

Springboard Affordable Housing Management LLC
300 – LEASING

Contents

300-2000	Site Procedures	2
300-2100	Fair Housing Act	2
300-2110	Training	3
300-2120	Dealing with the Public	4
300-2200	Telephone Sales	4
300-2210	First Impression.....	4
300-2220	Telephone Calls	4
300-2300	On Site Presentation	6
300-2301	Professionalism	6
300-2302	Greeting	6
300-2305	Welcome Card.....	6
300-2310	The Tour	7
300-2320	Objections	8
300-2325	Close.....	9
300-2330	Waitlist	10
300-2335	Follow-up	10
300-2400	Lease Paperwork.....	10
300-2410	Rental Application & Deposit.....	11
300-2412	Procedures for Affordable Housing Certification - Recertification	12
300-2415	Lease and Addendums	12
300-2416	House Rules & Regulations	13
300-2420	Resident Files	13
300-2500	Move-in	14
300-2510	Deposits.....	15
300-2520	New Resident Orientation	16
300-2530	Commissions Earned	16
300-2531	Commissions Paid	17
300-2532	New Lease Commissions.....	17
300-2533	Renewal Commissions	17
300-2535	Commission Approval Process for Payment	17
300-2536	Annual Net Operating Income (NOI) Bonus Plan	18

300-2000 Site Procedures

Resident records must be maintained accurately.

300-2100 Fair Housing Act

Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability).

Basic Facts about the Fair Housing Act

What Housing Is Covered?

The Fair Housing Act covers most housing. In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single-family housing sold or rented without the use of a broker, and housing operated by organizations and private clubs that limit occupancy to members.

What Is Prohibited?

In the Sale and Rental of Housing: No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or handicap:

- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Make housing unavailable
- Deny a dwelling
- Set different terms, conditions or privileges for sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale, or rental
- For profit, persuade owners to sell or rent (blockbusting) or
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.
- Additional Protection if You Have a Disability

If you or someone associated with you:

Have a physical or mental disability (including hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex and mental retardation) that substantially limits one or more major life activities

Have a record of such a disability or

Are regarded as having such a disability

A landlord may not:

Refuse to let you make reasonable modifications to your dwelling or common use areas, at your expense, if necessary for the disabled person to use the housing. (Where reasonable, the landlord may permit changes only if you agree to restore the property to its original condition when you move.)

Refuse to make reasonable accommodations in rules, policies, practices or services if necessary for the disabled person to use the housing.

Example: A building with a "no pets" policy must allow a visually impaired tenant to keep a guide dog.

Example: An apartment complex that offers tenants ample, unassigned parking must honor a request from a mobility-impaired tenant for a reserved space near her apartment if necessary to assure that she can have access to her apartment.

However, housing need not be made available to a person who is a direct threat to the health or safety of others or who currently uses illegal drugs.

Housing Opportunities for Families

Unless a building or community qualifies as housing for older persons, it may not discriminate based on familial status. That is, it may not discriminate against families in which one or more children under 18 live with:

- A parent
- A person who has legal custody of the child or children or
- The designee of the parent or legal custodian, with the parent or custodian's written permission.
- Familial status protection also applies to pregnant women and anyone securing legal custody of a child under 18.

Exemption:

Housing for older persons is exempt from the prohibition against familial status discrimination if:

- The HUD Secretary has determined that it is specifically designed for and occupied by elderly persons under a Federal, State or local government program or
- It is occupied solely by persons who are 62 or older or
- It houses at least one person who is 55 or older in at least 80 percent of the occupied units, and adheres to a policy that demonstrates an intent to house persons who are 55 or older.
- A transition period permits residents on or before September 13, 1988, to continue living in the housing, regardless of their age, without interfering with the exemption.

Source: U.S. Department of Urban Housing and Development. Last Retrieved June 14, 2012 from <http://www.hud.gov/offices/fheo/FHLaws/yourrights.cfm>

300-2110 Training

All leasing consultants will be trained under the guidelines of the FHA before they begin direct leasing activities. Their Initial training will include the completion of the Grace Hill Fair Housing I course and the Company's Fair Housing Training. A new leasing consultant must pass (80% or better) the Company's Fair Housing exam prior to beginning direct leasing activities.

All leasing consultants must complete and pass the Company's Fair Training Course and Exam annually.

300-2120 Dealing with the Public

Fair Housing Laws apply to ALL dealings with the public. Do not “steer” a customer to a particular location in a community. Never assume a customer’s likes or dislikes, behavior, feelings, or whatever else comes to mind when showing the community. Always offer the customer exactly what is available and let them make the choice.

If you give total and equal treatment to all customers, then you are complying with the law and there is no need to fear or be concerned about testing. Make sure you point out the positive features of the community and the neighborhood to each and every customer, the same way.

