

## **2 COMPANY OPERATIONS**

### **2.1 FAIR HOUSING**

SPM and its employees are firmly committed to equal opportunity in housing. SPM is in full compliance with federal, state and local Fair Housing laws. NO persons will be discriminated against on the basis of:

- Race, color, religion, sex, disability, familial status, national origin, sexual orientation, marital status, age, source of income or any other applicable protected class.
- Disability in any program or activity receiving federal financial assistance or through public entities

### **2.2 REASONABLE ACCOMMODATIONS**

SPM adheres to the KHC rules regarding accommodation and modification requests for those with disabilities in order to allow equal use of housing. When a tenant, potential tenant, occupant or guest makes a request in writing, it should be given immediately to the Property Manager for handling. The Property Manager will analyze the request and may require reliable evidence if the disability is not obvious or known.

### **2.3 TENANT RELATIONS**

SPM encourages tenants to seek resolution of problems amidst the involved parties. Tenant participation shall be solicited in solving general problems such as trash violations, noise disturbances, pet waste disposal, etc. Director will encourage tenants to act as a cohesive body to see that policies affecting the community as a whole are enforced. Tenants with a complaint against one another may present their situations to the Director who can work directly with tenants, if necessary.

### **2.4 OCCUPANCY**

SPM conforms with Kentucky Housing Corporation and Kentucky Commission on Human Rights in determining how many people may reside in a rental unit that receives income subsidies in compliance with KHC and KCHR. Maximum occupancy standards for units under SKY Property Management are as follows:

- 1 Bedrooms: 2 people
- 2 Bedrooms: 4 people
- 3 Bedrooms: 6 people

### **2.5 SHOWINGS AND APPOINTMENTS**

Showings will be scheduled daily between 9am and 4:30pm unless otherwise approved by Director. Move In appointments will be scheduled daily between 9am and 4pm and Move Out appointments will be scheduled daily between 10pm and 4pm. If a tenant's move out date is on a weekend the following protocol will be explained to the tenant:

- If the tenant wishes to be present during the inspection, the move out inspection will need to be scheduled Friday before the lease end date or the following Monday. If it is scheduled for Friday, rent is still owed through the remainder of the lease. If it is scheduled for Monday, it must be done at 9am and the tenant will only owe rent through Sunday. If the tenant chooses to move out Saturday without scheduling an inspection with us keys, pool pass & forwarding address must be left in the drop box by 5pm Saturday.

If a tenant no-shows for an appointment and wants to reschedule, they must first come to the office to ensure their presence for the appointment.

No more than two showings may be scheduled per day, per perspective tenant. Both showings must be on the same side of town i.e. Pine Groves and Traditions, Grande Haven and Jennings, etc. Each showing is to be a 15 minute block per unit minimum with drive time being accounted for when scheduling.

When an appointment is scheduled, staff is required to obtain a name, phone number, vehicle and any additional information about the requested showing.

### **2.6 RENT COLLECTION AND FEES**

The Director shall collect and record all rent and tenant charges and shall promptly deposit daily receipts to the appropriate accounts. Rent is to be paid on-time, in the form of check or money order or through on-line tenant portal. After November 1, 2017 a \$3 processing fee will be incurred for each payment made in paper form. Effective

February 1, 2018 the processing fee will increase to \$6 per paper payment. Cash is not to be accepted in any circumstance.

Partial rent is not to be accepted. Director will charge late fees in AppFolio as per the lease obligations. No late fee should be waived without prior approval from Owner. If an eviction hearing date has been set, full payment must be made.

It is in the best interest of *SPM* for all rent to be paid on time, every month. Therefore *SPM* staff should encourage all tenants to abide by the terms of their lease. However, extenuating circumstances arise and any tenant wanting to alter their rent payment terms should be directed to the Director who will determine if the tenant's situation should be discussed with the owner. Until such time as alternate payment arrangements are formalized, *SPM* shall continue to follow all policies and procedures for rent collection and eviction in the event of rent not being paid in full.

Tenants paying rent in the office are required to deposit the rent in the rent box outside the door. This ensures proper receipt of the payment and keeps the burden of proof in the tenant's hands. Rent must be paid via one payment via Appfolio or in the office.

Should a tenant cause damage to the premises in the course of his/her tenancy, the tenant will be billed for the repair of such damages when they occur in order to avoid using the tenant's security deposit for payment. Charges for said damages will appear on tenant's ledger and will show as a balance due until paid in full.

A service fee outlined in the Lease will be charged for all NSF payments. Once a payment has been returned for NSF, the tenant may be required to pay in money order or cashier's check for the duration of their lease.

Fees may be incurred for subsequent filing of evictions after an initial case is dismissed. The fees will be as follows: second filing: \$100 fee, third filing: \$250 fee, fourth filing: \$500 fee and eviction procedures will not be stopped.

## **2.7 EVICTION PROCEDURE**

As outlined in the lease, tenants are subject to eviction if their rent is not paid within the time required. All tenants receive a notice based on lease guidelines.

