the marketing binder. With this information managers will be able to;

1. Know if a community's rents and specials are appropriate for the market place.
 2. Keep prospects at the site because there is information about comparable communities that might be useful to the prospect. For example; Prospect A would like a garage and plans to visit a comparable property that does not have garages. They may choose not to visit a property because they were given necessary information. A new resident might be recruited because they were offered a great service.
- Use the Market Survey form.
 - Give a copy to the asset manager on the 15th of each month

We are all in this together. We want information from the competitors. Please share information about our site with them as well. We can work together. A comparable property might refer prospects to our community if their community does not have two bedrooms available and our community does. HBG managers should do the same.

2b Advertising Sources

Advertising is essential to ensuring that vacant apartment homes are quickly rented. Communities advertise via the HBG web site; awesomeapartments.com. Additional advertising includes the internet, print media, resident referrals and placing a rental sign in the front yard. Below is information about the different avenues for advertising and practices that managers should follow when there is any vacancy.

- Become familiar with other properties HBG manages and get to know the managers. Regular communication regarding vacancies and networking with other managers will facilitate renting all vacant apartments quicker.
- A rental sign with proper contact information should always be front of the building.
- Know where the community is advertising and review advertisements weekly. Read the competitions ads as well.
- Always ask a prospect how they heard about the community. This tells us which advertising sources are working. Write that information on the guest card and on the top of the rental application when it is completed.
- Consult with the asset manager regarding ad content and advertising sources.

Internet

There are many options for Internet advertising. Some examples include Craigslist.com, rent.com, apartmentguide.com, move.com, mynewplace.com and apartments.com. The internet is always evolving so check with the Asset Manager to determine what has been working well recently.

Print Media

Occasionally, newspapers, apartment magazines and other print items are used to advertise. Work with the Asset Manager to determine where to advertise to get the most out of advertising dollars.

Resident Referrals

Offer residents a reward for referring prospects to the community. Prospects must be approved and move into the apartment. Rent credit is given to the referring resident in the month their referral takes occupancy.

- Include a Resident Referral Coupon with the welcome packet to new residents.
- Distribute a Resident Referral Coupon every once in a while to existing residents.
- Post a resident referral notice in lobbies.
- Turn in the coupon to corporate so a rent adjustment can be made to the referring resident's rental amount for the month.

2c Trade Secrets

Below is an excerpt from an article that gives insight to trade secrets for the multi-housing Industry.

"I read all the magazines and articles I can find about our industry. I am especially interested in the marketing ones as it is so tough out there right now. I already gave away my utility "tricks of the trade" earlier and thought I would share my thoughts about marketing and customer service.

First off though I hope everyone read last month's diversity article appreciated the importance of this subject and learned something new from Anthony's perspective. I thought it was really good, much more relevant coming from him and publicly want to thank him for his time and effort.

Number 1 Marketing Tip: Answer the phone. It amazes me and frustrates me to no end that this one simple directive does not get followed. Almost every time I have or hear about an "occupancy problem" there is really a "not answering the phone problem".

We used one of our vendors to track calls a couple of years ago and learned that a lot of our phone calls were not answered, they went to voice mail or just plain hung up and never left a message. A goal was set to answer a minimum of 80% of the calls received during business hours and today I am proud to say that my shop does hit this goal.

One site never answered the phone over lunch hour because they were out to lunch. Guess when a majority of our potential new residents were calling us?

A couple of my best Managers answer the phone evenings and weekends. Their percentage of answered calls is close to 100% not only during business hours but also after hours and guess who is in the high ninety percent occupied range?

People like water generally take the path of least resistance. After one of my speeches an employee came to me and said that her sister was just looking for a new apartment. She had asked her why she picked the one that was smaller, more expensive and did not have all the amenities as the other one and the answer was because they answered the phone, set up a showing that day and I needed a place.

Can it be this simple? Call a number from an ad to see if someone answers.

Owners spend so much money to get the phone to ring and then when the hot prospect calls they get voice mail?

When we make our market research calls to the competition I bet close to 70% of the calls we make go to voice mail. Sometimes days later and still on one has called us back.

Number 2 Marketing Tip: Be Nice. Sounds simple but is something that needs serious consideration. We hire for their attitude because as adults it's too late to teach it.

Once we get the sites to answer the phone they have to be awesome. People can tell by the tone of your voice if you are smiling or not. We can teach driving directions, rental rates, square footages and even how to ask for an appointment or the ever elusive close but have you ever tried to teach someone to be nice?