300-2200 Telephone Sales

The Company’s policy is to answer phone calls within three (3) rings, however there is an exception when working with a prospect.

300-2210 First Impression

- .1 The first impression a customer has of our business begins when an employee answers a telephone call. Remember a ringing telephone is an opportunity ... not an interruption.
- .2 When the phone rings, put aside what you are doing, take a breath, smile, and answer the telephone.
- .3 Leasing Consultants, Assistant Managers, and Property Managers must always be prepared to sell our product, and must always follow through with the sale from beginning to end.
- .4 The telephone is always answered with: “Thank you for calling ...” name of the property, and your first name. For example: “Thank you for calling Apartment Community, this is Joe, how may I help you.”

300-2220 Telephone Calls

- .1 Answer the phone on the first or second ring. The phone should never ring more than three (3) times. If you are with a prospect and you have a call center, let the call go through to the call center. If you do not have a call center to pick up the call, excuse yourself from your prospect, and answer the phone.
- .2 Take a breath and smile before speaking. Speak slowly, clearly, and enthusiastically. Never rush through your presentation.
- .3 Ask for the customer’s name as soon as possible, and use it often in the presentation. Have a note pad close by to record important information. This will provide a resource to properly complete the Prospect Information page in OneSite.
- .4 Ask how the caller heard about (“discovered”) the community.
- .5 Ask where the caller is moving from, and if appropriate determine why they are searching for a new home.
- .6 Qualify the client’s needs:
 - Identify the number of persons who will live in the home.
 - Identify any pets.

- Identify the size of home needed.
 - Identify the customer's move in date.
 - Identify any specific needs; i.e., top floor home as opposed to a first floor home.
- .7 Create a picture of the home in the customer's mind. Talk (mentally walk) your customer through the apartment. Describe the features and associate them with the benefits; i.e., the central air will keep you cool on those hot summer days. Remember, we are selling a home, not a price.
 - .8 Create a picture of the community in the customer's mind. Talk (mentally walk) your customer through the community and the surrounding area. Describe the features and associate them with the benefits; i.e. three (3) grocery stores are in the area and all are within walking distance of your home.
 - .9 Match an apartment to the customer's needs, volunteer the price and terms based upon the Schedule of Rent and Policy (see Appendix – Operation Forms List: O-SRP) only after you have described the property and the home, and create a sense of urgency.
 - Ask the customer if the apartment home is within their price range.
 - Explain who is responsible for what utilities.
 - Explain the security deposit, application fee, and wait list (if applicable).
 - Explain how to reserve an apartment and what is required upon move in; i.e., We need the security deposit (per your property SR&P) to hold an apartment, which is applied towards your security deposit, a thirty-five dollar (\$35) application fee, and a completed rental application. On move in day, we require payment of rent and any other fees. If a resident is moving in prior to the 20th of the month, then the pro-rated amount will be accepted for move in, plus any additional fees (Pet Rent, Pet Deposits, Administration Fees, Etc.). If the resident is moving in after the 20th of the month, then we need to collect the pro-rated rent for that month and the full months' rent for the next month.
 - .10 Invite the customer to visit the property, offer to make a convenient appointment, and offer clear directions. Start directions to the property from a freeway or a major intersection. If the customer avoids a specific appointment, it's a good idea to ask for a general appointment; i.e., when you visit this Thursday or Friday, please ask for Norma.
 - .11 Out of the area customers will need information emailed, faxed or mailed to them. Explain how easy it is to rent a home via internet, phone, fax, and mail. Send their information immediately. The customer will appreciate and remember the community that sends the information quickly.
 - .12 Always ask for a phone number and an email address to follow up. The customer will appreciate the courtesy and communications.
 - .13 Ask the customer if they have any other questions and enthusiastically thank them for calling (naming the property). If they are coming to the community, tell them you look forward to their visit. Reiterate your name to the customer because they might have forgotten it by this point.
 - .14 Document the telephone call in OneSite as a Prospect. Contact the prospect 24 hours prior to their appointment to confirm. If the customer failed to show, follow up within forty-eight (48) hours of the appointment time and try to re-schedule a new appointment. If they do not show, try to find out why they decided not to visit your property and update the OneSite System appropriately.
 - .15 The documentation in OneSite can occur while you are on the phone with the customer provided it does not interrupt the flow of the call. Always record the call so you can get right to the business of helping the customer find a home when they arrive for the appointment. If the employee fails to record the information obtained during a telephone conversation, the relationship is reset to zero

when the customer walks through the door and you will have to collect the information again, making the customer feel unimportant.

300-2300 On Site Presentation

- .1 The Company will implement and follow the objective and nondiscriminatory practices as set forth in the Fair Housing Act. In addition, photo identification is required from all potential residents, and must be left in a locking drawer in the Leasing Office prior to any tour.