Eviction Notice procedure will be dependent upon lease language for the individual tenant. (At the time of writing of this procedure, all tenants are not on the same lease). Per lease language, the tenant will receive an eviction notice on the applicable day and immediately marked in the system as Evict. This will disable their ability to pay online and must bring payment to the office. At the end of the time period for rent to be paid, the attorney for *SPM* will be given a copy of all documents relating to the unit and tenant. Director shall inform attorney of *SPM's* intent to file an eviction and/or collection suit. Director will send an email to *SPM* staff listing evictions filed for the month. Manager will then contact appropriate utility companies to ensure activation remains in Tenant's name. Should the unit be deemed abandoned by utility disconnection, Abandonment Procedure 2.49 will be followed.

Tenant will be responsible for attorney fees and court costs as dictated by the lease.

## **2.8 CONCESSIONS**

*SPM* may offer move-in specials, referral credits, or various other concessions at the discretion of the Director. Multiple concessions cannot be applied at the same time (i.e. referral credit and move-in special) and must be submitted to the Director in writing for proper application. Should a tenant request a concession for any reason, the Director must be notified in writing with the issue clearly documented. A response will be given to the appropriate *SPM* staff or to the tenant directly, depending on the circumstances surrounding the issue. Concessions of any kind will not be backdated. Financially responsible tenants who are transferring, or who have fulfilled their lease obligations and are moving to another *SPM* unit, will not receive promotions involving monthly rental concessions, unless approved in writing by Director.

Referral concessions are as follows:

- Tenant who is on a 1 yr lease refers someone who signs a lease:  
\$100 credit to current tenant, \$50 to new tenant
- Tenant who is on any less than a 1yr lease refers someone who signs a lease:  
\$50 credit to current tenant, \$50 to new tenant

## **2.9 RENTERS INSURANCE**

*SPM* residents are not required to have renter's insurance. However, all tenants are required to sign the "Renter's Insurance" addendum stating *SPM's* recommendation of the same.

## **2.10 KEY SIGN OUT**

Any individual needing a key for any unit must complete the sign out sheet for the purposes of tracking keys. Once a tenant has been given two keys at move in, no additional keys will be provided. Staff is prohibited from removing the last key from the keyboard without prior approval from Manager or Director. If a tenant is wishing to obtain a key for lock out purposes during business hours, it must be signed out and the key is to be returned within 24-hours or the \$100 lock out fine will be assessed. If a vendor fails to return a key once work is completed, a bill will be sent for \$100. If a staff member fails to return a key, the need for disciplinary action will be assessed by Director.

## **2.11 POOL PASS**

Tenants living at a complex that has a pool will be required to place a \$25 refundable security deposit in order to receive their pool key tag. Said deposit will be held in the deposit holding account located at the bank named in the Deposit Holding Agreement addendum on the lease. One tag per unit will be issued and is expected to be returned upon move-out. If tag is lost or damaged, \$25 deposit will not be returned and tenant must place another \$25 deposit to obtain another tag.

## **2.12 GARAGE DOOR OPENER**

Any garage door opener that is given out (as part of a unit, as a standalone in conjunction with a unit or as a single entity) must be done so only after a refundable security deposit equal to one month's base rent has been obtained.

## **2.13 PET POLICY**

Tenants who wish to have a pet in their residence shall abide by all regulations listed on the Pet Policy/Lease agreement. Failure to abide by policy as outlined in the lease will result in lease violation penalties.

## **2.14 SUPPORT AND SERVICE ANIMALS**

Tenants who require emotional support or service animals are not charged a pet deposit or monthly pet fee as long as they can provide proper documentation from their medical provider stating (1) that the tenant or a member of his or her family residing in the unit is a person with a disability; (2) the need for the animal to assist the person with that specific disability; and (3) that the animal actually assists the person with a disability, dated within the last 6 months. A copy of the documentation must be placed in the tenant's file, an addendum to the lease shall be signed, the *SPM* pet policy/lease must be signed and will apply in its entirety.

Physical support animals are limited to canines, per Title II and III of the ADA, and must adhere to the breed and weight guidelines implemented by *SPM*.

An *SPM* staff member will enter the PSA/ESA as a \$0 charge on the lease.

## **2.15 LEASE VIOLATIONS**

Direct violations of the lease will be handled by Property Manager as deemed appropriate and should be sent in an email for documentation purposes. Submission of complaints and lease violations will be handled by the following guidelines and may incur fines:

- One documented complaint = written warning
- Two documented complaints by different tenants or three complaints from one tenant = Formal notice
- Next complaint = 2nd notice

- Final complaint = Eviction

Lease violations are flat fees and shall not be prorated. Guidelines are subject to change and are of the sole discretion and interpretation of Management.

## **2.16 TENANT NEGLIGENCE**

Tenants will be charged for direct negligence to appliances, landscaping, functionality of the unit, and repairs that could otherwise be done by the tenant but maintenance is called. This includes but is not limited to: plumbing obstruction, garbage disposal obstruction, not picking up pet waste, failure to dispose of trash properly, changing smoke detector batteries, changing lightbulbs, lockouts, etc. A \$50 initial service fee will be charged, in addition to the cost of materials and \$25/hour after the first hour of labor. Some violations incur their own fee and are listed on the Standard Cleaning and Repair Charge Sheet. *SPM* staff should notify Manager in writing when tenant negligence has occurred so that charges may be added.

