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MANAGING THE MANAGEMENT COMPANY

OK, so you have decided that you do not want to manage your property or you may have managed it and no longer want to continue so that you can spend your time searching for more deals. Keep in mind that everything you have learned while managing your own property will be an asset to you going forward.

We would all like to believe that “all” management companies operate in a professional manner and focus on the goals of you the owner. But let’s be realistic...in some cases they are managing a type of property that they are unfamiliar with. For example, they may be excellent managers for an “A” property but they are now managing your property which is a “C”. In the majority of cases, this is a no win situation. As much as both parties may want success, most of the time it doesn’t happen. Unfortunately, even the best management companies can end up being the main reason for either the success or failure of your property if you do not have checks and balances in place.

Another reason a good management company might fail may be due to the structure of their company. Are they growing too fast? This means they may eventually pull regional managers, managers, etc. to assist in other properties and their systems may not be in place if they are a relatively new management company. This may also include inside office staff, such as comptrollers, property accountants, etc. So if they are shorthanded for a certain length of time for whatever reason, guess what? You will most likely “NOT” be getting your daily, weekly or monthly reports on time, which of course will end up being a huge problem for you as an owner.

Of course the main concern is having communication issues. Are they sending reports when scheduled, do they miss scheduled conference calls, not return telephone calls or emails? If this lack of response is done on a consistent basis, you are in trouble! There is absolutely NO excuse for this! If you can think of one, please share it with us. You may even want to think about inserting a communication clause in your management contract.

The information that you will be given in this course, will assist you in searching, contracting and managing a management company.

Chapter 1: The Management Process

Determine Market

By now, you are well on your way to achieving your goal of being an investor of apartment communities, whether it be 2 units or 202 units. Hopefully, you have already chosen a market that you want to invest in.

Your desired market may be in your back yard or it may be 3000 miles away. It may be an “A” property or a “C” property which is in need of a major rehab. Whatever market you choose, research it, know it, learn any and all growth patterns and continue to obtain as much knowledge as you possibly can.

Create Your Team

It is very important for you to create a team in which you can be confident with. It may take some time for you to get the “right fit” for you and your organization, but it is definitely time well spent.

One important requirement that you should include in your search, is whether they have experience in your type of investment. Be extremely detailed in your scope of work for each one of these potential team members. Remember to compare apples to apples and do not be afraid to ask questions. And especially do not be afraid to ask for references. Your “team” should consist, at the minimum, of the following:

- Broker
- Banker/Lender (if possible)
- Attorney
- Insurance Company
- Accountant
- Property Management Company

While creating relationships with these types of professionals, keep in mind that as you continue to grow your portfolio, that you may be in a better negotiating position in regards to rates, premiums etc.

Get Referrals

In many cases, especially in the Real Estate Industry, we get the best results by receiving referrals from our fellow investors, business associates or acquaintances. These referrals can be anywhere from an attorney to a particular Laundry System vendor, to a Property Management Company. Referrals can also be two-fold. They can work well with one client and be disastrous with another. So keep in mind, occasionally we may receive what may be perceived as a great referral but it may not end up being the right fit for the job.

You may also find that some people feel uncomfortable giving referrals no matter how positive an experience they have had. They may not want to put their reputation on the line, no matter what. Or in a case of a friend, family member or close business associate, they may not want to jeopardize that relationship

Interview Management Companies

An extremely important arm of our “team” is our Management Company. You may have already received several referrals on different property management companies in the area of your market. Do some preliminary interviewing, give them a call, tell them what type of property you are looking to purchase and the number of units. A few other preliminary questions it would be good to ask would be

- What size portfolio do they currently have
- What is their management fee structure (i.e. 5% for 100 units 4% for 200,etc)
- What is their company structure (Pres, VP, Regionals etc)
- Would they provide a sample of their management contract
- Do they belong to the local apartment association or IREM
- If you had to leave a message when first contacting them, how long did it take for them to return your call

Keep in mind, that these are ONLY preliminary questions prior to when you actually have purchased a property and are ready to get serious about hiring a property management company. With the information you have just received from them, it will help you in narrowing down your list of prospects to manage your property. I would recommend that you begin to seriously interview PM companies when you have a property under contract. We will go further into the questions you will need to have answered shortly

Find your Property

Well you’ve gotten to the point where you know the market you want to be in, and you have probably looked at several hundred properties that you just “loved” but guess what,

the numbers didn't work or the due diligence was a bust or you couldn't get the necessary financing on that particular property. So you kicked up your heels and got back out there searching for that "Right Property" and **wha-hooooo.....you found it!!!!**

Management Ride By

So you have shopped this property, had your mother and father shop this property as well as your business partner. In thinking that if all goes well, this could be the beginning of your empire. You are observing several areas of management, such as the condition of the grounds, curb appeal, professionalism of staff, etc. Keep in mind, that there may be a possibility that if you are satisfied with the current management of the property as it stands right now, that you may decide to keep them on!!!!

On the other hand, you may see dumpsters overflowing or some deferred maintenance on the property. In some cases this may not be due to poor management but of owners of the property not allowing bills to be paid in a timely fashion or not at all.

Management Reports

As you begin your due diligence process, there are several items that you may want to receive from the current management. This will also give you an idea if they are diligently trying to keep this property in their portfolio.

- Marketing Plan
- Forecast
- Resume

Each of these items are important in their own right. Review them, determine if you are on the same page and if not, is there a possibility that you could inform them of your goals and objectives in an effort for them to revise their strategy.

Takeover (30-45 days prior)

You have finally signed your contract must now go to the next step which is the Due Diligence Process. The major items included in this process are:

- Unit by Unit Inspection*
- Lease Audit/Rent Roll/Copy of All Leases
- Mechanical Inspection
- Property Inspection
- Obtain Financials for last 2 years
- Obtain Utility bills for last 2 years
- Obtain all Service Contracts

- Advertising contracts etc.
- Staff Evaluation

Due Diligence Checklist

Property Name _____ # Units _____ 1 ___ 2 ___ 3 ___
 Address _____ City _____
 State _____ Year Built _____ Type A ___ B ___ C ___
 Current Manager _____ Telephone Number _____

Financials	Date Received
Annual Operating Statements (2 Years)	
Monthly Operating Statements	
Year To Date Operating Statement	
Rent Roll last two years	
Last Three Month Bank Deposits	
Budget Forecast	
Existing Loan Documents	
Security Deposit Account Statement	
Utility Deposits	

Operating Information

Copy of all Lease types (all leases delivered at closing)	
Concessionary Rents	
Lease Expiration Report	
Utility Bills (2 Years)	
Water, Sewer, Gas, Electric, CATV, Ethernet, Phone	
Property Tax Bills (2 Years)	
Service Contracts (all currently under contract: trash, exterminating, maintenance, laundry, pool, elevator...)	
Advertising Contracts	
Payroll Register (employment contracts)	
Operating manuals (phone, computer, fire system, etc.)	
Insurance: Policy (premium disclosure)	
Insurance: Claim History (past 3 years)	
Insurance: Carrier Risk Assessment	
Miscellaneous Agreements (Vending, Pay Phone, etc.)	
Capital Improvements and Maintenance History (3 years)	
Incomplete Maintenance Requests (last 3 months maintenance requests)	
Yellow Pages Listing Contract	
Credit Bureau Contract	
Pet Policy	
Management Contract	

Commission Agreements	
Rent.com review	

Legal Information

	<u>Date Received</u>
Deed	
Title Policy	
Last Sale Price/Date	
Tax Assessment: Land/ Building	
Survey	
Architectural Plans	
Site Plan	
Inventory of Personal Property	
Tools/ Supplies Inventory	
Business License	
Zoning Certification	
Building Code Compliance Letter	
Certificate of Occupancy	
Rental Ordinances	
Litigation History	
Tenant Estoppels (optional at closing)	

Third Party Information

	<u>Date Received</u>
Appraisal	
Environmental Surveys - Phase I/Phase II if necessary	
Engineering Report	
Fire System Inspection Reports	
Elevator Maintenance Report (if applicable)	
Boiler Inspection Report	
HVAC Inspection Report	
Lead Paint- inspection reports/ tenant waivers/ history	
Mold- inspection reports/ tenant waivers/ history	

Market Information

	<u>Date Received</u>
Market Survey (3-5 nearest competitors)	
Existing Competitive Supply Surveys	
Future Competitive Supply Forecast	
Pictures – Aerial/Ground	
Area Map	
Apartment Association	
Apartment Guide Listing	
Copies of All Advertising, Brochures, Floor Plans	
Demographic Report: Housing, Income, Employment	

Three radii: 1 mile, 3 miles, 5 miles	
Traffic Study and/or Road Improvement Plans	
Neighborhood Survey: shopping, schools, employers	
Crime Report	

Electric or Water Transfer Request

Request for transfer of service

Required information appears in red

OUC Account Number

Tax ID Number

Company Name

Contact Name

Contact Phone

Present Service Address + Unit

City

State

New Service Address + Unit

City

State + Zip

Mailing Address For Final Invoice (if different) + Unit Number

City

State/Territory + Zip

Preferred Transfer Date

Mo/Da/Yr • 24 hours notice, no holidays or weekends

Turn off service at old address? Yes No

Preferred Turn Off Date

Mo/Da/Yr • 24 hours notice, no holidays or weekends

Your Name & Relationship To Account Holder (if different)

Home Phone

Work Phone

Fax

Email Address

If you currently use OUC's Rely-A-Pay automated withdrawal

system, would you like to have this transferred to your new address? Yes

No Not a Rely-A-Pay customer

Please Add Any Comments Or Additional Information

TAKEOVER CHECKLIST

PRIOR TO TAKEOVER (30 days)		Completed Date/Initials
Complete due diligence		
Evaluate current staff		
Begin obtaining bids for service contracts		
Complete Comparative Market Survey		
Place employment ads if necessary		
Create a wish list for capital improvements		
Interview Mgt Company		
PRIOR TO TAKEOVER (10 DAYS-1 WEEK OUT)		
Schedule and order phone service –get pricing		
Order banner : new management, new attitude		
Order Computer, all in one (Scanner, Fax & Copier)		
Schedule set-up of rent roll		
Set up of initial rent schedule / match proforma		
Set-up pagers - How Many?		
Set-up helium balloon account		
Set-up Vendor accounts (Home Depot/Lowes Account,		
:		
Make brochure /floor plans/		
Set-up landscape service account		
Set-up pest control service		
Set-up courtesy patrol		
Set-up alarm/monitoring system account (if applicable)		
copy of personal inventory		
Set-up legal account for evictions/collections		
DAY OF TAKEOVER		
Copies of ON DATE OF TAKEOVER:		
1. Current Rent Schedule		
2. Security Deposit Report		
3. Audit Pre-paid Reports		
4. Confirm delinquencies / copies of backup for files		
5. Ledgers run on all units		
6. Apartment Status Report		
7. Receive copies of pending litigation		
Deliver resident takeover letters		
Contact locksmith and coordinate re-keying of office and safe combination		

Set-up budget in Software program		
-		
Order final set-up business cards upon staff verifications		
WEEK THREE OF TAKEOVER		
Set-up of Vendor Contract Book – Within 30 days:		
Set-up of MSDS Binder – within 30 days		
Complete takeover status summary		
Set-up demographics within 45 days:		
Rewalk common storage areas and maintenance shops		
Verify status of final brochures – Rec'd:		
Verify status of new ads – reviewed:		
WEEK FOUR OF TAKEOVER		
Renegotiate Laundry Contract –		
Renegotiate Cable Contract		
Purchase property name and logo mats –		
Contact local fire company to confirm signage / check fire extinguishers		
Send out lead/asbestos letter (if applicable) and confirm signed receipt,		
Send out 30-day notice of change of terms with new community rules and regulations / new late fee and amount		

A copy of a typical due diligence checklist is included in this manual. If you haven't conducted one as of yet, definitely use this as it will assist you in making sure you do not forget anything. Too often we forget things unintentionally by either not having a checklist or "to do" List.

10 Days prior

As you get closer to the takeover day, there continue to be items that need to be done within a certain time frame. Such as:

- Utility Transfers
- Place employment Ad (if needed) Staff Interviews
- Schedule Tentative Lock Changes

Takeover Day

The day is finally here!!! You are the proud owner of a 10 unit apartment community. The fun NOW begins!!!! A few of the immediate tasks will be:

- **Meet the Staff**

Keep in mind, that if you haven't had the chance to speak with the staff prior to takeover, they are probably extremely worried that their job may be in jeopardy. Meet with them as a group and then individually. By meeting with them individually, you are actually interviewing them for their own job, right?

If you intend on keeping them on, even on a short term basis, it is imperative that you have them fill out the necessary new hire paperwork immediately. If your policy is to have a 90 day probationary period, make sure they are aware of this policy and have them sign a document saying they understand what they are signing.

- **Notify Residents/Vendors**

Hand deliver takeover letter to all residents. Depending on the size of your property you may also want to visit your residents personally. It is important that your takeover letter be very light and non-threatening. New ownership can make residents very unsure of their future residency. They fear change or more often than not, they fear the unknown. You may also want to inform them of any planned property improvements.

Vendors also need to be notified of new ownership. It is important that they are aware of the actual takeover date so that you are not responsible for any previous bills for the property incurred by the former owners. Also, I would recommend you confirm the utility changeover has taken place. This is always an issue especially when closing dates change numerous times.

Locks in all offices, maintenance shops, and all storage areas, at the minimum, need to be changed on day of takeover. If there is a safe, the combination will also need to be changed. In some cases, once again, depending on how large your property is, common areas may need to be changed as well.

Takeover Letter

(Date entered here)

To Our Valued Residents – Sanctuary Apartment Homes:

Please be advised that the management agent for Sanctuary Apartment Homes has changed effective January 1, 2006. due to the sale of the property. The new management company is:

Sincerity Management LLC

This change has no impact on your lease, deposits or rental obligation. This notice is for your information only. Please continue to make all rental payments to the office at **Sanctuary Apartment Homes**, in the form of a personal check, money order or cashiers check.

In the event that you have submitted your 30-day notice to vacate your apartment or have made arrangements to transfer to another apartment home on site please contact the office at your earliest convenience to verify your relocation on site and/or forwarding address.

Sincerity Management LLC takes pride in their apartment communities and providing you with **Exceptional Customer Service**. As you are aware, there have been many improvements to the property. We ask that you continue to “Please Pardon Our Dust” while we work to improve your community. If you have any questions, comments, requests or concerns please don’t hesitate to contact us at (334) 669-2222. We look forward to meeting you!

Sincerely,
Sanctuary Apartment Homes

**SANCTUARY HOLDINGS, LLC
520 LOWNDES HILL ROAD
GREENVILLE, SC 46012**

To All Vendors:

Effective _____ 2009, Sanctuary Holdings, LLC is the new owner of the Tara Apartments, located at 520 Lowndes Hill Rd, Greenville, SC.

Please send all invoices and correspondence to the address listed below. If you have any questions or concerns, please free to contact us at 335-655-1212.

**SSS Property Management
100 Main Street
San Diego, CA 43320**

Regards,

**Susan Brown
Regional Property Manager
SSS Property Management**

- **Office Setup**

During your due diligence, you were made aware of any office equipment that you may need to purchase in order for your management staff to set up the leasing office. In many cases the property inventory should provide you with any and all items. This includes:

- computer
- printer
- copier
- telephone
- furniture
- file cabinets
- storage cabinets

This is just a small list of items that you either should have on day of close or have arrangements made to purchase them in order to setup your office.

Federal Fair Housing Laws/State and Local Fair Housing Laws

It's imperative to have a complete set of Federal, State and Local Fair Housing Laws in your leasing office. That way, if there are any questions, the answers will hopefully be in that publication. Also, make sure they are the most current copies since, these laws may change from one year to the next.

Apartment Availability

An important thing to remember in regards to giving out information about the availability of your apartments is that it is imperative that you give the same information to everyone. With the discrimination laws as they are, while you may think you are doing no wrong, you could end up in a lawsuit easily.

Steering

In addition to the statement above, even if you "steer" your potential resident to a certain building or unit that too can also be considered discrimination.

Employee Education and Training

It is highly recommended that you and/or your staff participate in some type of training or educational course in regards to discrimination and Fair Housing Laws. There are many companies out there that provide fair housing training by conducting webinars, seminars or cd's. It is always better to be proactive as opposed to reactive.

Fair Housing Complaints

Of course there may be times when no matter how cautious you or your staff conduct yourselves, you still may receive housing complaints. You should consult with your attorney immediately in order to answer these complaints completely and truthfully.

Adequate Record Keeping

Of course in stating all of the above, it is also important to keep a paper trail of all complaints, courses of action, communications (verbal and written) in an organized manner so that if there are any issues, incidents or concerns, you will have all the documentation available for the authorities.

Management Reports

- **MMR (Monday Morning Report)**

By this time, you are probably a bit overwhelmed with the pre-takeover and the actual takeover process. Trust me....it will get easier as it goes along. And one of the ways it will do just that is to create systems for your property. One of the most important systems you can implement is what we call the **MMR**, or in other words, the Monday Morning Report. This report will actually keep you informed of all of the day to day activity of your property. It is imperative that the information in this report be true and accurate.

You are probably thinking to yourself, why do I need a report, if I have access to the property management software? Well, in most cases the information in this report is taken from several reports within your software program. I don't know about you, but I would rather have one report that I can look at with all the info that I need, than to go from this report to another report to another. The snapshot is considered a "snapshot" of your properties activity for the previous week.

You will also like to have this info setup in a "trend" type format. This means that by just using an excel spreadsheet, you can keep track of each weeks activity for the whole month. This will assist you in seeing the trend of your property. In other words, it will show if your occupancy has decreased from the previous weeks, your traffic has increased and so forth. It is a great tool and I would highly recommend that you create it and most importantly, implement it. Information should include:

- Current Occupancy
- Occupancy the previous week
- Occupancy 30-60 days out
- Pre-leased units
- Notices (residents telling you they are going to be moving out)
- Number of Work Orders
- Number of Work Orders completed
- Number of work Orders outstanding
- Number of Make Readies completed
- Number of Units off-line/down (unable to lease or market)
- Number of Traffics
- Number of leases
- Conversions
- Cancellations/Denials/
- Total Delinquency for the month
- Total collected

COMMUNITY: Apartment Community
 Month: June 2009

Occupancy	06/01/09	06/08/09	06/15/09
Total number of units:	48	48	48
Non-Revenue Units	0	0	0
Total number of units available for rent:	48	48	48
Total units occupied as of a week ago Sunday night:	40	0	0
% occupied last week:	83.3%	0.00%	0.00%
Total move-ins for the week	1	0	0
Total move-outs for the week (not including Skips or Evictions)	1	0	0
Total Skips for the week	0	0	0
Total Eviction for the week	0	0	0
Total number of occupied units	40	0	0
% current occupancy	83.3%	0.00%	0.00%
% change in occupancy from prior week	0.00%	0.00%	0.00%
Number of vacant units (excluding Non-Revenue Units)	8	0	0
Number of Notices - 0 to 30 Days Out (Including Pending Evictions)	2	0	0
Total of units pre-leased (vacants and notices)	2	0	0
Total net occupancy (includes vacant, notices, pre-leased)	8	0	0
% anticipated occupancy (30-days)	83.3%	0.00%	0.00%
Number of Notices - 31 to 60 Days Out	4	0	0
Total net occupancy (includes vacant, notices, pre-leased)	0	0	0
% anticipated occupancy (60-days)	75.00%	0.00%	0.00%
Exposure	25%		
Vacant Unit Detail			
Number of vacant units	8	0	0
Number of market ready units	2	0	0
Number of units scheduled for unit make-ready this week	2	0	0
Number of "down" units:	0	0	0
Outstanding number of make-ready units	4	0	0
Week Recap			
Total number of work orders submitted	10	0	0
Total number of work orders completed	10	0	0
Total number of work orders outstanding	0	0	0
Total traffic	12	0	0
Total number of new applicants during the week	4	0	0
Conversion Ratio - Traffic to Applications	30%	#DIV/0!	#DIV/0!
Total number of approved applications	4	4	0
Total number of applications denied	0	0	0
Gross rent potential	\$ 25,000.00	\$ 11,448.00	\$ 11,448.00
Total current month concessions			
Total current month rent collected (Do Not Include Pre-Pays)	\$ 12,500.00	\$ -	\$ -
Total delinquent rent for current month	\$8,500.00	\$0	\$0
Total delinquent prior months	\$100	\$0	\$0
Current economic occupancy	60.00%	0.00%	0.00%
Current Physical Occupancy	83.3%	0.00%	0.00%

Policy and Procedures *

No matter what type of investment you own, you should create and implement a “policy and procedure” manual. In many cases, you can create them by using certain modules such as:

- Company Policies
- Marketing/Leasing
- Maintenance
- Human Resources
- Safety and Risk Management

Once you have created them, keep in mind that they may need to be updated as you change or add any policy or procedure. They should be kept in the leasing or management office so that your staff can have them at their disposal at any time.

One of our handouts today is a sample policy and procedures manual. It is one tool that will assist you in setting your company guidelines. Most property management companies have them and use them faithfully. They are always good to have in the event there is a question, for instance, that a new employee may have. Instead of guessing as to what the company policy may be, he or she can go right to the manual and get it first hand.

Let your property management company know that you would like to review their manuals. Once again, it is important that if there is anything that you may not want to implement on your property, it is best to let them know upfront, so that there aren’t any misunderstandings in the future.

CHAPTER 2: How to Find a Good Management Company

Where to find them:

IREM (Institute of Real Estate Management) www.IREM.org

Local Apartment Associations

Referrals

IREM is an association of property and asset managers that has met the criteria in the areas of education, experience and ethics. IREM offers several certifications. One of which is a designation call the CPM, Certified Property Manager. These candidates have taken a series of courses and have completed a final exam to become a CPM.

Also, your local Apartment Association is another great source to find experienced property managers and management companies. Many of these associations hold various networking events in which would benefit you greatly as you search for your “management team”

Referrals are also a great source for locating property management companies. Fellow investors may have had a good experience with a particular manager or company and are very willing to give you the referral.

Questions to ask a Property Management Company

As you know when you are screening a good property management company, there are several questions that you want to have answered. I have listed the 27 most important that will assist you as you make your final decision in hiring your property management company.

1. First of all, would you be interested in managing my property?
2. How long have you been in business?
3. How many buildings of the same type and size do you currently manage?
4. How many total units do you manage?
5. Do you manage any properties near my property?
6. What special training does your company provide your employees?

7. Has your company ever been sued by a client
8. Will you provide a written management plan from the beginning?
9. What will you charge for a management fee?
10. What is included in the management fee?
11. Can I interview and approve the on-site manager?
12. What do you charge to rent
13. Do you include advertising?
14. What property management software do you use?
15. Is your software web based and will you give me access to my property?
16. Will you create a budget for my property?
17. How long does it take to turn a unit?
18. What is the longest time you have had a unit vacant?
19. Do you have your own repair staff?
20. What is the hourly rate you pay your repair staff
21. How would you advertise vacancies for my property?
22. How will you handle evictions?
23. How do you screen tenants?
24. Will you give me your complete contact information?
25. What are some of your weaknesses?
26. Will you supply me with your standard management contract for review?
27. Please give three of your current clients that have properties like mine

If the management company you are interviewing answers no to any of these questions, this is a red flag. Have them explain why and decide at that point whether or not you want to continue with the process or not.

Management Scams

In order to prepare for the possibility of management scams, I have listed a few of the most common for you to keep an eye out for. But also keep in mind, that while these scams do happen, they don't happen very often with the systems you are receiving this weekend, you will definitely know when one is being played on you.

- **Rent Roll Scam**-this happens when a particular unit on your rent roll is listed as being vacant (and may have been for several months) and is actually occupied. In some cases the property manager is accepting cash for rent and putting it in his or her pocket.

Prevention: Review your rent roll on a weekly/monthly basis. If you see that a unit has been vacant for more than a month, try to contact a next door neighbor and ask if they have seen their neighbor. In some cases you can contact the utility company as well.

- **Contractor Scam**-This is one of the most common scams in property management. This generally happens when the manager obtains 3 bids for a contract to be done and 2 out of the 3 are either non-existent or are fixed. By fixed, I mean that the manager may want to use a certain contractor, although he may have a higher bid, he is informed of the lower bid and splits the difference with the property manager. In other words, they get a "kickback" for using that particular contractor. With the internet and technology being what it is today, it is very easy for bogus letterheads to be made up

Prevention- When you receive the 3 bids from your property manager, call them to see if they, first, even exist, and second, confirm they are still in business.

- **Overpayment of Management Fee**- Once again this does not happen often. The property management company calculates their management fee incorrectly by using the wrong figures or may just inflate the fee thinking that you would not even think of looking at it.

Prevention- Confirm what the management agreement states as to what the management fee is based on and check it every month. While in most cases, there may not be a significant difference between what it should have been and what they paid themselves, that "insignificant difference" can add up quickly. The difference being whether it goes into YOUR pocket or theirs.

- **AP Scam**- This is probably the oldest and most costly scam of all. In cases when you make a management change, you all of a sudden get hit with aged payables that you were not aware of. More often than not, this occurs because the previous management company chose to make the numbers and profit look better than it actually was, ultimately leaving invoices unpaid.

- **Solution-** Check your aged receivable report on a monthly basis. In some cases you may also want to spot check a vendor that has especially high payments. They may have more than posted. Also, review your utilities to make sure that payments have been posted as well.

One other possible way to prevent this from happening is to include in your management agreement, that any invoices not reported to the owner and/or paid in a 30 day period will be the responsibility of the property management company. Keep in mind that, you will definitely have to fight like crazy to get them to agree to that....but keep fighting....it will be well worth your blood!!!!

- **The False Money Order Scam-**In many cases, your residents may pay their rent with either personal checks or money orders. On occasion, you may have a tenant that gives your property manager a partially filled out money order due to the fact that they may not remember who to make it out to, or they have trouble understanding or for numerous reasons. With nothing in the “pay to the order” line, the property manager put his or her name in that area, and; guess what? That money order now goes into her account.

You are probably thinking; how could that happen? The resident now owes the rent. What will happen when they get a late notice, but will they, if the property manager is the one sending out the notices.

- **Prevention-**Make sure you have a clause in your lease stating that all payments must be filled out completely. And also, create a company policy that rent payments will not be received unless filled out in its entirety.

Management Contracts

We have attached a couple of sample management contracts for you.

There are many areas that are standard and should be included in all of your contracts.

- Term of contract
- Contact Information
- Commencement date
- 30-60 day out clause
- Management fee
- Payables stipulation
- Expense authorization approvals
- Reports required and when
- Name and account numbers of all bank accounts
- Be a signor on all accounts
- Be informed of all staff changes
- copy of all insurance certificates
- Communication

Management Reports to Insure the Financial Health of Your Property*

- P and L
- Variance Report
- Executive Summary
- Rent Roll

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (this “Agreement”), is made and entered into this _____ day of _____ by and between _____ (“Owner”), and _____ (“Manager”).

WITNESSETH

Owner is the owner of _____ located at _____.

Owner desires to employ Manager in the management and operation of the Project by turning over to Manager the operation, direction, management and supervision of the Project, as outlined below, and Manager desires to assume such duties upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants herein contained, Owner and Manager agree as follows:

ARTICLE I

Definitions

The following terms shall have the following meanings when used in the Agreement:

1.01. Term. The Term of this Agreement shall commence on the date hereof and shall, subject to the provisions hereof, be for one year; and renewable annually. Either party may terminate the agreement with 30 days notice.

1.02. Fee. The management fee payable each month by Owner to Manager hereunder shall be payable an amount equal to the _____ of gross monthly receipts.

1.03. Depository. _____ located in _____.

1.04. Fiscal Year. The year beginning January 1 and ending December 31, which _____ is the fiscal year established by Owner for the Project?

1.05. Budget. A composite of (i) an Operations Budget, which shall be an estimate of receipts and expenditures for the operation of the Project during a Fiscal Year, including a schedule of expected apartment rentals (excluding security deposits) for the period in question and a schedule of expected special repairs and maintenance projects, and (ii) a Capital Budget, which shall be an estimate of capital replacements, substitutions of and additions to the Project for a Fiscal Year.

1.06. Gross Receipts. The entire amount of all receipts, determined on a cash basis, from (a) tenant rentals collected pursuant to tenant leases for each month during the Term hereof; provided, however, that there shall be excluded from tenant rentals any tenant security deposits; (b) cleaning, security and damage deposits forfeited by tenants in such period; (c) vending machine income; (d) any and all receipts from the operation of the Project received and relating to the period in question; (e) proceeds from rental interruption insurance, all interest and income earned on deposits; (f) any other sums and charges collected in connection with termination of the tenant leases; and (g) common area maintenance charges.

1.07. Project Employees. Those persons employed by Owner (as Project employees) as a management staff, including regional manager compensation, manager, assistant managers, maintenance personnel, courtesy patrols and other personnel necessary to be employed in order to maintain and operate the Project.

1.08. Operating Expenses. The term "Operating Expenses" means all expenditures of any kind made by Owner and/or Manager, including but not limited to, taxes related to the project and its operation, insurance, escrow payments, repair, replacement, and maintenance expenses (whether capitalized or not) to the extent not covered by insurance proceeds, accountants' fees, attorney' fees, and real estate commissions with respect to leasing of space in the Project.