If we are to survive into the future I am told we need to be more like the hospitality industry. Treat our residents like folks are treated at fine hotels. Their industry is all about "service recovery" these days. Train the desk or maids that if a room was a mess or a customer had a bad experience apologize and give them a free night, free dinner or time at the spa but whatever you do, do not let them go away mad or disappointed as they may never return and worse yet they are highly likely to tell others of their bad experience at XYZ Hotel.

We in our industry need to train and empower our site staff, caretakers, maintenance techs how to treat others how they would like to be treated. "Hey we goofed up. Sorry it took two days to fix the A/C here's dinner on us/free lunch/movie and snacks-whatever that's Service Recovery.

Marketing Tip #3: Clean. Moving is stressful. Move into a dirty unit and you get more stressed. Our buildings and grounds better always be clean. Again sounds simple but try to accomplish this mission.

Units must be clean and maintained. If someone moves in and it's not "market ready" you will have an unhappy customer for their entire stay, I promise.

Most of the product we have to offer does not have a lot of bells and whistles. I learned from one of my Managers that in his building, which is on a street which has hundreds to units just like his, that one he gets the prospects into the laundry room the "deal is closed". The prospects have told him that all of the buildings our basement and laundry room is the cleanest, best list and maintained of all the old buildings in the area. This laundry room is getting even better, TV with cable, folding table, couch, comfy chair and reading lamp. Not to mention new washing machines (one front loader) new dryers as well as a soap/bleach/fabric softener vending machine. If prospects thought it was nice before just wait until they see it now.

Just like we make 101 value judgments by looking at how someone is dressed our prospects do the same with how our buildings and grounds are dressed. Better look great on that interview or you will not get the job or the rental.

I guarantee that is you answer the phone, be nice and keep your building clean you will go far in this industry."

3

Leasing

- 3a Creating Interest in the Community
- 3b Showing the Community/Apartment
- 3c Follow Up with Prospective Renter
- 3d Application Process
- 3e Completing/Processing the Application
- 3f Lease Overview
- 3g Meeting with Resident(s) to sign Lease Paperwork
- 3h Paperwork to Corporate Office

3a Creating Interest in the Community

The objective of the conversation with the prospective renter is to create interest in the community and to get an appointment. How is this accomplished?

1. Find out what the prospect is looking for by listening carefully and asking questions.
2. Tell the prospect about the community and how it fits their needs.
3. Ask for the appointment

How to handle an inquiry about apartments:

- Volunteer your own name and ask for their name
- Ask how they heard about your community. Get specifics. For example; if they say the “Internet”, as for the specific internet site. If they say in the newspaper, ask what newspaper – Star Tribune, City Pages, Pioneer Press, etc. The more specific the information the more informed decisions can be made regarding the most effective places to advertise.
- Ask if there is anything specific they want/need in a home; (outdoor pool, garage, and floor preference)?
- When is the prospect looking to move?
- How many people will be living in the apartment?
- Does the prospect have any pets?
- Ask the prospect to visit the property! Get them to commit to a date and time.
- Get contact information from them – it’s important to follow up with the caller!
- Ask if the prospect needs directions when an appointment is made.

3b Showing the Property / Apartment

- Be prepared for an appointment by having keys and a Guest Card ready.
- Know ahead of time which apartments are going to be toured with the prospect.
- Stand up as soon as the prospect enters the office and greet the prospect by introducing yourself as soon as they enter the office.
- Offer them a seat and begin asking questions in a conversational manner so you can fill out the Guest Card.
- Ask to see a photo ID (because of fair housing laws, never photo copy the front of the photo ID).
- Show the vacant apartment(s) that best suits the prospects needs. Do not show every vacant apartment.
- Never show a dirty vacant. Show only those that have been turned and are ready for occupancy.
- Invite the prospect back into the office to review the rental qualifications (this is required before any application paperwork is completed). ASK THEM TO COMPLETE AN APPLICATION. A sale not asked for is a sale not gotten.
- Address any objectives they mention. Not enough closet space in the apartment? There may be additional storage available.
- Ask permission to follow-up with the prospect to check the status of their search if they are not ready to fill out an application.
- Let them know that they can apply for an apartment on-line at www.awesomeapartments.com
A credit card is needed to apply on-line
- Enter the appointment on the weekly traffic report

3c Follow up with Prospective Renter

- Follow up within 24 hours of the showing. Make a phone call and/or send a thank you note or follow-up email.
- Find out why a prospect didn't rent whenever possible. This is good information to have because there may be there is a pattern (low curb appeal, rent is too high) that can be corrected.

3d **Application Process**

Every person over the age of 18 that wants to be considered for residence must complete an application either on-line at awesomeapartments.com or at the community. The manager fills out the top portion of the application. Take a few minutes to review the application after it is completed. All information needs to be complete so that the screening company can complete their work. Go to the screening company website and enter the application on line or fax the application to the screening company if you don't have access to a computer please. Asset Managers make the decision on whether to accept or deny applications based on the HBG resident screening and occupancy standards.