## **2.17 APPLICATION PROCESS**

*SPM* will accept and processes applications for a particular rental unit on a first-come first-served basis. To secure a rental unit, a prospective tenant must submit an application accompanied by a non-refundable screening fee of \$45. Once the \$45 has been submitted, it cannot be refunded regardless of applicant's decision to forgo the application process. The fee of \$45 is to be collected on all potential tenants regardless of the ability to perform the screen and must be collected again if any information on the application is entered incorrectly by the applicant and a re-screen is necessary.

Refusal to complete the screen will result in an automatic denial.

Once the screening is completed and applicant is approved a minimum \$350 security deposit must be placed within 24 hours in order to secure the desired rental unit. Deposit must be paid via the online tenant portal and will only hold the unit for 10 days past vacancy date, or 10 days from the date of deposit if unit has been vacant outside of 10-day window. At move-in, the tenant must pay the full or pro-rated rent amount before receiving keys. Once an application is screened it is only valid for 30 days. If a potential tenant does not convert within that time frame, it must be screened again and another \$45 application fee must be paid.

## **2.18 SCREENING CRITERIA AND APPLICATION REQUIREMENTS**

A fully completed application is required for every adult over the age of 18 that will be occupying the premises. An application will be processed for each tenant listed as financially responsible and screening will not take place unless a \$45 non-refundable screening fee accompanies the application. No application fee shall be waived unless approved by Owner. Once an application is screened it is only valid for 30 days. If a potential tenant does not convert within that time frame, it must be screened again and another \$45 application fee must be paid.

A copy of a government-issued Photo ID is required and must be submitted with application.

Verifiable, taxable monthly income of at least 2.5 times the monthly rent is required. Applicants must submit a copy of the most recent paystub(s) to verify gross monthly income or if self-employed the previous three year's tax return verifying the required amount via the first page of the tax return on the line that reads "total income" (not adjusted). The tax return must be in the individuals' name and if filing jointly, all parties must be listed on the lease as financially responsible. For one party to be listed from a joint tax return, W2's or 1099's for the financially responsible individual must accompany the tax return for the corresponding tax years.

If an applicant receives Native American tribal stipend, Social Security Income, unemployment benefits, child support benefits, or a GI Bill, it will be accepted as a verifiable form of income with proper documentation. The required amount of 2.5 times the monthly rent must still be met.

Offer letters are required if a prospective tenant is moving from out of state or transferring jobs in addition to proof of current income.

Six months employment history is required and may be documented through six months' paystubs OR a letter of verification from the employer. If a potential tenant does not have verifiable employment history, six months' positive rental history, verification of mortgage, or current transcripts showing fulltime status as a student will be accepted in lieu.

Guidelines for rental history verification:

- Must be within the past year
- Must not have any evictions filed
- 6-8 month period: 1 late fees or less
- 8-12 month period: 2 late fees or less
- No lease violations
- Damage less than \$500

Guidelines for transcripts:

- Must be current
- Full-time status must be defined – I.e. 9 hrs./semester for Graduate students and 12 hrs./semester for Undergraduate students

## **2.19 CORRESPONDENCE AND SUPPORTING DOCUMENTATION**

All documentation submitted by the tenant, electronic communication, and any information uploaded to the tenant's page by an *SPM* staff member is to be named in the following manner: "Document Name – ComplexUnit – Last Name". Examples:

- Employment Verification – JC A06 – Smith
- Driver's License – PG 06 – Cox
- Move In Inspection – EP 18 - Jones

## **2.20 REASONS FOR INCREASED SECURITY DEPOSITS**

- Monthly income more than \$100, but less than \$500, below the required 2.5 times stated rent less than three years of tax returns
- Negative or adverse debt exceeding \$500 on credit report (Excluding medical & school expenses)
- Less than 6 months employment history or negative rental history
- Bankruptcies discharged within the past 5 years
- Rental history reflecting more than \$500 in damages. Debt must be settled to qualify
- Unverifiable history or lack of credit score (see below)
- Discharged or non-suit eviction within the last three years

In the event an applicant meets any above stated reason, the required Security Deposit will be equal to the monthly stated base rent.

Unverifiable history due to inability to run a background check would require a Security Deposit equal to the monthly stated rent as well as the first and last month's rent to be paid before move-in.

Lack of credit score due to inactivity or no established credit history would require a Security Deposit equal to the monthly stated rent.

Should a tenant pay off any collections debt in order to qualify, a letter from the company must be provided along with a verification phone call from the Property Coordinator. If the adverse debt paid off is related to previous rental history, a letter from the management company along with a completed Rental Verification History form are required in order to proceed.