ARTICLE II

Duties and Rights of Manager

2.01. Appointment of Manager. During the Term of this Agreement, Manager agrees, for and in consideration of the compensation hereinafter provided, and the Owner hereby grants to Manager the right, to supervise and conduct the management and operation of the Project subject to Owner's direction. Everything performed by Manager under this Agreement shall be done as an agent of Owner. All obligations or expenses incurred as an agent of Owner. All obligations or expenses incurred hereunder, including the pro rata portion used in connection with or for the benefit of the Project of all purchases of or contracts for sales or services in bulk or volume which Manager may obtain of other projects, shall be for the account of, on behalf of, and at the expense of Owner except as otherwise specifically provided; provided, however, Owner shall not be obligated to reimburse Manager for expenses for office equipment or office supplies of Manager (unless incurred for the Project), for any overhead expenses of Manager

incurred with respect to its general offices, costs relating to accounting services performed hereunder, or for any salaries of employees of Manager paid with respect to duties performed on a supervisory level (except when Manager's supervisory employees are performing tasks otherwise performed by a manager) or that portion of the salary of a manager which represents payment for services rendered for other projects.

2.02. General Operation. Manager shall operate the Project in the same manner as is customary and usual in the operation of comparable facilities, and shall provide such services as are customarily provided by operators of buildings of comparable class and standing consistent with the Project's facilities. In addition to the other obligations of Manager set forth herein, Manager shall render

the following services and perform the following duties for Owner in a faithful, diligent and efficient manner: **(a)** coordinate the plans of tenants for moving their into the Project or out of it; **(b)** maintain businesslike relations with tenants whose requests shall be received, considered and recorded in systematic fashion in order to show the action taken with respect to each; **(c)** collect all monthly rents and monies due from tenants; request, demand, collect, receive and receipt for any and all charges or rents which become due to Owner, and at Owner's expense take such legal action as may be necessary or desirable to evict tenants delinquent in payment of monthly rental, other charges (CAM, security deposits, late charges, ect.); **(d)** prepare or cause to be prepared for execution and filing by the Owner all forms, reports and returns required by all federal, state or local laws in connection with unemployment insurance, worker's compensation insurance, disability benefits, Social Security and other similar taxes now in effect or hereafter imposed, and also any other requirements relating to the employment of personnel (anything contained herein to the contrary notwithstanding, however, Manager shall not be obligated to prepare any of Owner's state or federal income tax returns); **(e)** use its best efforts at all times during the term of this Agreement to operate and maintain the Project according to the highest standards achievable consistent with the operation of comparable quality buildings.

2.03. Annual Business Plan and Budget.

A. On or before November 1 of each calendar year during the term of this Agreement shall submit for Owner's for Owner's approval, an Annual Business Plan (herein so called) for the Project for the promotion, leasing, operations repair no later than fifteen (15) days prior to the beginning of each successive Fiscal Year the Budget for the ensuing Fiscal Year. The Budget shall be approved by Owner in writing fifteen (15) days after receipt and in the event Owner fails to approve or disapprove the Budget within such period, the Budget shall be deemed to be approved. In the event Owner disapproves the Budget, Owner and Manager Shall jointly prepare the Budget as soon as may be reasonably practicable. Until a new Budget is approved. Manager shall operate on the Budget approved for the prior Fiscal Year, with the exception of expenses for personnel which must be increased based upon existing competitive conditions and expenses relating to taxes, insurance and utilities. The Budget shall constitute a major control under which Manager shall operate the Project, and there shall be no substantial variances there from except for the variations which have complied with **Section 2.06.A.** Consequently, no expenses may be incurred or commitments made by Manager in connection with the maintenance and operation of the Project which exceed the amounts allocated of the total expenses for the period in question in the approved Budget by more than Two Thousand Dollars (\$2,000.00) without the prior consent of Owner; provided, however, that the foregoing limitation with respect to incurring any expense not covered by the Budget shall not apply to expenses relating to taxes, insurance or utilities. Manager makes no guarantees, warranties or representations whatsoever in connection with the accuracy of any Budget, and Owner agrees that they are intended as good faith estimates only.

2.03.B In the event there shall be a variance of the greater of ten percent (10%) or \$500.00 between the results of operations by line item for any month and the estimated results of operations for such month as set forth in the Budget. Manager shall upon request furnish to Owner within twenty (20) days after the expiration of such month a written explanation as to why the variance occurred. If substantial variances have occurred or are anticipated by Manager during the remainder of any Fiscal Year, Manager shall prepare and submit to Owner a revised Budget covering the remainder of the Fiscal Year.

2.04. Manager and Other Personnel.

2.04A. The Project Employees, If any, shall be employees of the Owner and the Owner shall reimburse Manager monthly, in advance, for the total aggregate compensation, including salary Fringe Benefits, payable with respect to the

Project Employees and any temporary employees residing at the Project. The term “Fringe Benefits” as used herein shall mean and include the employer’s contribution of F.I.C.A., unemployment compensation and other employment taxes, worker’s compensation, group life insurance premiums, and accident and health insurance premiums, and disability and other similar benefits paid or payable by the employer with respect to employees in other projects operated by Manager.

2.05. Contracts and Supplies. Manager shall in the name of and on behalf of Owner’s expense, and without compensation directly or indirectly to Manager except as expressly set forth herein, consummate arrangement with concessionaires, licensees, tenants or other intended users of the facilities of the Project, shall enter into contracts for the furnishing to the Project of electricity, gas, water, steam, telephone, cleaning, vermin exterminators, furnace and air conditioning maintenance, courtesy patrols, pest control, and any other utilities, services and concessions which are provided in connection with the maintenance and operation of a comparable project in accordance with standards comparable to those prevailing in other comparable projects, and shall place purchase orders for such equipment, tools, equipment materials and supplies as are necessary to properly maintain the Project.

2.06. Alterations Repairs and Maintenance.

2.06.A. Manager shall make or install, or cause to be made and installed, or do or cause to be done at Owner’s expense and in the name of Owner, all necessary or desirable repairs, interior and exterior cleaning, painting and decorating, plumbing, alterations, replacements, improvements and other normal maintenance and repair work on and to the Project as are customarily made by Manager in the operation of comparable projects; provided, however, that no unbudgeted expenditure in excess of Two Thousand Dollars (\$2,000.00) per item may be made for such purposes without the prior approval of Owner, unless emergency repairs involving manifest danger to life or property are immediately necessary for the preservation of the safety of the Project, or for the safety of the tenants, or are required to avoid the suspension of any necessary service to the Project, in which event such expenditures may be made by Manager without prior approval and irrespective of the cost limitations imposed by this **Section 2.06** and provided that Owner is immediately thereafter given notice of such situation and such costs incurred.

2.06.B In accordance with the terms of the Budget or upon written demand and/or approval (except in the case of emergency) Owner, Manager shall, at Owner’s expense, from time to time during the term hereof, make all required capital replacements or repairs to the Project. Subject to obtaining Owner’s prior written approval in regard to sums necessary to cover costs of such capital replacements or repairs, manager shall first use any excess funds held pursuant to **Section 4.04** and then from funds furnished by Owner.

2.07. Compliance with Laws. Manager, at Owner’s expense, shall use its best efforts to cause all such acts and things to be done in and about the Project as Owner and/or Manager shall deem necessary, and Owner covenants throughout the term of this Agreement at its expense to comply with all laws, regulations and requirements of any federal state or municipal government having jurisdiction respecting the use or manner of use of the Project or the maintenance or operation thereof. Manager shall not be held liable for the compliance of the buildings with environmental laws, regulations or requirements by any federal, state, or municipal government.

2.08. Legal Proceedings. Manager shall institute, in its own name or in the name of Owner, but in any event at the expense of Owner, any and all legal actions or proceedings which Manager deems reasonable to collect charges, rent or other income from the Project or to dispossess tenants or other persons in possession, or to cancel, terminate, or enforce any lease, license or concession agreement for the breach thereof or default thereunder by the tenant, licensee or concessionaire.

2.09. Debts of Owner. In the performance of its duties as Manager, Manager shall act solely on behalf of Owner in Manager's capacity as managing agent. All debts and liabilities to third persons incurred by Manager (which are consistent with the terms and conditions of this Agreement), in the course of its operation and management of the Project shall be the debts and liabilities of the Owner only, and Manager shall not be liable for any such debts or liabilities.

ARTICLE III **Management fees**

3.01. Management Fee. Owner shall pay to Manager, during the Term hereof, the fee for the previous month on or before the 15th day of each month.

3.02. Place of Payment. All sums payable by Owner to Manager hereunder shall be payable to Manager at _____, unless the Manager shall from time to time specify a different address in writing.

ARTICLE IV **Procedure for Handling** **Receipts and Operating Capital**

4.01. Bank Deposits. All monies received by Manager for or on behalf of Owner shall be deposited by Manager with the Depository. Manager shall maintain separate accounts for such funds consistent with the system of accounting of the Project.

All funds on deposit shall be and remain under the control of Manager. All monies of Owner held by Manager pursuant to the terms hereof shall be held by Manager in trust for the benefit of Owner to be held and disbursed as herein provided.

4.02 Security Deposit. All security deposits collected in connection with the leasing of the building shall be in the control of Manager and shall be available to Manager for return to tenants in accordance with their respective tenant leases. Manager

shall comply with all applicable laws with respect to such security deposits including, without limitation, the giving of any and all notices and the payment of all interest legally

required with respect to such security deposits. All funds held by manager representing security deposits shall at all times be deemed to be the property of Owner, subject to all applicable laws with respect thereto.

4.02. Disbursement of Deposits. Manager shall disburse and pay all funds on

deposit on behalf of and in the name of Owner in such amounts and at such times as the same are required in connection with the ownership, maintenance and operation of the Project on account of all taxes, assessments and charges of every kind imposed by any governmental authority having jurisdiction over the Project, and all costs and expenses of

maintaining, operating and supervising the operation of the Project, including but not limited to salaries, fringe benefits and expenses of the Project Employees, insurance premiums, and the cost and expense of utilities, services and concessions.

ARTICLE V

Accounting

5.01. Books and Records. Manager shall keep on a cash basis, on behalf of Owner, or shall supervise and direct the keeping of a comprehensive system of office records, books and accounts pertaining to the Project. Such records shall be subject to examination at the office where they are maintained by Owner or its authorized agents, attorneys and accountants at all reasonable hours.

5.02. Periodic Statements; Audits.

5.02.A On or before fifteen (15) days following the end of each calendar month, Manager shall deliver or cause to be delivered to Owner (i) an income and expense statement showing the results of operation of the Project for the preceding calendar month and the Fiscal Year to date; (ii) a comparison of income and expenses to the Budget, and; (iii) cash balances for savings and operating accounts as of the last day of such month Manager shall at its option (1) preserve all invoices for a period of two (2) years or (ii) at the expiration of each Fiscal Year deliver all invoices to Owner. Such statements and computations shall be prepared from the books of account of the Project.

5.02.B Within forty-five (45) days after the end of such Fiscal Year, Manager will also deliver or cause to be delivered to the Owner an income and expense statement as at Fiscal Year end, and the results of operation of the Project during the preceding Fiscal Year.

5.03. Expenses. All costs and expenses incurred in connection with the preparation of any statements, budgets, schedules, computations and other reports required under this Article V or under any other provisions of this Agreement shall be borne by the Manager. Any costs and expenses incurred in connection with the preparation of any statement or reports not provided for under this Article V or any other provisions of this Agreement shall be borne by Owner.

ARTICLE VI

General Covenants of Owner and Manager

6.01. Operating Expenses. The Owner shall be solely liable for the costs and expenses of maintaining and operating the Project, the Manager shall pay on Owner's behalf, all such costs and expenses, including, without limitation, reimbursement to Manager of the salaries of all Project Employees paid by Manager and the Management fee. All invoices are to be paid in 30 days or will be paid by management company.

6.02. Owner's Right of Inspection and Review. Manager shall accord to the Owner, its accountants, attorneys and agents, the right to enter upon any part of the Project at all reasonable times

during the term of this Agreement for the purpose of examining or inspecting the Project or examining or making extracts of books and records of the Project, but any inspection shall be done with as little disruption to the business of the Project as possible. Books and records of the Project shall be kept, beginning the date hereof, at the Project or at the location where any central accounting and bookkeeping services are performed by Manager but at all times shall be the property of Owner.

6.03. Hold Harmless. Except for the negligent acts or omissions or willful misconduct of Manager and/or employees or agents of Manager, Owner agrees to hold and save Manager free and harmless from any and all claims for damage, for bodily injury and for damage to or destruction of property arising from any cause either in and about the project or elsewhere when Manager is carrying out the provisions of this Agreement or acting under the express or implied directions of Owner, including the loss of use of such property following and resulting from such damage or destruction.

ARTICLE VII **Defaults; Termination Rights**

7.01. Default by Manager. Manager shall be deemed to be in default hereunder in the event Manager shall fail to keep, observe or perform any material covenant, agreement, term or provision of this Agreement to be kept, observed or performed by Manager, and such default shall continue for a period of fifteen (15) days after written notice thereof by Owner to Manager,

7.02. Remedies of Owner. Upon the occurrence of an event of default by manager as specified in Section 7.01 hereof, Owner shall be entitled to terminate this Agreement.

7.03. Defaults by Owner. Owner shall be deemed to be in default hereunder in the event Owner shall fail to keep, observe or perform any material covenant, agreement, term or provisions of this Agreement to be kept, observed or performed by Owner, and such default shall continue for a period of fifteen (15) days after notice thereof by Manager to Owner.

7.04. Remedies Of Manager. Upon the occurrence of an event of default by Owner as specified in **Section 7.03** hereof, Manager shall be entitled to terminate this Agreement; and upon any such termination by manager pursuant to **Section 7.04** Manager shall have the right to pursue any remedy it may have at law or in equity, except that Owner shall continue to be obligated to pay and perform all of its obligations which have accrued as of the date of termination and provided further that the Fee payable under **Section 3.01** shall continue to be paid.

7.05. Expiration of Term. Upon the expiration of the Term hereof pursuant to **Section 1.01** hereof, unless sooner termination pursuant to **Sections 7.01, 7.03, 9.08 or 9.10**, Manager shall deliver to Owner all funds, including tenant security deposits books and records of Owner then in possession or control of Manager, save and except such sums are then due and owing to Manager hereunder.

7.06. Termination Fee. Upon any sale or disposition of property or agreed management change by Owner, Owner may terminate this Agreement on the date of such sale or disposition or agreed management change if Owner has paid to Manager a termination fee of an amount equal to one thousand five hundred dollars (\$1,500 per property) for the last full calendar month prior to such sale or

disposition and by giving Manager thirty (30) days notice. If such termination fee is not paid or such notice is not given as herein provided, this Agreement shall continue for its stated term or renewal term without regard to any such sale or disposition

ARTICLE VIII

Insurance

8.01. Manager's Insurance Coverage.

Manager shall cause to be obtained and maintained his own liability Insurance as well as insurance coverage for errors or omissions or negligence on his part or the part of his employees. In any event, manager shall hold owner harmless with regard to claims or losses resulting from Manager's errors, omissions, or negligence.

ARTICLE IX

Miscellaneous Provisions

9.01. Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of **Texas**.

9.02. Notices. Owner shall designate one person as Owner's representative in all dealings with Manager, who shall until further notice be the person whose name is indicated beneath Owner's address set forth on the signature page hereof. Any notice of communication hereunder must be in writing, and may be given by registered or certified mail, and if given by registered or certified mail same shall be deemed to have been given and received when a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail, and if given otherwise than by registered mail, it shall be deemed to have been given when actually received by the party to whom it is addressed. Such notices or communications shall be given to the parties hereto at the addresses set forth opposite the names of the respective parties on the signature page hereof. Any party hereto may at any time by giving ten (10) days' written notice to the other hereto designate any other address in substitution of the foregoing address to which such notice or communication shall be given.

9.03. Severability. If any term, covenant or condition of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or such other documents, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition of this Agreement or such other documents shall be valid and shall be enforced to the fullest extent permitted by law.

9.04. Modification; Termination. This Agreement terminates any and all prior management agreements between Owner and Manager relating to the Project, and any amendment, modification, termination or release hereof may be affected only by a written instrument executed by Manager and Owner.

9.05. Attorney's Fees. Should either party employ an attorney or attorneys to enforce any of the provisions hereof or to protect its interest in any manner arising under this agreement, or to recover damages for the Agreement, the non-prevailing party in any action (the finality of which is not legally

contested) agrees to pay the prevailing party all reasonable costs, damages and expenses, including attorneys' fees, expended or incurred in connection therewith.

9.06. Total Agreement. This Agreement is a total and complete integration of any and all undertaking existing between Manager and Owner and supersedes any prior oral or written agreements, promises or representations between them.

9.07. Casualty. In the event that the project, or any portion thereof, is substantially or totally damaged or destroyed by fire, tornado, windstorm, flood or other casualty during the term of this Agreement, Manager and Owner may terminate this Agreement upon giving the other party written notice of termination on or before the date which is five (5) days after the date of such casualty. In the event of termination pursuant to this **Section 9.08**, neither party hereto shall have any further liability hereunder.

9.08. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their permitted successors and assigns. Either Manager or Owner may assign this Agreement upon obtaining the other party's prior written consent.

9.09. Sale of the Project. In the event the Project is sold, conveyed or transferred during the term hereof, Owner may assign this Agreement to the purchaser of the Project, or may terminate this Agreement as provided for in **Section 7.06** herein.

IN WITNESS WHEREOF, The parties here of have executed this Management Agreement as of the day and year first above written.

OWNER:

MANAGER:

SIGNED:

SIGNED:

Property Management Agreement

This Agreement is made this **January 12, 2008** by and between _____ ("Owner") and _____ ("Agent").

1 APPOINTMENT OF MANAGING AGENT

1.1 APPOINTMENT AND ACCEPTANCE

Owner hereby appoints Agent as Agent of Owner to lease and manage the Premises upon the terms and conditions provided herein. Agent accepts the appointment and agrees to furnish the services of its organization for the leasing and management of the Premises.

1.2 DESCRIPTION OF PREMISES

The property to be managed by Agent under this Agreement (the "Premises") is known as

_____ located at _____.

1.3 TERM

The term of this Agreement shall be from **January ____, 2008** to **December 31, 2008**, and thereafter shall be automatically renewed from year to year unless terminated as provided herein.

1.4 ASSET MANAGER RELATIONSHIP

Agent understands that Owner may employ an Asset Manager to supervise Agent, review the Premises' expenses, manage the Owner's bank account and ensure the accuracy of the financial accounting.

2 COLLECTION OF RENTS AND OTHER RECEIPTS

Agent shall collect (and give receipts for, if necessary) all rents, charges, security deposits and other amounts receivable on Owner's account in connection with the management and operation of the Premises. All such receipts shall be deposited into the Owner's bank account. Agent shall at all times make best efforts to collect all amounts receivable. All monies collected shall be deposited into Owner's bank account on the same day as they are collected.

3 ACCOUNTING AND REPORTS

Agent shall account for the Premises' financial transactions using the Owner's accounting system. All financial transactions, such as rents collected and bills received, shall be recorded on the day that they occur. All invoices not reported to owner within a 30 day period are to be paid by the agent, unless otherwise agreed upon by agent and owner.

4 LEASING

4.1 AGENT'S AUTHORITY

Agent is authorized to and shall use best efforts to advertise, promote, market and lease available space in the Premises to desirable residents at the highest possible rental rates. Agent shall perform all duties under each resident lease so that such lease remains in full force and

effect. Agent is authorized to negotiate, prepare, and execute all leases, including all renewals and extensions of leases and to cancel and modify existing leases. Agent shall execute all leases as agent for the Owner. No lease shall be in excess of 1 year(s) without written approval by Owner/ The format of the lease shall be agreed upon by Owner and Agent.

4.2 RENTAL RATES

Owner and Agent shall mutually establish and change or revise all rents, fees, or deposits, and any other charges chargeable with respect to the Premises.

4.3 ENFORCEMENT OF LEASES

Agent is authorized to institute, in Owner's name, all legal actions or proceedings for the enforcement of any lease term, for the collection of rent or other income from the Premises, or for the evicting or dispossessing of tenants or other persons from the Premises. Agent is authorized to sign and serve such notices as Agent deems necessary for lease enforcement, including the collection of rent or other income. Agent is authorized, when expedient, to settle, compromise, and release such legal actions or suits or reinstate such tenancies. Any monies for such settlements paid out by Agent shall not exceed \$1000 without prior approval by Asset Manager or Owner.

5 EMPLOYEES

5.1 AGENT'S AUTHORITY

Agent, is authorized to hire, supervise, discharge all servants, employees, contractors, or other personnel necessary to be employed in the management, maintenance, and operation of the Premises. The number of personnel, selection criteria and their compensation shall be mutually agreed upon between Agent , Asset Manager and Owner. All employees shall be deemed employees of the Owner. Owner shall be responsible for compliance with all applicable state or federal labor laws.

5.2 OWNER PAYS EMPLOYEE EXPENSES

All wages and fringe benefits payable to such employees, and all local, state, and federal taxes and assessments (including but not limited to Social Security taxes, unemployment insurance, and workers' compensation insurance) incident to the employment of such personnel, shall be paid by Owner.

6 MAINTENANCE AND REPAIR, GENERAL MANAGEMENT

6.1 ORDINARY MAINTENANCE

Agent is authorized to make or cause to be made, through contracted services or otherwise, apartments ready for lease according to the criteria set forth by Owner, ordinary repairs and replacements reasonably necessary to preserve the Premises in its present condition and for the operating efficiency of the Premises, and all alterations required to comply with lease requirements, governmental regulations, or insurance requirements. Agent shall also be proactive in anticipating upcoming repairs or maintenance issues and addressing them before they cause damage to the Premises (example: snake sewer lines on a regular basis). Upon Owner's or Asset Manager's prior written approval, Agent is also authorized to decorate the Premises and to purchase or rent, on Owner's behalf, all equipment, tools, appliances, materials, supplies, uniforms, and other items necessary for the management, maintenance, or operation of the Premises. Such maintenance and decorating expenses shall be paid by Owner. This section applies except where decorating and/or maintenance are at tenants' expense as stipulated in a lease. Agent shall provide make, model and serial numbers of all new equipment purchases to Owner. Agent shall ensure that the House Rules and Regulations, attached to this Agreement, are enforced at all times.

6.2 EXCEPTIONAL MAINTENANCE EXPENSES

The expense to be incurred for any one item of maintenance, alteration, refurbishing, or repair shall not exceed the sum of **\$1000**, unless such expense is specifically authorized by Asset Manager or Owner or is incurred under such circumstances as Agent shall reasonably deem to be an emergency. In an emergency where repairs are *immediately* necessary for the preservation and safety of the Premises, or to avoid the suspension of any essential service to the Premises, or to avoid danger to life or property, or to comply with federal, state, or local law, such emergency repairs may be made by Agent at Owner's expense without prior approval provided that Agent has made at least one attempt to contact Asset Manager or Owner. After the emergency, Agent shall notify Asset Manager or Owner as promptly as possible.

6.3 GENERAL MANAGEMENT

Agent shall make best efforts to manage and operate the Premises so as to maximize gross income collections and net operating income. Agent shall make these best efforts while maintaining the Premises in good physical condition and without material deferred maintenance, and providing prompt and high quality service to tenants. Agent agrees to market the premises as deemed necessary in any economic climate. Any concessions and/or rent reductions are to be approved by asset manager and owner.

7 CONTRACTS, UTILITIES AND SERVICES

Agent is authorized to negotiate contracts for *nonrecurring* items of expense, not to exceed **\$1000** unless approved by Asset Manager or Owner, and to enter into agreements in Owner's name for all necessary repairs, maintenance, minor alterations, and utility services. Agent shall, in Owner's name and at Owner's expense, make contracts on Owner's behalf for electricity, gas, telephone, fuel, or water, and such other services as Agent shall deem necessary or prudent for the operation of the Premises.

8 RELATIONSHIP OF AGENT TO OWNER

The relationship of the parties to this Agreement shall be that of Principal and Agent, and all duties to be performed by Agent under this Agreement shall be for and on behalf of Owner, in Owner's name, and for Owner's account. In taking any action under this Agreement, Agent shall be acting only as Agent for Owner, and nothing in this Agreement shall be construed as creating a partnership, joint venture, brokerage or any other relationship between the parties to this Agreement except that of Principal and Agent, or as requiring Agent to bear any portion of losses arising out of or connected with the ownership or operation of the Premises. Nor shall Agent at any time during the period of this Agreement be considered a direct employee of Owner. Neither party shall have the power to bind or obligate the other except as expressly set forth in this Agreement, except that Agent is authorized to act with such additional authority and power as may be necessary to carry out the spirit and intent of this Agreement.

9 AGENT'S COMPENSATION

As compensation for the services provided by Agent under this Agreement, Owner shall pay Agent 2% of the total monthly gross receipts collected from the Premises, payable by the 5th day of the following month for the duration of this Agreement. Payments due Agent for periods of less than a calendar month shall be prorated over the number of days for which compensation is due.

"Gross receipts" includes all rents and other income and charges from the normal operation of the Premises, but shall not include interest on security deposits, decoration allowances or similar one-time payments provided by vendors, or income arising out of the sale of real property or the settlement of fire or other casualty losses and items of a similar nature.

10 STRUCTURAL CHANGES

Owner expressly withholds from Agent any power or authority to make any structural changes in any building, or to make any other major alterations or additions in or to any such building or to any equipment in any such building, or to incur any expense chargeable to Owner other than expenses related to exercising the express powers vested in Agent through this Agreement, without the prior *written* consent of Owner.

However, such emergency repairs as may be required because of danger to life or property, or which are immediately necessary for the preservation and safety of the Premises or the safety of the tenants and occupants thereof, or required to avoid the suspension of any necessary service to the Premises, or to comply with any applicable federal, state, or local laws, regulations, or ordinances, shall be authorized pursuant to paragraph 6.2 of this Agreement, and Agent shall notify Asset Manager or Owner appropriately.

11 ASSIGNABILITY

This Agreement may not be assigned by Agent without the prior written approval of Owner.

12 TERMINATION

This Agreement may be terminated by either party, with or without cause, upon 60 days' prior written notice. If, in Owner's sole discretion, Agent materially breaches any aspect of this Agreement or acts or fails to act in the best interest of the Owner, this Agreement may be terminated by Owner immediately. Upon termination of this Agreement, Agent shall deliver to Owner any balance of monies due Owner and perform all activities reasonably required by Owner to transition the management of the Premises to Owner or Owner's newly designated agent.

13 TIME OF ESSENCE; COMMUNICATIONS

All headings and subheadings employed within this Agreement are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement. Time is of the essence in all aspects of this Agreement. All instructions given by the Asset Manager or Owner shall be immediately carried out by Agent. Agent shall respond to each communication from Asset Manager and Owner on the same day using the same medium as used by Asset Manager and Owner for that communication, e.g. respond to email by email and phone call by phone call. At no time shall Agent avoid communication with Owner.

14 COMPLETE AGREEMENT

This Agreement, including any specified attachments, constitutes the entire agreement between Owner and Agent with respect to the management and operation of the Premises and supersedes and replaces any and all previous leasing agreements and management agreements entered into or/and negotiated between Owner and Agent relating to the Premises covered by this Agreement. No change to this Agreement shall be valid unless made by supplemental written agreement executed and approved by Owner and Agent. Each party to this Agreement hereby acknowledges

and agrees that the other party has made no warranties, representations, covenants, or agreements, express or implied, to such party, other than those expressly set forth herein, and that each party, in entering into and executing this Agreement, has relied upon no warranties, representations, covenants, or agreements, express or implied, to such party, other than those expressly set forth herein.

15 CONFIDENTIALITY

Agent shall hold in strict confidence all information related to Owner's business on the Premises, including, but not limited to, the fact that Owner is an owner of the Premises, information delivered by or obtained from tenants, financial operation and performance of the Premises and information gathered from Owner's books or records.

16 RIGHTS CUMULATIVE; NO WAIVER

No right or remedy herein conferred upon or reserved to either of the parties to this Agreement is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Agreement or now or hereafter legally existing upon the occurrence of an event of default under this Agreement. The failure of either party to this Agreement to insist at any time upon the strict observance or performance of any of the provisions of this Agreement, or to exercise any right or remedy as provided in this Agreement, shall not impair any such right or remedy or be construed as a waiver or relinquishment of such right or remedy with respect to subsequent defaults. Every right and remedy given by this Agreement to the parties to it may be exercised from time to time and as often as may be deemed expedient by those parties.

17 APPLICABLE LAW AND PARTIAL INVALIDITY

The execution, interpretation, and performance of this Agreement shall in all respects be controlled and governed by the laws of the State of **Connecticut**. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable, it shall be construed in a manner that is valid, legal and enforceable so as to most closely conform to the original intent of such provision and the remaining provisions shall remain in full force and effect.

18 NOTICES

Any notices, demands, consents, and reports necessary or provided for under this Agreement shall be in writing and shall be addressed as follows, or at such other address as Owner and Agent individually may specify hereafter in writing:

Agent:

Owner:

Notices to Owner with copy to:

Such notice or other communication may be mailed by United States registered or certified mail, return receipt requested, postage prepaid, and may be deposited in a United States Post Office or a depository for the receipt of mail regularly maintained by the post office. Such notices, demands, consents, and reports may also be delivered by hand or by any other received method or means permitted by law. For purposes of this Agreement, notices shall be deemed to have been "given" or "delivered" upon personal delivery thereof or seventy two (72) hours after having been deposited in the United States mails as provided herein.