<u>Application Fees</u>	\$45 for each applicant local and/ or co-signer
	\$55 for an out-of-state criminal check local and/or co-signer

Make sure addresses, ID's and social security numbers are checked against the applications. You must physically look at all ID's!!!

Pending Applications

The following should be stapled together and sent **immediately** to Accounts Receivable.

- Completed and signed application
- Pre-Lease Deposit Agreement
- Check for the Application fee made out to property name (not HBG)
- Guest Card
- Copy of Move-In Form
- *Hold the Pre-Lease Deposit Check until the application is approved*

Approved Applications

Call the applicant to let them know their application was approved. Make an appointment to sign the lease and move-in paperwork within 3 days of approval. Please include;

- Check, money order or cashier's check for the Pre-Lease Deposit made out to property name (not HBG)
- Move-In Form
- Lease Agreement
- Performance Deposit
- Community Policies
- Crime-Free Lease Addendum
- Any other applicable Addendum for your property (i.e. garage addendum)
- Pool Rules if applicable for your property
- Lead Based Paint Form
- Application(s) for Utilities
- Move-In initial sheet of important policies/procedures
- Move-In/Move-Out Conditions List

After the paperwork is complete, signed and sent to your Asset Manager (or put in their inbox at corporate, do not give directly to Accounts Receivable):

- Update the Availability Report (application approved).
- Update Weekly Traffic Lead Tracking System
- Create a lease file to hold documents – start gathering the required lease move-in paperwork.
- Start the process to ensure the apartment is ready for occupancy.
- Change the site decision field in your screening company's software to Approved

Approved Application – Cancelled by Prospect

Before Approved

The applicant may cancel the application without penalty before it is approved.

After Approval

The Pre-Lease Deposit Agreement states that we keep the Pre-Lease deposit if the application is approved and the applicant fails to sign a lease.

The Pre-Lease Deposit should be cashed immediately upon approval. **DO NOT HOLD IT AT THE SITE!**

Denied Application

Call the applicant and notify them that their application has been rejected based on the information that was received from the screening company.

- Return the Pre-Lease Deposit check to the applicant.
- Change the site decision field in your screening company's software to Denied. You should create a denial letter from the software that is sent to the applicant with the Pre-Lease Deposit check.
- Denied applicants are entitled to a copy of the report if requested within 60 days of the denial date.
- Give them the name and phone number of the screening company your site uses. They must contact the screening company as we do not provide copies of reports. Also let them know they'll receive documentation of denial in the mail.
- Update the Availability Report
- Update the Weekly Marketing Report

Denial Letters

Denial letters have to be in the prospective tenants file!!! When sending out the letter, you do not need to mark anything but by law the denial letter must be kept in their file.

3e **Completing / Processing the Application**

Read and fully understand the rental qualifications and the procedure for processing applications. Any person over the age of 18 must complete an application and pay the application fee. The application fee may change from time to time – consult with your Asset Manager for the current fee structure. Application fees should be cashed as soon as possible so the applicant doesn't have time to stop payment if denied.

- Review the application process and review forms with the applicant (Rental Qualifications, Application, and Pre-Lease Deposit Agreement).
- You complete the top portion of the Application marked “Manager Completes”. Fill it out completely.
- Applicant completes the remaining portions of the application and must sign it.
- Review the entire application to ensure that all blanks were either filled in or marked with N/A for “not applicable”. Processing will be delayed if the screening company does not have all the information up front.
- **Check the photo ID** for each applicant ensuring it belongs to the applicant. Cross-check the address on the ID to ensure that it is either their current address or is listed as a previous address. **“Never make a copy of the driver’s license.”**
- **Check the Social Security card(s)** for authenticity and that it matches the information provided on the application. If there is no social security card, ask for another form of identification. Reference the Acceptable Identification information following this section.
- Information must be legible and verify that ALL information on both ID’s matches what was written on the application.
- Make sure the applicant signs the application.
- Make sure the applicant reads and signs the Pre-Lease Deposit Agreement.
- Return the back copy of the Pre-Lease Deposit Agreement to the applicant.
- Collect the application fee(s) and Pre-Lease deposit – 2 separate checks are required because we may need to refund the Pre-Lease deposit if the application is denied.
- Ask for income verification at the time they fill out the application – many large companies (Target, Northwest Airlines) charge a fee to verify employment and screening companies will not verify employment in these situations.
- Forward the application to the screening company.
- Update the Availability Report and Weekly Marketing Report.
- Copy the application and forward the copy to your Asset Manager along with the application fee.