## **2.21 SECURITY DEPOSIT HOLDING**

Tenants shall be required to make a refundable security deposit in accordance with the terms of their lease. Once a security deposit is given to *SPM* the applicant has 72 hours to cancel the process. At the end of the period, the deposit in its entirety will be placed in a deposit holding account in accordance with state guidelines. For the return of all or a portion of the Holding Deposit, and to avoid liability for damages under the Lease, the following provisions, without limitations, apply:

- Full notice-to-vacate is required in compliance with lease terms, with rent paid for the entire period
- No damage to property
- Entire apartment including, but not limited to, range, refrigerator, bathrooms, closets, and cabinets must be cleaned. Resident property and debris must be removed and trash must be disposed of properly. Carpets must be thoroughly vacuumed.
- No stickers, command strips (or the like), large scratches, visible nail holes or blatant destruction to walls or other surfaces
- Noticeable holes must be patched and painted over (paint may be obtained from *SPM* office)
- No unpaid charges or delinquent rent
- No smoking in the unit
- All unit keys and garage keys/opener returned
- Forwarding address left with *SPM* staff
- Move-in inspection completed and returned within two weeks

The deposit refund will be mailed to the forwarding address provided within 30 days if the conditions above are met. If a partial refund is made, the tenant portal will outline the amount deducted from the deposit and the move out inspection will be provided for a breakdown of charges. Should the tenant request an additional check be cut for any reason, a \$35 stop payment fee will be deducted from the balance owed.

Move-out inspections are conducted prior to tenant vacating the premises. *SPM* will work with tenant to schedule a move-out inspection at a time that is convenient for both parties. If a tenant chooses not to schedule a move-out inspection prior to vacating the premises or is not present during the scheduled move-out inspection, the tenant waives his/her right to dispute any move-out charges in any legal proceeding or collection matter.

## **2.22 COSIGNER POLICY**

A Cosigner will be required if an applicant meets two of the above stated reasons for an increased Security Deposit. Cosigners must also fully meet screening criteria and submit a non-refundable \$45 screening fee along with all required documents. If a cosigner meets one or more of the criteria listed in Section 2.18 or 2.21, the application will be denied.

Current tenants may not co-sign for a prospective tenant. Additionally, previous tenants must be in good standing with *SPM* in order to co-sign for a prospective tenant.

## **2.23 REASONS FOR DENIAL OF APPLICATION**

- Three or more reasons for increased Security Deposit
- Inaccurate, incomplete or falsified information
- Unverifiable source of income or income verification shows more than \$500 below required 2.5 times stated rent
- 10 or more unpaid collections on credit report or a collections balance of more than \$5,000 (excluding medical & school expenses)
- Open bankruptcies
- Evictions within the past 5 years
- More than 1 discharged or non-suit eviction within the last three years
- Outstanding property debt or unpaid rent in any amount
- Settled property debt on more than 1 account
- Rental history documenting lease violations or unfavorable rental history with previous landlord
- Default or unpaid mortgage

- Conviction, guilty plea or no contest plea for any of the following:
  - Felony occurring at any time which involved arson, rape, kidnapping, murder, sex crimes, child sex crimes, financial fraud crimes, person crimes, extensive property damage, drug-related offenses (including sale, manufacture, delivery or possession with intent to sale), class A felony burglary, or class A felony robbery.
  - Felony charges; where the date of disposition, release, or parole have occurred within the past 7 years
  - Misdemeanor or gross misdemeanor charges involving assault, intimidation, sex crimes, drug-related crimes, property damage or weapons charges; where the date of disposition, release, or parole have occurred within the past 7 years
  - Class B or C misdemeanor, or any misdemeanor involving criminal trespass I, theft, dishonesty, prostitution or disorderly conduct; where the date of disposition, release or parole have occurred within the past 3 years
  - Pending criminal charges or outstanding warrants

#### **2.24 APPLICATION DENIAL APPEALS**

A prospective tenant may appeal the denial by contacting the screening company directly if they feel information reflected on the screening was inaccurate. The application will be reviewed if any information returned on the screen is proven to be incorrect.

#### **2.25 CREDIT REPORTING**

AppFolio uses RentBureau as a means to assist tenants who have little or no credit built up. As per Appfolio:

"Experian (through RentBureau) incorporates on-time rental payment data reported to Experian RentBureau into Experian credit reports. Your rental payment information will be included as part of your standard credit report and may be incorporated into certain credit scores. The inclusion of positive rental payment history within Experian credit reports allows you to establish or build credit history through timely rental payments." -- RentBureau website

RentBureau lists a tenant's rental agreement with SKY Property Management as a **tradeline** for the purposes of helping tenants build their credit. The reporting that is done does not negatively impact your credit.

If a tenant is monitoring their credit this is not a "negative hit" to your score. It is simply a tradeline listed on the report. If you they are in the process of obtaining a loan, it is their responsibility to instruct their financial institution of this, as it should not be calculated in ratios. If there are any additional questions, tenants may visit the Experian RentBureau website at <http://www.experian.com/rentbureau/resident-data.html>

#### **2.26 CONVERT TO TENANT**

Applications that are approved can be converted to tenant using the "Convert to Tenant" button on right side of computer screen. This will transfer all of the information from rental application to tenant information on Move-In flow in software.

#### **2.27 LEASE START DATE**

If a prospective tenant is pre-leasing a currently occupied unit, the lease start date should begin on the marketed availability date as determined by section 2.43. However, an extension of up to ten (10) days (inclusive of the weekend) after anticipated move out date may be granted with approval from Director.

If a prospective tenant wants to lease a currently vacant unit, the lease start date should begin no later than ten (10) days from the application approval date. Day one begins on the day the application is approved. If said tenant responds after the 24-hour window to submit a security deposit has expired and wishes to move in later than the proposed lease start date, such request must be submitted by *SPM* staff to the Director for approval.