19 AGREEMENT BINDING UPON SUCCESSORS AND ASSIGNS

This agreement shall be binding upon the parties hereto and their respective personal representatives, heirs, administrators, executors, successors and assigns.

20 INDEMNIFICATION

Agent will indemnify, defend and hold Owner completely harmless with respect to liability, damages, costs and expenses, lost profits in connection with any damage or injury whatsoever to persons or property arising out of the Agent's use, management, operation, occupation, ownership, maintenance or control of the Premises on behalf of Owner, provided that such liability or cost did not arise out of any action or omission by Owner constituting gross negligence or breach of this Agreement.

Agent agrees to pay all expenses incurred by Owner, including without limitation, reasonable attorneys' fees, in any proceeding or suit involving an alleged violation by Agent of any statute, ordinance, law or regulation of any governmental body, unless Owner is determined to have violated such statute, ordinance, law or regulation. Any expense incurred or counsel selected by Agent pursuant to the foregoing must be with prior written consent of Owner, not to be unreasonably withheld. If a final determination is made as to Owner's liability for such lawfully prohibited conduct or action, Owner will reimburse Agent therefor, including reasonable attorneys' fees.

Upon learning of actual or alleged violations of law, Agent will promptly provide a report to Owner describing the nature and extent of such violation(s) and an estimate of time and expense necessary to eliminate any such violation(s). Any work performed by Agent or on its behalf, will be done in a good, workmanlike manner, and in compliance with all applicable laws.

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures this January ___, 2008.

Signature:

By

Signature:

By:

Profit & Loss

All properties

Period 01/01/03 - 12/31/03 (accrual basis)

INCOME

4001 Rental Income	324,244.49
4002 Other Property Income	
40021 Pet Fees	3,830.00
40024 Maintenance	1,370.00
40025 Storage Fees	2,656.00
40026 Vending Machines	50.00
40027 Washer & Dryer Rental	3,925.00
40028 Covered Parking	2,310.00
4002 Other Other Property Income	2,145.07
4002 Total Other Property Income	16,285.07
4003 Utility Income	32,976.45
4095 Security Deposit Refunds	700.00
4199 Adjustments to Income	-300.00
TOTAL INCOME	373,907.01

EXPENSE

5001 Advertising	3,896.00
5003 Repairs & Maintenance	6,938.88
5006 Legal, Professional Fees	35,771.00
5007 Mortgage Interest	52,186.00
5014 Capitol Expenses	30,072.00
5015 Gas and Propane	1,000.00
5016 Floor Covering and Paint	223.00
5019 Vehicle Payment	3,742.00
5100 Other Rental Expense	710.00
5102 Depreciation Expense	3,997.00
TOTAL EXPENSE	138,535.88

NET INCOME SUMMARY

Income	373,907.01
Gross Profit	373,907.01
Expense	-138,535.88
Other Income & Expense	0.00
NET INCOME	235,371.13

Profit & Loss 12 Month Recap

Properties: Lakeview Estates

Monthly recap starting Jan 2003
(cash basis)

	JAN 03	FEB 03	MAR 03	APR 03	MAY 03	JUN 03	JUL 03	AUG 03	SEP 03	OCT 03	NOV 03	DEC 03	TOTAL
INCOME													
4001 Rental Income													
4001.1 Rent	160342.15	158080.55	154458.75	160436.55	158415.50	164080.25	166180.52	157322.45	163386.44	156183.44	161588.75	161114.58	
4001.2 Late Fees	1211.00	1324.00	1138.00	1138.00	1468.00	1373.00	851.00	10820.00	1313.00	1518.00	1471.55	26398.50	
4001.3 RV Storage	200.00	248.50	230.20	200.00	231.00	220.00	220.00	220.00	220.00	240.00	188.00	171.00	2770.00
4001.5 Pet Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00	20.00
4001.7 Misc. Rental Income	-317.00	-314.00	0.00	0.00	-177.00	-177.00	-6.00	16834.70	-488.00	318.00	-488.00	14188.80	
4001 Total Rental Income	153458.45	158200.65	163386.75	161783.85	160337.80	16821.35	16821.35	168201.25	168301.45	167317.45	162884.31	168301.84	
4003 Other Property Income													
4003.1 Application Fees	270.00	460.00	316.00	408.00	316.00	316.00	316.00	316.00	316.00	476.00	676.00	186.00	226.00
4003.2 Lawn Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	168.00
4003.8 Misc. Charges	338.00	8.00	6.00	8.00	8.00	8.00	7.00	8.00	8.00	164.00	531.00	181.00	2184.00
4002 Total Other Property Income	608.00	458.00	313.00	511.00	323.00	422.00	324.00	128.00	502.00	830.00	711.00	416.00	3711.00
4004 Utility Income													
4004.5 Water/Sewer	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00
4003 Total Utility Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00
4005 Other Management Services													
4005.8 Home Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3176.00
4004 Total Home & Accessory	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3176.00
4007 Rent Discounts													
4007.2 New Resident Prepaid	-500.00	-362.00	-462.00	-462.00	-462.00	-462.00	-462.00	-462.00	-462.00	-462.00	-462.00	-462.00	-3024.00
4007.7 Other Rent Discounts	-5313.00	-6324.00	-5718.00	-5211.00	-5211.00	-5211.00	-5211.00	-5211.00	-5211.00	-5211.00	-5211.00	-5211.00	-32144.00
4007 Total Rent Discounts	-5832.00	-6716.00	-5923.00	-5211.00	-5211.00	-5211.00	-5211.00	-5211.00	-5211.00	-5211.00	-5211.00	-5211.00	-35424.00
4008 Other Income													
4008.1 Clubhouse Charges	76.00	76.00	26.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	4960.00	4960.00
4008.4 Misc. Income	251.00	120.00	32.00	441.00	468.00	468.00	468.00	468.00	468.00	468.00	468.00	3036.00	10302.00
4008 Total Other Income	330.00	196.00	348.00	488.00	545.00	545.00	545.00	545.00	545.00	545.00	545.00	3036.00	10708.00
TOTAL INCOME	1644870.45	1636477.65	162786.75	1604118.65	1604486.50	162680.50	162680.50	162680.50	162680.50	162680.50	161834.45	151342.50	1603564.60
EXPENSE													
5003 Repairs & Maintenance													
5003.1 Home Repairs	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	1440.00
5003.2 Office Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3073.00
5003.3 Grounds Maintenance	1142.46	1622.45	1542.45	1542.45	1542.45	1542.45	1542.45	1542.45	1542.45	1542.45	1542.45	1542.45	18608.40
5003.4 Landscaping	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1200.00
5003.5 Misc. Repairs	3442.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3542.00
5003 Total Repairs & Maintenance	5304.45	1782.45	1782.45	1782.45	1782.45	1782.45	1782.45	1782.45	1782.45	1782.45	1782.45	1782.45	285887.20
5004 Legal, Professional Fees													
5004.1 Insurance	2188.00	2188.00	2188.00	2188.00	2188.00	2188.00	2188.00	2188.00	2188.00	2188.00	2188.00	2188.00	26378.00
Profit and Loss 12 Month Recap	3276048.15am												

	JAN 03	FEB 03	MAR 03	APR 03	MAY 03	JUN 03	JUL 03	AUG 03	SEP 03	OCT 03	NOV 03	DEC 03	TOTAL
8002 Legal Fees	1200.00	1200.00	1200.00	1200.00	1200.00	1200.00	1200.00	1200.00	1200.00	1200.00	1200.00	1200.00	16528.00
8003 Total Legal, Professional:	3388.00	3388.00	3388.00	3388.00	3388.00	3388.00	3388.00	3388.00	3388.00	3388.00	3388.00	3388.00	53072.00
8007 Mortgages	36156.75	46166.75	46166.75	46166.75	46166.75	46166.75	46166.75	46166.75	46166.75	46166.75	46166.75	46166.75	603976.00
8010 Taxes	2100.00	2100.00	2100.00	2100.00	2100.00	2100.00	2100.00	2100.00	2100.00	2100.00	2100.00	2100.00	25200.00
8011 Electric	1132.75	1132.75	1132.75	1132.75	1132.75	1132.75	1132.75	1132.75	1132.75	1132.75	1132.75	1132.75	13521.25
8012 Telephone	113.87	113.87	113.87	113.87	113.87	113.87	113.87	113.87	113.87	113.87	113.87	113.87	1367.84
8018 Trash Removal	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00	220.00	2840.00
8103 Other Expenses	82.00	82.00	82.00	82.00	82.00	82.00	82.00	82.00	82.00	82.00	82.00	82.00	1144.00
TOTAL EXPENSE	45623.93	47087.33	52087.33	56537.33	42553.12	67072.33	47072.33	71235.33	36145.33	67087.33	36145.33	60397.33	803734.05
OTHER INC & EXP													
8000 Unlocated Prepay	17026.45	21782.25	17716.25	13734.75	14238.60	7385.50	14604.50	10100.50	9443.50	17306.50	7383.50	10337.50	166561.50
TOTAL OTHER INC & EXP	17026.45	21782.25	17716.25	13734.75	14238.60	7385.50	14604.50	10100.50	9443.50	17306.50	7383.50	10337.50	166561.50

NET INCOME SUMMARY

	Income	Expense	Other Income & Expense	Net Income
Income	144670.45	153337.65	152798.75	153118.05
Expense	45226.33	51087.00	52087.00	505537.93
Other Income & Expense	17026.25	21782.25	17716.25	13734.75
NET INCOME	110044.37	138341.37	113420.07	107236.07



SAMPLE VARIANCE REPORT

	Actual	Budget	Variance
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Rental Income	\$12,596	\$15,596	<\$3000>
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Variance Explanation: Negative variance primarily due to vacancies resulting from 3 eviction move outs.

Additional Income	\$2500	\$1000	\$1500
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Variance Explanation: Positive variance due to aggressive collection of late fees by property staff, as well as two lease termination fees paid.

Expenses

Painting Supplies	\$2900	\$\$2200	<\$700>
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Variance Explanation: Negative variance due to an increase of units needing to be turned over sooner than budgeted for.

Pest Control	: \$ 250	\$1900	\$1650
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Variance Explanation: Positive variance due to termite renewal bond, not paid this month, however, will be expensed next month. This will then show a negative variance next month.

Trash Removal	\$2500	\$2000	<\$500>
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Variance Explanation: Negative variance due to the additional pickup needed for tenants that were evicted and left an abundance of trash and furniture.

NOI	\$5500	\$8000	<\$3000>
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Variance Explanation: Negative variance due to the income and occupancy being lower than anticipated at budget conception, resulting from unanticipated evictions

Executive Summary

A-One Apartment Community

April 2008 Financials

REVENUE

The month of April continued to show an increase in income over last month and is definitely going in the proper direction. In addition, as the occupancy increases we will no longer need to offer concessions. The aggressiveness of the staff in generating additional income and collecting delinquents also contributed to the increase in income. The property finished the month at 89%.

EXPENSES

Several of the property expenses for the month were a result of invoices from previous months. For example, there were two months of trash removal, landscaping and telephone bills paid in the month of April. The office salary expense was due to bringing in a temporary office person to assist in cleaning up the invoices, receivables etc. In addition, the advertising expense was extremely high due to several rent.com and the apartment guide invoices from previous months as well. The electricity expense was high due to CT Utilities billing both electricity and water/sewer on one bill. This will hopefully be rectified next month. There were also a few capital expense items that were incorrectly posted. This has been corrected. We are confident that we have just about cleaned up most of the issues from the previous management company and can continue in a positive direction.

CASH FLOW

The net income for the month was (1,039). While this number appears to be a little grim, we are finally seeing the light at the end of the submitting for reserve monies this month and with a close monitoring of expenses, we will see an increase in this number as the months go on.

OCCUPANCY/MARKETING

The staff continues to focus on increasing occupancy and it is proven by the closing ratios of both Tiffany and the new leasing agent Sara. The combination of both enthusiasm and motivation has only enhanced the positive direction in which this property is headed. The majority of the traffic continues to be from the local paper, called the "Thrifty Nickel", drive-bys and resident referrals. The staff continues with their marketing outreach and resident activities. They closed the month of April at 91% pre-leased as well and getting higher.

CURB APPEAL

We continue to improve the curb appeal of the property. We are in process of painting the remaining buildings and also buttoning up the fire buildings. Balloons continue to be put out at the entrance to the property as well. The landscapers are doing a great job and the cleanliness of the property has improved immensely over the last couple of months.

Rent Roll & Reoccurring Charges

All Properties

As of Wednesday September 4, 2002

Customer	Account	Unit	Unit Type	CP	PF	RC	SS	ST	WD	Total
LakeView Estates										
April Anderson	70	076	SS	0.00	23.00	245.00	20.00	0.00	26.00	310.00
David Andrews	54	058	SS	16.00	0.00	245.00	20.00	0.00	0.00	280.00
James Babbitt	71	077	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Robert Bean	34	35	MS	0.00	20.00	265.00	20.00	0.00	0.00	285.00
Howard Bear	32	33	MS	0.00	20.00	265.00	20.00	0.00	0.00	285.00
Randall Berry	45	48	MS	0.00	0.00	265.00	20.00	0.00	0.00	285.00
Mike Bakamukse	75	081	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Mary Biglewooth	81	087	SS	0.00	23.00	245.00	20.00	0.00	0.00	265.00
Janice Barey	33	34	MS	0.00	0.00	235.00	20.00	0.00	0.00	255.00
Catherine Baltz	57	090	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Clifford Bottz	35	36	MS	15.00	0.00	245.00	20.00	0.00	0.00	300.00
Marcus Chapman	31	31	MS	0.00	0.00	235.00	20.00	0.00	0.00	255.00
Conseco	24	25	MS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Conseco	25	26	MS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Conseco	72	078	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Conseco	74	090	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Conseco	91	098	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Victor Creed	97	105	SS	15.00	0.00	245.00	20.00	0.00	0.00	260.00
Joseph Crunch	46	50	MS	0.00	0.00	245.00	20.00	0.00	0.00	260.00
Horace Davies	102	111	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Kevin Davis	27	27	MS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
John Doerman	29	29	MS	16.00	0.00	245.00	20.00	0.00	0.00	265.00
Kurt Dorey	68	074	SS	0.00	0.00	245.00	20.00	0.00	0.00	260.00
Matt Dryden	83	089	SS	0.00	0.00	245.00	20.00	0.00	0.00	260.00
Ralph Edwards	96	104	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Sherman Edwards	78	084	MS	16.00	0.00	245.00	20.00	0.00	0.00	260.00
Far Finance	69	064	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Fidelity Finance	26	32	MS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
James Foley	61	067	SS	0.00	0.00	245.00	20.00	0.00	0.00	260.00
Wayne Ford	44	48	MS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Gretchen Fritz	20	21	MS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Joan Gehrman	52	056	SS	0.00	20.00	245.00	20.00	0.00	25.00	310.00
Charles Grant	85	091	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Shelia Grey	8	06	MS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Summer Gross	79	085	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
David Hammann	55	065	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
John Harover	7	07	MS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Billy Hargrove	19	20	MS	0.00	0.00	245.00	20.00	0.00	0.00	265.00

Customer	Account	Unit	Unit Type	cp	pp	rc	ss	st	wd	Total
Dave Hartman	21	22	MS	0.00	0.00	233.00	20.00	0.00	0.00	233.00
Daniel Hope	93	101	SS	0.00	0.00	246.00	20.00	0.00	0.00	265.00
Herbert Huesmann	16	16	MS	0.00	0.00	285.00	20.00	0.00	0.00	285.00
Dan Humprey	13	13	MS	0.00	0.00	265.00	20.00	0.00	0.00	285.00
Rachel Hurt	93	057	SS	0.00	0.00	246.00	20.00	0.00	0.00	265.00
Martha Ingels	91	055	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Patti Jacobs	39	41	MS	0.00	20.00	265.00	20.00	0.00	0.00	305.00
Maxwell Johnston	15	15	MS	0.00	0.00	265.00	20.00	0.00	0.00	285.00
Tom Jones	73	079	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Dave Jones	88	094	SS	0.00	0.00	246.00	20.00	0.00	0.00	265.00
Jenia Kabel	48	052	SS	0.00	0.00	246.00	20.00	0.00	0.00	265.00
Danny Katzembauer	90	097	SS	0.00	0.00	246.00	20.00	0.00	0.00	265.00
Betty Keeney	86	092	SS	0.00	20.00	245.00	20.00	0.00	0.00	265.00
John Kelley	2	02	MS	0.00	0.00	265.00	20.00	0.00	0.00	285.00
Hector Klev	67	073	SS	0.00	20.00	246.00	20.00	0.00	0.00	265.00
Mark Kingney	6	06	MS	0.00	0.00	285.00	20.00	0.00	0.00	305.00
Richard Klein	36	37	MS	0.00	0.00	265.00	20.00	0.00	0.00	285.00
Todd Koje	95	103	SS	0.00	20.00	245.00	20.00	0.00	0.00	265.00
Chris Kriegler	103	112	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Linda Lee	77	083	SS	0.00	0.00	246.00	20.00	0.00	0.00	265.00
Mark Lieberwitz	42	053	SS	0.00	20.00	246.00	20.00	0.00	0.00	265.00
Andrew Lipowitz	5	05	MS	0.00	0.00	265.00	20.00	0.00	0.00	285.00
Diane Logan	98	106	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Helga Longview	30	30	MS	0.00	20.00	285.00	20.00	0.00	0.00	305.00
Martin Longview	40	42	MS	0.00	0.00	285.00	20.00	0.00	0.00	305.00
Jose Louisa	47	051	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Bo Lukens	14	14	MS	0.00	0.00	265.00	20.00	0.00	0.00	285.00
Brooke Lynn	100	108	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Marsha Matford	9	09	MS	0.00	0.00	285.00	20.00	0.00	0.00	305.00
Cheyl McAlister	28	28	MS	0.00	0.00	285.00	20.00	0.00	0.00	305.00
Fred Marshall	65	071	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Damian Martinez	42	44	MS	0.00	0.00	285.00	20.00	0.00	0.00	305.00
Brady McCleatum	101	110	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Bob McHasters	60	063	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Clarissa Moyer	12	12	MS	0.00	0.00	285.00	20.00	0.00	0.00	305.00
Jeanne Mogul	41	43	MS	0.00	0.00	285.00	20.00	0.00	0.00	305.00
Thomas More	37	38	MS	0.00	0.00	285.00	20.00	0.00	0.00	305.00
Mike More	64	070	SS	0.00	20.00	245.00	20.00	0.00	0.00	265.00
Hugh Morris	10	10	MS	0.00	0.00	285.00	20.00	0.00	0.00	305.00
Kyle Moren	82	088	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Curtis N Gyung	63	069	SS	0.00	20.00	245.00	20.00	0.00	0.00	265.00
Jacob Parsons	4	04	MS	0.00	20.00	265.00	20.00	0.00	0.00	285.00
Matthew Parsons	22	23	MS	0.00	0.00	285.00	20.00	0.00	0.00	305.00
Diane Patterson	23	24	MS	0.00	0.00	285.00	20.00	0.00	0.00	305.00
MaryAnne Richtor	17	18	MS	0.00	20.00	265.00	20.00	0.00	0.00	285.00
Jesse Robinson	56	062	SS	0.00	0.00	245.00	20.00	0.00	0.00	265.00
Debra Scott	38	39	MS	0.00	0.00	265.00	20.00	0.00	0.00	285.00
Rent Roll & Recouping Charges										Page 2 of 4

Customer	Account	Unit	Unit	Type	SS	15.00	20.00	245.00	201.00	0.00	25.00	0.00	SS	PC	PR	EC	ST	WD	Total	
Tommy Skandrovich	50	054		SS																325.00
Sherry Smith	1	01	MS	0.00	20.00	235.00	201.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	305.00	
Landon Smith	11	11	MS	0.00	0.00	235.00	201.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	285.00	
Robert Smith	18	19	MS	0.00	0.00	235.00	201.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	310.00	
Carles Smith	84	080	SS	15.00	0.00	245.00	201.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	280.00	
Andy Smithers	93	107	SS	0.00	0.00	245.00	201.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	290.00	
Mark Spence	62	088	SS	0.00	0.00	245.00	201.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	290.00	
Elliot Stevens	69	075	SS	0.00	0.00	245.00	201.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	265.00	
Connor Stevens	89	095	SS	0.00	0.00	245.00	201.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	290.00	
Jake Stuart	80	085	SS	0.00	0.00	245.00	201.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	265.00	
Donald Truit	92	039	SS	0.00	0.00	245.00	201.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	265.00	
Chuck Trunk	104	114	SS	0.00	0.00	245.00	201.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	265.00	
Earl Wagner	96	059	SS	0.00	20.00	245.00	201.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	285.00	
Carol Williams	87	083	SS	15.00	0.00	245.00	201.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	305.00	
Betty Williams	94	102	SS	0.00	0.00	245.00	201.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	285.00	
Janette Wilson	3	03	MS	0.00	20.00	235.00	201.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	305.00	
Mark Whisman	108	083	SS	0.00	0.00	245.00	201.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	265.00	
Elaine Whisman	68	072	SS	0.00	0.00	245.00	201.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	290.00	
Mark Whisman	43	45	MS	0.00	0.00	235.00	201.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	310.00	
Overall Total					180.00	400.00	26400.00	20400.00	20400.00	275.00	450.00	450.00	29785.00							
Overall Counts					12	20	104	104	104	11	18									

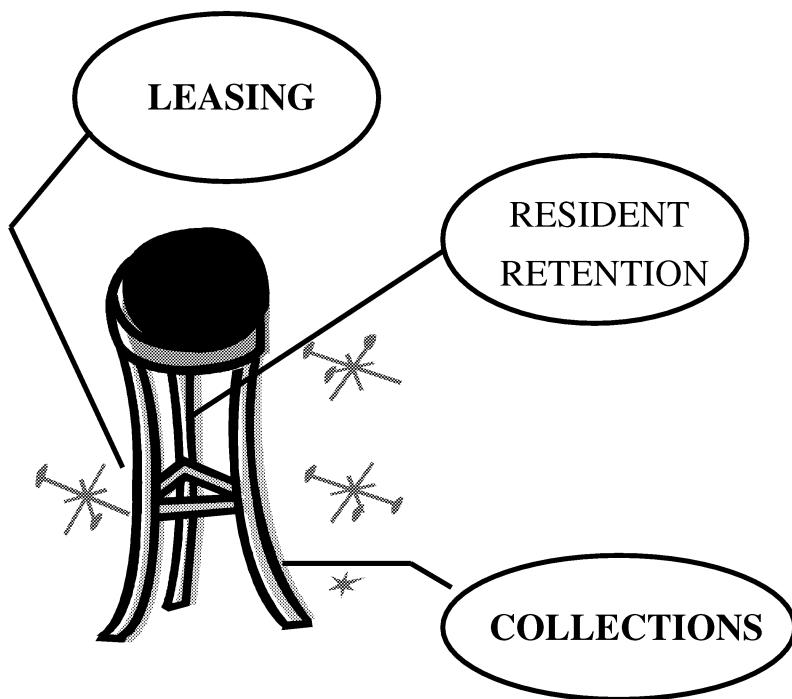
Rent Roll & Reoccurring Charges (Summary)

Totals for 104 customers

<u>Charge Type</u>	<u>Description</u>	<u>Customers</u>	<u>% Charged</u>	<u>% of Total \$</u>	<u>Amount</u>
CP	Covered Parking	12	11.5%	0.6%	180.00
PF	Pet Fees	20	19.2%	1.3%	400.00
RC	Rent Charge	104	100.0%	88.6%	26,400.00
SS	Sanitation Services	104	100.0%	7.0%	2,080.00
ST	Storage Fees	11	10.6%	0.9%	275.00
WD	Washer & Dryer	18	17.3%	1.5%	450.00
Total Amount:					29,785.00

The Three Legged Stool

In order for your property to be successful and give you great profits, we are using the three legged stool to demonstrate what each leg represents and how it effects the financial health of your investment!!!!



CHAPTER 3: LEASING

Market Survey

As we begin to dissect the three most important areas of property management, we begin with “Leasing”. At this point you should know what your competition is their occupancy, what their current rents are and if any concessions are being offered at this time. It is also beneficial to know what type amenities they may have. We go out and complete what is known as a “**market survey**” which will give you all that information and more about the competition. Keep in mind that the competition needs to be properties that are similar in age, type and location.

It goes without saying that the primary reason why we conduct a market survey is to make sure our rents are within market. Can we raise our rents to be within the marketplace? Or do we need to reduce them so that we are not considered “out” of the marketplace? However, the second most important reason for us to use this market survey, is to use it as a leasing tool for our leasing staff. It is imperative that your property manager and leasing staff know as much about the competition as it does about your property.

So many times, we run into prospective residents that say they are looking at our competitor as one of their choices. It is important to try to overcome any objective that may come up and the only way to do that successfully is to know the competition. In saying that, we do not want to disparage them in anyway, thus putting us in a liability situation. Also, the market survey should be updated on a monthly basis.

Market Survey		Subject					
DATE:	Oct 2008	Property					
Property Name		Horizon Town Homes					
Number of Units		150					
Percent Occupied							
Unit Type	No. of Units	Rent	Price per Sq. Ft.				
Efficiency							
1br + 1ba		475					
1br + 1 1/2 ba							
2br + 1 ba		675					
2 br + 1 1/2 ba		775					
2br + 2ba							
3 br - 2 ba		995					
GENERAL INFORMATION							
Age of Community		1985					
Security Deposit \$		\$250					
Additional Deposit \$		n/a					
Admin Fee \$		n/a					
Application Fee \$		\$50					
Lease Terms		12 months					
Pets Y/N - Fee \$		N					
Pet Deposit \$		N					
Pet Rent\$		N					
Elect- Pd by Owner/Res.		Res					
Heat- Pd by Owner/Res.		Res					
Gas- Pd by Owner/Res.		Res					
Wat/Sewr- Pd by Owner/Res.		Owner					
MARKETING INFORMATION							
Resident Referrals \$		\$100					
Locator Percent \$		n/a					
Concessions \$	specials	1 mth free 1yr lease					
AMENITIES							
Washer/Dryer/Conn \$		yes					
Microwave		no					
Dishwasher		yes					
Disposal		yes					
Refrigerator		yes					
Fireplace \$		yes					
Mini blinds		yes					
Cable \$		yes					
Security (Type)		yes (gated)					
Pool		yes					
Clubhouse		yes					
Tennis Courts		yes					
Exercise Room \$		yes					
Executive Center		yes					
Jacuzzi		no					
Sauna		no					
Playground		yes					
Laundry Facilities		yes					

Marketing Plan

Another important tool that is essential to high occupancy is to create and implement and good and realistic **marketing plan**.*. Your marketing plan should be at the minimum, a 30 day plan. However, I would recommend that it be a 90-day. This way you can plan per your budget restraints. You will also be able to target your exposure within that time frame as well. Your marketing plan should be detailed. If you plan on visiting some local employers, determine how many and which particular business you will be visiting. If you are going to do some flyers do that the same way. When, where and how many. It is also best to have a marketing calendar that is readily available to your property manager and leasing staff. It helps in planning the week and to insure that while someone may be out marketing, someone else is in the office. I have attached a sample marketing plan for you however, here are a few of the items

- Review your demographics and determine the larger employers in your area. Take your brochures, floor plans and business cards, along with a plant to the receptionist in the HR department.
- Create some fun flyers to give to the local small businesses
- Hold a Broker's coffee an' event in which you invite the area brokers to your community. Give them a tour of your property so that when they have the opportunity to refer your property, they will have first hand knowledge. Maybe offer them a broker fee if they send us a qualified tenant and they actually move in to your community
- Hold an "Open House". Advertise this event, have refreshments ready for any new prospects, even have a human directional if possible. Make sure your flags, signs etc are clean and fresh. Schedule an extra leasing person so as not to lose any drive bys or walk ins while the other is off showing your community.
- If you are close to any colleges or universities, try to drop some brochures off to the housing department

These are just a few ideas for you to use as you begin marketing your property. Keep your ideas fresh, change them periodically and remember that even though you may be 95-100% occupied, you still need to market. Because it is at that point when you want to get a waiting list going and most importantly, raise rents!!!!!!

Sample Marketing Plan

Advertising

1. Local newspapers, apt guides, penny savers
2. Place ads in Craigslist.com, Hotpads.com. and any other free websites.
3. Research local colleges and universities to see if we can put an ad in the student paper or if they have a student housing website.
4. Drop off flyers at the colleges as well (student unions etc)
5. Resident referrals

Outreach

1. Compose a list of the large employers in your area. Contact the HR department and bring them a candy jar along with your brochure, floor plans, business cards etc for them to possibly give to their new employees or current ones looking for new housing
 - A. Do a least 2 a week and keep a log so that you can revisit them on a monthly basis. If you budget allows, send them a “thank you” plant as well.
 - B. Do a “preferred employer” flyer to the local merchants in your immediate area. If they refer a resident that is approved by our guidelines, we can give them a referral fee of some type i.e. a \$50 gift certificate etc.
 - C. Contact your local Chamber of Commerce and see if we can join at a reasonable cost. Networking at these type agencies has proven to be a positive source of traffic in some areas.
 - D. Go to area churches and see if we can advertise in their weekly bulletin or put up a flyer in waiting areas.
 - E. Visit health clubs/family centers and ask if we can leave our flyers at the front desk. Maybe we could also work out something where a new resident moves into your community and gets 5% off the membership.