3f Lease Overview

Read and thoroughly understand the lease terms and conditions. Try to find the appropriate explanation within the lease before you call your Asset Manager with specific questions about the lease.

The attached lease is a sample of how a lease is completed. The resident must first sign the lease then the property manager. A copy of the lease is given to the resident AFTER the property manager signs the lease. Keep the sample handy for reference.

Short-term leases

When a lease is for six months or month-to-month indicate so under additional agreements on the lease. See attached sample of lease.

*Six month lease: add \$25 to the monthly rental amount

*Month-to-month leases: add \$50.00 to the monthly rental amount

*Garages

Lease start date

The lease start date is always the day the person takes occupancy.

Lease ending date

The lease ending date is ALWAYS the last day of the month from March 31st – Sept 30th. Our goal is to not have any winter move-outs. There should be no move-outs after the end of September. Work with Asset Manager to even out lease expirations over the 6 months of April 30th to September 30th.

Late fees

All leases have a \$50 late charge with no exceptions. Leases signed after January 1, 2011 with a total lease amount of \$625.00 or less assess' a late fee up to 8%. Please see Chart.

Non-Sufficient Funds fee

There is a \$30 fee for any check that gets returned.

Notice period

The notice period is always two full calendar months

Lease signatures

Each resident and/or co-signer if applicable must sign the lease.

Keys are **NEVER** to be given out until 1st month's rent is paid in full and lease and addendums are ALL signed. There are no exceptions.

Do **NOT** give mail box keys until the Move In/Move Out form is received.

Move in dates and starting lease dates should always be the same.

3g Meeting with Resident(s) to Sign Lease Paperwork

Absolutely no one gets keys or moves into the apartment until each and every appropriate party signs the lease (including co-signer) and all monies have been collected.

- Review the following forms with the resident and have them signed by all appropriate parties (including co-signer), if applicable:
 - ✓ Move-In Form
 - ✓ Residential Lease
 - ✓ Community Policies
 - ✓ Crime Free Housing Addendum
 - ✓ Parking Addendum (if applicable)
 - ✓ Lead Based Paint Disclosure
 - ✓ Lead Based Paint Pamphlet (residents keep the pamphlet)
 - ✓ Electric Application for Residential Service
 - ✓ Move-In Initial Sheet of important policies and procedures
 - ✓ Move-In/ Move-Out Condition Checklist (see note below)

This is the basic set of required forms. Your site may have additional requirements (parking forms, garage forms, pet lease, etc.). Discuss your site's specific needs with your Asset Manager.

- Give the resident a copy of all appropriate forms for their records.
- Collect all money and copy all checks for the file.
- Record any negotiated items on the Residential Lease under "Additional Comments". Example; write on the lease if new carpet is to be provided upon renewal.

Note regarding Move-In/Move-Out Condition Checklist:

Keep the mailbox key if the resident takes the form with them and returns it later. Do not allow the resident to wait too long to return the form. A form returned a month after move-in defeats the purpose.

3h Paperwork to Corporate Office

Move in paperwork is due in the corporate office no later than the 3rd day of the month. **Do not send partial files – send all paperwork and money at one time.** Be sure it's clipped together securely.

Forward the following signed paperwork to your asset manager (in this order):

- ✓ Move in Packet Checklist
- ✓ Move In Form
- ✓ Money
- ✓ Guest Card
- ✓ Application
- ✓ Application Fee(s) (If you haven't already sent at the time the application was taken)
- ✓ Pre-Lease Deposit Agreement
- ✓ Residential Lease
- ✓ Community Policies
- ✓ Performance Deposit Agreement
- ✓ Crime Free Housing Addendum
- ✓ Parking Addendum (and any other applicable addendums)
- ✓ Lead Based Paint Disclosure Form
- ✓ Electric Application for Residential Service (Xcel Energy)
- ✓ Move-In Initial Sheet of important policies and procedures
- ✓ Move-In/ Move-Out Condition Checklist (see note below)

4

Lease Renewal

- 4a Lease Renewal Report
- 4b Lease Renewal Letter
- 4c Lease Renewal Process
- 4d Expired Lease Notice

4a Lease Renewal Report

- Complete a Lease Expiration/Renewal Report each month
- Send a copy to the Asset Manager
- Keep the original as it will help keep track of renewals, which residents have been sent renewal leases and which have been returned.
- The goal is to evenly distribute all lease ending dates between March 31st and August 31st
- Lease Non-Renewal is found in the Acknowledgement of Intent to Vacate section

4b Lease Renewal Letter

Deliver a Lease Renewal Letter to each resident prior to their lease expiration date (see table below) in order to determine whether they are going to renew. **Try to meet personally with a resident to discuss a lease renewal.**

Giving the letter to residents 2 ½ months prior to their expiration date gives them the opportunity to give the required written 60-day notice if that's what they choose. All notices should be received from the resident(s) by the last day of the month prior to 60-days not on the 1st of the month.