If the move in date falls on a Saturday or Sunday the tenant has two options:

- A move in appointment will be scheduled the week prior to obtain utility receipts, prorated rent and obtain a Welcome Folder
- A move-in lockbox will be placed on the door with the code set to the last four (4) digits of financially responsible tenant's phone number. The code is to be emailed to the tenant by 9am on the day of move-in with a Welcome Folder left in the unit. Payment and utility receipts must be received by noon the Friday before in order to elect this option. An appointment to remove the lockbox is to be placed on the calendar for the following business day with the four (4) digit code listed.

A move in date should never be adjusted outside of the above stated windows unless approved by the Director.

## 2.28 MOVE-IN TENANT

If a tenant was not screened due to lack of Social Security Number, you will click on "Start Page" and then click "Move-In Tenant" on right side of the screen. Enter profile information for applicant or verify profile information is correct from application conversion in software.

- Click "Continue"
- If other persons will be occupying premises you will enter their information under "Additional Tenants" and chose their status. If they are to be named on the lease choose "Financially Responsible". If they are only an occupant, choose "Other Occupant". After each additional tenant, click "Add Another Tenant". Once all persons are listed, click "Continue".
- If selected on the rental application, the unit will automatically transfer. If no unit is selected, choose the appropriate unit under "Browse Units" and then click "Continue"
- Choose the appropriate Move-In Date as well as lease start and end dates.
- Enter recurring monthly charges—washer/dryer rental, pet fees, monthly rent, etc
- Add rentable item, if applicable
- Enter move-in charges—security deposit, non-refundable pet deposit
- If tenant is moving in on a date other than the 1<sup>st</sup> of the month, un-check "Charge full amount" under Prorated charges. *SPM* calculates on a 365-day year, unless leap year (366)
  - Calculate by taking each monthly charge, multiply by 12, divide by 365 and then multiply by the number of days unit will be occupied during the partial month.

EX: \$895 monthly rent, \$35 washer dryer fee – Move in date of 03/14

$\$895 \times 12 = \$10,740 / 365 = \$29.42 \times 18 \text{ days of rental in March} = \$529.56 \text{ prorated rent charge}$

$\$35 \times 12 = \$420 / 365 = \$1.15 \times 18 \text{ days of rental in March} = \$21.24 \text{ prorated w/d fee}$

- Select correct lease template from the drop down box
- ALL TENANTS will have the "Bed Bugs, "Smoke Free" "Deposit Holding", "Renters Insurance", and "Community Rules" addenda. All other addenda will be selected based on monthly charges.
- Once lease is completed with appropriate addenda, click "Prepare Lease". If there are any errors, it will notify you in a pop-up box. Click "Continue" to override or "Cancel" to make corrections.
- The lease will open in another window. Carefully review the highlighted parts to ensure all information was entered correctly. Once reviewed, click "Send to Tenant" in top right corner.

Immediately enter the receipt for the security deposit.

- From the tenant page (to ensure the receipt is entered correctly), choose "Enter Receipt"
- Enter the amount of the receipt, (the date auto populates), and the check or money order number.
- Change the Cash Account to "1160: Escrow Cash"
- Under description, choose "2101: Security Deposits" from the drop down menu
- Click Save
- The check is to be held until the 72 hour window has passed and then immediately place into tenant A/R files



Once the tenant has signed the lease, it will be sent to a Presidential User in the software for counter-signing. The Presidential User will then review the lease, counter-sign and complete the move in.

A Move-In checklist is to be completed for every unit that is being moved into. **No tenant should receive keys unless all of the following have been acquired:**

- Completed application with supporting documents
- Veterinary statement, if applicable
- \$45 Screening fee
- Processed screen
- Signed lease
- Copy of all utility receipts
- Copy of government issued Photo ID
- Security Deposit
- First month's rent, or prorated rent
- Non-refundable pet fee, if applicable
- Garage opener deposit, if applicable

Once all necessary documents and monies have been provided, the tenant will receive:

- Two keys to the unit and mailbox key, if applicable.
- Welcome Folder with information about the property including contact information for all *SPM* staff as well as the emergency phone number.
- Move-In inspection form to be completed within two weeks and filed

Same day move-ins are only allowed in extenuating circumstances and only by approval in writing from Director.

## **2.29 ALTERING A MOVE-IN**

Should a situation arise where a lease or move-in needs to be cancelled or altered, the Manager or Director should be notified immediately. *SPM* staff should not cancel a move in or cancel a lease without proper direction from a supervisor.

## **2.30 UPDATED LEASE TERMS**

*SPM* staff is to send a new lease under the following circumstances:

- Lease start date changes
  - Dates must be changed in the following locations:
    - Tenant Status for all financially responsible and occupants
    - Monthly Charges
    - Lease Information
    - New lease
- Incorrect information was input and lease has been fully executed
- Tenant wishes to make changes to the terms, rentable items, pets, or occupant status prior to move in

If lease has not been countersigned, please refer to section 2.27 and notify a supervisor who will ensure cancellation is handled appropriately. *SPM* staff will then send a new lease with the updated terms.

## **2.31 SENDING ADDENDA**

*SPM* staff is to send addenda mid-lease when additions are needed regarding rentable items, occupants, pets, or a move-out cleaning service is elected.