Curb Appeal

- Put out fresh balloons daily at all of your entrance signs
- Walk property every morning for trash, unexpected concerns, i.e. dead cars
- Make sure landscaping is sharp (edged beds, no weeds etc)
- Monitor bootleg/bandit signs

Traffic

- A. Always stand and greet “anyone” walking in the door
- B. Have your traffic fill out the necessary paperwork/ traffic card etc
- C. Take them on a tour of your property. the pool, laundry facilities etc
- D. If you do not have a model, or have a unit that has been vacant for a while and is difficult to lease, make it into a mini model. Dress up the bathrooms (put up a shower curtain, towels, soaps, balloons in the tubs etc) and kitchens, towels, wine glasses, candles etc.
- E. Put a gift bag on the counter with a small token and attach a card that says “Welcome to your new Home”...you can also put a “Welcome Home balloon there as well...

Traffic Mementos

- A. Give out little mementos to your traffic as they leave your property to show your appreciation as well as making sure they remember your community. Some examples:
 - a. microwave popcorn (saying thanks for poppin" in) and attach your business card
 - b. a small plant that says "plant your roots" at Coventry
 - c. If you have a freezer in your office or clubhouse, buy a few pints of ice cream and give it to your traffic as they depart, with your cards and maybe attach a small saying "Keep Cool". At that time they would have to go right home to put the ice cream in the refrigerator and will not be able to go to any other properties to shop.

KEEP A TRAFFIC LOG OF FOLLOW UP ACTION

- a. Always send thank you cards immediately
- b. Follow up phone calls within 48 hours
- c. Follow up emails

Where Do You Find New Tenants ?

Your marketing efforts will bring you prospective tenants. However, we know that there are many other ways in which you will search for them as well. some of these sources will also be included in your marketing plan.

Advertising

- local newspapers
- free websites***
- penny savers
- apartment guides
- resident referrals
- Media Advertising
- Internet
- Outreach
- Referrals
- Locators (Brokers)
- Flyers
- Radio
- Billboard
- Movie Theatre
- Community Activities
- Signage
- Bootlegs/Snipe Signs

Traffic

So we see from just the amount of activity that we have participated in with the above items, we are finally going to receive some calls and visit, also known as “Traffic”. Traffic is considered to be anyone that has called or visited your property. It can also be an email inquiry. One of the first things we do upon answering the call for apartment information, is to fill out a “Traffic Card”

This is a very useful tool not only for keeping track of your traffic, it also is great information gathering. If you are using it for a telephone traffic, you can get as much information as possible. If they actually visit your community, you can be more detailed in the information you are requesting.



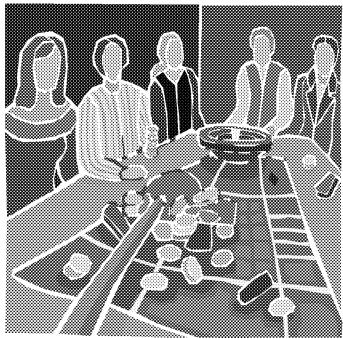
Don't
Gamble!!



Be a Winner!!!

Move into
The Village Apts!!

It's the best bet in town!!!!!!



Call Cheryl or Melissa at
555-783-9450

***bring this ad and get a 1/2 month free**

YOUR INVITED

TO AN

OPEN HOUSE

WHERE: STONEYBROOK APARTMENTS
1776 BICENTENNIAL WAY
NORTH PROVIDENCE, RI

WHEN: JANUARY 24 AND 25TH

TIME: SAT-8:30-5:30 PM
SUN-12:00-5:00 PM

BRING A FRIEND

REFRESHMENTS SERVED

NEW REFERRAL PROGRAM

VIEW OUR APARTMENTS

WE'VE PICKED YOU TO BE ONE
OF OUR "PREFERRED EMPLOYERS"
AND
RECEIVE \$50.00 !!!
HOW?

Just refer one of your employees* to move in
to

ST FRANCIS APTS



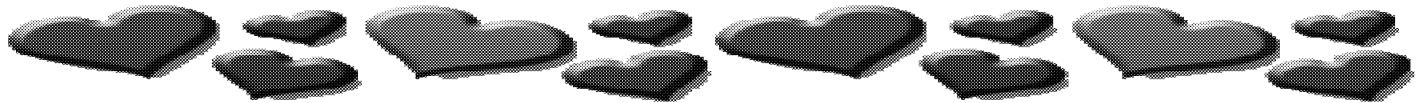
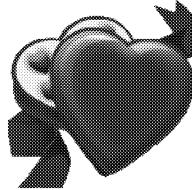
*Hurry while it
lasts !!*

CALL 328-0487

*must meet
guidelines

Norwich Woods

*Woods Drive
Norwich, CT 06360
401-935-0771*



Move in with your valentine by February 14, 2009 and we will give you our own SPECIAL VALENTINE SURPRISE!

2 MONTHS FREE HEAT AND A BOTTLE OF YOUR FAVORITE BUBBLY!!

*What could be better than living in a community on the bus line to downtown,
close to all of the casinos, major interstates, and shopping.*

We offer spacious 2 bedroom 1 1/2 bath town homes, as well as 3 bedroom 2 1/2 bath town homes.

*All units come fully applianced including washer and dryer. In addition,
our townhomes have full basements for all your storage needs!*

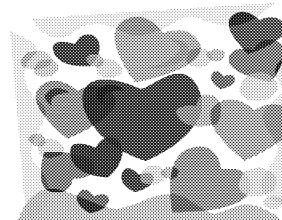


2 Bed 1 1/2 bath town homes starting from: \$1,150

3 Bed 2 1/2 bath town homes starting from: \$1,350

Don't forget your furry family friends!!

Size and breed restrictions apply



Call Jackie at 401-935-0771 or email

We look forward to hearing from you soon!

Woods Drive
Norwich, CT 06360
401-935-0771

Santa has arrived!

**Electric Boat Employees receive an
additional \$100 off monthly rent!**

Would you like an early Christmas present? Move in to our spacious 2br/1.5 bath by December 31, 2008 and pay no rent until February 1, 2009. What could be better than living in a community on the bus line to downtown, close to all of the casinos, major interstates, shopping, and FREE RENT?

We offer spacious 2 bedroom 1 1/2 bath town homes, as well as 3 bedroom 2 1/2 bath town homes. All units come fully appliance including washer and dryer. In addition, our townhomes have full basements for all your storage needs!



**2 Bed 1 1/2 bath town homes starting from: \$1,200
3 Bed 2 1/2 bath town homes starting from: \$1,350**

*Don't forget your furry family friends!!
Size and breed restrictions apply*

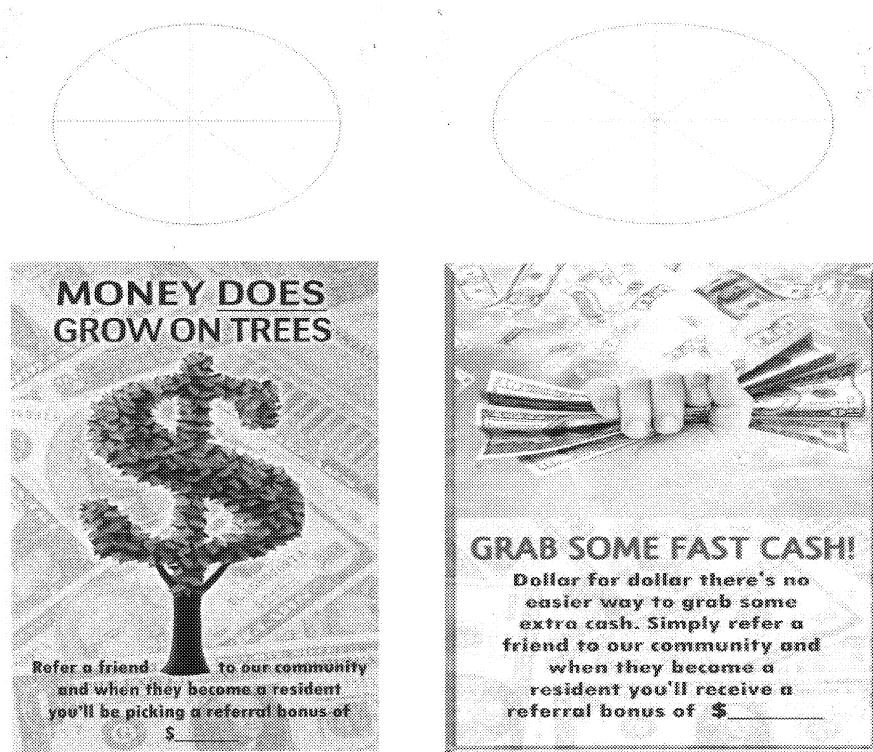


Move-In
specials!

*So hurry, Santa is waiting!
Call Jackie at 401-935-0771 or email*



Resident Referral Door Hangers



Traffic Logs

It is also imperative that you keep track of where your traffic is coming from. Using a traffic log is the best way to monitor this. The sample in this manual will give you different sources of traffic that we have just recently spoken about. It will also assist you with determining where to best spend your advertising dollars.

If you are spending a lot of money on your local newspaper advertising and it appears from your traffic report that you are getting absolutely no traffic or very little, from that source I would suggest that you reduce the size of your ad and concentrate on the sources that are generating the most traffic for your property

Telephone Script *The Start of Resident Retention

- As you review the telephone script we have given you, here are a few important items that should not be ignored when speaking with a prospective tenant:
 - how did they locate us
 - how soon are they looking to move
 - what size unit are they looking for
 - contact information
 - get them to make an appointment to view your community

Keep in mind through your entire conversation with this potential tenant, it is imperative that you make sure they have your complete focus. Your leasing agent or anyone answering the phone should smile when they answer the phone. Do not put them on hold, unless it is an emergency and then it would be great if you could explain as to why you needed to put them on hold...i.e, an emergency, fire, flood etc.

Another important area of which you need to pay special attention to, is “Fair Housing”. It is imperative that anyone that represents you and/or your company be aware that “ALL PEOPLE MUST BE TREATED EQUALLY”. In other words, if you are leasing agent give some information about a 3 bedroom apartment that is available and the next person that calls is informed that you don’t have any 3 bedrooms, that could be a potential for a Fair Housing suit. Unfortunately even the smallest and innocent information can be construed as a fair housing violation. Even if you, as an owner, answer the phone and give improper information, you could open yourself up to a violation as well. There are also people that are hired especially to do spot checking as well. So it is wise to be cautious.

Weekly Traffic Log

Receipt 2

TELEPHONE SCRIPT

1. Good morning, it's a great day at Tara Apartments, this is Suzanne, how may I help you? **KEEP THAT SMILE IN YOUR VOICE**
- 2 Person on the line says, hi, can you give me some info about your apartments? You will then say, yes or absolutely...first of all. if I could get a little information from you I would appreciate it.
- 3 .your name please? Telephone or email? Best time to contact you?
- 4 How did you hear about us?
- 5 What size apartment are you looking for Mary? use their name as much as possible
- 6 How many people will be making the move with you?
- 7 And how soon would you need to move in to your new apartment?
- 8 Do you have any pets? We are a breed restricted property (no pitbulls, dobermans, etc)
9. Do not put them on hold unless it is absolutely necessary (fire, flood, emergency)

Once you get all that info and are writing it down on your traffic card, then you can continue the rest of the conversation. Of course if they are looking for a 3 bedroom, we can't help them, however, if they are looking for a 1 bedroom and you have only and it is pre-leased, try to get them in to view that unit so that you can get them on a waiting list if possible. Or, if you know you have one that is coming up, you can show the vacant and the maybe the location of the one coming available

If they need washer/dryer connections, of course we do not have them, but you can tell them we have 2 clothing care centers!!!! However, if they have to have a WD in their unit then, we are not the property for them. You could say the same if they need or want a fitness center. You will have to say, I'm sorry we don't have a fitness center, but there is a Gold's Gym (or whatever facility you have that is close by) within a few minutes from our community.

You always want to try and give them the positives of our property.

1. cozy/plenty of closet space
2. we hold monthly resident appreciation events
3. assigned parking (most of the time:*)
4. close to shopping, churches banks etc
5. clothing care centers (laundry room)
6. on-site management

This list is just to name a few things...you may be able to add to it. Remember, it is important to try and pre-qualify them as much as possible. You don't want to waste their time and definitely not yours.

Talk with a smile in your voice. This is very important when trying to get prospects in the door.

TRAFFIC CARD

Welcome to our Community!

Name Janice Smith Today's Date 10/1/09 Time 11:30 am
Home Phone 765-443-6700 E-mail Address jsmith@aol.com Agent Beitt
Address 1234 W. 4th st City Anderson State IN Zip 46012
Employer Anderson Police Dept Occupation Sheriff Work Phone 648-6700
Reason for Relocating wanting something smaller

Apartment Home Desired

Type of Apartment Needed 2 BR

Number of Occupants 2

Move-in Date ASAP

Price Range 400-500

Pets NO

Weight _____

Did you see our ad in any of these publications? (check all that apply)



(Pocket Size)
Example



(Digest Size)
Example



(Magazine Size)
Example

Yellow Pages

Newspaper

Other Internet

Referred by President

Other

Did you call before you came out?



Yes



No

Thank You!

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E-leasing

In some areas and communities e-leasing is becoming very popular. This is the leasing process that is done via email. With the normal day to day stresses of life and work schedules, if we can offer any process that is quicker and easier for our potential residents, then lets do it. Of course one of the most important courses of action with this type of leasing is expeditious responses.

With technology being the way it is today, most of the time, it's the early bird that gets the worm. If you are not quick to answer any questions etc, then, it is likely the next community that "does" respond to them will be the lucky one. While most information is shared electronically, it is always best to contact them personally as well... (It's good to put a voice with an email address and community... :*)

Pre-Qualify

Keep in mind that while you are gathering as much information on the telephone as possible, you should also be pre-qualifying that prospect as well. Even as you ask them how soon they are looking to move and they want a 3 bedroom on the first floor, and you only have one on the second floor. Right then you would inform them that your current availability does not have that floor available, but if they would like to come in a tour your community, that would be terrific. This way, the next available unit on the 2nd floor, you will be able to notify them of the availability. Another pre-qualifying question is, what type of lease term are they looking for? This will rule out anyone that may be interested in a short term lease, if your community only offers one year leases. . Also, do they have pets? Do you have a breed restriction policy that you need to inform them of?

There is nothing more aggravating than to have spoken with someone on the phone, made an appointment and they get to your property and find out you do not take their type of pet.

The Importance of Good Curb Appeal

Make sure that your property has the best curb appeal possible. Even if it's a D property and is 50 years old, the criteria is the same.

- make sure flags/signs are fresh, and in good condition
- property should be free of trash
- landscaping should be sharp
- all pathways should be free of snow and ice
- make sure it is easy to locate leasing office if you have one
- no disabled vehicles on the property
- no broken windows
- no sheets on windows
- no offensive signs in windows
- no kids loitering
- no damaged amenities (playgrounds, basketball hoops etc)
- confirm that the “tour route” is spotless

You Only Get One Chance at First Impressions

Whether they know it or not, your leasing agent or property managers first impression was on that first telephone call. Hopefully it was a positive experience for the prospect, because if it wasn't, they probably won't show up for their appointment, and most likely will not even give you a call to cancel. So I will give you a few tidbits of making a positive impression on your prospect:

- Make sure the leasing office is clean and orderly. Do not have papers or the remnants of lunch all over the desk.
- As soon as they walk in the door, stand up and shake their hand and address them by their name (hopefully whoever initially spoke with them wrote it down on your traffic card)
- Offer them some refreshments (which should always be available for traffic and residents)
- Introduce them to a co-worker that may be in the office at the same time if possible
- Pull out their “Traffic Card” that was used when they initially called for information and fill out the remaining info.

- As you are asking them more questions, try to see what their interests may be, do they like to work out, (hopefully especially if you have a fitness center), how far are they from their place of employment. This information will be extremely helpful as your leasing agent takes them on the tour of your property
- Ask for a government issued photo ID for security purposes

Prospect Tour Route

It is very important that each prospect be given the same tour of your community. In other words, a tour should be planned out almost immediately after takeover. It is recommended that the tour begin at the leasing office. If there are any amenities that are attached or in the same building as the leasing office, the tour should continue to those areas.

Hopefully you can show them a unit that is within walking distance. In some areas of the country, a golf cart is used to take a prospect on the tour. It is best to show as many amenities as possible, then go to either the vacant or model that you may be showing them. If possible, if your property is spread out and you do have a golf cart, take the route which has been mapped out for you.

Once again, make sure you use the same tour route for everyone, whether they are young or old, want a 2 bedroom or 3, your representative must treat everyone the same.

Models/Vacants

If you have a small community or have only a couple of units available to lease, it is more than likely that you will not have or need a model. Models are usually utilized on larger properties or if you have many vacants.

In saying that, it is imperative that your tour route include either one of these type units. If it is a vacant unit, it must be “rent ready”. In other words, it is ready for a prospect to move in to today. Important things to remember in model and vacant units you are using to show prospects:

- Make sure the tour to those units is free of all debris, surprises etc
- In model units, as part of your morning property inspection, turn on all lights, have some music playing (soft, easy listening, not heavy metal etc)
- Most importantly make sure that it smells good

- In vacant units, set up a mini model and move the items around as you lease that particular unit....works well in hard to lease units, for instance it may be on the ground level, may overlook the dumpster etc.
- NEVER, and I mean NEVER, show a prospect a vacant unit that is not rent ready. Why not? Think about it, if you look at an apartment that has a dirty kitchen and bath, dead bugs on the floor, realistically, could you feel confident that it would be taken care of? Most people would not and they may never be able to get that out of their mind, even if you swear to them that you would make sure everything is taken care of prior to their moving in. It is just human nature in most cases.
- You should also have “make readies” available as well. Make readies, as we mentioned above, are actual units that are available for immediate move in. Prospects always want to see the “actual” unit that is going to be theirs. Perfect scenario would be to have at least a couple of each floor plan. This will also help if there are certain items that a prospect may want that you know is in one particular unit. For instance, it may have extra windows if it is an end unit, or the location is better for them.

Leasing Criteria*

Do you remember the first time you rented an apartment, or you filled out an application for a credit card, or anything else in which you had to apply for something? Well renting apartments isn't any different. It is important that you know what your property management company's leasing criteria is and that you agree to it as well. After all, it is your property and want have to the best possible tenants living there right? A few items that should be in your leasing criteria are:

- Legal age to apply for your apartment
- Whether bankruptcies are allowed
- Previous leasing history
- Criminal record (if they have one)
- Status of Credit history
- Number of occupants allowed
- Completion of application

Of course, there will always be occasions when no matter how well you adhere to the company leasing criteria, and the resident screening, that you still get some tenants that turn out to be not what they appeared to be!!! However, it is important that you inform your potential tenant what the criteria is to become one of your tenants. I would also recommend that if you have it displayed in your leasing office for all to observe and review it. This will also let prospects know that this is the criteria for EVERYONE..and not just them.

I would also suggest that you give this document to your prospect in cases where they may take the application with them to review it. Have them sign it confirming they understand it and return it with their completely filled out application. In some cases, a prospect will take it home with them, read it, and realize that they do not qualify for your apartment, you most likely will never hear from them again. They may have a record, they may have sub standard credit or they may have been evicted from another community.

TARA APARTMENTS

GENERAL RENTAL AND OCCUPANCY CRITERIA GUIDELINES

ALL APPLICATIONS FOR RESIDENCY WILL BE EVALUTATED USING THE FOLLOWING CRITERIA:

RENTAL APPLICATIONS MUST BE PROCESSED ON ALL PROSPECTIVE RESIDENTS AND OCCUPANATS 18 YEARS OF AGE AND OLDER WHO WILL BE THE RESPONSIBLE LEASE HOLDER.

A NON-REFUNDABLE APPLICATION FEE MUST BE PAID FOR EACH OCCUPANT 18 YEARS OF AGE AND OLDER FOR PROCESSING CRIMINAL BACKGROUND.

I. Identification: A Government issued photo ID is required for all applicants.

II. SALARY/INCOME:

APPLICANTS MUST COMPLY WITH THE FOLLOWING INCOME REQUIREMENTS:

- Prior to move-in income must be verified by obtaining one of the following: confirmation on employer letterhead, copies of last two payroll check stubs, previous year W-2 or copies of the last 2 months' bank statements.
- Must be currently employed, but if unemployed or retired, proof of income/assets should be provided, and must be equal to 3.5 times the contractual amount of lease term.
- Gross monthly income of combined applicants must be 3.5 times the effective rent of the apartment being leased.

III. DECLINED APPLICATIONS

(If any of the following apply, the application will be declined);

- No Government issued photo identification.
- No verifiable income or salary.
- Falsification of the Application.
- Criminal Record - Any past felony conviction will result in a declined application. Any felony arrest during the past 7 years will result in a declined application. In addition, any misdemeanor conviction or arrest in the past 7 years related to firearms/weapons, illegal drugs or sex crimes will result in a declined application.
- Non-U.S. Citizens who do not provide the required U.S. INS Documents.
- Any criminal records returned as "undetermined" or "unknown". Applicant would be required to provide verifiable documentation of details of such records if the applicant wished to continue the pursuit of residency. This documentation will be reviewed and determined by the Regional Supervisor.
- Any Prior Lease violations AND/OR judgments, liens, will result in a declined application.

IV. SECURITY DEPOSIT REQUIREMENTS:

- A security deposit is required to be paid in full prior to moving in. If applicant is not approved, a check for the full deposit amount will be mailed within thirty (30) days of notification.
- All rents, deposits, and fees must be paid by check, money order or cashiers check. No cash will be accepted. If the bank declines renters payments, the application fee or deposit check, the application will automatically be declined.

V. CO-SIGNERS/GUARANTORS

- Co-signers are accepted, Rent to Income Requirement must still be met by applicant.
- Must meet the same income requirements as the applicant.
- Must pay the same application fee as the applicant.
- Must also meet the expected Criminal Background Check criteria as noted in Section III. of this Guideline.

VI. APPLICANTS WHO ARE NOT U.S. CITIZENS

- Required to submit INS Documents for verification.

VII. SCORING OF YOUR CONSUMER CREDIT REPORT

- This community uses an empirically derived, statistically sound, credit scoring system to evaluate your consumer credit report. Credit scoring is based on real data and statistics, so it treats all applicants objectively. Your consumer credit report contains information about you and your credit experiences, such as your bill-payment history, the number and type of accounts that you have late payments, collection actions, outstanding debt, and the age of your accounts. Using statistical program, we compare this information to the credit performance of other applicants with similar profiles which allows us to predict how likely it is you will pay your rent in a timely manner and fulfill your other lease obligations. Based upon your credit score, your application will either be accepted, accepted with condition, or denied. If your application is denied or is accepted with conditions, you will be given the name, address and telephone number of the consumer reporting agencies, which provided your consumer information to us.

Applicant Signature: _____

Date: _____



Closing the Deal

- Everyone knows that no matter how much work you do or how much you go above and beyond the call of duty you just can't get the deal closed. In other words you don't lease the apartment. A suggestion would be to have a coworker go along with you on your tour and listen to how you are communicating with your prospect. Are you listening to your prospect, are you dominating the conversation by you exaggerating the positive? You can also record your traffic tour in an effort to see where you could improve you in order to close. It's also important to try and close a few times during the tour.
- First you can inform them of the application process if they would like to fill one out and leave a deposit. Or, on your way back to the leasing office you could ask your prospect if the unit they were shown suited all of their needs. And of course once you are back in the office, you may want to say, so Jane, are you ready to leave a deposit, fill out an application and begin the process to move into our community? We would love to have you as one of our residents.
- Do not, I repeat, do not let them leave you without giving them your business card, a traffic memento, and a property brochure.

You are probably thinking what is a traffic memento! A traffic memento is any item that you would like to give to your prospect that's going to remind them once they return home that they visited your community. You will find in your little goodie bags as sample of one type of traffic momentum that we do give to some of our prospects excite a small package of microwave popcorn that says in quotations are thanks to pop in and end of quotations this is very inexpensive very easy to create takes two minutes and it's one thing that your potential resident is going to remember once I get home and guess what tonight they'll be going home and you know as I go to put that microwave popcorn in the microwave guess what they could if they came when I get that I got it from time from your community.

Another great idea especially if you're in a warmer climate, and if you also have a small refrigerator in your leasing office, purchase a few half pint containers of ice cream. Keep it in your freezer, put the little labels on them once again that says thanks for stopping we think you're cool !! When your traffic is about to leave your office you give one to them guess what? They can't go to any other property because they need to go straight home or else their ice cream will melt all over them. Good idea? Absolutely!

The important thing is that you want them to remember that they came to your apartment community and what better way to remind them of that than to you give them that memento that has your friendly saying on it whether it be thanks for pop in or we think you're cool or just we hope to see you again with your telephone number or e-mail address. So once they go home and start to think about their

awesome experience with you, they'll have your contact information right in front of them

"CLOSING THE DEAL"

Phone techniques to get them in the door!!

23 Be prepared:

23 Be professional:

23 Be proactive & persuasive:

23 Be productive:

NOTES:

Follow-ups/Be backs

Let's talk about follow-ups and be backs. You're probably saying what is a "be back"? Well I am going share a short story with you that happened several years ago. We used to have short meetings with our director of operations on a weekly basis. Of course one of the most important items that we discussed was the amount of traffic that we generated for that previous week as well as how many reasons that we closed. Well in lots of cases and it probably was when I was first starting out in the industry by my famous words were without they said they were going to be back. Well of course you know the director of operations was in the industry quite of lot longer than that I had been, said Jackie I'm going to call you the " queen of be backs." Well of course everybody thought it was hysterical but I was unsure of what that really meant, until later on.

So I always refer back to my early days in the industry and whenever any of my leasing agents tell me that they had several pieces of traffic that we only half of them filled out applications and leased an apartment, that's when I say okay, why didn't they and the leasing agent will say, well that's because they going to " be back ". Keep in mind, there definitely are people who out there who cannot make a decision the first time around. They may need to confer with a family member, or a friend, or just haven't made a decision of where to actually relocate to.

So that's why it is extremely important to do those follow-ups, call those be backs, find out if they've made a decision or if you can assist them in their needs and wants for a new home..... and remember the squeaky wheel gets the oil!

Applications

- It's extremely important that you set your application processing procedures immediately. Determine what company you will use to do background checks, criminal checks and credit checks. National Tenant network, safe route, and one site are just a few out there. Also, compare the cost of each report that you may want to run as well as the amount you going to be charging an applicant. In some cases depending on your market you may waive application fees.

It is also important that each application be filled out completely giving us authorization to complete a background check. Although we outsource all our background checks the majority of the time, it is important that we also confirm information we have received from the prospect.

Make sure to call the current landlord. The main questions you ask should be, how long have they lived there, what was their monthly rent, did they have any lease violations, or any late payments, or bounced checks etc. Some landlords may require you to put that request in writing along with a copy of the prospect

authorization form as well. It's also a good idea for you to contact the previously landlords as well.

This may possibly be the best and most accurate reference you could receive. Also you need to verify employment which you can either do by current pay stubs, confirmation from the HR department, a letter from an employer on company letterhead, or a bank statement, etc.

- As we mentioned above, if a potential resident does not fill out their application completely, this could be grounds for rejection.

Application with Deposit Form

Property Name: _____

Property Address: _____ Property Phone #: _____

Apt. # _____ Size _____ Rent \$ _____ Occupancy Date _____

Last Month's Rent \$ _____ Due by: _____

+First Month's Rent \$ _____ Due by: _____

+Security Deposit \$ _____ Due by: _____

+Other Mo. Charges \$ _____ Due by: _____

+Key Deposit \$ _____ Due by: _____

-Appl. Processing Fee \$ _____ Due by: _____

=Total Required \$ _____ Must be paid prior to occupancy date

Name _____ SS# _____ Date of Birth _____

Present Address _____ Phone # _____

City _____ State _____ Zip Code _____

Spouse or Co-Applicant's Name _____ SS # _____

(Spouse or Co-Applicant must complete a separate application)

Please list all persons who will be living in your apartment:

Name- Relationship -Date of Birth

RENTAL HISTORY Please list your three (3) most recent landlords.

1. Your rented address _____ Apt. # _____

City _____ State _____ Zip Code _____

Monthly Rent \$ _____ Residency Beginning _____
Ending _____

Reason(s) for
Moving _____

Landlord _____

Manager _____

Office address _____ Office phone # _____

City _____ State _____ Zip Code _____

2. Your rented address _____ Apt. # _____

City _____ State _____ Zip Code _____

Monthly Rent \$ _____ Residency Beginning _____
Ending _____

Reason(s) for
Moving _____

Landlord _____
Manager _____

Office address _____ Office phone # _____

City _____ State _____ Zip Code _____

3. Your rented address _____ Apt. # _____

City _____ State _____ Zip Code _____

Monthly Rent \$ _____ Residency Beginning _____
Ending _____

Reason(s) For
Moving _____

Landlord _____
Manager _____

Office address _____ Office phone # _____

City _____ State _____ Zip Code _____

*Date Verified _____ By _____

EMPLOYMENT HISTORY Please list your two (2) most recent employers.