300-2301 Professionalism

- .1 The first impression is a lasting impression. The community, the sales office, and appearance are extremely important. A clean community helps our curb appeal. A clean and neat sales office demonstrates organization. A professional personal appearance promotes competence.
- .2 Always be friendly, courteous, helpful, and sincere. Make the customer feel at home. Have fun with the customer. Remember your sales presentation must generate attention, interest, desire, and action.
- .3 Realize different personalities require different sales approaches. The “analytical customer” requires facts, figures, and absolute product knowledge. The “last minute customer” requires speed, accuracy, and immediate product availability. The “fun and playful” customer requires humor, caring, and understanding. These are just a few of the many personality types. Through experience and training you will develop the skills necessary to achieve success with all customers.
- .4 Be you throughout the tour. One of the biggest turnoffs to a customer is a Staff Member who is not sincere. Know and believe in your product. Know and believe in yourself.

300-2302 Greeting

- .1 Smile, stand, and approach the customer. Do not wait for them to come to you. Introduce yourself to the customer, extend your hand for a warm, friendly hand-shake.
- .2 If you are busy with another customer, acknowledge their presence with a friendly gesture to let them know you will assist them soon. If there is a Property Power Point Presentation, provide them the opportunity to watch it, until you can return to assist them.
- .3 If other staff members are in the area, introduce them to the customer. The property is run by a TEAM, and the customer will appreciate knowing that there is a team to satisfy ALL their needs.

300-2305 Welcome Card

- .1 Gather all potential Resident Information in the OneSite Prospect Module.
- .2 Ask questions to determine the prospect’s needs and listen to their answers. Write notes on to help you remember important information.
- .3 The basic questions are already asked on the Welcome Card, now is the time to ask specific qualifying questions, for example: “Are you looking for anything special in your new home?” Listen to their responses and make appropriate notes.

- .4 Offer the various price ranges on the appropriate floor plans that match the client's specific needs. Determine if this is within their price range.
- .5 Based on the Prospects Information and the answers to specific questions, start matching the customer's needs to your community features. This is known as the "pre-qualifying" process.
- .6 Remember to ask questions that require an explanatory response ("open ended questions") that will help you evaluate their buying signals. Questions that can be answered by a simple yes or no ("close ended questions") should be avoided.
- .7 Get to know your customer. Ask about their career. Identify their hobbies and interests. This will assist you in customizing, and personalizing the tour.

300-2310 The Tour

- .1 The tour route (our market window) will be established by the Property Manager. Property Staff will be re-trained whenever changes are made to the tour route.
- .2 The tour route MUST be walked every morning to avoid surprises. The models and common areas need to be cleaned and opened prior to the start of the business day. The market window also includes the entire community, and therefore trash and debris should be picked up prior to the start of the business day. The maintenance staff should be on a schedule which ensures this is completed. However, remember the TEAM approach, and if necessary, pitch-in and make sure the community always shows well.
Remember the more detailed the demonstration, the more value you have created. Create value by giving a detailed, personalized presentation. A personalized presentation creates a better closing environment.
- .3 Show and explain all the benefits and features of the neighborhood, community, and the apartment homes. Be aware of Fair Housing Laws (See Fair Housing Act section) and be consistent with what you show, explain, and offer.
- .4 Once the Prospect's needs have been determined, one or two (1 or 2) specific destinations have been identified (model[s] or vacant rent-ready units), and a photo identification has been obtained, the tour can begin. The photo identification (not a copy) is left in the leasing office, in the leasing consultants top desk drawer.
- .5 As the leasing consultant is ready to leave the office, let another staff person know that you are leaving for a tour, telling them specifically which units you are showing. For example, "Bruce, I will show Mr. Jones the two (2) bedroom model and unit 202." If a leasing consultant is the only person in the office, either radio maintenance telling them you are leaving for a tour, or delay your tour until somebody returns. Never tour any prospective resident without somebody knowing that you are on a tour.
- .6 As you begin the tour, explain to the customer where you will be going. Walk at the speed of your customer, but control the tour.
 - This is the time to utilize the information you have obtained from the Prospect, and continue to get to know your client. If you have not found out why they are moving, now is the time to ask why they are moving. This will help you customize your tour and closing.
 - Point out the relevant features and benefits of the community. Discuss the neighborhood features and benefits. Find out why they are moving.
 - Show the recreational amenities and common areas. Explain their features, benefits and hours of operation. This is a good time to praise the entire staff and explain service policies,

including how to request service (see Maintenance Section) and how after hours emergencies are handled.