- Add charges, if applicable
- Select "Send Lease or Addendum" under Tasks on the appropriate tenant page
- Delete any Lease templates
- Select the appropriate Addenda

- Enter the start date, leave end date blank
- Un-check “Update lease dates on tenant page”
- Click “Prepare Lease”
- Review to ensure accurate
- Click “Send to Tenant”

### **2.32 CANCELLATION WITH SECURITY DEPOSIT**

Tenants wishing to forgo the leasing process that have not yet executed a lease, but are outside of the 72 hour deposit window, may do so given that *SPM* retains the holding deposit. Director should be notified in writing in order to refund the deposit. *SPM* staff should not cancel any outstanding leases or alter the move-in process.

### **2.33 CANCELLATION PRIOR TO MOVE IN**

Tenants wishing to forgo an executed lease (to include a lease that has been signed by the tenant, but not yet cosigned) prior to moving into the unit may do so by paying 30-days rent from the start of the lease in addition to a cancellation fee equal to one month’s total rent. The security deposit used to hold the unit will go against the outstanding balance as opposed to being issued back to the tenant. Director should be notified in writing in order to apply appropriate charges and complete the move-out process.

### **2.34 REMOVING PREMIUMS MID-LEASE**

Should a tenant wish to remove a pet during their tenancy they may do so by signing a same term or longer lease from the effective date.

- Example:
  - Lease 6/1/18-11/30/18 – tenant wants to remove a pet effective 9/1/18. New lease: 9/1/18 – 2/28/19 or longer.

Garage, storage, and washer/dryer premiums will remain until current lease obligations are fulfilled.

If a tenant wishes to forgo a short term lease and sign a one (1) year lease they may do so from the effective date.

No charge removals or lease alterations will be backdated.

### **2.35 SERVICE REQUEST/WORK ORDER**

When necessary, a work order will be created by *SPM* staff, assigned by appropriate *SPM* employee and placed in designated area for appropriate maintenance personnel. Once assigned, the work order will appear in assignee’s Appfolio queue. Work Orders may also be assigned to outside vendors when appropriate. Maintenance personnel are to document notes, completion or status of work in Appfolio and allocate hours worked on the printed sheet and return to designated area. It is the responsibility of maintenance personnel to appropriately allocate hours to GL accounts provided on the back of the printed work order.

When a work order is submitted by a tenant, *SPM* staff will notify tenant of receipt, updates regarding completion, and when the work order is completed in its entirety. Should maintenance personnel attempt to enter a unit without success, either due to unrestrained pet or tenant request, one (1) reschedule will be made. If maintenance personnel is unable to complete the work order for a second time, it will be cancelled and tenant will be notified to submit another work order should they need the work to be completed.

Any changes or updates to work order will be entered by *SPM* staff and then printed for maintenance personnel. Once the work order is completed in its entirety, office staff will mark it finished in the system. Notes regarding repairs, replacements, capital expenditures, or other pertinent information will be documented on the unit page. *SPM* staff are to reference the unit page when work orders are received to determine recurring issues that may require outside vendors.

Orders are to be completed in order of urgency, as designated by office staff.

### **2.36 MULTIPLE WORK ORDERS FOR THE SAME ISSUE**

*SPM* staff should create subsequent work orders off of the initial work order submitted when the problem is recurring or additional work is required.

### **2.37 MAINTENANCE RESPONSE**

Routine maintenance will be completed within 5 business days, unless prevented by unavailability of parts, disaster, or another unforeseen obstacle in which case the tenant shall be notified.

All emergency repairs shall be handled promptly regardless of the time of day they occur.

An after-hours emergency call should be made anytime the structure of the property is jeopardized or there is a danger to the occupant. Such circumstances include fire, an active water leak or flooding that is not controlled by cutting off the supply valves, loss of heat when temperatures are below 50 degrees, no electricity (not area related), damaged roof or structure damage from a fallen tree. Lack of air conditioning, non-working appliances, lock-outs, interior repairs or housekeeping that does not fall into the above mentioned hazards are not considered an emergency.

### **2.38 PREVENTATIVE MAINTENANCE**

The Director and Manager will work with maintenance staff to create a yearly preventative maintenance schedule. The Manager will input monthly responsibilities on the calendar to ensure all staff is aware and schedule is executed accordingly.

### **2.39 TRANSFERS**

Any tenant that currently rents at an *SPM* managed property under an *SPM* lease and wishes to transfer may do so by exercising section 2.8 of the lease. Tenant must meet the following requirements:

- Appropriate written notice per lease obligation, accompanied by a \$150 transfer fee if mid-lease. Transfer fee of \$150 is not applicable for financially responsible tenants who have resided at a *SPM* property for at least three (3) years or to financially responsible tenants moving to any new construction unit.
- Security deposit for new unit
- Must have \$0 balance and not have had any legal proceedings within the last 12 months, executed or not
- Must have not had a late payment within the last 4 months
- Must have up-to-date application on file – application fee only applies if wishing to lower deposit
- Must have taxable, verifiable income verification 2.5 times the monthly rent if previous income verification is greater than 12 months old
- Cashier's check or money order for \$500 is due 15 days prior to move out to go against damages in current unit if tenant is transferring to another property. If damages do not exceed the original security deposit, \$500 will be applied to rental payment in the new unit

Requests to waive \$150 transfer fee or \$500 holding deposit are to be submitted in writing to Director for approval on a case-by-case basis.