Below is the schedule for delivering the renewal letters. This is a guideline. Feel free to work on renewals as early as possible.

Renewal Letter DELIVERY DATE	For Leases Expiring on
November 15	January 31
December 15	February 28
January 15	March 31
February 15	April 30
March 15	May 31
April 15	June 30
May 15	July 31
June 15	August 31
July 15	September 30
August 15	October 31
September 15	November 30
October 15	December 31

Contact a resident and ask what you can do to get them to renew if they resist voice opposition to renewing or if they say they're going to give notice. Offer then new carpet or new paint. Discuss options with your Asset Manager. The Asset Manager may call the resident personally if your efforts do not succeed,

Section 8 leases may have different notice period provisions. Check the Section 8 lease for language.

4c Lease Renewal Process

- When working with resident(s) who want to renew, try and have the lease expire between March 31st and August 31st
- Once the resident has indicated that they intend to renew get the following documents signed:
 - ✓ Residential Lease
- Write “Renewal” in the top right hand corner of the lease
- Give the resident the yellow copy of the lease
- Forward the original signed lease to your Asset Manager
- Keep the updated Resident Information Sheet for your records
- Send the resident a thank you note
- Handle all maintenance requests that resident wrote on the renewal letter

4d Expired Lease Notice

A lease converts to month-to-month if a lease has expired and the resident has not signed a new lease. There is a \$50 monthly up-charge for month-to-month leases.

- Send the resident an Expired Lease Notice
- Forward a copy to your Asset Manager who will ensure the \$50 up charge is entered into Yardi
- Do not accept rent payment if the \$50 up charge is not included
- Follow the process for renewals (see section 5c) if the resident contacts you after receiving the notice and indicates they want to renew.
- Be sure the moth-to-month up-charge fee does not appear on the resident's ledger if they renew. The account receivables accountant will help with this

5

Move-Out

- 5a Acknowledgement of Intent to Vacate
- 5b Improper Notice Received Form
- 5c No Early Termination of Lease
- 5d Pre-Move Out Inspection
- 5e Move Out Inspection w/Resident
- 5f Maintenance Ready Checklist
- 5g Paperwork to Corporate
- 5h Suspecting a Skip
- 5i Transfer
- 5j Roommate Change
- 5k Name Change

5a Acknowledgement of Intent to Vacate – PROPER

The Residential Lease outlines the proper notice period. See lease section. The required notice period is 2 full calendar months and it must be in writing on or before the last day of the month. A notice received on or after the first day of any month is a late/improper notice and requires an improper notice memo to be sent to the resident.

- Write the following information on the top of the notice once the written notice has been received:

Building/apartment
Improper or Proper
Vacate Date
Date you received the notice from the resident
Your initials

- Forward the resident's written notice to your Asset Manager
- Add the apartment to your Availability Report
- Always obtain the reason they have decided to vacate and record it on the Availability Report
- Provide the resident(s) with a Cleaning List
- Schedule a move-out inspection with the resident if they have not called to have it scheduled.

A Notice of Non-Renewal must be sent to a resident if a decision has been made by the on-site manager and/or the Asset Manager not to renew a resident's lease. Deliver the notice and follow the steps above.

5b Improper Notice Received

- Deliver an Improper Notice Received form to the resident
- The resident should be contacted to discuss the issue if they do not contact the manager
- Add to the Availability Report. Be sure to add it to the month after the month given as the vacate date
- Provide them with a Cleaning List that has charges included

Note about Improper Notice

The resident forfeits their deposit if the terms of their lease are not fulfilled. Only the security deposit is forfeited. Pet and garage deposits are not forfeited.

The resident is also responsible for rent for two full months even though they gave notice to vacate. They may choose to remain in the apartment for a period of time after the lease expires in order to provide the proper notice period.

Example:

A lease expires on 6/30 which means a notice to vacate must be received on or before 4/30. The resident gives notice to vacate on 5/31 to vacate 6/30 (the original end date of the lease). This is an improper notice. Proper notice in this situation means the resident will either need to remain in the apartment for an additional month and pay rent or pay rent for the additional month if they choose to vacate.