- .7 Once in the model or vacant rent-ready apartment, point out all features and benefits within the home and relate them to your customer's needs. Explain utilities and what the customer would be responsible for paying.
- .8 If you are showing a vacant rent-ready apartment home, open the blinds and turn on the lights to maximize lighting.
- .9 While inside or outside the model and/or vacant rent-ready apartment, narrow the customer's interest to one or two (1 or 2) apartments and ask if they would like to secure their new home with a deposit. Explain the process to reserve an apartment home. For example: "A two hundred dollar (\$200) deposit, thirty-five dollar (\$35) application fee, and a completed application, will hold the apartment until move in. On move in day, the first month's rent will be due."
- .10 By asking the customer to leave a deposit, you have already begun closing the sale. Now prepare yourself for objections.

300-2320 Objections

- .1 An objection is a sign of interest. Be willing to discuss the objection in order to secure the deposit. Look at the objection as hesitancy, a need to be reassured, rather than an insurmountable hurdle.
- .2 Recognize an objection as a buying signal. The customer is thinking enough about the apartment to find a reason they should not lease. Although they are objecting, the customer is actually looking for logical reasons to say "yes" and close the sale.
- .3 Whenever you are faced with an objection, remember the following: Admit their objection. Explain their objection. Reverse their objection.
- .4 Prospects are to be encouraged to ask questions and share their concerns. Listen carefully to their objections. Write them down if necessary.
- .5 Address all concerns that a prospect may have immediately.
 - Understand and acknowledge.
 - Clarify with questions.
 - Offer alternatives, solutions, reasons or suggestions.
 - Discover how the client feels about the suggestions.
- .6 Prepare for the usual objections. Being prepared will increase success. Include sample objections and solutions that have been successful in the past as part of your Property Handbook.
- .7 Reverse an objection by turning a negative into a positive. For example, if an apartment home lacks a pool view, it also lacks the noise of the pool and the sight of it being closed all winter.
- .8 After overcoming the customer's objections, invite them to live in your community. By now, this should be your second close.
- .9 Be patient with your customers. Listen to their objections. Patience and understanding will help you succeed in sales.

300-2325 Close

- .1 When you close on a customer you open the door for a sale. Closing is asking the customer to leave a deposit and complete an application. Every customer needs to be invited to live at your community. Invite and welcome them to your community and to their new home.
- .2 The closing process begins with the first contact you have with a customer. Whether by telephone or in person, the customer is already developing feelings about you and the community. Remember persons have a tendency to identify and communicate with others who are warm, sincere, confident, trustworthy, and intelligent.
- .3 The most important step in closing the sale is to invite the customer to lease at the apartment community.
- .4 Moving is an extremely stressful experience. Use empathy when closing your customers. Remember this is your customer's home, and they need to feel proud of their home.
- .5 Some things to remember when closing:
 - Be positive
 - Relax
 - Push, if necessary
 - Leave the rental application in sight
 - Ask for the lease. Don't give up, but know when to stop selling
 - Remember you are selling flexibility, service, recreation, and value
 - If they are not ready to lease, suggest they take an application with them
- .6 No rules exist about when to close and there are several times during your demonstration when a close will be successful. During the tour of the apartment home or at the conclusion of the demonstration might be appropriate. Begin to close when the customer gives buying signals.
- .7 The following are some typical buying signals:
 - Relaxing their face and body
 - Leaning forward, maintaining good eye contact and responding positively to your questions
 - Discussing rental payments, pro rates, and move in dates
 - Asking for opinions
 - Writing notes or examining the brochure
 - Becoming enthusiastic
 - Talking about the placement of furniture
- .8 There are literally hundreds of ways to close the sale. In actual practice the salesperson should use closes that are comfortable and are tailored to each customer. However, all closing styles typically use an alternative of choice question. An alternative of choice close is one in which a closed end question (one that does not require an explanation) is asked that requires selecting one of the two alternatives proposed. Some sample closes are:
 - "Which apartment do you prefer, the pool view or the Mountain View?"
 - "Grey carpet is the color you prefer, and I have an apartment available on the 1st with grey carpet. Is that a good date for you?"
 - "You can move in to your new home on the 1st of the month."
 - "This is the last two bedroom apartment available; I'd suggest leaving a deposit today."

- “Your living room will have a corner fireplace and plenty of room for your sofa and loveseat.”
 - “I can hold the apartment until October 20th with a deposit and a completed application.”
- .9 Record the visit, units shown and generate a quote for everyone who tours the property in OneSite, so the property has a record of the prospect’s interests.

300-2330 Waitlist

- .1 If the customer needs an apartment but nothing is available, ask the customer to reserve a place on the waitlist. The deposit will ensure the next available apartment. The waitlist deposit will apply towards their security deposit, or will be refunded if nothing becomes available.
- .2 If the customer needs an apartment in the future, ask the customer to reserve an apartment on the waitlist. The deposit will ensure the next available apartment.