1. Employed by _____ Position _____

Address _____ Work Phone # _____

City _____ State _____ Zip Code _____

Net Monthly Income \$ _____ Employment Beginning _____
Ending _____

Supervisor's Name _____ Supervisor's Title _____

Reason for Leaving (if no longer employed)

2. Employed by _____ Position _____

Address _____ Work Phone # _____

City _____ State _____ Zip Code _____

Net Monthly Income \$ _____ Employment Beginning _____
Ending _____

Supervisor's Name _____ Supervisor's Title _____

Reason for Leaving (if no longer employed)

*Date Verified _____ By(_____

INCOME INFORMATION

Total Net Monthly Income from all sources including employment income
\$ _____

List other sources and
amounts _____

BANK CREDIT REFERENCES

1. Name of Bank _____ Branch _____ **Checking Acct. #** _____

Address _____ Phone # _____

City _____ State _____

Contact _____ Average Balance \$ _____ Date Opened _____

2. Name of Bank _____ Branch _____ **Checking Acct. #** _____

Address _____ Phone # _____

City _____ State _____

Contact _____ Average Balance \$ _____ Date Opened _____

3. Name of Bank _____ Branch _____ **Loan Acct. #** _____

Address _____ Phone # _____

City _____ State _____

Contact _____ Current Balance \$ _____ Monthly Payment Amount \$ _____

Are your payments current? _____ If not, how many payments due? _____

*Date Verified _____ By (_____)

OTHER CREDIT REFERENCES Please list three credit references, i.e., credit cards, installment loans, car loan, student loan, etc.

1. Name _____ Acct. # _____

Current Balance \$ _____ Monthly Payment Amount \$ _____

Are your payments current? _____ If not, how many payments due? _____

2. Name _____ Acct. # _____

Current Balance \$ _____ Monthly Payment Amount \$ _____

Are your payments current? _____ If not, how many payments due? _____

3. Name _____ Acct. # _____

Current Balance \$ _____ Monthly Payment Amount \$ _____

Are your payments current? _____ If not, how many payments due? _____

*Date Verified _____ By (_____)

AUTO INFORMATION

1. Make _____ Model _____ Year _____ Color _____ License Plate
_____ State _____

2. Make _____ Model _____ Year _____ Color _____ License Plate
_____ State _____

3. Make _____ Model _____ Year _____ Color _____ License Plate
_____ State _____

GENERAL INFORMATION

Have you, your spouse or any other co-applicant or proposed resident:

Ever been arrested for or convicted of any offense involving drugs? YES____ NO____

Ever been convicted of a felony offense? (exc. minor auto offenses) YES____ NO____

(if yes, please
explain)_____

Ever filed for bankruptcy or been declared bankrupt? YES____ NO____

Ever failed to satisfy the obligations of a mortgage, equity line of credit,
installment loan, student loan, credit card revolving loan? YES____ NO____

Within the last 5 years, been evicted or asked to leave your residence? YES____ NO____

(if yes, please
explain)_____

EMERGENCY INFORMATION In case of emergency, notify

1.) Name _____ Address _____

Phone _____ Relationship _____

2.) Name _____ Address _____

Phone _____ Relationship _____

CONSENT, AUTHORIZATION, RELEASE AND HOLD HARMLESS STATEMENT

Applicant, Applicant's Spouse, and Co-applicants, do hereby consent to and authorize any and all representatives of (Management), the managing agent for _____ Apartments, to request, to receive, to verify, to provide and to exchange any information regarding the applicants concerned with any and all, but not limited to, the following parties: present and past landlords, present and past employers, credit references from banks and any and all financial sources, credit reporting agencies, and city, county, state and federal law enforcement agencies. I understand that any and all information received, verified, provided and exchanged may be used by (Management) Corporation as they shall determine, in their sole discretion, to assist them in reaching a decision as to whether or not this application is accepted or rejected for the premises named herein.

In addition, the applicants concerned unconditionally release and hold harmless nay and all, but not limited to, the following parties: present and past landlords, present and past employers, credit – references from banks and any and all financial sources, credit reporting agencies, and city, county, state and federal law enforcement agencies and all of their agents, owners, officers, directors, employees, and any other related parties, past or present, that shall request, receive, verify, provide, and exchange any information with (Management) Realty Corporation, from and against any and all claims, demands, suits, or expenses arising from or related to the content, validity or handling of said information and application.

The applicants concerned certify that the information contained in this application for lease is accurate, complete, and true. Any variance or omission of information shall result in rejection of this application, and if such variance or omission shall later be discovered, any lease or agreement may be terminated by (Management) Realty Corporation. The applicants concerned understand that this is an application for an apartment and does not constitute a lease agreement in whole or part. The applicants concerned agree to execute a one-year lease upon presentation, a copy of which applicants hereby acknowledge that they have reviewed, if and when notified of Management acceptance of this application.

In the case of no security deposit, if and when your application is approved, your application processing fee of \$_____, receipt of which is hereby acknowledged, will be applied toward Last Month's Rent. If for any reason you withdraw your application, your \$_____ application fee will be forfeited in its entirety. In the event your application is denied, the \$_____ application fee will be used to cover the cost of checking the application.

In accordance with our policy, the balance of Last Month Rent is due on or before the date of _____ . The First Month Rent and the Security Deposit is due on or before the date of _____ . Other monthly charges are due on or before move in date. A \$_____ key deposit is due on or before your move in date.

In the event that you withdraw your application subsequent to the acceptance of your application but prior to the execution of your leases, all monies received shall be applied to any and all actual damages sustained by the owner to include time being lost on the unit being held for you.

- All payments required *must* be made prior to move in.
- Prices subject to change without notice pending full lease execution.

Rental Agent (duly authorized):_____ Date: _____

Managing Agents for (property entity name): _____

I/we certify that we are above legal age and the above information is true and accurate. I/we understand that the lease may be terminated at any time at the owners/agents option if the information is found to be false. I/we have read and understand all of the conditions stated herein and agree to abide by them.

Tenant Screening

- Your company leasing criteria that you have displayed in your office should confirm that you conduct a resident background check on all applicants. Your criteria may also indicate certain modules that are included in that screening process. The most used modules are
 - Credit check
 - Criminal background check
 - Lease violations
 - Terrorist check

At the minimum this is what you should be using to screen your potential residence. Keep in mind that each one of these modules will normally come with an additional cost which you should pass on through your application fee. In lots of cases, C property potential tenants will normally have substandard credit ratings at best. So the most important areas that you want to focus on would most likely be criminal lease violations and of course tell us. Remember... your leasing staff must treat all applicants the same!!!

Examples of tenant screening companies:

- **NTN- National Tenant Network**
- **Safe Rent**
- **E-Renter.com**
- **On-site.com**

NOTICE: Required notices and receipts to be given to the applicant(s) are included at the end of this printout.

Screening Report for Fred Q. Flintstone

Overall Recommendation	
4.1 / 10	The application fails your requirements. Adding a guarantor may improve the recommendation. On-Site's liability is strictly limited as put forth in the Terms of Service.
DECLINE	

Score for Fred Q. Flintstone: 4.1 / 10			
	Importance	Pass	Fail
Monthly income to rent ratio exceeds 3.0	Extremely	✓	
Gross monthly income after rent and estimated debt exceeds \$1,000.00	Extremely	✓	
Percentage of derogatory credit accounts does not exceed 25.0%	Moderately		✗
Unpaid collections and grossly delinquent past due balances do not exceed \$200.00	Moderately		✗
May have been through a bankruptcy	Very	✓	
Has not had an eviction, lawsuit or landlord collection filed	Pass/Fail	✓	
Has not had more than 1 misdemeanor conviction	Pass/Fail	✓	
Has not had any felony convictions	Pass/Fail	✓	
Is not a registered sex offender	Pass/Fail	✓	

CHAPTER 4: Move-In Day

I'm going to walk you through a typical move in day or in other words the move-in process. We all know that at best, it can be a very stressful day for a potential resident. In saying that, it's extremely important that we make this day the least stressful possible. Schedule a definite time for them to do their paperwork with you. Spend the time with them without any interruptions if possible. Remember... this is where resident retention continues! Make sure you walk their unit prior to them moving in to make sure there are no issues that need to be taken care of or need addressing. When they come into your office to begin the move-in process stand up, shake their hand, be extremely excitable, be enthused about the fact that he or she is going to be a part of your community.

Lease Review/Move In Package

Keep in mind when you're new tenant arrives to do their move-in paperwork, that it is extremely important to review their lease clause by clause line by line. It is also important to review the addendums as well. Make sure they are aware when the rent is due where they pay their rent, and who they make their rent payments out to. It's also a good idea that they are aware of the late fees if for some reason they do not pay their rent on time. It is imperative that your tenant understands everything. You will find that if this is done properly, it will save you from a lot of problems in the future.

Try to emphasize the main clauses in the least as well lease breaking fees, and any other important addendum's that you may need to explain to your tenant. Are you getting the idea here? You have to train your tenants to follow the rules and guidelines of your community, and in return we will provide them with a clean, safe, community and which they can be proud of.

Walk the unit with your new tenant. Make sure that you bring your move in inspection form. On that form, you will want to document any imperfections or permanently damaged areas. For instance, if you have a small cigarette burn on the countertop, put that down in your inspection form. If there are any scratches on the Ranger refrigerator, write that down as well. It is important that your tenant complete this inspection with you so that they will realize what they will not responsible for it once they vacate the unit.

That move in inspection form is an important document that most definitely cannot be overlooked or postponed. Unfortunately if you wait a week or so your new tenant may damage areas during the moving process, ie holes in the walls from moving, etc. make sure a copy of this inspection form is kept in the tenets file and also give them a copy as well. You may also need this inspection form if you end up having to go to eviction court on this tenant when trying to recoup damages from their apartment prior. They should also receive copies of all lease move-in paperwork.

If you find anything during your walkthrough with your new resident that will need a work request created, do it immediately when you return to your office. There is nothing worse than moving into a new apartment home, with work requests needing to be done, and then, having to wait a week for it to be resolved. Not a good way to start off your relationship. And keep in mindTHIS IS A RELATIONSHIP!!!!

As part of their move-in package, besides copies of their lease, addendum's, And move in inspection form, it is also a nice touch to add the following items to their lease package:

- Utility company names and numbers
- List of emergency numbers
- List of popular restaurants
- Local churches
- Map of the area

A nice finishing personal touch to welcome your new resident is to give them a welcome gift of some kind. For example, you could give them a small bucket filled with paper towels, detergent, sponges and maybe other household products. Another good idea is to give them a small wicker basket filled with salsa and chips, or a jar of pasta sauce with a bag of pasta. We all know that during the moving process, we never remember to eat or we forget to bring food or snack

Follow-Up

So, your new tenant has moved into your community, and you've done all the necessary tasks to make them feel comfortable in their new home. The next most important item that you need to pay extremely close attention to is to follow up. Within a week of move-in, and no more than that, give your new tenant a call. Ask them how everything is going. If they are new to the area, ask them if they have found everything okay. You may also ask them, is there anything that needs attention in their apartment. Too many times our leasing agents and property managers assume that once the tenant has moved in that their responsibility is over. WRONG!!!! Do not let this happen, as you will find that your resident retention will be lacking, and it doesn't take long for bad news to travel in most areas. It is important to make sure that your management staff has the same focus as you.

Chapter 5: The Importance of Creating a Resident Retention Program

Ok.... so your management staff is working diligently increasing the occupancy of your community. Now, they need to create a program that will "keep" your residents, right? So let's put on our thinking caps, and think of ways that we can keep our residents involved in a community. They should be done on a monthly basis. It's usually easier to take a plan your resident appreciation events around a holiday, especially since most months have some type of holiday. Even some of the smallest ideas will make your residents feel that they are part of a community. I am going to give you an extensive list of resident retention ideas that have been successful in keeping residents. I can't begin to tell you how important it is to create and implement this program. If you don't, you will see a significant difference in your occupancy numbers, and ultimately resident turnover.

- Breakfast to go
- potluck dinner
- hot dog roast at the swimming pool
- daily refreshments in the leasing office
- cholesterol checkups
- blood drives
- dessert social
- tutoring
- monthly newsletter
- resident referrals
- birthday balloon bouquets
- pictures with Santa
- children's story hour
- swimming lessons
- food drive
- how are we doing survey

These are just a few items that will help you in giving your tenants a sense of community. With so many of our tenants today being from other areas outside of your community, it's so important to make them feel that they are part of something, part of your community. You may also want them to become involved with your selection of resident appreciation events. What would they suggest?

Keep in mind that at first you may get a limited amount of involvement . Don't give up. You will see that the saying “if you build it, they will come” will eventually work for your community, even if it takes several events for this to happen.

Resident Appreciation Survey

Another big part of our resident retention program, is to send out “Resident Appreciation” surveys. This will let you know what they think of your professionalism, maintenance, and share it with you, either by mail or just by dropping it by the leasing office. This is also a good time for residents to share with you what they would like to see on the property. For instance would they like you to install a basketball court, or maybe a picnic area. Whatever their suggestions may be it is a positive way to keep your residents feeling included in the decisions being made for their community.

Maintenance Request Follow-up

Hopefully you remembered me mentioning to you how imperative it is that your staff follow up on any service requests given by a new move-in. Well just as important, is to follow up on all of our resident work requests. The best and easiest way to do that, is to call our residents after a work request has been completed and turned in by our maintenance technician. Ask them if their request had been completed, did the technician show up when scheduled, and did the technician leave their apartment in a clean and orderly fashion.

Of course, we also have a form for this type of follow-up as well. Once again, this is all part of your resident retention program. It's a proven fact that the 75% of all residents that move out of your community move out not because of high rent or a rent increase, but because of poor maintenance or in other words, lack of maintenance repairs. So keep good records, and make sure the follow-up is done.

Lease Renewal Program

As a result of your successful resident retention program, your lease renewal program should be just as successful. It is imperative that you make contact with your residents at the minimum of 90 days. You want to have your property manager visit their apartment and review any work requests that may be outstanding. If you follow through on a good renewal program, you will most likely know way before the lease expires, what the intentions of a particular resident may be. Too many times in this industry the management staff decides to pay attention to their lease renewal tenants 30 days prior to their lease renewal. Too little, too late! As mentioned several times before resident retention began when they made that first phone call to you and definitely should not end on move-in day. Speak to your residents by their name... ask them about something that

you know is of interest to them. For instance, if you know her resident travels frequently, as them where he/she has been lately. If your resident plays golf and you see him/her in the parking lot, ask them how their golf game is going. Residents love to know that you care about their interests and not just their rental payments!!!

Renewal Incentives

Try to be creative when thinking of renewal incentives. If you decide to order items/bribes such as small appliances, like a steamer, or a cappuccino maker, display these items on a table of some type in the leasing office. This has a dual purpose. One, is to give your residents that have renewals coming up an opportunity to choose the item of their choice if this is a sign another one year lease. Second, is that your prospects will see this display and see that you really do appreciate your residents. On your Resident Renewal Letter, other inexpensive incentives you may want to offer could be a free carpet shampoo, new fixtures, a painted accent wall etc. If you have a lot of vacancies and need to capture more renewal leases, you may want or need, to offer small trips or concessions, such as one month rent free. However, once again check out your competition to see what they are doing as well.

Rental Increases

You need to structure your rental increases very carefully. The rule of thumb in the industry is to keep your current residence slightly below your market rents. A word of caution, if Mrs. Jones in unit number 25 whose lease is expiring in December and so is Mr. Smith's, and they have the same type unit, the renewal increases should definitely be the same amount. Once again, fair housing comes into play here as well. Now, what if your market rents are the same or lower than your current residents? Then I would recommend that you take a look at how many units you have available and at the minimum, give a nuisance increase which is normally about \$10-\$20 a month.

Managing Lease Expirations

You are probably thinking, how can I manage lease expirations? Well if you take a moment, the only way you can do that is to offer different lease terms, according to your lease expiration spreadsheet. For instance, if you have eight residents coming up for renewal in July and you would have a 50 unit complex, you want to try and stagger your lease renewals so that next year you do not have that same issue. You may consider offering a nine or six-month option to a current tenant who has a lease that is expiring in July. This will help you in decreasing or possible exposure. Another area to think about is when they expire. Try not to have leases expiring in the winter months due to the fact it normally is a difficult time to fill vacancies during this time of year. This is a key area also in strategizing your marketing and of course your resident retention program. And don't forget, work those renewals at the minimum of 90 days if not more.



RESIDENT RETENTION PROGRAM

(ALSO KNOW AS CREATING A COMMUNITY)

Resident Retention

- Send a “You can’t pick your relatives, but you can pick your neighbors” flyer, where they receive a \$100 for a resident referral
- Have refreshments daily in your clubhouse or office.i.e coffee and pastries, cold beverages, fresh fruit
- Have a monthly “Resident Appreciation” event i.e. pizza party @pool, pot luck cookout, blood drive, dessert night (per budget allowance)
- Hold an “Ethnic Dinner Night”...this is when your tenants make their favorite dish, whether it be Italian, Indian, Chinese, Armenian or American, and share it with other tenants. You would be amazed on how popular this event can be.
- Update your resident birthday file and send a birthday balloon bouquet to your residents.
- Have Holiday get togethers. Have a Santa in your clubhouse/office and take photos with the children of your community, and an Easter Bunny at Easter.
- Create the newsletter to include some of your tenant’s recipes or business cards
- Also include in the newsletter any new babies that were born in that month
- If possible, have an area in your office that can be set up as a business center if possible
- Accept Fedex and UPS packages (be sure to include a waiver relieving you of any responsibility
- Have dry cleaning pickup
- If you allow dogs in your property, offer dog walking (great exercise for you too)
- Start a book or DVD club ...
- Have a “new move-in” gathering . This is a great way for new tenants to meet other tenants
- Offer afternoon babysitting (make sure waivers are signed and check insurance coverage)
- Movie night ...this is good not only for the kids, but maybe you get the females in your community and show a “chick flick”!!!!
- Offer CPR classes
- Hold a Princess Night-this is when all the young girls of the community bring all their old prom dresses that they wore and donate them to other girls who are less fortunate and cannot afford to buy these beautiful dresses....and we females know we would never wear the same dress twice to another prom or anywhere else for that matter...:*)
- Beautiful Spring Balcony/Patio contest-this is great, not only does it give the tenants a chance to win some money, it also, gives a nice spring look to the community, with flowers, plants. You could also do the same at Christmas, except have a “Best Holiday Door Decorating” contest...you’d be surprised on the imagination of some of your tenants!!!!

Remember, use your imagination, listen to your tenants needs and wants....its all about “COMMUNITY”!!!!!!

Resident Renewal Letter

Sanctuary Holdings, LLC
520 Lowndes Hill Rd
Greenville, SC

July 26, 2009

Jane Doe
520 Lowndes Hill Rd
Greenville, SC
Apt 14

Dear Ms. Doe

This notice is to inform you that your lease with Tara Apartments is due to expire on August 31, 2008. We want you to know that we value you as one of our residents and hope that you continue to make your home here at Tara Apartments.

Your new rent amount effective September 1, 2009 through August 31, 2010 will be _____ . If you choose to go on a month to month lease, your new rent effective September 1, 2009 will be _____ plus a \$50.00 month to month fee.

In addition, if you choose to sign a one year lease with us, we will offer you one of the following renewal incentives:

1. carpet shampooing
2. new kitchen and bathroom light fixtures
3. maid service for one day

Please circle one of the above items, and give us a call as to when it would be convenient for you to stop by and sign your new lease.

In the event that you choose to vacate your apartment at the end of your lease, a 30-day calendar notice "in writing" is required, along with your forwarding address.

Once again, we appreciate you making your home at Tara, and look forward to satisfying your housing needs.

Regards,

Sanctuary Holdings, LLC

Renewal Letter 2 – 58SL

[Date]

[Resident Name, Roommate Name(s)]

[Address]

[City, State, Zip]

Apartment #:

2nd Notice: Lease Renewal Options and Term Changes Notice

Dear [Resident Name, Roommate Name(s)]:

I wanted to follow up from the first renewal letter we sent because we haven't heard from you. We value your residency and hope you will continue to enjoy living with us here at [Property Name].

Your current lease will expire on [Lease Expiration Date]. The following lease renewal options are available. Please note these prices do not include additional monthly charges such as storage fees, pet fees, washer and dryer rentals, cable, etc.

Option #1: Sign a [Lease Term] month lease effective [Renewal Lease Begin Date] at the new rental rate of [Effective Rent] and receive [Special/Promotion – carpet clean, accent wall, ceiling fan, gift card, etc].

Option #2: Should you choose to continue living at [Property Name] on a month to month basis, the new rental rate effective [Renewal Lease Begin Date] will be [MTM Rent Total] which includes a short term fee.

In the event that a new lease is not signed prior to [Date], you will automatically go to a month to month lease. We do hope you will stay and take advantage of the lower rate so please give us a call to let us know if we can draw up your lease renewal right away.

Remember, if you decide not to renew your lease and plan to move, a [# of Days] day written notice is required.

Please call us today at [Office Number] to let us know what your plans are. We do hope you stay and look forward to hearing from you.

Sincerely,

[Property Manager Name]

Property Manager

Renewal Letter 3 – 59SL

[Date]

[Resident Name, Roommate Name(s)]

[Address]

[City, State, Zip]

Apartment #:

3rd Notice: Lease Renewal Options and Term Changes Notice

Dear [Resident, Roommate Name(s)]:

I hope you've had a chance to review the past two letters we've sent you regarding your lease expiration. I'm following up one more time to see if we can help you make your decision.

Your current lease will expire on [Lease Expiration Date]. The following lease renewal options are available. Please note these prices do not include additional monthly charges such as storage fees, pet fees, washer and dryer rentals, cable, etc.

Option #1: Sign a [Lease Term] month lease effective [Renewal Lease Begin Date] at the new rental rate of [Effective Rent] and receive [Special/Promotion – carpet clean, accent wall, ceiling fan, gift card, etc].

Option #2: Should you choose to continue living at [Property Name] on a month to month basis, the new rental rate effective [Renewal Lease Begin Date] will be [MTM Rent Total] which includes a short term fee.

In the event that a new lease is not signed prior to [Date], you will automatically go to a month to month lease. We do hope you will stay and take advantage of the lower rate so please give us a call to let us know if we can draw up your lease renewal right away.

Remember, if you decide not to renew your lease and plan to move, a [# of Days] day written notice is required.

Please call us today at [Office Number] to let us know what your plans are. We truly appreciate your residency and do hope that you plan to stay.

Sincerely,

[Property Manager Name]

Property Manager

Chapter 6: Collections

The third and equally as important leg of our system management stepstool is collections. Once again it is extremely important to put a policy in place regarding collections for your staff. If your staff has trained our new tenant correctly, and by that I mean did they go over the rules and regulations regarding rental payments and due dates, then hopefully the collections of your community will not be a time-consuming task. However, no matter how much we drill into our tenants that rent is due on or before the first of the month. There are always those tenants out there who are notorious late rent payers. There are a few ways to get your tenants to pay their rent on time. They are:

- **Early Bird Drawing**-this is when you send out a flyer to your tenants around the 20th of the month letting them know if they pay their rent before the first of the month , that their name will be entered into a drawing in which they have the opportunity to win a discount off of the following months rent. This discount can be anywhere from \$25 to \$50-\$75.

In some communities it's a good idea to include a self-addressed envelope in which they can send the rent directly to you the owner, if that is where they have been instructed to send their rent. Not only does this create a sense of competitiveness within the community, it also gets our rents in earlier, especially since we know that we have lots of expenses on our properties and the earlier we receive our income the better we will be.



EARLY BIRD SPECIAL!!!!

PAY YOUR RENT BEFORE

AUGUST 1ST**

AND

BE PLACED

IN THE MONTHLY EARLY BIRD DRAWING

AUGUST'S DRAWING IS FOR

\$50

OFF

SEPTEMBER'S RENT!!



PAYMENT MUST BE RECEIVED IN THE OFFICE OR POSTMARKED NO LATER THEN THE 1ST TO BE ELIGIBLE

- **Late Fees**-if the lease in your state allows you to charge late fees, make sure you do it. If we aggressively charge late fees when warranted, then eventually our chronic late payers will either get tired of paying the additional monies each month or vacate the premises, or hopefully just pay their rent on time. However in saying that, the collecting of late fees gives the property additional income, which of course is a wonderful thing. We will visit other areas of generating additional income later on in the day.
- **DO NOT ACCEPT CASH!**-once again it is important to include in your policies and procedures regarding collections, that cash is not to be accepted. As we mentioned in one of our topics earlier today, in regards to management scams, if it is stipulated in your policies that cash is not to be accepted, that is one way to hopefully alleviate that scam of happening. And I say hopefully! Also in regards to accepting cash, you do not want any member of your staff putting their safety in jeopardy.

Another short story I will share with you, I had a property that had two move-ins the same day. The properties were 45 minutes away from each other which meant that the property manager had to do the move-in inspection at one location, and the leasing agent had to do it at the other. This happened to be on a long weekend. The property manager went back to the leasing office after she completed her move-in, but the leasing agent never returned. It also happened to be our long weekend. Of course the property manager was concerned because she had not heard from the leasing agent for the entire weekend. As it turned out, the leasing agent took cash for move-in monies. Supposedly, upon his return to the leasing office, after the property manager had left for the day, he was mugged and ripped off of the \$1200 in cash that he had accepted from the new tenant for their move-in monies. Doesn't that sound suspicious? So, the best advice is to never take cash for any reason.

- **Returned Checks/Stop Payments**-we all know what a returned check is. It's when someone gives you a personal check and it gets returned to you due to insufficient funding in their bank account. It should state in a lease that the tenant will be charged \$25 off \$35 or whatever you choose to make that amount. Also, the Lease should state that the tenant will no longer have check writing privileges for the term of the lease. However in some cases, it could be a legitimate bank error. If this is a true fact, then have the tenant pay you the fee and have the bank reimburse them. This is also another item where you could generate additional income for your property.

The 3 Nevers in Collections:

- NEVER EXCEPT CASH!
- NEVER EXCEPT MONEY ORDERS/CHECKS THAT ARE NOT FILLED OUT CORRECTLY!!
- NEVER ACCEPT THIRD PARTY CHECKS FOR RENT!!

- **How to Deal With Delinquents**-this is one of the most unpleasant tasks that your management staff has to undertake. As stated above, you do not want them to waste time knocking on doors, making phone calls, etc. Once again, a policy must be in place in to your regards to delinquents. Here is a list of useful tips for your staff when dealing with delinquents:

PTP's(promised to pay)
 notices to quit
 send eviction notice
 follow up on eviction process
 cash for keys

Make sure you are completely knowledgeable of your particular state's eviction laws. There is nothing worse than beginning the eviction process on what you "thought" was supposed to be done and wasn't. Unfortunately you will come across tenants that no matter what you do, they are not going to pay the rent and you'll be forced to continue with the eviction process. Once again, depending on your state, there are several different types of notices to quit. Know what's going on in your state, from beginning to end. It's especially important to make sure that you have the proper names on all notices. In some courts all you need to do is spell one name wrong whether it be a first name or last name or even a middle initial, and it could cause you to have to restart the eviction process all over again.

Also, you need to know if you are able to represent yourself in an eviction hearing or need to have legal representation, in other words an attorney. In another situation, one of your tenants may file, what is known as an answer, which means they are going to contest the eviction for whatever reason. Many of these documents are time sensitive. So it is important that once you receive them that you answer and return them to the necessary authority, which is usually the housing court.

If you have won the judgment at eviction court, and the tenant has been given a date in which they need to be out of their apartment, kudos to you!! However, it doesn't stop there! In some areas, a tenant can appeal their judgment until the cows come home. This is when it would be advisable to offer what we call "cash for keys". This is actually a monetary incentive for these tenants to get out of your apartment sooner than later. You may offer them \$300 if they move out in two weeks. However if they move out in one week they only get \$200. I know you're probably thinking why should we give money when they owe you money? Because the sooner you get them out of there the sooner you can get that you're prepared for a new tenant. Of course they must agree to leaving their unit in broom swept clean condition, and must be totally moved out before they receive the incentive!!!

Delinquent Letter #1

ABC Management
123 Sunny Rd
Lincoln, RI 02865

Ms. Jane Doe
555 Stormy Court
Greenville, SC 29609

(DATE)

Dear Ms. Doe,

As of this date, we still have not received your rent payment for the month of (insert month). If payment has been made, please disregard this notice. If not, please drop off your rent immediately.

Please feel free to contact the office if you have any questions.

Sincerely,

Property Manager

NOTICE TO QUIT

TO _____, Tenant in possession:

Take notice that your month to month tenancy of the herein described premises is hereby terminated at the expiration of 30 days after service of this notice on you, and that you are hereby required to quit and on said date deliver up to me the possession of the premises now held and occupied by you under such tenancy.

Said premises are known as:

_____ [name of building] _____

_____ [address] _____

_____ [city, state, zip] _____

This is intended as a 30 days' notice to quit, for the purpose of terminating your tenancy aforesaid.

Dated: _____

Landlord

State of Alabama

County of Montgomery

SEVEN DAY NOTICE TO QUIT

To: _____

You are hereby notified that in consequence of your default in your failure to pay rent in the amount of \$_____ when due on the premises now occupied by you, being you (tenant) _____, Alabama _____. The Lessor, _____ of Montgomery, Alabama, has elected to terminate your lease and you are hereby to quit and deliver up possession of the same to Lessor, within ten (10) days of this date.

Dated this _____ day of _____.