5c No Early Termination of Lease

There is no early termination clause in the lease. Residents will be held liable for rent through the end of the lease term and forfeit their deposit. The apartment may be rented on behalf of the resident vacating early. They will still forfeit their deposit but will not be held liable for the remainder of their lease term. Their apartment is your last priority to rent if you have other vacant apartments. They are liable until the new resident signs the lease, takes occupancy and pays rent.

- Call the resident and discuss the consequences of vacating early

5d Pre-Move-Out Inspection

- Walk the upcoming vacant with your Asset Manager and Maintenance Technician prior to the resident moving out to determine what improvement will be necessary.
- Provide a Cleaning List and a copy of the security disposition with the charge amounts.

5e Move-Out Inspection with Resident

The move-out inspection must be completed before noon on the last day of the month.

The resident must be completely moved-out of the apartment before the inspection takes place. Conducting the inspection while items are still in the apartment makes it difficult to check the condition of the apartment. Damage could be done while they continue their move-out process. A preliminary inspection may be conducted with the resident so they have an opportunity to clean better.

- When walking through the apartment with the resident, use the “Move-Out” portion of the Move-In / Move-Out Condition Checklist that was completed upon move-in. A blank form may be used if the original is not available.
- Do not forget to inspect storage room and garage to ensure they are clean and empty
- The resident and manager must sign the Move-In / Move-Out Condition Checklist
- Obtain a forwarding address in order to send any portion of the security deposit the resident might be due or an invoice for any charges incurred. A Certificate of Rent Paid will be sent at the end of the year
- Collect all keys
- Do not commit to a final security deposit refund amount

5f **Maintenance Ready Checklist**

Fill out a Maintenance Ready Checklist and work with your maintenance tech, caretakers and vendors to complete turns.

Turns should be completed and vacant apartments ready to show as soon as possible. The goal is to complete turns **within 24 hours** of move-out.

Apartments that will require significant work need to be turned in **3 days**. It is very important to have apartments turned and market ready as quickly as possible. Should a member of management visit a property and find an apartment not market ready it may be grounds for disciplinary action up to and including immediate termination.

5g Paperwork to Corporate

Forward the following paperwork to your Asset Manager (in this order) prior to the 4th of each month:

- ✓ Move-Out Security Disposition
- ✓ Security Deposit Disposition
- ✓ Move-In / Move-Out Condition Checklist
- ✓ Discontinuation of Residential Service (Xcel Energy)
- ✓ Contents of Resident's File (removed from file folder)

Notes regarding security deposit refunds

Refund checks will be made payable to all residents listed on the lease. The check will be mailed to the first forwarding address listed on the move-out paperwork.

Deadline for Return of Paperwork to Resident

The law states that the vacated resident must be provided with a refund or an explanation of charges within 21 days of the move-out date (not necessarily the same as the lease end date).

5h Suspecting a Skip

- A notice should be delivered to the unit suspected of being skipped asking the resident to contact the manager. The notice should have a deadline.
- Check their apartment for furniture and other personal belongings if the resident does not make contact by the deadline. The manager will have an idea whether or not the resident has skipped after they have entered the apartment.
- Record the apartment on the Availability Report if it has been skipped

Skip Process

- Complete the move-out paperwork and indicate on the Security Deposit Disposition form that it was a skip with improper notice. The move-out date is the date the skip is confirmed.
- Charge the resident for removing and storing any belongings left behind. Charge for extra dumpster pick-ups.
- Inventory all items stored. Items must be stored for 28 days (bags tagged with date).
- Forward the move-out paperwork to the Asset Manager.

Important Note

Remember that the Security Deposit Disposition must be postmarked not more than 21 days after the date the skip is confirmed.

5i Transfers

- Contact an Asset Manager to check and see if a transfer is allowed
- Collect a \$200 transfer fee * if the transfer occurs in the middle of the lease term
- A new application is required if the resident has been renting for more than one year. The application is not sent to the screening company. This is for property records only.
- Complete the Request to Transfer and have the resident(s) sign
- Send a transfer fee and transfer request to the Accounts Receivable
- Record transaction on the Availability Report
- Complete the move-out paperwork for the old apartment and forward to the Asset Manager after the move takes place.
- Update the Availability Report

5j Roommate Change

The new roommate/resident(s) that is going to be listed on the new lease should meet all resident screening and occupancy standards.

A resident choosing to remain on the lease alone must meet income standards to remain on the lease.

- Existing residents must sign a Roommate Change Request form
- The new roommate must complete a rental application and pay the application fee. The application should be processed normally.
- All residents sign a new lease. Process as usual
- Charge for any additional keys
- Forward all paperwork to the Asset Manager

5k Name Change

A resident who wants to change their name on their lease due to a marriage or divorce must provide the legal document that proves the resident did change their name. The name may be changed after receiving the appropriate documentation. Forward the document to Accounts Receivable with the new lease.