300-2335 Follow-up

- .1 After a customer leaves the office, update any new information that you have learned while on your tour in OneSite. Record the visit, record units shown and always generate a quote for everyone who tours the property so they have a record of pricing and the property has record of their interest. Schedule your follow up in OneSite per the guidelines listed below.
- .2 Follow up to continue the rapport created from their visit. Many customers will rent on the second visit, called a “Be Back”. By sending a Thank You Card by email or mail and by making a phone call, you demonstrate your sincerity in wanting them to live at the community.
- .3 Send a personalized Thank You Card (email or mail) to the customer within twenty-four (24) hours.
- .4 Make a follow-up phone call within forty-eight (48) hours.
- .5 Document the phone call, the tour, the Thank You Card, and other follow-up in OneSite.
- .6 Continue to follow-up with the prospect until they lease the apartment or they have told you they leased elsewhere. If they leased elsewhere, try to find out where and why and input the information in OneSite, Record Activity. Every time a follow-up call, email or visit is made, record the activity in OneSite. If the prospect needs the apartment in the future, follow up with them every couple of weeks until they lease or until they inform you something has changed.
- .7 If a prospect doesn’t return your phone calls or corresponds with your communications (emails, messages), then you need to consider the prospect is no longer interested and set the prospect’s status to ‘LOST’ in OneSite, then focus your attention to those prospects that are still ‘ACTIVE’.

300-2400 Lease Paperwork

- .1 The Property Manager is responsible for all lease paperwork, and maintaining the unit files. This section includes the procedures relative to approving prospective residents, preparation of the lease and related documentation. Legal Lease Paperwork is to be generated by Blue Moon and additional addendum may be used as approved by the RM.

300-2410 Rental Application & Deposit

- .1 The Rental Application is used to verify an applicant's eligibility for residency in an apartment community.
- .2 At time of rental, each adult applicant for residency must complete a Rental Application to be considered for admission. If they are legally married, one application is sufficient, but must include both applicants' information. Separate Rental Applications must be completed by all unmarried adults who are 18 years or older. In addition, a Rental Application must be completed by a co-signor or guarantor if needed.
- .3 None will be refused the right to submit a Rental Application.
- .4 All Rental Applications must fulfill the qualification criteria established by the management company and each community regarding number of occupants, income, credit history, employment, and rental history. These are set forth in the Qualification Guidelines.
- .5 A separate Application Fee must be collected for credit checks - one check for the Application Fee and one check for the Reservation Deposit. The amounts for the application and reservation deposit are detailed on the Property's Schedule of Rent and Policy.
- .6 Rental Applications are subject to verification, approval, and initialing by the Property Manager within seventy-two (72) hours.
- .7 Request the applicant complete a Rental Application and remind them of the following:
 - The Rental Application will be verified in its entirety. Evictions and negative rental history will automatically cause the application to be denied. Any misrepresentations will also cause the application to be denied.
 - Denied applicants are given a Denial Notice which states the reasons their application was not approved.
 - In addition, any misrepresentation on "Special Circumstance Housing" (Low Income, Bond, Etc.) applications may result in eviction or an increase in rent.
- .8 Offer to assist the applicant in completing the Rental Application.
- .9 Review the Rental Application with the customer, in its entirety, for accuracy and proper completion. The Rental Application must include signatures of all applicants.
- .10 A representative of the property must sign the Rental Application, indicating the Application has been received. Complete the Deposit Receipt which is on the back of the Rental Application. Review the Deposit Receipt with the customer and have them sign the receipt. Collect the application fee and deposit from the customer in two (2) separate checks. Any deposit money must be paid separately from all other fees. Input the applicants' information in OneSite by selecting 'Apply Now' under the specific Prospect and enter the proper information as requested in OneSite. This will take the apartment off the availability list.
- .11 Agents shall not discriminate on the basis of religion, race, color, creed, sex, national origin, age, handicap or family status in accordance with the Fair Housing Act. Written qualification guidelines are available for each community.
- .12 The number of occupants in an apartment must meet or be less than the maximum number of occupants allowed in a particular apartment size.
- .13 A credit report must be obtained and attached to the Rental Application. Lack of credit history will be deemed an acceptable credit report. If verbal employment verification is obtained, indicate date called, who was spoken to, the income amount verified, and the length of employment. If verbal rental history is obtained, indicate date called, who was spoken to, the rental amount verified,

length of residency, any late payments or NSF's, any damage to the apartment, and ask if they would re-rent.

- .14 The Property Manager signs the Rental Application(s) indicating approval of the applicant(s). Applicant approval should take no more than seventy-two (72) hours.
- .15 Denied Applications - Your Property Manager must complete a Denial of Application form. The form is either mailed or given to the customer. Make a copy of the Denial of Application form and staple it to the application. File it in the denied applications file.