Tenants who transfer mid-lease receive two free days of rent in their current unit.

### **2.40 TENANT FULFILLMENT OF LEASE - TRANSFER**

An existing tenant who is fulfilling their current lease obligation and then moving to another *SPM* managed property must meet the following requirements:

- Appropriate written notice per lease obligation
- Security deposit for new unit
  - If a tenant had a deposit higher than \$350, they may go through the screening process to determine if the security deposit can be lowered.
- Must have \$0 balance and not have had any legal proceedings within the last 12 months, executed or not
- Must have not had a late payment within the last 4 months
- Must have application for new unit

- Must have taxable, verifiable income verification 2.5 times the monthly rent provided within the last 30 days

Tenants who transfer will receive two free days of rent in their current unit.

#### **2.41 TENANT NOTICE TO TRANSFER**

All notices to transfer (notice to vacate) must be provided in writing accompanied by a \$150 transfer fee. As is the same with a lease cancellation, the notice will not go into effect until the transfer fee is received. Once received, the fee is to be recorded in the notes section on the current and future tenant pages. When request to transfer is received from a tenant, it is to be cross-checked with lease to ensure lease was followed regarding proper notice and tenant meets eligibility requirements to transfer. *SPM* staff will then send an email to tenant, stating *SPM*'s receipt of notice and outlining transfer procedures. This template can be found in the shared drive.

Tenant receives two days rent-free in current unit – i.e. tenant provides 30-day notice, but rent is prorated at 28 days for current unit. Move-out date is recorded for the last day of the tenant's notice and vacancy is marketed based on that day. The new lease must begin on the 28<sup>th</sup> day of the tenant's notice, and rent for the new unit is due at that time.

#### **2.42 CONVERT OCCUPANT TO FINANCIALLY RESPONSIBLE**

Any occupant wishing to become a financially responsible tenant must go through the entire application process and meet all criteria. The current financially responsible tenant will be moved out completely with the security deposit refunded. The new financially responsible tenant will accept unit condition "as-is" and appropriate Property Coordinator will fill out a new Move In Inspection with the same move in conditions as the current financially responsible tenant.

#### **2.43 MOVE OUT OCCUPANT**

When an occupant is to be removed from a current unit, a new lease must be signed by the financially responsible tenant(s) either as a renewal or updated lease agreement.

- Go to tenant page
- Select the occupant to remove
- Click "edit" under Tenant Status
- Enter the move-out date
- Click "save"
- Email Director to send new lease agreement

In no instance should a tenant ever be "hidden" without approval from Director.

#### **2.44 MOVE OUT FINANCIALLY RESPONSIBLE TENANT**

If a financially responsible tenant wishes to be removed from the current lease obligation, the following must be applicable:

- Current lease term is expiring **OR**
- Remaining financially responsible tenant(s) must be willing to sign a new lease, for original duration (i.e. 6-month, or one year lease) effective removal date of previous financially responsible tenant
- Written approval from all financially responsible tenants that current security deposit remains with the unit and tenant wishing to be removed from lease agrees to release the deposit to remaining financially responsible tenants **OR**
- A move out is completed in its entirety and tenants wishing to remain financially responsible must go through the application process

#### **2.45 LEASE RENEWAL**

At the first of the every month, tenants whose lease will be expiring in 90 days will be issued a letter asking for notification of their intent to renew or vacate. The letter will be run through AppFolio and can be found under "Reporting", then "Letters", then "Lease Renewal".

Any tenant who has not responded from the prior months' notice will be given a letter stating a month-to-month premium, as outlined below, will be applied upon expiration of the lease. The letter will be run through AppFolio and can be found under "Reporting", then "Letters", then "Lease Expiration Final Notice".

#### Non-residents

- 3-5 months: \$75
- 6-11 month: \$50

#### Current residents

- Month to month-3 month: \$50
- 4-6 month: \$25

Lease renewals will be completed by Director, or designee, through the tenant's page. All charges on the page shall be accurate, up-to-date, and reflective of market rent and increased fees if necessary. Renewals must be signed before the beginning of the renewal period or a \$75 fee will be charged and the lease dates will be adjusted accordingly.

### **2.46 TENANT NOTICE TO VACATE**

All notices to vacate must be provided in writing and filed. When documentation to vacate is received from a tenant, it is to be cross-checked with lease to ensure lease was followed regarding proper notice. *SPM* staff will then send an email to tenant, stating *SPM's* receipt of notice and outlining rent owed and cancellation fee, if applicable. This template can be found in the shared drive. Calculation of prorated days begins on the day the notice was received.

The notice must be documented in AppFolio by selecting the tenant via Search Box in upper right corner, then "Move-Out Tenant" to reflect date notice was given and intended move-out date. Click "Save For Later". This will allow selection of the unit when entering future tenant information in the application portion of the software.

### **2.47 NOTICE TO VACATE UNDER EXPIRED LEASE**

Tenants will receive a 30-day eviction notice the day after their lease has expired. If they wish to submit a notice to vacate while still on an expired lease, they are required to do so ~~on~~ by providing a 30-day notice.