6

Rent

- 6a Rent Collection
- 6b Late Rent Notices
- 6c Non-Sufficient Funds Notice
- 6d Status of Account
- 6e Cash Receipting Training

6a Rent Collection

Rent is due on the 1st of the month. Rent is late if it is not collected by midnight of the 3rd.

Return any check that is made out for the incorrect rent amount to the resident.

- Fill out a Rent Receipt Form with check numbers and amounts. Accounts Receivable will calculate totals on the rent receipt unless the on line version is being used. Use the form as a cover page for submitting rents. Paper clip the checks to back of the Rent Receipt form in the order in which they are written on the form. Sign, date and submit the form(s).
- Always endorse stamp the checks.
- Rent checks should be delivered **daily** to Accounts Receivable along with a Rent Receipts Form. All rents must be collected no later than the 5th of each month. Several trips to the corporate office may be necessary because of incoming late rents. **RENTS ARE NOT TO BE MAILED IN!!**
- Deliver Monthly Update Form to Asset Manager
- Properties that do their own receipting need to do it **daily** or whenever rent checks are received.

6b Late Rent Notices

Friendly Reminder

- Give residents a Friendly Reminder Notice if rent is not received by the end of the 3rd day of the month
- Make a copy of the notice for the resident's file

Final Demand for Payment – Eviction Action to be filed

- Give residents a Final Demand for Payment – Eviction Action those who have not paid their rent by the end of the 5th day of the month. Inform them that their rent plus a \$50 late fee must be submitted no later than the 6th of the month.
- Make a copy of the notice for the resident's file

Let the Asset Manager know who has not yet paid rent by the 5th and discuss the Eviction Action process.

Eviction Action/Unlawful Detainer

- File an Eviction Action/Unlawful Detainer form on the 7th. This form should be faxed to Accounts Receivable (corporate office).

6c Non-Sufficient Funds Notice

- Send the resident a Non-Sufficient Funds Notice giving them 24 hours to pay by money order or cashiers check. File an Eviction Action if payment has not been received including rent, NSF fee and late fee.
- Make a copy of the notice for the resident's file

Personal checks may not be accepted by residents who have one NSF check. Either a money order or cashier's check is acceptable.

6d Status of Account

Occasionally a resident will have an outstanding balance or credit on their monthly rent. Fill out and deliver a Status of Account to the resident(s) allowing them the appropriate amount of time to respond. The Status of Account should inform the residents of what they need to do to bring their account to a zero balance. Keep a copy of the signed and dated letter in their resident file.

6e Cash Receipting

Cash Receipting should be followed by property managers who receipt their own rents. Asset Managers will train managers who will cash receipt.

7

Administrative and Operational Duties

- 7a Weekly Availability Report
- 7b Weekly Marketing Report – Please Refer to Lead Trax for this form
- 7c Property Inspections
- 7d Smoke Detector and Plumbing Inspections
- 7e Boiler Logs
- 7f Swimming Pool Log
- 7g Snow Removal
- 7h Water Logs
- 7i Resident Charge-Backs
- 7j Maintenance Request
- 7k Petty Cash
- 7l Lockbox
- 7m Building Keys
- 7n Towing Cars
- 7o Packing Slips
- 7p Other Receipts

7a Weekly Availability Report

Weekly availability is a report shows the unit availability (vacant and the next two months) and property activity. The report includes applications, notices, skips, move-ins and available units. Weekly availability should be **updated by 5 pm every Thursday**.

7b Weekly Marketing Report

The Marketing Report is used to track and maximize marketing efforts. This report helps determine which marketing sources generate the most leasing activity for a property. Daily contact information is entered onto the report to keep track of weekly leasing activity.

7c Property Inspections

- Complete a thorough property inspection each month. Use the Property Inspection Form
- Send a copy to the Asset Manager no later than the 15th of each month
- Retain a copy for on-site property files
- Work with the maintenance tech, caretaker and vendors to correct any issues

7d Smoke Detector & Plumbing Inspection

Inspections of each apartment and all common areas for plumbing leaks and smoke detectors that are non-functioning must be made quarterly.

Maintenance Techs should inspect with the managers so that any minor corrections can be made at the time of the inspection.

Make a list of items, generate a work orders for items that need attention if the maintenance tech is not present during the inspection.

Inspection Due Dates

Quarter	Due Date
First Quarter – Jan/Feb/Mar	April 10
Second Quarter – Apr/May/Jun	July 10
Third Quarter – Jul/Aug/Sep	October 10
Fourth Quarter – Oct/Nov/Dec	January 10

Due to liability issues, it is absolutely critical that non-functioning smoke detectors be addressed immediately following the inspection. Retain a copy of the inspection for the on-site property files.