300-2412 Procedures for Affordable Housing Certification - Recertification

- .1 Applicants must meet income restrictions as determined by the state's authority, such as Florida Housing Finance Corporation in order to qualify and must recertify annually.
- .2 Asset Verification form must be completed by the applicant at the time the application is completed. It must match the application with regard to listed assets. If assets are <\$5000 they do not have to be 3rd party verified. If they are >\$5000 they must be 3rd party verified by providing copies of the following:
 - 6 months checking statements
 - 3 months savings statements
 - Fair Market Value printout of real estate owned
 - Any other 3rd party documentation supporting the value of the asset(s) listed
- .3 The preferred method of verifying income is to use the state approved Employment Verification. If a company will not verify using the Employment Verification form then we can accept paystubs for prior 2 months of current employment. If we accept paystubs in lieu of the Employment Verification Form, then we must explain why paystubs were used.
- .4 The other income forms used in special circumstances are Child Support, Unemployment, Self-Employment, and Zero Income. These forms must be filled out by the applicant.
- .5 Begin all recertification 120 prior to annual certification due date.
- .6 Residents in 2nd year recertification are to be completed same as the procedure for new applicants described in step .2 to .4
- .7 If residents are beyond their 2nd year recertification then we complete the certification process by having the resident fill out a recertification application, student status form, and sign a resident / tenant release along with a new lease agreement.
- .8 Various states require a Tenant Income Certification form to be completed by the Property Management Company. Complete the form per the form's instructions.
- .9 Send the completed form and a copy of the supporting documents to the accounting / compliance department for review prior to submitting the forms to the Housing Authority.

300-2415 Lease and Addendums

- .1 The Lease with Addendums, are legal binding documents establishing conditions the Owner and Resident will abide by.
- .2 Lease documents should be typed and corrections initialed and dated by all parties. White-out is never used on a Lease document.
- .3 All Lease documents must be signed in ink (pencil not accepted) by all adults listed as "residents" and by the Property Manager of the property.
- .4 All Lease documents should be typed as soon as the Application has been approved by the Property Manager and the move-in date is verified with the new resident. Start building their move in file.

Place the move in file in the central location known by all office staff determined by your Property Manager.

- .5 All blank lines on the Lease documents should be filled in (if non-applicable, draw a line through it). Leave no lines blank. After the Lease documents have been printed and reviewed by the Property Manager, they should be put in the new file folder for move-in.
- .6 On the day of move-in, the new resident pays the amount due with a personal check, cashier's check or money order, signs the Lease, addendum's, and House Rules. Property Manager must sign the Lease prior to new resident(s) receiving a copy of each. All adult residents must sign before any keys are given.
- .7 The original Lease, Addendum and House Rules are placed in the resident's file after all parties have signed.
- .8 Lease start dates are based upon the actual date that keys are delivered.
- .9 All typed names in signature blocks on the Lease and House Rules must be signed by the person(s) noted. Each form is considered a legal, binding document.

300-2416 House Rules & Regulations

- .1 This document is also a legal binding document that becomes a part of the Lease Agreement.
- .2 This document must be signed by all residents named on the Lease and at the same time the Lease Agreement is signed.
- .3 Any changes noted on this document must be initialed and dated by all parties (Residents and Property Manager).
- .4 A copy is given to the resident after it has been signed and a copy is kept attached to the Lease in the resident's file.

300-2420 Resident Files

- .1 To ensure consistency within the Company property portfolio, a standard resident file system will exist at each apartment community.
 - All documents will be 2-hole punched and fastened into each resident file folder.
 - To distinguish between Market Rate apartments and Bond apartments, a file tag color coding system should be set-up, i.e. all Market unit files could have a BLUE tag and all Bond unit files could have a RED tag.
 - All Bond files are filed separately from Conventional files.
 - A separate file tag color for the Maintenance file (black, for example) would distinguish this file from the others.
 - The left side of the folder is filed top to bottom and contains paperwork completed at residency.
 - The right side of the folder is filed top to bottom and contains paperwork accumulated during residency.

.2 Below is a list of the resident file folder contents from top to bottom:

RESIDENT FILE	
<u>Left Side</u> <i>(Top of File)</i> Lease House Rules Addendums Tenant Income Certification Application to Lease Security Deposit Receipt Application Verifications <i>(Bottom of File)</i>	<u>Right Side</u> <i>(Top of File)</i> Correspondence Resident History Move In Summary Inspection Checklist <i>(Bottom of File)</i>

- .3 Two-hole punch and fasten each document in the resident file to ensure paperwork is not lost. All files are subject to audit.
- .4 The Office Staff should review, and perform a resident file audit annually.