Property Manager

DELINQUENT COLLECTIONS REPORT

PROPERTY: ABC Apartments
DATE: 15-Mar

Total Rent, Charges, and Fees Due as of the 1st Day of the Month: **\$14,600**
(Includes Prior Month A/R, Current Month Rent Charges, Utility Charges, & Misc. Charges)

Total Rent, Charges, and Fees Due as of the 1st Day of the Month:

Percentage of Delinquencies Outstanding

Total Amount of Collections for the Month (As of Today) **\$ 4,090.00**

Percentage of Delinquencies Collected

Chapter 7: Maintenance

It goes without saying that maintenance is a key factor in managing your property. As we all know it starts anywhere from utilizing a preventative maintenance program to service requests and more. In this topic I will touch base on items that you need to learn about or at least be aware of. In addition, I have added a few items that have worked for me I think will be of assistance to you as well. There are a few different types of maintenance. They are:

- emergency maintenance
- preventative maintenance
- corrective maintenance
- custodial maintenance
- cosmetic maintenance

When an emergency maintenance call comes in, it needs to be done immediately for the safety and well being of the tenant and the property. Try to guide the tenant on how to temporarily take steps to prevent any further damages. For instance, if their bathroom faucet won't shut off and it is now overflowing, advise them to turn off the water at the shut off valve, which is normally under the sink.

- Preventative maintenance should focus on areas that are being addressed on a schedule. In other words, the changing of smoke detector batteries, air filters etc. These issues are actually areas that prevent a more drastic situation.
- Corrective maintenance is the most common form of maintenance. This has to do with your tenants work requests. Once again, it is imperative that you respond to these requests quickly and professionally....**RESIDENT RETENTION!!**
- Custodial Maintenance is the most frequently occurring type of maintenance. This has to do with the day to day upkeep of the property. Areas we are speaking about are the landscaping, common areas and amenities, laundry facilities, snow removal, etc.
- Last by not least, Cosmetic Maintenance. This mainly has to do with completing tasks that have to do with residents and keeping them satisfied. For example, you could paint an accent wall, install new floor covering, install new fixtures etc. Most of the time, this is done at or around the time of renewal. It's a great incentive in order for them to sign a renewal with you. This also includes any common area redecorating. You could redo your laundry room, repaint hallways etc.

PREVENTIVE Maintenance Program Schedule

The following is a sampling of the types of preventive maintenance items that require regularly scheduled inspection and/or servicing.

Although some items may not apply to a particular community, it is imperative that each one be examined and included in each community schedule to which they apply.

Each property should have a Preventive Maintenance Calendar posted in a conspicuous place with all required inspections and preventive maintenance procedures scheduled and a place to sign off each item as it is completed. Copies of these completed schedules should be forwarded to the Regional Manager on a regular monthly basis.

TOOLS AND EQUIPMENT

- All mechanical tools and equipment requiring service and/or lubrication should be inspected and serviced per the manufacturer's recommendation. Be aware of all safety measures involving this equipment and implement a checklist and a safety meeting to assure everyone is safe from injury.

IRRIGATION SYSTEMS

- All irrigation systems require regular inspections to maintain sprinkler heads relative to proper distribution of the water. Water in the streets is wasteful and costly. Zone valves require testing periodically, as does the control panel.
- Winterizing and complete draining of the system prior to freezing temperatures is required to avoid broken water lines, heads, and valves.
- Water should never be allowed to hit the buildings, it could cause leaks.

GROUNDS MAINTENANCE EQUIPMENT

- All equipment requiring regular maintenance and lubrication should be on the schedule and the work performed per the manufacturer's recommendations. Inspection of all moving parts is required before each use. Safety equipment used in conjunction with this equipment should be inspected, cleaned, and properly stored after each use.

FIRE EQUIPMENT

- All fire equipment should be maintained in an operational condition, tested per the local code, and inspected on a regular basis, making sure they are tagged and dated.
- Fire hydrants require regular inspections by the local fire marshal's office. Fire pumps require inspections and testing also.

ELECTRICAL EMERGENCY EQUIPMENT AND LIGHTING

- All emergency generators should be test run weekly and the motors serviced as required by the manufacturer. Fluids checked, lubrication checked and/or changed as required and automatic start up tested.
- All emergency lights, exit signs, stairwell lights, common-area lights, and exterior property lighting requires weekly inspections, repairs made, and weekly report submitted.

HEATING/COOLING PLANTS

- Code and most insurance companies require boiler inspections. These inspections should be scheduled and performed to coincide with the seasons. Seasonal maintenance should be performed at the same time.
- Chillers require similar inspections and seasonal maintenance.
- Water towers must be serviced for freezing weather. This includes, but is not limited to, draining, cleaning and de-scaling.
- Daily equipment inspections, readings, and service performed should be logged each day.
- Check for standing water.

POOLS, FITNESS CENTERS, LAUNDRY ROOMS, ETC.

- All common-area facilities must be inspected daily for cleanliness, equipment failure and hazardous conditions. These areas should be visually inspected any time an employee is in the area to avoid unsafe conditions.
- Equipment should be serviced regularly, per the manufacturer recommendation, checked for broken parts, sharp edges, etc. and corrected immediately.
- Pools require daily testing and servicing. Records must be maintained and all code requirements observed at all times.
- If required by location, pools and all related equipment must be winterized. Equipment should be properly stored after being repaired and/or serviced in preparation for the next season.

STREETS, SIDEWALKS AND GROUNDS

- Inspections of all sidewalks, curbs, and street/parking areas should be inspected on a scheduled basis. Trip hazards, missing pavement or parts of curbs, and potholes should be recorded and submitted to the manager as noted.

BUILDING EXTERIORS

- Roofs require a semi-annual inspection. Roofs should not be walked on during freezing weather to prevent shingle damage.
- Nails pushing up shingles or through shingles should be removed, replaced adjacent to the nail hole and the hole properly sealed. Missing and broken shingles should be replaced, ridge vents, flashing, and drip edge inspected and repaired as required.
- Built up roofs should be inspected for standing water, any protrusions, bad flashing, damaged pitch pans, ventilator systems, cracks in the fabric, etc.
- Building exterior wood, brick and manufactured siding should be inspected twice each year for problems and corrective action taken accordingly.
- Other items to be inspected are windows and doors for breaks and/or cracks, screens for tears and punctures, door hardware for proper operation, and seals for water penetration.
- Inspect the foundations for erosion and settlement problems and water penetration.
- Balconies and walkways, steps, handrails, and balcony rails should be inspected for cracks, breaks, and loose, unsafe conditions.

APARTMENT INTERIORS

- HVAC equipment should be inspected every three months. Filters should be changed, coils checked for cleanliness, proper drainage, motor lubrication, standing water, etc.
- All faucets with leaks and drips will require repair. Watch for signs of slow drains in sinks, tubs, and shower stalls, signs of water around toilets and adjacent to the tubs, check for missing and/or damaged caulk and grout. Washing machine hoses should be inspected for leaks, also. Inspect around all windows and doors for leaks and bad seals.
- Inspect exhaust fans for operation and to be sure they are mechanically secure.
- Buildings with aluminum wire demand all receptacles and switches be pulled and connections repaired and tightened annually. Visually inspect all other switch and receptacle covers for signs of smoke and if observed remove and repair as required.
- Lithium batteries in smoke detectors should be changed, where required, and test all detectors for proper operation.
- Inspect all fire extinguishers for proper charge and code inspection tags as required.
- All kitchen appliances should be inspected for proper operation. Look for excessive ice build up in refrigerators and freezers, refrigerator lights working, vacuum coils, dishwasher is operating and door is sealing properly, all stove elements, surface and oven, are operational, exhaust fan and light operational and garbage disposal runs and drains properly.
- Observe any result of building settlement. This is obvious if doors are dragging or swinging closed or open on their own, windows sticking, walls cracking, seal all areas water might penetrate, etc.
- Be particularly aware of any hazards such as loose ceiling fixtures, fans, wall cabinets, loose carpet, or any other hazard that may cause harm to someone and/or a liability for the Owner.
- Preventive Maintenance, even though it is similar for all communities, will be unique to each site. This will depend largely on the type of structure(s), available facilities, apartment amenities, and age of each property. Maintenance records should include schedules of all inspections, results of those inspections and corrective measures taken. These records should be maintained in files and/or notebooks, readily available for reference and guidance for all staff members and any other persons qualified to review them.
- Local, state and national codes require certain records be maintained and available for inspection. It is imperative that these records are accurate and maintained as determined by the respective codes.
- Management has requirements relative to certain records concerning lighting, HVAC, freon, water penetration, and lead. It is imperative that these requirements are met on a timely manner.
- Preventive Maintenance is necessary for the safety of the residents and staff as well as maintaining a quality community. It is everyone's responsibility to participate in a strong, accomplished Preventive Maintenance Program.

Dress code/ID Badges

Whether you have decided if you're office staff should have uniforms, or not, it is a good idea or that the maintenance staff have some type of uniform, even if it is just a shirt with the community name on it. Unfortunately in this day and age it has become necessary to implement a uniform policy. As we know, what a person thinks may look good on him/her, may not and it may also be offensive. In addition, it is a good idea for all staff members to display picture IDs and badges identifying themselves as your employee. This is also a safety benefit. Inform your tenants on day of move-in that all your staff members wear picture IDs and badges. This also shows your residents that you care about their safety. Remember... resident appreciation! In addition, this could also be an advantage when bidding out your insurance premiums.

Maintenance Requests

Once again, it is important that work requests be completed timely, professionally and completely. A typical work request should be responded to within 24 hours. If for some reason your maintenance staff is not able to complete the task, you must make sure that it is communicated to the tenant. There is nothing worse than having a tenant expect something to be done in their apartment and they come home to it being half done. It is also a good idea for your leasing staff to review emergency procedures in regards to maintenance with a new tenant at time of move-in. In addition, when one of your staff members take a service request over the phone, make sure they get as much information as possible.

For instance, if a tenant calls and informs you that "their toilet is broken", we all know that could mean many things. It could mean that it may not be flushing, it may be running constantly, or the tank is leaking. Whatever, it is, it is very important to get this information so that it can be included on the work order and make it easier for your maintenance tech to know what the issue is. This may also save time in him having to go back to the maintenance shop to get parts. Once the work request has been completed, make sure the course of action is documented completely on the form before it is handed in.

Always make sure that your maintenance staff is aware that nothing in the apartment is to be personally used, such as the toilet, telephone, stove, etc. unless of course it is an item that involves this service request. You may be laughing about this right now, but I have had times where a maintenance man has called his wife on a tenant's phone, and used the toilet, without flushing or putting the seat down. This type of action sometimes gives the resident of feeling a personal invasion of

their privacy, so make sure this is documented in the maintenance job description so that there aren't any misunderstandings or confusion.

Keep in mind another reason for responding to maintenance requests in a timely fashion is to prevent any further damage that might have occurred previously. Deferred maintenance issues are a common occurrence especially in older communities. So is important that you create and implement a preventative maintenance program. Some of the areas that should be included in your PMP are:

- Changing of smoke detector batteries
- Changing of air filters
- Winterization of pools, spas
- Gutter cleanouts

White River Village
1801 N. Madison Ave.
Anderson, IN 46011
765-643-6760

Service Order

Issue Number:	122
Date Ordered:	03/09/09
Due Date:	
Assigned To:	
Vendor:	
Address:	
Phone:	
Fax:	

Unit

Evelyn Risher
WRV - G08
1705 N. Madison Ave.
Anderson IN 46011

393-1136

CLOSED

Issue

Issue APPLIANCES

Description fridge needs a gasket replaced

Work Performed

Gasket is fine it needs cleaned by resident

I hereby accept above performance and applicable charges as being satisfactory and acknowledge that equipment has been left in good condition

Customer Signature

Technician Signature

Date

White River Village

1801 N. Madison Ave.
Anderson, IN 46011
765-643-6760

Service Order

Issue Number:	14
Date Ordered:	10/02/08
Due Date:	10/03/08
Assigned To:	
Vendor:	
Address:	
Phone:	
Fax:	

Customer

Daniel Bitner
WRV - E03
1701 N. Madison Ave.
E3
Anderson IN 46011
622-0042

CLOSED**Issue**

Issue Tile Repair
Description Soap dish in bathtub area has fallen off wall,
Please re-install and regROUT

Work Performed

replaced tiles reinstalled soap dish

I hereby accept above performance and applicable charges as being satisfactory and acknowledge that equipment has been left in good condition

Customer Signature

Technician Signature

Date

Maintenance Logs

It's always good to have as much historical information as possible. Your property management company should also have a maintenance log. This is another report that is used to keep track of all service requests.

This includes each and every unit, common areas and individual buildings if that is what your community is composed of. This is also a great tool when you want to go back to see if there has been the same occurrence in this particular unit.

When you decide to put your property on the market, you will be asked for maintenance report from one to two years prior. This report is a great way to have this information at your fingertips as well.

Purchase Order Procedures

The purchase order system is an important check and balance for financial management. Some of the advantages of using this system are making sure you are staying within your budget for a particular account. Also, a PO should be used for all purchases and kept in a log so that if you need to research an expense, this is one way you can by matching a PO to a vendor and/or expense item. It also helps in making sure there are no duplicate invoices mistakenly paid.

PURCHASE ORDER

Apartment Community: _____

Vendor: _____

Purchase Order Number: _____

Date: _____

ACCOUNT NUMBER	QUANTITY	ITEM	UNIT PRICE	TOTAL
SHIPPING/FREIGHT				
TAX				
TOTAL				

Ordered by: _____

Corporate Approval: _____

Approved by: _____

MTD	YTD	MTD	YTD
Account # _____	_____	Account # _____	_____
Budget _____	_____	Budget _____	_____
Actual _____	_____	Actual _____	_____

Account # _____
Budget _____

Account # _____
Budget _____

Tools

Once again, your job description for your maintenance person should state what tools they should have as well as tools that will be provided. Required tools may be anything from a screwdriver to a paint sprayer, depending on the job they have been hired for. In addition, a few standard tools that your maintenance technician should possess or you should have on your property are:

screwdriver	flashlight
hammer	razor knife
putty knife	level
wire cutters	drill
duct tape	measuring tape

Curb Appeal

We touched on curb appeal in an earlier topic; however, it is just as important for the maintenance staff to be aware of this area as well. They are usually the ones that will pick up the trash in the morning and afternoon if needed. They are also the ones that need to make sure items such as the dumpster areas are clean and free of leftover debris from our trash removal company or residents that don't want to put their trash in the containers. All amenities should be inspected as well for safety concerns and cleanliness.

Maintenance Shop

You may be thinking, what does the maintenance shop have to do with managing your property? Well, I am sure you have all inspected a maintenance shop of a property you are trying to purchase. How many of these shops have been clean and most importantly, organized? If you think about it, (unless they were told to organize it prior to your visit..:*) most of them are somewhat unorganized and cluttered. These workshops are sometimes used for preparing and ordering supplies, re-screening etc and need to be a clean workplace. Make sure they have and use an inventory list so that only necessary purchases are made and do not, for instance, order 25 locks because you "might" need them since you cannot find where the other 20 you ordered have gone. Make sure all hazardous items are in a safe area. We will be going over safety and risk management tomorrow.

Supplies

As mentioned above, you should keep an inventory of all maintenance items. You should keep a supply of cleaning supplies such as trash bags, window cleaner, drop clothes, mop, oven cleaner, floor wax, tile cleaner, to name just a few.

A few “staples” in the maintenance department that your property should have on hand should include, light bulbs, locks, plywood, smoke detectors and batteries, duct tape, wire nuts, plumbing supplies, fuses, paint and paint supplies etc. Once again, make sure your lead maintenance technician keeps an accurate inventory list of all items and have it completed on a monthly basis.

Make Readies

We mentioned the importance of good make readies in regards to resident retention and move-ins. I think it is important to mention it again so that you impress upon your maintenance staff how important it is to have good make readies available at all times and in all size and types whenever possible. Especially when you have several vacancies and are holding open houses. Your lead maintenance person should have a checklist so that any items that are not completed are addressed immediately and rectified.

We have attached a typical “Make Ready” checklist for you to use as a guide for your maintenance staff to utilize. In some cases, depending on your property, there may be some additional items that you either want to add or delete. Whatever the case, it is important to remember that the condition of your new tenant’s apartment on day of move-in will stick in their mind forever.....both good and bad!!!! I will say it one more time..... resident retention!!!! If a resident has an issue on their first day of move-in, they will throw that up to you forever. If they want to break a lease, of course, the first issue they will bring up was that “their apartment was a disaster when they moved in”. Or, it was so filthy they had to clean it themselves. These are just some excuses tenants use when they have an issue that may have nothing to do with the actual concern.

The make-ready process does not only take in the interior of the unit. It should start on the walkway to the unit, as well as all exterior areas as well. For instance, the entrance to the unit should be free of all debris, including any tree branches, etc. The front door should be wiped down and if necessary, repainted. If the unit has an exterior light over the door, the fixture should be cleaned, inside and out , and have a working light bulb in it as well. Door knockers and door knobs should also be clean, and of course operational. Patios and patio

doors must also be cleaned and checked for any functioning issues. Confirm that the patio has a working lock. Remove any old furniture, plants, and debris that may have been left by the previous resident. Do not take for granted that your new tenant may want somebody else's junk....trust me....they don't!!!!

Mailbox locks should also be changed out and checked to make sure they are operational. In some areas, mailbox locks have to be changed by the US postal service. It is a good idea, if you change the locks yourself, to clean out the box and give any leftover mail to the mailman.

Painting/Cleaning

Make sure your painter and cleaners are supplied with checklists and above all, make sure they are using them. After each unit is turned, inspected, punched and re-inspected, put these checklists in the unit file for reference. Keep in mind if your staff member does not know what is expected of them, they cannot succeed. There are many items that are included in these checklists. Here are a few.

- Do they paint the inside of closets?
- Do they paint the inside of kitchen cabinets?
- Are they supposed to paint all ceilings and closet doors?
- Do they need to use drop clothes?
- Are touch ups allowed?
- Do they need to remove switch plates?
- Do they need to patch any holes?
- Do they paint over smoke detectors?
- Do they paint baseboards?
- How do they treat mold issues?

You are probably thinking to yourself...why do you need to be so detailed? Let me tell you why.....if you are not very explicit in your scope of work, no matter what the task may be, chances are it will not be completed to your specifications. I had the opportunity to work with a contractor that "supposedly" did great work. He was known for his ability to get the job Done and get it done fast. Well, he did fast work all right, but he painted everything in life....including bugs that may have been on the walls!! So you need to be clear on what the scope of work is....do not take for granted that they know!!!

Once again, your painter must know what is required in order to do their job and do it well. The same goes for cleaning. There is nothing worse than when a new tenant moves into their apartment and either lifts up the toilet seat and sees a ring in the toilet, or they open up the vanity drawer and there are hairs all over the place. Isn't that disgusting? This is the beginning of that situation I mentioned to you previously. A bad move in experience for a new tenant can almost guarantee that you will have problems with this tenant throughout their tenancy. Just like with your painter the following areas may be questioned.

- Do they have to clean the window blinds
- Do they have to clean behind the appliances?
- Do they have to clean under the sinks?
- Do they have to clean the windows?
- Do they have to clean the light fixtures?
- Do they have to clean the refrigerator gaskets?
- Do they have to clean inside of the oven?
- Do they have to clean inside the kitchen cabinets?
- Do they have to clean inside the heating registers?
- Do they have to clean inside all closets?
- Do they have to clean ceiling fans?

As mentioned above, the cleaner also needs to know what is required in order for him to do his/her job well and do it correctly.

Your lead maintenance person should be the one responsible to inspect all work and to sign off on it as well. This is another system that should be implemented by you or your property management company.

MAKE READY CHECKLIST

(Apartment Inspection/Sign-Off Worksheet)

Apt. #: _____ Vacate Date: _____ Move-in Date: _____

Note: This Form is to be placed in ***every unit*** at time of move-out inspection walk through. Every Employee must sign off on this worksheet each time you enter the unit. On final inspection prior to the move-in date, return this sheet to the office to be filed in the **PERMANENT MAINTENANCE FOLDER**.

Date and Time Entered Unit	Employee Name	Comments or Work Performed	Unit Secure

Special Instructions:

Make-Ready Final Inspection:

Date Assigned: _____ Assigned To: _____ Date Completed: _____

Completed By: _____ Inspected By: _____

TRASH

Trash Out

ENTRY/BACK ENTRANCES:

- Entry door cleaned and freshly painted
- Apartment number in good condition
- Walkways/stairways to entrance swept free of dust, debris and cobwebs

- Patio/balcony/storage areas swept and cleaned
- Patio fence and lock in good condition
- Patio area weeded

Comments: _____

KEYS/HARDWARE

- Locks changed
- New keys to entrance doors and mail box key in lock box
- Move in pack ready and coded
- Mailbox keys working
- All interior/exterior door locks working smoothly with new keys

- Patio/balcony lock working properly Window locks, patio door pins and guides working properly
- Peepholes working properly
- Doorbell working
- Attic access secure
- Bulldog clip installed at entry door

Comments: _____

ELECTRICAL

- All light bulbs and fixtures in kitchen, bath, living area, bedrooms, storage closets, garages, washer/dryer closet, refrigerator, range, oven, vent-a-hood and ceiling fans inspected for working condition
- Plugs, switch plates, breakers inspected for working condition and replace if needed
- Smoke detectors inspected for good working condition
- Carbon Monoxide detector inspected for good working condition

Comments: _____

PLUMBING

<input type="checkbox"/> Kitchen, bath fixtures working/no leaks	<input type="checkbox"/> Chips in sinks and tubs repaired
<input type="checkbox"/> Disposal working/disposal splash in good condition	<input type="checkbox"/> Toilet flushing properly
<input type="checkbox"/> Tubs and sinks draining properly	<input type="checkbox"/> Toilet properly caulked
<input type="checkbox"/> Tubs/sinks/counter tops of bath and kitchen areas properly caulked	<input type="checkbox"/> Toilet seat in good condition
	<input type="checkbox"/> Water heater flushed and working properly

Comments: _____

ENERGY CONSERVATION INSPECTION

- Weather stripping around doors and windows in good condition (provides good airtight seal)
- Door threshold guards and sweeps adjusted (provides good airtight seal)
- Glass and panes of doors and windows unbroken and properly caulked (provides good airtight seal)

Comments: _____

GARAGE

- Opener working properly
- Re-code garage door remote
- Carbon Monoxide sign in place

Comments: _____

HEAT/AIR/VENTS

<input type="checkbox"/> Heat working	<input type="checkbox"/> Evaporator coils cleaned	<input type="checkbox"/> Air vents/air flow inspected and in good condition
<input type="checkbox"/> A/C working	<input type="checkbox"/> A/C filter changed	<input type="checkbox"/> Drip pan clean and draining properly (Pan tabs as necessary).
<input type="checkbox"/> Thermostat working	<input type="checkbox"/> Return air grill cleaned	
<input type="checkbox"/> Condenser coils cleaned		

APPLIANCES

<input type="checkbox"/> Refrigerator	<input type="checkbox"/> Racks in good condition	<input type="checkbox"/> Dishwasher/supply line/drain hose
<input type="checkbox"/> Handles inspected	<input type="checkbox"/> Drip pans/rings okay	<input type="checkbox"/> Racks and silverware tray in good condition
<input type="checkbox"/> Egg, butter and ice tray included	<input type="checkbox"/> Control knobs in good condition	<input type="checkbox"/> Control knobs and panels in good condition
<input type="checkbox"/> Icemaker/supply line	<input type="checkbox"/> Microwave working	<input type="checkbox"/> Washer/supply lines/drain hose.
<input type="checkbox"/> Condenser coils cleaned	<input type="checkbox"/> Vent-A-Hood working	<input type="checkbox"/> Dryer/venting properly
<input type="checkbox"/> Light working	<input type="checkbox"/> Filter in good condition	
<input type="checkbox"/> Range/oven working	<input type="checkbox"/> Light working	
<input type="checkbox"/> Anti-tip device installed		

Comments: _____

FIREPLACE:

- Flu clear
- Fire box and grate in good condition
- Glass and screen in good condition

BLINDS AND WINDOW COVERS:

Mini/verticals in good condition:

<input type="checkbox"/> Living area	<input type="checkbox"/> Bedroom(s)
<input type="checkbox"/> Dining area	<input type="checkbox"/> Patio
<input type="checkbox"/> Bath	

Pulls/fasteners/hardware in good condition:

<input type="checkbox"/> Living area	<input type="checkbox"/> Bedroom(s)
<input type="checkbox"/> Dining area	<input type="checkbox"/> Patio
<input type="checkbox"/> Bath	

CLOSET/PANTRY AREAS

- Rods, shelving and lighting inspected and in good condition

CABINETRY INSPECTION

- Hardware, operation and cosmetics checked and in good condition

FLOOR VINYL/TILE/CERAMIC AND CARPETS

Flooring inspected and repaired as needed in:

<input type="checkbox"/> Kitchen	<input type="checkbox"/> Bedroom(s)	<input type="checkbox"/> Closets
<input type="checkbox"/> Living area	<input type="checkbox"/> Bath(s)	<input type="checkbox"/> Laundry Room

Patio/balcony

Storage area

PAINTING/CARPENTRY/MILL WORK

Kitchen
 Bath
 Living area
 Bedroom
 Patio/balcony

Storage
 Closets
 Pantry
 W/D closet
 Cabinetry

Windowsills
 Interior doors and frames
 Baseboards/crown

Comments: _____

MOLD INSPECTION

(Interior)

Kitchen/Cabinets
 Bath/Cabinets
 HVAC Closet

W/D closet
 Baseboards
 Windowsills

Walls and ceilings
 Inspect attic for signs of water intrusion

(Exterior)

Roof in good condition
 Gutter downspouts clear and in good condition
 Irrigation system operating properly
 Concrete/lightweight in good condition
 Positive drainage away from building
 Landscape drains clear & draining properly
 Building Envelope (siding, brick, stucco, wood trim, etc.) properly sealed and in good condition.

Comments: _____

Exterior/Common Area Lighting Inspection

Have an exterior and common area lighting inspection completed weekly. Repairs are to be made immediately so as not to have a resident, employee or contractor end up with an incident, such as a slip and fall due to a hallway light being blown out. Also, make sure that the date and time is put on that inspection form as well. This may be needed in the event that an incident does in fact occur, and the time of the incident reflects the time you either the light was out or it was operational at that specific time in question. You can also include the inspection of common areas such as hallways and laundry rooms. Pay special attention to handrails, stair treads, doors, and any thing such as broken glass. Check the laundry room for trash, lint traps that are full, any items left behind by tenants etc.

WEDNESDAY NIGHT EXTERIOR LIGHTING INSPECTION

Property: _____
Time: _____

Date: _____
Employee: _____

INOPERATIVE FIXTURES

REPAIRS MADE

DATE OF REPAIRS

I have made the repairs listed above and verify fixtures are operable as of this date.

Signature

Date

How Are We Doing? (Resident Survey)

We want to know how we are doing in the maintenance department. As listed above in the resident retention area. As stated above, a leasing agent or property manager, as part of a good retention program, will do call backs daily on all service requests.

However, this survey goes one step further...it asks if they left the apartment the way they left it, in a clean and orderly manner and if the completed the task. It may seem repetitious, but, once again, this is a very important part of resident retention.

It also lets us know if our maintenance staff is doing their job and doing it well. Unfortunately, it is a proven fact that, once again, that 75% of your tenants will move out of your community due to lack of maintenance or poor maintenance.

AT YOUR SERVICE...

Dear Resident,

In order to better maintain your community and apartment home, Management would like to take this opportunity to request your assistance with our preventative service program.

We care about you and your living environment, so please take a moment to complete the service request for listed below, and tell us about any repair or service problem you may be encountering.

Once you have completed and turned the form into our leasing office or night drop, we will assign you one of our professional Services Technicians to service your request.

If you have any questions, please do not hesitate to contact our leasing office.

Thank you for choosing ABC Property as your home!

Cordially,
Your Service Team

Please PRINT your request information in the service request form below. Thank you!

Name/Unit Number:

Daytime Telephone:

Today's Date:

Description of Service Requested:

FOR OFFICE USE ONLY	Assigned to:	Taken by:
---------------------	--------------	-----------

Fair Housing for Maintenance

As important as it is for your office staff, it is equally as important for the maintenance department. Make sure you provide training for them as well. Once again, the more knowledge your staff has regarding Fair Housing and discrimination, the better and it also reduces your potential liability.

Pool Maintenance

If you have a swimming pool, make sure you have guidelines for your maintenance staff to follow. Have procedures to open and close the pool for the season. Provide a training session if necessary on how to test the chemicals, routine daily maintenance etc. Most local apartment associations now offer certification seminars for pool operators. It would be a good idea for one of your maintenance staff to attend.

• Green Products

If you don't know by now, the wave of the future is to "Go Green". It is mainly to be as environmentally aware as possible whether it be regarding your cleaning supplies to your community activities or saving paper in the office. Inform your entire staff of this program as well as maybe posting a notice in the office for resident and visitors to see stating that "We Went Green". It will further convey the fact that you care about preserving the environment.

Chapter 8-Financial Management

It is imperative that your property management company have a system in place for the financial management of your property. The items listed below are all equally important in getting and keeping the financial health of your property in good condition.