### **2.48 INSUFFICIENT NOTICE TO VACATE**

When a tenant gives a notice to vacate that extends past their current lease term, the holding over clause will apply. No premiums will be assessed unless the notice period extends past the hold over.

### **2.49 EVICTION AND ABANDONMENT**

Should a unit be deemed abandoned through lease provisions stating such, or verbal or written notice provided by tenant, charges will be assessed as though the lease cancellation clause was acted upon. Sixty (60) days will be effective from whichever of the following happens first:

- Utilities have been disconnected or rolled over into Landlord's name
- Keys are in the drop box or provided to an *SPM* staff member
- Written or verbal notice is received from financially responsible tenant
- Occupancy check has been performed and tenant has visibly vacated

Once an eviction judgment is granted for a unit, the cancellation clause will be effective:

- the day after the judgment period. Usually, this will coincide with the date of occupancy check. However, if the day after falls on a Saturday or Sunday, that day will be used.
- Written or verbal notice the tenant has vacated prior to the end of the judgment period has been received
- When locks are changed

It is important to note that tenants who abandon or are evicted are almost always behind on rent. This will be taken into consideration for the full month's total rent fee required to activate the cancellation clause. Director will approve all charges prior to entry into the system for such tenants via reply to email from *SPM* staff including the necessary information.

## **2.50 OCCUPANCY CHECK AND WARRANT OF POSSESSION PROCEEDINGS**

Once a seven (7) day judgment has been granted for eviction, an occupancy check will be scheduled for 9am on the eighth (8<sup>th</sup>) day. Maintenance personnel will conduct the occupancy check, if requested to Manager by a Property Coordinator. If a tenant has failed to vacate the unit at the end of the judgment period, Director must be notified immediately. Director will then contact legal counsel to obtain a warrant of possession. Once warrant is provided, a constable or sheriff will contact a member of *SPM* staff to schedule the lock change. Daily occupancy checks are to continue until the forcible detainer is executed.

When a warrant is granted, and *SPM* staff are present, no further days in the unit will be granted. The locks will be changed immediately, and a notice will be posted of where the tenant may obtain their belongings during a thirty (30) day period. After the time has expired, items left behind will be sold to remedy debt, if applicable.

## **2.51 MOVE-OUT TENANT**

Once a tenant has provided notice to vacate, a move-out sheet is to be started. The tenant is to be emailed 30 days prior to their scheduled move-out date to and determine the definitive date of move-out and schedule a move-out inspection. If the tenant has not responded within two weeks of the move out date, another email is to be sent followed up with a phone call one week out. The phone call is to be recorded on the notes section of the tenant page. At this time, tenants will be offered the Cleaning Service as outlined by the appropriate "Cleaning" addendum and will be provided with a Standard Repair and Cleaning Charge Sheet. A member of *SPM* staff will do a walk through and document, on the filed move-in/-out inspection form for the unit, any damages or alterations made to the unit that are different from items noted upon move-in. Anything documented on move-out inspection will be discussed with tenant and signed by *SPM* staff member and tenant. Tenants who have not elected the cleaning service will be given the opportunity to do so at move out with an upcharge. In this scenario, *SPM* staff will be required to take a copy of the addendum for signing and must upload it to the tenant's page once executed. All keys and pool tag/garage remote (if applicable) should be returned at or before move-out inspection

If eviction or some other means resulted in a move-out inspection not being completed with the tenant, a member of *SPM* staff will complete the inspection independently and document any changes, issues or needed repairs in the unit.

Once move-out inspection is completed, a work order will be created for any damages, repairs, or issues that need to be addressed before next tenant can move-in. Move-out inspections are to be held until all charges are calculated, including costs from outside vendors.

*SPM* staff who completed the move out inspection will be responsible for calling any required services prior to occupancy (carpet cleaning, extermination, etc). Any capital improvements such as new carpet/flooring, new appliances, or painting update needed prior to occupancy should be addressed with the Owners and completed immediately upon approval. Vacancy photos are to be taken on an as needed basis and should be uploaded to the unit page in order of flow from front door.

Charges for damages/repairs are to be documented on work order and given to Director for continuation of the move-out process in the software (see section 2.42 for Move out Procedure). If move out charges exceed the amount of the security deposit, the Property Manager is required to sign in addition to the Property Coordinator.

## **2.52 MOVE OUT PROCEDURE**

Once the Move-Out Inspection has been completed, Director will complete the move out in AppFolio. If applicable, a deposit refund check will be issued to be signed by and mailed back to financially responsible tenants.

Forwarding address should be received via email or written on Move-Out Inspection by tenant, then entered by *SPM* staff. If a tenant is transferring to another *SPM* property, the forwarding address is not entered. Move-out will then be completed.

### **2.53 VACANCY PREPARATION**

When advertising a unit, the availability date should be marked for move-in six (6) days (excluding Sunday) after anticipated move out date. Day one begins at 8am the day after move-out. It is the responsibility of *SPM* staff to ensure proper time management of completion of inspection, vendors, and maintenance scheduling within the five (5) day window. Extension of the window should be emailed to the Director and the flip work order will be edited with approval.