300-2500 Move-in

Keys are not turned over to a new Resident until all lease paperwork has been completed, and approved by the Property Manager. This section covers the procedures relative to moving in a new resident.

- .1 Before an applicant moves in, the following steps should be taken:
- A Reservation Deposit must be taken in order to reserve an apartment.
 - Separate checks must be taken for the Reservation Deposit and the Application Fee.
 - All checks must be dated and the bank endorsement stamped on the back of each check with property's bank account number.
- .2 Reservation Deposits will be held for seventy-two (72) hours only, at which time they are bank deposited, after the applicant is approved.
- .3 NEVER accept cash and remember that if you already have processed the Rental Application, the Application Fee is not refundable.
- .4 Security Deposit
- A Security Deposit must be received on all apartments.
 - The Reservation Deposit is the Security Deposit and must be paid at time of application to secure an apartment home.
- .5 First Month's Rent
- The resident must pay a full month's rent upon move-in by certified funds (i.e. cashier's check or money order).
 - If the resident moves in on any day but the 1st day of the month, prorated rent will be due on the 1st day of the following month.

.6 New Resident Orientation

- Review the Lease Agreement and House Rules with the new resident. Take your time. This is a legal binding contract. Never hand the resident the lease and expect them to just read it. Always offer to review the contract with them. Even after reviewing the contract with them, encourage the resident to read the contract carefully before signing.
- Review the Parking Policy, Permission to Enter Policy, Hold Harmless Agreements, Service Policy, Courtesy Patrol Policy (if applicable), Activities Policy, and Lease Renewal Policy.
- Your community may have many different types of policies that are community specific. Realize move in day is the time to begin educating the customer.

.7 Inspection Report

- Resident has seventy-two (72) hours in which to complete and return.
- If the inspection is not completed and returned to the office, the resident has no protection against being charged for damages in the apartment after move out. This report is entirely for their protection.
- When the report is returned, take the time to go over it in detail with the resident. Enter a Service Request in OneSite for any items that are over and above ordinary wear and tear.

300-2510 Deposits

- .1 Accepting a Reservation Deposit from a future resident is the first step preceding the Move-in process.
- .2 Cash is never accepted for a Deposit.
- .3 All checks received must be dated and stamped for endorsement immediately upon acceptance of funds. This endorsement certifies these funds have been given to your community and are ready to be deposited.
- .4 Reservation Deposits must be held on the property for a period of seventy-two (72) hours in the cash box or safe. This seventy-two (72) hour period allows for the prospect to cancel for any reason. If the client does not indicate a desire to cancel, he will forfeit the deposit to the community. A written explanation of this policy is found on the Rental Application.
- .5 The deposit funds should be accepted in the form of two (2) checks, one (1) in the amount of the Deposit, and one for the Application Fee. The Application Fee is not refundable once the application has been processed.
- .6 The Reservation Deposit, if no indication of cancellation is made, will be deposited the day after the seventy-two (72) hour period. The Application Fee is deposited after the Application is processed.
- .7 Security Deposit: The purpose of the Security Deposit is to ensure payment due to resident's negligence. The negligence may be excess damage, beyond normal wear, during occupancy. The Security Deposit also serves as a means to ensure payment of rent if the resident does not meet the Lease Agreement resulting in insufficient notice or delinquent rent. The following is a summary of the procedure when enforcing the Security Deposit Policy:
- .8 A Security Deposit must be accepted on all apartments, unless the Regional Manager has approved different terms on the Schedule of Rent and Policy.
- .9 The Reservation Deposit is a portion of the Security Deposit. Upon move-in, in addition to the first month's rent, the balance of the Security Deposit is collected.

.10 First Month's Rent

- The resident must pay a full month's rent upon moving in by certified funds, i.e. cashier's check or money order.
- If a resident is moving in prior to the 20th of the month, then the pro-rated amount will be accepted for move in, plus any additional fees (Pet Rent, Pet Deposits, Administration Fees, Etc.).
- If the resident is moving in after the 20th of the month, then we need to collect the pro-rated rent for that month and the full months' rent for the next month.

300-2520 New Resident Orientation

- .1 The New Resident Orientation phase of the move-in process is vital. This phase, if reviewed thoroughly with the resident, will give the new resident valuable information regarding additional apartment features, terms of the Lease Agreement and the Rules and Regulations.
 - Provide every Resident with a copy of the Property's "Resident Handbook", with a signed acknowledgement that the handbook was given to the Resident in the Resident's file.
 - The following steps will ensure a smoother residency:
- .2 Begin by verifying that all items are agreed upon by all parties represented on the Lease Agreement, Addendum, and House Rules.
- .3 Some properties offer covered parking for an additional cost, some properties include a covered parking space. Please review your specific property parking policy and explain the Parking Policy to the new resident
- .4 Explain the procedures when requesting maintenance service.
- .5 Issue a map of the property and indicate the location of the mailbox, parking, and additional amenities in relation to their apartment.
- .6 Explain the policy on issuing keys to persons other than the occupant named on the Lease Agreement.
- .7 Explain the Courtesy Patrol Policy (if applicable).
- .8 Any other relevant property form or procedure should be explained at this time. Check to see that the resident(s) have signed all necessary documents in their move-in file, specifically the form acknowledging that the Emergency Procedures have been discussed with them.
- .9 Explain office hours, days open, and after hour emergency policies. Be sure the customer feels comfortable with contacting the office regarding any aspect of their residency.