Bank Deposit Procedures

- Always document a procedure in regards to bank deposits.
- Make sure deposits are made every day, even if just one rent check or application fee is accepted.
- Make sure copies are made of all payments for future reference. On occasions, a check may be posted to an incorrect resident. By keeping copies of all payments, you can go back to confirm this error and make an adjustment.
- Make sure all money orders and checks are filled out completely before you accept them. DO NOT ACCEPT CASH! This is extremely important and should be monitored frequently since this has recently been a common scheme to steal rents. If a resident doesn't fill out the money order or check completely, a staff member can easily make it out to themselves and none is the wiser.

Resident Referral Fees

Also, create a policy that identifies the procedures for a resident referral to be given. I recommend that you do several things. The first thing is to make sure your prospect indicates on their traffic card how they found out about your property. Your traffic card should list several traffic sources, one of which should be "resident referral".

The name of the resident that referred them must be documented in this area. If it is not, or it is mentioned after they move in, this will not be considered a legal resident referral. Make sure your policy states that a resident referral has to be confirmed on an initial traffic card. Unfortunately, this is another possible scam in regards to residents trying to get a referral fee and splitting

it with the prospect, whether they were actually referred to your property or not.

Make sure your policy states how and when a referral fee is to be paid as well. You may want to give a check to your resident for the referral amount or you may choose to have them deduct it from their rent.

In any case, I recommend that whichever way you decide to credit the referral fee, make this transaction 30 days after the move in of your new resident. In playing the devil's advocate, there is a possibility that a resident may move in, and move out in the same month. It's another one of those scams that we want to try and avoid. It doesn't happen often, but it does happen.

Bad Debt Collection Procedures

Your policy should state how you handle your bad debt collections as well as procedures. Several property owners use collection agencies to collect their bad debt. Most of these companies will take over your collections at a 50-50 or a 40-60 split. It's a good idea to make sure if you sign a service agreement with any of these companies, that you require monthly statements documenting the status of each account you have given them (another check and balance). If you decide to take this task on yourself, check with your state laws in regards to wage garnishments, small claims etc.

Accounting Policies

Chart of Accounts

When creating your chart of accounts, decide how detailed you want to be. In saying that, do you want all make ready accounts included in one account code as opposed to breaking it out per item, such as painting, cleaning, etc do you want all advertising expenses included in one particular account as opposed to breaking it out per item such as newspaper, internet, etc.

That decision is totally up to you as the owner/investor. As much as it may be intensive, I feel the best way of creating your chart of accounts is

to be as detailed as possible. With most software programs, it is easy to add an additional account. This will assist you with certain checks and balances when comparing your budgeted numbers to your actual numbers. In some cases an expense may have been posted incorrectly. You may want to obtain the advice of an accountant as well.

Understanding the Purchase Order Policy

A purchase order policy is probably one of the easiest policies to create. Decide if you want to have every expenditure require a purchase order which I would definitely recommend. It's another check and balance for you to monitor expenses.

Purchase Order Log

In order to keep track of your purchase orders, it is a good idea to have a log. This will assist you or your manager in determining what has been spent so far in any given account, what purchase order was used for that purchase, the date created and of course how much is left in your monthly allocated budget for that account code. If used faithfully, it is a great check and balance for you as an owner and helps you to spend wisely and not randomly.

Procedures for Processing Invoices

Processing invoices is a relatively easy task. You should always compare the purchase order to the actual invoice. Did you actually receive what you ordered? Was it the correct price and quantity? Were there any back orders? I also recommend that you have a stamp that your staff can use on all invoices. The stamp should have the vendor and acct number, amount of invoice, date and a brief description of the purchase. Also, it is imperative that invoices are processed in a timely manner. Rule of thumb is to process invoices weekly or if you are a large property, you may want to post them daily. Of course this will also depend on your bookkeeping staff, that is, if it is not you!!!

Items Needing Authorization

It is extremely important that you create a policy in regards to the authorization of purchase orders. A purchase order should need your approval under certain circumstances. These circumstances may include the amount of the item, the item itself and/or if the expenditure is within or over your budget allotment.

For instance, you may require that any expense over \$200 requires your approval, or any capital item may require your authorization. Whatever you decide, make sure your policy is documented and that any staff member that is involved in purchasing supplies for your property, know and understand it completely.

Vendor Files/Contracts

All vendors should be set up in individual file folders. Each file should include any insurance certificates that you may require from them, as well as all invoices, with purchases orders. These files are extremely helpful when researching a previous purchase. File these invoices either numerically or by date. In some cases you may have service contracts or short form contracts for some of your capital improvements. These should be kept in a file for future reference.

CONSTRUCTION CONTRACT

(SHORT FORM)

Contract Number SF03-

This CONSTRUCTION CONTRACT, dated _____, 200_____, is entered into upon the terms herein by and between:

“Owner”

“Contractor” and Address

Location: Contractor shall construct or perform at:

(“the Property”), the work described on Exhibit A attached hereto and made a part hereof by this reference (“the Work”).

Start/Completion: Work will begin _____ for completion _____.

Payment: Contractor shall be paid the total sum of \$_____, which shall include all applicable taxes and permit fees, by Owner, upon completion of the Work to Owner’s satisfaction. Payment shall be made upon the following terms:

Scope of Work: Exhibit A (List any attachments)

Change Order: Exhibit B

General Conditions: Exhibit C

Insurance Addendum: Exhibit D

Insurance: Contractor shall maintain until completion of the Work a policy of general liability insurance with bodily injury (including death of any person) and property damage coverage of not less than \$1,000,000.00 each. Contractor must supply worker’s compensation for all employees.

Indemnity: Contractor shall save the Owner and its client(s) harmless and indemnified from all injury, loss, claim or damage (i) to any person or property claiming by, through or under Contractor, (ii) to any person or property occasioned by any act or neglect of the Contractor, or (iii) arising directly or indirectly out of any failure of the Contractor to fully and properly perform and observe all obligations and conditions to be performed by the Contractor under this Contract; and any and all expenses (including reasonable legal fees and expenses) in connection therewith.

Liens: Contractor shall supply releases, waivers of lien rights, and similar documents to satisfy Owner that all labor, equipment and material used in the Work has been paid in full.

Warranty: All labor, materials, and equipment supplied are fully warranted to be free of defects for a period of one year from completion. All warranties for materials are to be turned over to the Owner.

Permits: Contractor shall be responsible for all required permits, licenses, and fees.

Agreement: The Contract constitutes the entire understanding of the parties with reference to the Work and shall not be modified except by a writing signed by all of the parties.

In witness whereof, this Contract has been executed as of the date set forth at the beginning hereof.

Owner Signature

Contractor Signature

Owner Title

Contractor Title

EXHIBIT "C"
GENERAL CONDITIONS

1. Contractor will be responsible for furnishing and posting all licenses, permits, and inspections required by State and Local laws. Owner will be furnished with a copy of the same.
2. Contractor will furnish all equipment, labor and materials (unless otherwise specified) necessary to accomplish the job in accordance with the specifications.
3. The Contractor will be responsible for proper storage and security of all equipment to be used on the job.
4. Contractor will be responsible to remove from the property and properly dispose of all debris generated as a result of the contract.
5. Contractor is totally responsible for complete safety on the job and job site at all times. All precautions and measures must be taken to insure the health, safety and well being of individuals and property. All tools, materials, and equipment will be secured at the end of each workday.
6. Contractor will be responsible for the protection of all property and landscaping belonging to the residents or under the management of the Owner or his representative, in or around the job site areas (cars, patio furniture, shrubs, walks, grass, buildings, etc.). If the activities of the Contractor may result in damage to the items listed above, or any other, Contractor will contact the Owner to coordinate proper measures for protection.
7. Contractor or job foreman will check with Owner upon arriving and departing the property or job site daily.
8. The Contractor will provide insurance as required.
9. Contractor must furnish the Owner with the names, addresses, and telephone numbers of any and all Subcontractors that have, or will be performing work on the job, regardless of the amount of work being sub-contracted.
10. The Contractor will contact the Owner if any problems, questions or complications arise that will alter the scope of work or the dollar amount agreed upon in the Contract. All changes, regardless of nature, will be submitted and handled on a change order form provided by the Owner or his representative. All work performed by the Contractor not covered in the Contract and not covered by a change order form approved by the Owner or his representative will not be honored.
11. Only skilled, trained workmen familiar with the products to be used should perform the work.

EXHIBIT D
INSURANCE ADDENDUM

Throughout the term of this agreement, _____ shall provide and maintain, at Contractor's sole cost and expense, the following;

1. Comprehensive general liability covering all duties, services and work to be performed under the contract; insurance shall provide limits of liability for bodily injuries, including personal injury of not less than \$1,000,000.00 for each occurrence, and property damage limits of liability of not less than \$1,000,000.00 for each occurrence. Coverage must include contractual liability insurance for the hold harmless agreement granted below and must also include Products and Completed Operations;
2. Under excess umbrella liability coverage shall provide limits of liability for bodily injury and property damage coverage of \$5,000,000.00;
3. Workers' compensation insurance or insurance required by similar employee benefits legislation covering its employees with at least minimum statutory limits, including Employer's Liability coverage with limits of \$1,000,000.00; and
4. Automobile Liability insurance with a combined single limit for bodily injury and property damage of \$500,000.00.

Contractor shall provide a certificate of insurance to _____ evidencing the existence of the above insurance coverage.

Contractor agrees to hold the owner harmless from any and all liabilities, damages, cost or other expenses arising out of the negligence of Contractor, his sub-subcontractors, subcontractors, or any of their employees or agents, in the performance of the work under the contract.

Agreed to and accepted this _____ day of _____ 20____.

Contractor signature

Exhibit B

CHANGE ORDER

The parties to that certain agreement dated _____, 20____, in consideration of the premises and of the mutual promises and agreements hereinafter set forth and for other good and valuable consideration paid, the receipt and sufficiency of which are hereby acknowledged, hereby agree that said Agreement shall be amended by adding the following thereto:

Property Name _____

Contractor _____

Address _____

Address _____

Date _____

Contract Description _____

The original (contract sum) (guaranteed maximum cost) was.....\$ _____

Net change by previously authorized change orders\$ _____

The (contract sum) (guaranteed maximum cost) amount change
by this Change Order will be\$ _____

Change one: _____

Change two: _____

Change three: _____

The new (contract sum) (guaranteed maximum cost) including
this (these) change(s) will be\$ _____

Explanation for change(s):

Attach any necessary documents. All other terms and conditions of the agreement shall remain unchanged. In the event of a conflict or inconsistency between the terms and provisions of this Addendum and the other terms and conditions of the Agreement, the terms and provisions of this Addendum shall prevail and control.

Date _____

Contractor _____

Date _____

Owner _____

EXHIBITA

SCOPE OF WORK

If Contractor finds additional damage, not contained in their scope of work, Contractor shall immediately stop work and inform Owner of additional work requirements.

Any work beyond that is listed herein shall be negotiated and added to this Contract in the form of a Change Order. No work shall begin until Owner signs Change Order.

Contractor

Date

Owner

Date

Utility Invoices/Utility Log

Utility invoices should be monitored on a monthly basis and put into a utility log using an excel spreadsheet type of program would be most beneficial. The reasoning for this is to be able to keep trend information right at your fingertips.

For instance, the information you log in should be date of bill, usage period, account/meter number and description and cost. By keeping this log up to date, you will be able to see immediately if there are any issues...such as your water bill being significantly higher than the previous billing period. This would trigger a problem possibly due to an underground leak, an “estimated” reading etc.

Another red flag would be if you received an electric bill for an occupied unit. That would most likely result from the new resident not transferring the utility into their name. Oh, and by the way? This is more common than not, so make sure you have a “utility transfer” addendum in your lease package confirming your new resident has made that transfer. Also, make sure you have their new account number as well.

Petty Cash Funds

Most properties have a petty cash fund. It may be \$100, it may be \$500, depending on the size of your property as well as what you decide as the owner. This fund is used primarily for small incidentals such as stamps, refreshments for your leasing office, or possibly small office supplies.

If you do have a petty cash fund, make sure you have a reimbursement checklist for the person responsible to maintain the fund. The checklist should be a basic list of receipts from purchases made out of that fund, the amount spent, to what store or vendor and a brief description of what the purchase was. In addition, make sure the chart of account code is indicated as well.

While you or your responsible staff member may think it is just a “slush” fund, these expenditures also come out of your budget as well. Once the

reconciliation checklist form has been filled out, attach the original receipts to it for backup purposes. It is a good idea not to give any further petty cash monies out until the previous payment has been reconciled with the information stated above.

In addition, I would suggest that you randomly check that fund with the keeper, in an effort to make sure that it is not being used as their own petty cash account. Once again, it doesn't happen very often, but it does happen!!!

PETTY CASH ACKNOWLEDGEMENT

Employee (printed): _____

Property Name: _____

City, State, Zip Code: _____

Petty Cash on Hand: \$ _____

Petty Cash in Transit: \$ _____

Petty Cash Vouchers: \$ _____

Total Petty Cash: \$ _____

I hereby acknowledge receipt of, and responsibility for, petty cash in the amount of \$ _____, received from THE COMPANY. I agree to use these monies exclusively for petty cash expenditures related to managing the above captioned property and under no circumstances will I use these monies for my personal use or to loan funds to employees, vendors, etc. In addition, I agree to maintain the Petty Cash Fund in a secure area at all times in the property's office and will not co-mingle these funds with my personal checking account. If at any time, this fund is found to be short, I will reimburse immediately or be subject to immediate termination.

Manager Signature

Date

Regional Manager

Date

Property Accounting Files/Management/Report Files

You will want your property management company to generate many accounting reports. Below is a list of the most common reports you will want to have available on either a daily, weekly, or monthly basis

1. Vacancy report
2. Delinquency report
3. Make Ready report
4. Collections report
5. Traffic report
6. Bank deposit report
7. NSF report
8. P and L
9. Rent Roll
10. Aged Payables
11. Occupancy Report

You should be able to pull these reports easily through your property software program. If you cannot, request some assistance from them so that you are able to perform this task. I recommend that these report files be filed by date. However, in saying that, with the ability to do everything via the computer, you may want to create a folder for the month and then add it onto a cd. Less trees needed!!!!

Aged Payable Reports

This is an imperative report that you want to have access to. Especially if you have decided to change management companies. It should tell you what expenses are still out there and how old they are. In some cases this report may not be totally accurate if your management company has not posted the expenses to begin with. This is one of the PM scams we spoke about earlier.

Aged Payables

All Properties
As of Tuesday, October 28, 2003

Vendor Name	Account Number	Reference	Bill Date	Due Date	Past Due			Due In			Total
					31+	30-61	60-31	30-1	0-30	31-60	
Home Depot			07/01/2003	09/01/2003			780.00				780.00
			07/01/2003	09/01/2003			780.00				780.00
					0.00	0.00	1,560.00	0.00	0.00	0.00	1,560.00
AVIS			08/01/2003	09/01/2003			200.00				200.00
			08/01/2003	10/01/2003			450.00				450.00
American Hardware					0.00	0.00	0.00	450.00			450.00
					0.00	0.00	1,760.00	450.00			450.00
					0.00	0.00	0.00	0.00	0.00	0.00	0.00
							0				2,210.00

It is imperative that you do a “Month End” process in order to close out the current month and begin a new one. In some cases, a particular software program may do it automatically for you however you may need to go through a process. Whichever it is, review it thoroughly and make revisions if necessary.

Once again, some of these reports will be available through your software program. As you put the monthly package together, after you have reviewed it and made any necessary revisions, it is best to file by the month or, as stated above, save it in a separate folder in your computer and then copy to a CD if you desire.

Besides rental income, there are also other types of income, called ancillary income that can increase your monthly income as well. A few of these are:

- Late fees
- Month to month fees
- NSF Fees (bounced check fees)
- Laundry Income
- Vending income
- Pet fees
- Utility reimbursement income
- Application fees
- Early lease termination fee
- Cleaning charges
- Damages

Resident Maintenance Bill back

Another source of additional income is the tenant maintenance bill back. This is when your tenant is responsible for any mishap that may damage anything within their unit. For example, a tenant forgets or loses their keys. They don't want to call the maintenance technician on call, because in most cases, there is what we call a “lock out” fee. This could be anywhere from \$25-\$50, or whatever is stated in your lease agreement. So, thinking they can save money, they decide to break into their own apartment, then call maintenance to let them know someone broke

into their apartment. These type of things do happen and it is important to try and prevent tenant scams as well.

Another incident may be that a tenant's toilet was clogged.....the third time in a week. So you pay to have your maintenance technician come out, and if he can't take care of it, a contractor has to come out. And guess what they find? Toys, feminine articles, etc.

It is imperative that you let your tenant know immediately that they must pay for the cost of their negligence. You will be happily surprised how those type calls slow down after implementing this policy, and of course, make sure this policy is stated in your lease agreement.

Chapter 9-Budgets

Budgets: A budget is an actual financial plan for property in regards to income and expenses over a given time. It is normally a one year budget, but that may be determined by your date of purchase, etc. Your property management company should have given you a projected budget for your property.

Budget preparation should begin as early as possible. Depending on when your budget starts, which normally is January 1st, I would recommend you begin preparation in June or July. You are probably thinking; why so early? Well, once you begin working on your first budget, you will realize why you need to start so early

Budget Research

Budget researching is very time consuming as well. It is best to start at one category, review what you spent in that category the previous year and take it from there. For instance, in researching utilities, contact your utility companies and see if they will give you a ball park number in regards to the possible increase in rates for the coming year.

Once again, you need to be able to have your property history in order to do create a realistic workable budget. Another guide that may assist you is to confirm the number of appliances you may have installed. Were there extenuating circumstances why you purchased so many, or are you in the middle of a rehab program, where you want to budget for a certain amount of appliances, etc.

In reference to your capital expenses, have your maintenance and leasing staff submit a “wish list” for you along with the bids. At the least, you will be allowing your staff to participate in the budget process, which they should be, as well as determining what capital expenses are really needed to add value to your property, which of course is the major reason to make these major purchases.

Remember, that when budgeting, history is your most valuable tool and the second, is to be aware of anything in your market that may impact your property that could affect the profitability.

A preliminary budget is usually given to you, as the owner for review. You may want to make some major changes. For instance if you think that you may want to add another amenity, and have not conveyed that wish to the property management company. Also, hopefully, if your PMC has some expenses in the budget that you may question, now is the time to do it. They may go back and forth several times before you agree to approve the finalized budget.

Budget vs Actual

The budget vs. actual report, mainly is a check and balance as to actual expenses as to what was budgeted. In most cases, if you did your budget preparation properly, you shouldn't have too many discrepancies. However, we all know that occasionally there are situations out of our control, in which we have no choice.

An example of that may be that your local fire department may have just passed a new law requiring all units built before a certain year has fire extinguishers installed. Unless you were aware of that possibility during your budget preparation process, you would not have known, thus an actual expense being higher than the allotted budgeted number.

Fiscal Year Budget

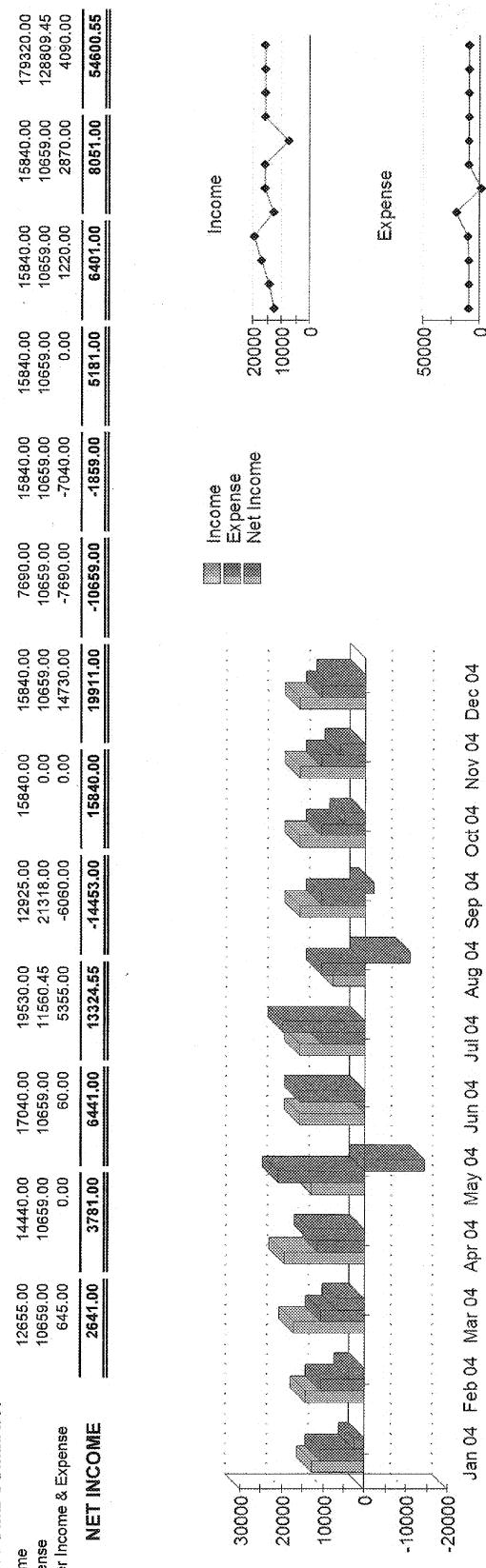
All properties

Budget For Fiscal Year Jan 2004 to Dec 2004

	JAN 04	FEB 04	MAR 04	APR 04	MAY 04	JUN 04	JUL 04	AUG 04	SEP 04	OCT 04	NOV 04	DEC 04	TOTAL
INCOME													
4001 Rental Income													
40011 Rents	12340.00	14015.00	16265.00	18975.00	12540.00	15415.00	15415.00	7550.00	15415.00	15415.00	15415.00	15415.00	174175.00
40012 Pet Fees	145.00	170.00	170.00	170.00	130.00	170.00	170.00	40.00	170.00	170.00	170.00	170.00	1845.00
40013 Late Fees	0.00	0.00	25.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00
40014 Storage Fees	170.00	255.00	605.00	360.00	285.00	255.00	100.00	255.00	255.00	255.00	255.00	255.00	3275.00
4001 Total Rental Income	12655.00	14440.00	17940.00	19530.00	12925.00	15840.00	15840.00	7690.00	15840.00	15840.00	15840.00	15840.00	179320.00
TOTAL INCOME	12655.00	14440.00	17940.00	19530.00	12925.00	15840.00	15840.00	7690.00	15840.00	15840.00	15840.00	15840.00	179320.00
EXPENSE													
5003 Repairs & Maintenance													
50034 Maintenance	750.00	750.00	750.00	1651.45	1500.00	0.00	750.00	750.00	750.00	750.00	750.00	750.00	9901.45
50035 Cleaning	600.00	600.00	600.00	600.00	1200.00	0.00	600.00	600.00	600.00	600.00	600.00	600.00	7200.00
5003 Total Repairs & Maintenance	1350.00	1350.00	1350.00	2251.45	2700.00	0.00	1350.00	1350.00	1350.00	1350.00	1350.00	1350.00	17101.45
5004 Management Fees	800.00	800.00	800.00	800.00	1600.00	0.00	800.00	800.00	800.00	800.00	800.00	800.00	9600.00
5005 Insurance	1200.00	1200.00	1200.00	1200.00	2400.00	0.00	1200.00	1200.00	1200.00	1200.00	1200.00	1200.00	14400.00
5006 Legal, Professional Fees	475.00	475.00	475.00	475.00	950.00	0.00	475.00	475.00	475.00	475.00	475.00	475.00	5700.00
5009 Utilities													
50091 Water & Sewer	300.00	300.00	300.00	600.00	600.00	0.00	300.00	300.00	300.00	300.00	300.00	300.00	3600.00
50092 Gas & Electric	842.00	842.00	842.00	842.00	1634.00	0.00	842.00	842.00	842.00	842.00	842.00	842.00	10104.00
5009 Total Utilities	1142.00	1142.00	1142.00	1142.00	2234.00	0.00	1142.00	1142.00	1142.00	1142.00	1142.00	1142.00	13704.00
5012 Telephone	192.00	192.00	192.00	384.00	0.00	192.00	192.00	192.00	192.00	192.00	192.00	192.00	2304.00
5013 Wages, Salary	5500.00	5500.00	5500.00	11000.00	0.00	5500.00	5500.00	5500.00	5500.00	5500.00	5500.00	5500.00	66000.00
TOTAL EXPENSE	10659.00	10659.00	10659.00	11560.45	21318.00	0.00	10659.00	10659.00	10659.00	10659.00	10659.00	10659.00	128809.45
OTHER INC & EXP													
8000 Unallocated Prepays	645.00	0.00	60.00	5355.00	-6080.00	0.00	14730.00	-7590.00	-7040.00	0.00	1220.00	2870.00	4090.00
TOTAL OTHER INC & EXP	645.00	0.00	60.00	5355.00	-6080.00	0.00	14730.00	-7590.00	-7040.00	0.00	1220.00	2870.00	4090.00

	JAN 04	FEB 04	MAR 04	APR 04	MAY 04	JUN 04	JUL 04	AUG 04	SEP 04	OCT 04	NOV 04	DEC 04	TOTAL
NET INCOME SUMMARY													
Income	12655.00	14440.00	17040.00	19530.00	12925.00	15840.00	15840.00	7690.00	15840.00	15840.00	15840.00	15840.00	179320.00
Expense	10559.00	10559.00	10559.00	11560.45	21318.00	0.00	10659.00	10659.00	10659.00	10659.00	10659.00	10659.00	126809.45
Other Income & Expense	645.00	0.00	60.00	5355.00	-6060.00	0.00	14730.00	-7690.00	-7640.00	0.00	1220.00	2870.00	4090.00
NET INCOME	2641.00	3781.00	6441.00	15324.55	-14453.00	15840.00	19911.00	-10659.00	-1859.00	5181.00	6401.00	8051.00	54600.55

NET INCOME SUMMARY



Budget Comparison

All properties

	Comparison Periods:		All properties		Month To Date	
	3/1/04 - 3/31/04	and 3/1/04 - 3/31/04	3/1/04	3/31/04	Budget	3/31/04
	Selected Range	Budget	\$ Change	% Change	\$ Change	% Change
INCOME						
4001 Rental Income						
4001.1 Rents	38,856.00	16,285.00	\$1,734.00	72.5%	38,085.00	11,780.00
4001.2 Per Fees	170.00	110.00	\$0.00	0.0%	170.00	0.00
4001.4 Storage Fees	290.00	605.00	-\$315.00	-52.1%	240.00	-\$15.00
4001 Total Rental Income	38,856.00	17,040.00	11,473.00	67.3%	38,515.00	11,473.00
4002 Other Property Income						
4002.1 CAM Charges	1,060.00	0.00	\$1,060.00	0.0%	1,060.00	0.00
4002.9 Misc Income	85.00	0.00	185.00	0.0%	185.00	0.00
4002 Total Other Property Income	1,145.00	0.00	1,245.00	0.0%	1,245.00	0.0%
TOTAL INCOME	38,316.00	17,040.00	12,721.00	74.7%	39,731.00	12,741.00
EXPENSE						
5001 Repairs & Maintenance						
5001.4 Maintenance	1,000.00	750.00	250.00	33.3%	1,000.00	750.00
5001.5 Cleaning	600.00	620.00	-\$20.00	-33.3%	600.00	620.00
5001 Total Repairs & Maintenance	1,600.00	1,370.00	-\$230.00	-31.3%	1,600.00	1,350.00
5004 Management Fees	800.00	800.00	0.00	0.0%	800.00	800.00
5005 Insurance	2,000.00	1,200.00	800.00	66.7%	2,000.00	1,200.00
5006 Legal, Professional Fees	1,000.00	475.00	525.00	110.5%	1,000.00	475.00
5008 Utilities						
5008.1 Water & Sewer	400.00	300.00	100.00	33.3%	400.00	300.00
5008.2 Gas & Electric	1,425.00	842.00	583.00	69.2%	1,425.00	842.00
5008 Total Utilities	1,825.00	1,142.00	683.00	59.8%	1,825.00	1,442.00
5012 Telephone	572.00	192.00	380.00	201.0%	572.00	192.00
5015 Wages, Salary	7,830.00	5,500.00	2,130.00	38.2%	7,830.00	5,500.00
TOTAL EXPENSE	15,831.00	10,348.00	4,943.00	48.4%	15,831.00	10,344.00
OTHER INCOME & EXPENSE						
5000 Unallocated Prepays						
TOTAL OTHER INCOME & EXPENSE	10,891.00	80.00	10,831.10	177.83%	10,891.10	80.00

Selected Range 3/1/04 - 3/31/04	Budget 3/04 - 3/04	\$ Change	% Change	Month To Date 3/1/04 - 3/31/04	Budget 3/04	\$ Change	% Change
NET INCOME SUMMARY							
Income	29,761.38	17,040.00	12,721.38	74.7%	29,761.38	17,040.00	12,721.38
Expense	-15,603.00	-10,659.00	4,944.00	46.4%	-15,603.00	-10,659.00	4,944.00
Other Income & Expense	10,691.10	60.00	10,631.10	17718.5%	10,691.10	60.00	10,631.10
NET INCOME	24,349.48	6,441.00	18,408.48	285.8%	24,849.48	6,441.00	18,408.48
							285.8%

Variance Reports

A variance report is a useful tool for you to get used to after you complete your monthly financial package. It is actually a report that shows any variances, positive or negative in all account codes. If your manager is responsible for completing this report, he or she must look at each category and determine if there is a variance of 10% over or under budget. Once that is determined, he or she must give an explanation as to why there is a variance.