7e Boiler Log

A boiler log must be kept in the boiler room. The maintenance tech who checks the boilers must record it on the log.

The boiler's license of the person who checks the boiler must be displayed in the boiler room.

7f Swimming Pool Log

Keeping a swimming pool log in the pool shed (if there is one) or the site office is required.

The pool certificate of the person who checks the pool must be kept on file.

7g Snow Removal

Snow is removed when accumulation is greater than two (2) inches. Send out a Snow Removal Policy at the beginning of each winter season and post signs in the appropriate places. The policy may also be given out if large amounts of snow are expected.

7h Water Log Reports

Building Water Meter Reading Log is a log that can be use to record current measurements before inputting the information into the computer system. The computer system will produce a report such as the Water Usage Template example that is included.

Water Intrusion Tracking Log should be used every time there is water leaking into a unit. The incident and dates of the occurrence must be documented to help maintenance investigate the problem as well as having information to provide to the property owner(s) if necessary.

7i Resident Charge-Backs

Residents should be charged for and key replacements, lock changes (if they request), lock outs, property damage, sewer backup, broken windows, etc. Create a letter/invoice for such events.

Complete a Resident Invoice and give one copy to the resident, one to the accounting department so it can be entered into the resident's Yardi ledger, and keep a copy in the resident's file.

7j **Maintenance Requests**

Every service request must be responded (i.e. called back) to within 24 hours of receipt.

An appropriate response is one of the following:

- ✓ dispatch a maintenance associate to the apartment or
- ✓ telephone call to the resident acknowledging request and to provide an estimated completion date
- ✓ telephone call to the resident with an explanation as to why their request will not be addressed within 24 hours; i.e. (parts ordered, etc.)

Use a Maintenance Request (work order) form for all service requests. One copy stays in the offices so there is a reminder of an open work order. The original and a copy are given to the maintenance person. The maintenance person describes the work that was completed on both copies, leaves the "color" copy with the resident and returns the original to the on-site manager who attaches it to their copy.

File completed service requests in the resident's lease file.

Important Notes

A resident **must** be given 24 hour notice prior to entering their apartment (unless it is an emergency situation or permission to enter has been given). A copy of the service request or another form of correspondence must be placed in the apartment so the resident knows a staff member was in their apartment.

Follow up with a call to the resident to ensure the work was completed to their satisfaction. **THIS INCLUDES AFTER HOURS CALLS.**

7k Petty Cash

The on-site staff may be given petty cash. The on-site manager's must track all money, retain receipts and submit reimbursement forms to the corporate office.

- Fill out a Petty Cash Form
- Staple all receipts to the back of the Petty Cash Form in the order they are listed on the request form. Make sure that the total of the receipts matches the total on the Petty Cash Form.
- Please fill in name and address at the bottom of the form to whom the check should be issued and where to be mailed
- Forward to the Asset Manager for processing
- Sign form acknowledging receipt of funds and accountability for funds for duration of employment (initial petty cash check – not the subsequent reimbursement checks)

71 Lockbox

The lockbox must contain a key for anything that an on-call maintenance person may need access to in case of an emergency.

Do not change the lockbox code or location without notifying your Asset Manager, Property Manager and Facilities Manager.

7m Building Keys

Keys should be locked up.

Be sure to get keys back from vendors. Keep an ID such as a driver's license until the key is returned.

Never give out the last key whether it's a building, apartment or mailbox key. Always have two keys available for each apartment.

7n Towing Cars

A notice to residents to remove their cars from the parking lot must be posted in the building entrances 24 hours before the snow is to be plowed or the lot swept.

Keep a copy of any notices for our records.

The site manager should coordinate parking lot plows or sweeps and to ensure the sidewalks are clear of ice.

Any damage to cars caused by the towing company is not the responsibility of the property or HBG. Any damage caused is between the towing company and the resident.

7o Packing Slips

A packing slip is the form from the vendor that comes with packages. Normally it is either inside the box or in a plastic pouch on the outside of the box. The accounts payable accountant matches these slips to invoices received from the vendor.

- Write the building and apartment number on the form and a brief description of merchandise
- Sign and date the form
- Forward all collected forms to the Accounts Payable on a regular basis

7p Other Receipts

Many vendors will ask you to sign a vendor receipt to confirm the work that was completed. The accounts payable accountant matches these slips to the invoices received from the vendor.

- Write the building and apartment number on the form along with a description
- Sign and date the form. The vendor should give a copy to the manager
- Forward all collected forms to Accounts Payable on a regular basis

Forms to Reference

.