300-2530 Commissions Earned

- .1 To encourage and motivate employees commissions are paid on new and renewal leases ("Commissions"). Commissions are earned based upon effective dates and when paid. See policy 300-2531, Commissions Paid below.
- .2 The effective dates are the beginning of the lease term for executed, signed leases.
- .3 Commission earned is when a new lease begins or a renewal term begins.

300-2531 Commissions Paid

- .1 Commissions are paid in the following month when earned.
- .2 Employees earn a New Lease Commission if employed on the date of the new lease move in.
- .3 All other bonuses are paid to eligible employees if employed on the date the bonus is paid, not when then bonus is earned.

300-2532 New Lease Commissions

- .1 Commissions are flat \$50 for every new move in paid to the employee who is the procuring cause of the lease (first contact and closed the prospect), completed application verification process, and completed the move in package which includes all lease and addendum paperwork.
- .2 Any disputes regarding who earned a leasing commission will be resolved by the President of the company.
- .3 Employees must be in good standing and employed in order to receive a new lease commissions. Example, if employee last day with the company was March 31 and a new resident moved in April 1 the former employee would not be paid the new lease commission. Instead the new lease commission will enter the renewal pool and will be split among the remaining employees.

300-2533 Renewal Commissions

- .1 The property staff will split equally a pool of earned renewal commissions.
- .2 Renewal commissions are a flat \$50 per new renewal.
- .3 Resident transfers from one apartment to another within the same community will be paid the same as a renewal commission to the staff.
- .4 Leases that roll to a month to month status are not eligible for a renewal commission.
- .5 Renewal Commissions are paid on a monthly basis in the month following the start date of the renewal. Example, March 1 to March 30 commissions will be paid in April.
- .6 Employees must be in good standing and employed in order to receive a split of the renewal pool. Example, if employee worked during March 1 to March 30 and no longer worked for the company April 1, they would not be entitled to the renewal commission split for March paid out in April.

300-2535 Commission Approval Process for Payment

- .1 The Leasing Commission form must be completed by the employee and approved by the Property Manager ("PM"), using the Resident Activity report for OneSite. The Leasing Commission form contains the lease information.
- .2 The Property Manager will submit the Leasing Commission Log to the Regional Manager ("RM") by the 5th of each month. The RM will review and approve the Leasing Commission form and process for payment on an upcoming payroll.

300-2536 Annual Net Operating Income (NOI) Bonus Plan

- .1 Net Operating Income (NOI) is the most important financial measurement for the property. On an annual basis, the property team is eligible to receive a Net Operating Income (NOI) bonus based on its NOI performance.
- .2 At the end of each fiscal year, Management will calculate the NOI by taking the current fiscal year's actual NOI which is Total Gross Income less Controllable Operating Expenses. These results are then compared to the highest of the prior two years' actual NOI calculated the same way to determine the increase to NOI. Teams will be awarded a portion of the actual NOI growth:

ALL ELIGIBLE EMPLOYEES: 5% of the current year's annual NOI growth over the highest of the prior two years' actual NOI will be pooled and paid out to the staff based on an allocation of the % of salary per employee.

- .3 In order to be eligible for NOI Bonus payment, you must be a full time employee in good standing, employed at the time the NOI Bonus payments are issued, and employed during the entire last quarter of the year for which the bonus was earned.
- .4 Part time, Seasonal and Temporary employees are not eligible for the NOI Bonus.
- .5 NOI is calculated at Net Operating Income before any uncontrollable expenses including, but not limited to, property taxes and property insurance.
- .6 Management reserves the right to adjust the bonus amounts accordingly for any outstanding expenses that have not been accrued or processed.
- .7 Newly acquired properties must be owned by Springboard and / or managed by Springboard Management for a minimum of one year before being eligible for the NOI bonus program. The 2nd year annual NOI over the prior year one actual NOI will be pooled and paid out to the staff based on an allocation of the total property percentage of salary per employee. This is the only exception to the policy.
- .8 Management reserves the right to suspend the NOI bonus payment for reasons including, but not limited to, deferred management fees, investors' not receiving distributions, and / or the property not have sufficient cash to support an NOI bonus payout.