As in the example above, you would have a variance in the fire prevention account code. The explanation for that variance would be due to the change in the state requirements not previously in place at time of budget preparation. In some cases, it is very easy to explain a variance. However, in others, it may be that you or whoever created the budget did not budget correctly for one reason or another.

Of course as an owner, you do not want to hear that from your PM but it does happen occasionally. On a positive note, these variance explanations may help you when preparing your budget for the next year.

Chapter 10-Safety and Risk Management

Emergency Procedures

All properties should have a documented ‘Emergency Procedures” guide. A few items that should be in this guide for instance are, emergency shelter locations, evacuation routes, emergency numbers for fire, police, and state emergency departments.

Other important information should include the location of emergency lighting, property water shutoffs, fire boxes, first aid kits, and batteries. It is also a good idea to have your name and contact information as well as your sub-contractors information as well. Remember, if an emergency occurs on your property, it is extremely important that you and your staff remain calm so that you can assist your residents to safety if needed.

EPA/OSHA Handbooks

EPA (Environmental Protection Act) and OSHA (Occupational Safety Hazard Act) handbooks should be kept in your maintenance shop. Your state departments should be able to provide these to you. It is also important that you and/or your maintenance staff refer to these handbooks if necessary and also make sure they are kept current.

Monthly Safety Meetings

It is highly recommended to hold monthly safety meetings. This does not mean that you have to hold a huge conference but it does mean that if you choose a topic of importance, make sure it is factual and detailed. For instance, when you are moving appliances, make sure your staff member is wearing a lumbar belt. Indicate how to properly lift an item (bending the knees etc).

You might think that this type of information should be common knowledge, but it definitely isn’t. Also, make sure that all staff members participating in this “monthly safety meeting” sign a simple form confirming participation. It’s almost like having “preventative maintenance” reminders for the

maintenance division. We want to make sure our staff is educated in preventing injuries. Also...one more perk of conducting these type meetings? Your insurance premiums may be reduced.

MSDS Binder

An MSDS (material safety data sheet) binder is very important to have on your property. This binder, if done correctly, should have a separate sheet on every chemical, cleaning supply, paint, pool supply, etc that may be used on your property.

Each sheet should have all information regarding that product in reference to ingredients, how it should and should not be used and the dangers and remedies if ingested, in some cases. For most products, your suppliers (Home Depot, Wilmar) should be able to supply you with this information, and if not, you should be able to get it from the manufacturer. I always find it easier for the person doing the ordering to request the MSDS sheet at that time. It saves the time of having to go back and look for it at a later date.

Lead Paint/Asbestos/Carbon Monoxide/Blood Pathogen

If your property was built prior to 1978, it is imperative that you know the state and federal law regarding lead paint. It is also important that you inform your tenants at time of move in that due to the age of your property, there may be a possibility that lead paint was used.

Included in your lease package should be a lead paint addendum, which needs to be signed by your tenant and by your community representative, which is usually a leasing agent or property manager. You should also include the "lead paint pamphlet" which illustrates how to prevent your family from lead paint poisoning.

In some cases, if your property was built prior to 1978, and was abated, a new tenant may request a copy of the inspection that was done. Hopefully, as part of your due diligence, you have copies of them confirming whether or not there is in fact lead paint in your community.

If your property was in fact built prior to 1978 and you want to lease to children under the age of 7, check your state laws to see if you need to have that apartment abated prior to any child moving in.

Depending once again on the extensiveness of the lead, you may be able to get away with just an abatement of common areas lower than 6 feet. Of course, you will need to hire a certified lead removal contractor. Then, once he has completed the job, the state will usually need to do a final inspection in order to get a clean bill of health.

Asbestos

Most properties built in the early seventies and before, used asbestos flooring in their units and common areas, primarily in laundry rooms and hallways. Once again, if you think there is a good chance your property has asbestos, it's a good idea to have an addendum created, similar to the lead paint addendum, and have the tenant read, and sign the document. Check your state laws and regulations in regards to asbestos, if they have any.

Carbon Monoxide

Many states now require a property owner to install carbon monoxide detectors in all units. However, this is only if your property has gas and oil. Have residents sign an addendum agreeing to maintaining the device for the safety of themselves and their family.

You should also include this as part of your preventative maintenance program to check the battery. One more thing, do not use the type that plug into the wall. Its best to use the ceiling type, so that the tenant does not take it with them when they move.

Bloodbourne Pathogen

Even the most comprehensive infection control program cannot guarantee that no accidental exposures to blood borne pathogens will occur. Human error or an unexpected circumstance can result in a sudden needle stick injury or a splash of blood in an employee's eyes. For this reason, post exposure management must be an integral component of a complete program to prevent infection following blood borne pathogen exposure.

An exposure incident is an event resulting from the performance of an employee's duties in which there has been:

- An injury involving a potentially contaminated needle or other sharp object
- A splash of blood or other potentially infectious materials to the eyes, mouth, or mucous membranes
- Blood or other potentially infectious materials contacting broken skin

An occupational exposure should always be considered an urgent medical concern to ensure timely post exposure management .While this will normally be something that a maintenance staff member may have exposure to, there may be an occasion when a tenant may be effected as well. It is important to have a procedure in place if this does take place.

Resident Safety

There are many areas that need to be monitored in regards to our resident safety. For instance, on the daily property inspection, check for any trip hazards, hanging tree limbs etc. Even areas in their apartments, such as a carpet coming loose or a stair tread torn

Common Area Safety

Common area safety could be a situation such as a hallway hand railing loose or broken off. It could also be a hallway light bulb blown out as well which could cause one of our residents to fall and injure themselves. There are several common areas that once again, upon the daily property inspection, should be recognized and repaired immediately.

Maintenance Safety

Maintenance safety can be anywhere from the proper storage of lawnmowers, snow blowers, to chemicals not being properly stored. In addition, the supply of face masks would be another item that should be utilized if needed, if your maintenance technician is painting, staining etc. You want to protect your employees as much as your residents. It will reduce your workers compensation claims as well as any other claims.

Office Safety

Office safety not only affects your employees, but also any prospect, resident, vendor or even the mailman. Do you have any loose floor tiles? Or is your carpet coming up? Are there any sharp edges exposed in the bathroom facilities? While they seem to not be a big deal to you, these can all cause unwanted incidents and law suits.

Amenity Safety

Amenity safety is also an area that should be monitored daily. Inspect all playground equipment, fitness equipment, swimming pool furniture and any other type of amenity that you have on your property. Pay special attention to areas such as loose screws on fitness equipment, broken chains on swing sets and any other area that could cause injury to your residents.

Liability Issues/Incident Reports

As much as we try to reduce our liability in the areas addressed above, ultimately, there are going to be incidents that will occur. It is important that you fill out an incident report immediately. Depending on the severity of the incident, you may need to notify your insurance company. Take pictures, get names of witnesses, do whatever you can to get good accurate information. This also goes for any employee incidents.

Make sure you know your state laws in regards to notification of the possibility of workers compensation claims. I cannot express enough how important it is to be liability conscious at all times. Remember, the success of your company could depend on it.

Key Control

The jury is still out on whether it is best to have your units masterd or individually keyed. Whatever you decide, make sure you have some type of key control. One type of key control is to have a sign out/sign in sheet so that you can monitor who removed a key and when, if at all, they returned it to the key control box.

There are a few companies that supply locking key control boxes that are computerized etc. The positives of course, if you have to fire a maintenance tech, you won't have to change the locks and you may also be able to get reduced insurance premiums as well.

GENERAL LIABILITY INCIDENT REPORT

(Everything other than Property Damage)

Property Name: _____

Property Location: _____

REPORT EVERY INCIDENT AND/OR ACCIDENT IMMEDIATELY

This form is to be completed the day of occurrence. Endeavor to answer each question in full, but rush report.

**IF PERSONAL INJURY IS INVOLVED, TELEPHONE AND FAX IMMEDIATELY TO
PRESIDENT AND REGIONAL MANAGER.**

**IF ADDITIONAL INFORMATION IS RECEIVED AFTER THE FACT, PLEASE FORWARD IT
TO US.**

ATTACH ADDITIONAL PAGES IF NEEDED.

Policyholder Name _____ **Insurer** _____
Full Address _____ **Policy #** _____
Property Manager _____ **Tel. No.** _____

Personal: Name of person injured _____ **Age** _____ (M or F)
Injury: _____

Full Address _____
 Street _____ City _____ State _____ Zip _____
Home Telephone No. _____ **Business Tel.** _____

Where and by whom employed _____
Nature and extent of injuries _____

Name of doctor or hospital _____ **Where taken** _____

Why was injured person on premises _____

Description of Accident or Incident _____ **Date of Accident/Incident** _____, **Hour** _____ **A.M.** _____ **P.M.** _____
Where (Street, City and State) _____

Full description and cause _____

GENERAL LIABILITY INCIDENT REPORT

(Everything other than Property Damage)

Property Name: _____

Property Location: _____

Witnesses Full names and addresses (including those who inspected location immediately before or after accident as well as any witnesses) _____

Policyholders Statement by injured as to cause of accident or incident
Investigation
of Accident _____

Complainant's attitude _____

State whether or not you think claim will be made _____

Remarks and recommendations _____

Date of this report _____ Signed _____
Property Manager

Name Printed _____

REMEMBER... GET PICTURES!

Chapter 11 : Human Resources

- **Human Resources**

Whether you have one employee or 20 employees. You need to make sure you have a policy in place from hiring a new employee to firing an employee. The items below will assist you in creating that policy. Research the laws of your state regarding deductions, taxes etc.

- **Employment Application**

Have any potential employees fill out an employment application. This document should have as much information as legally possible that you will need in order to find the right individual for the position you are trying to fill. Make sure you have the “equal opportunity employer” emblem on your application as well.

- **Interview Process**

Use a checklist when interviewing a potential employee. Sometimes as we begin the process we get wrapped up in trivial conversation. However, it is very important to learn as much about this person as possible. Ask him or her what their strengths and weaknesses are and what they would do to improve in these areas.

Ask some industry questions, such as how he or she would market a property that has several vacancies, or if they are familiar with the budget process, etc. Also, take note of the attire worn by this individual as well. You should know that if one doesn't come to an interview in business type attire, there would be a good possibility they will not dress professionally if hired.

- **Explanation of On Call Policy**

If you are interviewing a maintenance person, it is imperative that you explain the on call policy of your company. You should have a list of emergency call situations as well as contact information for important vendors available. Explain whether or not overtime is given if out on an after hours call. In some states, “comp” time is given in lieu of actual overtime monies. But check your particular state because it is illegal in some states.

PATRIOT PROPERTY MANAGEMENT

MANUAL/JOB DESCRIPTIONS

Leasing Consultant

SCOPE AND PURPOSE:

To effectively market the property and strive to maintain a high occupancy of quality residents.

AREAS OF RESPONSIBILITY:

The Leasing Consultant will report directly to the Resident Manager. Leasing responsibilities include:

- a. **TELEPHONE:** Leasing Consultant will answer telephones and provide leasing information, make appointments to show apartments, take maintenance requests, etc. Any calls needing managerial information or assistance will be referred to the Manager or Assistant Manager.
- b. **LEASING PRESENTATION:** Leasing Consultant will greet prospects, determine their need, show models or vacant apartments, collect deposits, explain and review applications, prepare and explain leases, answer questions regarding the community. It is required to ask they leave a deposit.
- c. **APPLICATION VERIFICATION:** Leasing Consultant will verify application information. Upon verification of application, deposit and lease will be given to the Resident Manager for approval. Applications should be verified in 24 hours.
- d. **MOVE-IN INFORMATION:** Leasing Consultant will prepare move-in packet upon approval of application. Leasing Consultant will review and explain information to resident (i.e. gate cards, gate codes, lease, community policies and move in inventory). Leasing Consultant must walk with a resident upon move-in to complete the move-in inventory sheet.
- e. **THANK YOU CARDS:** Leasing Consultant will send cards to every qualified prospect that ***did or did not lease***. Cards will be mailed within 24 hours of initial visit.

Leasing Consultant - CONTINUED

- f. **GUEST CARDS:** Leasing Consultant will properly complete all information on guest cards for all prospects. Leasing Consultant requires an applicant to leave drivers license when touring models. If prospect leases, guest cards go into a permanent resident file.
- g. **MODELS, LEASING OFFICE, AND CLUBHOUSE:** Leasing Consultant will check these areas daily to make sure each is spotless and representative of LINDAHL Management's standards. Any needed work will be reported to the Resident Manager and the maintenance request submitted. Models need to be opened every morning and closed ever evening.
- h. **VACANTS:** Leasing Consultant will assist Assistant Manager and Manager inspecting each vacant weekly, and submit a description of location, condition and rental status to the Property Supervisor.
- i. **ADVERTISING:** Leasing Consultant will be aware of property's current advertising as well as that of competitive properties. Any suggestions will be directed to the Manager.
- j. **SPECIAL PROJECTS:** Leasing Consultant will compile special projects as directed by the Manager.
- k. **COORDINATION AREAS:** Leasing Consultant will work on resident retention through renewal program and community parties.
- l. Maintain courteous communications with residents, applicants, and representatives of other companies.
- m. Assist in keeping office neat and clean.
- n. Assist in follow-up work orders.

BOOKKEEPER

SCOPE AND PURPOSE:

Facilitate and assist in financial and administrative operations of property.

DUTIES AND RESPONSIBILITIES:

Daily

- Monitor daily activity entries in computer including phone and site traffic rentals, move-in/outs, notices to vacant and cancellations.
- Distribute daily activity reports to appropriate office/maintenance staff.
- Review and enter demographics for all resident files.
- Review and monitor all resident files to ensure accuracy.
- Post monies and make deposits daily.
- Walk apartments after move outs to assess charges and process Security Deposit Dispositions.
- Enter and file completed service requests daily.
- Prepare Vouchers for bill payment.
- Assist residents with problems and payments.
- Monitor property E-mail and distribute correspondence to appropriate staff members as necessary.
- Daily extraction; daily back up.

Monthly

- Prepare pre close paperwork three (3) days prior to accounting month end date.
- Do accounting month end.
- Make rent adjustments after end of month prior to Auto Bill.
- Review pre-bill for rent charge accuracy.
- Run auto bill.
- Monitor rent schedule and make changes as directed by Property Manager.

General

- Train other employees on the computer.
- Type Correspondence (i.e., late notices, noise complaints, etc.)
- Audit Files
- Any other duties or responsibilities as may be assigned by the company from time to time.

ASSISTANT MANAGER

SCOPE AND PURPOSE:

To work with the Property Manager in the general administration of the property and perform all related management functions. Cross train with manager on a daily basis to prepare and act in that capacity in the event of the manager's absence.

DUTIES AND RESPONSIBILITIES:

- Supervise and train leasing consultants in office procedures, leasing techniques and develop marketing skills.
- Review guest cards and follow calendar with leasing consultant(s) weekly. Work closely with and monitor leasing staff efforts to close client traffic.
- Approve move-in files prepared by leasing agents.
- Follow up on lease renewals after letters and E-mails have been sent.
- Sent out renewal letters to residents.
- Assist residents with problems and requests.
- Cover accounting tasks on staff accountants' days off.
- Assist the Property Manager in achieving the financial and operational goals.
- Match reports to rent schedules for accuracy.
- Maintain courteous communications and follow up correspondence with residents, applicants, prospects and representatives of other companies.
- Perform, develop and supervise marketing efforts to area businesses and employers.
- Assist Manager in hiring, counseling and termination and termination of employees.
- Review all source calls to evaluate how staff is handling traffic calls. Use as a training tool.
- Assist in the familiarity with the preparation of weekly/monthly reports:
 - Monday Call Around
 - Weekly Summary (If manager is on vacation)
 - Weekly Update
 - Market Surveys
 - Budget Variance Reports
 - Non-Revenue Report
 - Monthly Staffing
 - Rent Report
 - Investor Conference Call Report
 - Lease Expiration Management Program
- Any other duties or responsibilities as may be assigned by the company from time to time.

PROPERTY MANAGER

SCOPE AND PURPOSE

Under the supervision of the Regional Supervisor, responsible for all phases of the operation of a property, including but not limited to: the general administration and maintenance of the property; direction and control of all personnel; ensure that the property is maintained at all time and in good physical condition with a stabilized fiscal operation. Ensure that all employees under area of supervision are familiar with and understand the LINDAHL Management policies and procedures, risk management and fair housing law guidelines and liability concerns.

DUTIES AND RESPONSIBILITIES

- Train and be responsible for work performed by all staff members. Train the Assistant Manager to perform all duties of the Property Manager to facilitate consistent property operation in his/her absence.
- Hire, counsel and terminate employees in accordance with company policy and under the direction of the Regional Supervisor and Human Resources Director.
- Perform written evaluations of employees and make recommendations for salary increases and/or advancement.
- Adhere to and enforce all company and community policies.
- Assist in collection of rents, enforcement of banking procedures, delinquency and all collection procedures.
- Maintain necessary records of all financial transactions of the property. Be responsible for and maintain all petty cash funds and records.
- Adhere to all company accounting directives, including but not limited to:
 - Review all reports due before submitted
 - Pre-Approval of expense requirements if expenditures are over \$500.
 - Budgets, Rent Roll, and payroll.
 - Accounts Payable System and verification of all bills.
 - Review weekly general ledgers for expenses.
 - Complete monthly variance report.
- Purchase necessary supplies.
- Supervise outside contractors who may be working on the property.
- Ensure that residents are provided with a clean, well maintained community.
- Work within the established budget and notify the Regional Supervisor of any possible variation in writing.

PROPERTY MANAGER --CONTINUED

- Address and resolve resident complaints.
- Report accidents and emergency situations to the Main Office immediately and prepare the proper reports.
- Maintain Property Management Binder and update as Necessary.
- Monitor maintenance requests and timelines of completion. Require Lead Maintenance to notify resident(s) of any delay.
- Ensure that all maintenance requests are handled in a timely manner. Require that residents be notified if parts must be ordered, causing a delay. Enforce weekly follow up of such requests.
- Conduct daily inspection of property and record deficiencies and/or liability concerns. Take corrective actions as necessary (within budget guidelines). Maintain written record and report as necessary.
- Establish schedules and assign personnel for routine maintenance and emergency coverage.
- Review, understand, and enforce all vendor contracts.
- Supervise maintenance staff.
- Supervise all resident activities.
- Compile weekly/monthly reports (matching reports to rent schedule for accuracy) on the status of the property, including but not limited to:
 - Physical condition of the property.
 - Liability concerns.
 - Physical and leased occupancies (weekly).
 - Tuesday Leasing Summary Report
 - Staffing
 - Marketing contracts, activity and plans.
 - Monthly marketing survey.
 - Advertising – current and suggested – per quarterly marketing plan.
 - Investor conference call status report (crib sheet).
 - Current trends affecting the market.
 - Lease expiration management program.
- Maintain courteous communications with residents, applicants and representatives of other companies.
- Review Call Source call to evaluate how staff handles traffic calls. Use as a training and coaching tool.
- Any other duties or responsibilities as may be assigned by the company from time to time.

PAINTER

SCOPE AND PURPOSE

To assist in the required maintenance necessary to maintain the overall appearance and quality of the property.

DUTIES AND RESPONSIBILITIES

- Check walls and doors in vacant apartments. Repair as needed to bring them up to standard.
- Paint vacant apartments as assigned according to move-in dates.
- Assist maintenance and housekeepers in preparing apartments for painting.
- Responsible for painting occupied apartments required by lease renewal.
- Assist in policing grounds as first order of business, daily.
- Repair exterior stucco as required.
- Paint recreation rooms, office, clubhouse utility, storage, and garage doors as needed. (If applicable)
- Any other duties or responsibilities as may be assigned by the company from time to time.

MAKE READY

SCOPE AND PURPOSE

To assist and support in the required maintenance necessary to maintain the overall appearance and quality of the property.

DUTIES AND RESPONSIBILITIES

- Check appliances to ensure they are in working order; if not, perform necessary repairs to bring them up to standards.
- Inspect vacant units for damage to walls, doors, blinds, light, and plumbing fixtures.
- Determine amount of painting needed.
- Schedule and paint according to move-in dates.
- Determine cleaning requirements of vacant units.
- Change locks as required and provide leasing office with keys.
- Perform all necessary repairs to vacant apartments.
- Repair exterior stucco as required.
- Complete service requests in a prompt and efficient manner and submit to Lead Maintenance at the end of each day.
- Complete checklist and turn in to Lead Maintenance when completed.
- Any other duties or responsibilities as may be assigned by the company from time to time.

HOUSEKEEPER

SCOPE AND PURPOSE

To be responsible under management supervision for all phases of apartment cleaning. This includes interior and immediate exterior of apartments. Responsibilities also include maintaining the cleanliness in models, offices, laundries, fitness center, and clubhouse on a daily basis. Housekeeper should inform management on any oversire pertaining to maintenance.

DUTIES AND RESPONSIBILITIES

- Under the direction of management – upon resident vacating a unit, the Housekeeper will make that unit make ready in cleanliness.
- Cleaning a unit encompasses the following:
 - All appliances in the kitchen.
 - Cabinets, counters, drawers, and floors in the kitchen.
 - Clean all windows, fireplaces, etc.
 - Clean toilets, tubs, tile, floors, mirrors, sinks, cabinets, and drawers in the bathrooms.
 - Vacuum entire unit.
 - Clean light fixtures.
 - Clean washer and dryer vents.
 - Clean vent covers.
- Cleaning corporate units as applicable.

DAILY RESPONSIBILITIES OF HOUSEKEEPER IN MODELS, OFFICES, CLUBHOUSES, AND LAUNDRY.

- Keep clean for Leasing Consultants to show to new prospects.
- Duties for models include the following:
 - Dust all furniture, counters, cabinets, and appliances.
 - Vacuum entire apartment.
 - Mop floors.
 - Clean windows weekly or as needed
 - Clean cobwebs inside and outside on patios and front entrance.
 - Empty ashtrays and trash. (No ashtrays in office areas!)
 - Straighten desks and chairs as needed
 - Clean windows as needed
 - Replace burned out light bulbs.
- Be Familiar with and assist in property compliance with all Safety Risk Management Manual requirements and objectives.
- Any other duties or responsibilities as may be assigned by the company from time to time.

PORTER

SCOPE AND PURPOSE

To maintain overall cleanliness of the property and provide assistance on make-ready apartments.

DUTIES AND RESPONSIBILITIES

- Consistently maintain a clean and attractive environment around the Leasing Office, Clubhouse, Pool and Common areas.
- Maintain clean street, curbs, and sidewalks.
- Sweep all breezeways and steps.
- Maintain clean laundry rooms.
- Maintain clean doors and light globes.
- Replace exterior light bulbs as needed.
- Clean pool furniture and pool area.
- Clean mailroom.
- Empty all trash receptacles as often as necessary – check daily.
- Report to Property Manager and inoperable vehicles on the property.
- Report to the Property Manager anything that might be a potential liability.
- Assist in apartment make-readies.
- Read and abide by all company policies and procedures and community policies applicable to your specific property.
- Be familiar with and assist in property compliance with all Safety Risk Management Manual requirements and objectives.
- Any other duties or responsibilities as may be assigned by the company from time to time.

ASSISTANT MAINTENANCE

SCOPE AND PURPOSE

To assist and support in the required maintenance necessary to maintain curb appeal and the overall appearance and quality of the property.

DUTIES AND RESPONSIBILITIES

- Perform daily maintenance as directed by the Lead Maintenance and the Property Manager.
- Perform maintenance as required to have apartments in a move-in condition on a timely basis.
- Perform service requests as required in a timely manner.
- Assist in maintaining all common grounds
- Assist in maintaining pool and hot tub and all other property amenities.
- Assist Lead Maintenance person in performing all maintenance as required in conjunction with the request from the Property Manager.
- Become familiar with the Lead Maintenance job description and abide by all company policies and procedures as well as community policies to particular property.
- Be Familiar with and assist in property compliance.
- Assist with on call duties.
- Assist with monthly safety meeting and be able to facilitate in the absence of Lead Maintenance.
- Report to the Property Manager anything that might be a potential liability.
- Any other duties or responsibilities as may be assigned by the company from time to time.

LEAD MAINTENANCE

SCOPE AND PURPOSE

To be responsible under the supervision of the Property Manager for the overall appearance and maintenance of the apartment community.

DUTIES AND RESPONSIBILITIES

- Maintain exterior of the property daily to provide clean and acceptable curb appeal at all times, with assistance of Assistant Maintenance person and Porter with applicable.
- Supervise and assign duties for the Assistant Maintenance, Porter and Housekeepers, in coordination with the Property Manager. Assist Manager in hiring, counseling and termination of employees.
- Supervise all work by outside contractors, ensure that work is being completed satisfactorily, and keep the Property Manager informed.
- Assist Property Manager in locating and purchasing materials and supplies as required. Maintain constant knowledge of availability of materials at the best price available.
- Make recommendations to the Property Manager for needed repairs and improvements to the property to maintain the best quality property possible.
- Respond to and complete all service requests in a timely and professional manner.
- Coordinate with the Property Manager all move-in and move-outs and maintain a schedule for timely completion of apartment make-readies.
- Assure that all apartments scheduled for move-in are completely ready for the new resident prior to move-in date.
- Maintain or supervise proper maintenance of all common area amenities. Inspect daily (as applicable): weight room equipment, swimming pool(s), hot tub, saunas, clubhouse, pool area, pool furniture, mail room and laundry rooms on the individual property and report findings to the Property Manager.
- Make regular inspection of all common area lighting, sprinkler systems, fire prevention systems and fire extinguishers as outlined in the Safety Risk Manual.

LEAD MAINTENANCE-CONTINUED

- Become familiar with all equipment operation and maintenance requirements, all implied warranties and manufacturers recommendations for properly maintaining said equipment.
- Maintain a schedule with the Property Manager to assure the availability of “on call” personnel for after hours, weekends, and holiday emergencies.
- Conduct monthly safety risk meetings with all property staff.
- Monitor maintenance expenditures to ensure compliance with budgeted guidelines.
- Cross train, coach, and develop qualified candidates for future opportunities within the company.
- Be familiar with and understand the Safety Risk Management Manual in its’ entirety.
- Abide by all company policies and procedures as well as community policies to your particular property.
- Maintain compliance with OSHA regulations and hazardous chemicals program as well as the Safety Risk Management Manual forms and checklists per schedule.
- Any other duties or responsibilities as may be assigned by the company from time to time.

PATRIOT PROPERTY MANAGEMENT

- **Explanation of Benefits**

While most of us are not able to completely explain a benefit program thoroughly, it is important to give information on whatever accurate and standard benefits are offered. For instance, inform the prospective employee that you offer a 401K program or that you offer health coverage but they have to pay a certain portion. With the cost of health coverage today, most perspectives assume they will have to contribute something to their health coverage premiums. Another benefit you may want to divulge is your vacation and sick time policy as well as when performance reviews are given.

- **Background Check**

Once you have gone through several interviews and have narrowed the selection down to a chosen few, conduct a background check. In almost all cases, a drug test is done as well. In saying that, make sure your application has a clause giving you permission to do a background check, and of course, make sure it is signed.

- **Checking of References**

As you continue with the interviewing process, check the references given to you as thoroughly as possible. If given permission to do so, contact their current employer and ask basic questions, like, is he or she reliable, what is the work ethic, would they hire them again if given the opportunity.

Also, keep in mind, there is a possibility that you may not get accurate information, due to the fact that many employers today fear the possibility of a lawsuit if negative information is given, whether it is true or not. Also, look at how long they have been at their current or most recent job. Do they jump around from job to job and why?

- **Salary Requirements**

In most cases, whether you advertise for a position through a headhunter or Craig's list, a salary range is indicated. When reviewing employment applications, look at the desired salary requirement your interviewee had stated. Are they currently making \$50,000 and your position is offering

\$25,000? While they may want the position or more importantly, need the job, in more cases than not, if another opportunity comes along with the higher salary available, guess what? They are gone!

- **Second Interview**

Although you feel this candidate may in fact be the one you are leaning toward, it's a good idea to have a second interview, and if possible, have your partner or someone within your company sit in. While it is ultimately your decision, it's good to have a second opinion. In addition, there may be questions you neglected to ask during your first meeting.

- **Offer Letter**

Ok, so you have made an educational and informed decision to hire this individual. You need to make them an offer. It is important to do this in writing. It should have all the important information this candidate may need in order to make a final decision. This information, of course, is the salary, possible start date, benefit package, etc. If your candidate accepts your offer of employment, make sure the offer is signed and begin making an employment file for him/her.

- **Employee Apartments/Leases**

In some cases, an apartment may be part of an employee's compensation. This information may also be included in the offer letter as well.

If you do offer housing whether it be part of their salary or not, do not, I repeat, do not, give a free apartment. Maybe you could give them 25% concession, or 50% concession. You also want them to sign an employee lease as well. This typically is a month to month lease that states if they are terminated or leave your company for other employment, that you give them a certain amount of time to move out of their apartment. In some cases, if it is an amicable situation, you may opt to allow them to stay as a paying resident.

- **Renewal/Leasing Bonuses**

We all know that most employees perform better if they are given an incentive of some type. Our industry is not different. I would recommend that you give a leasing or renewal incentive to your leasing agent/manager. You could set the preference as to when and how much. A typical lease bonus may be \$35, \$50 or \$75, depending on the size of your property as well. A renewal bonus should be a little more enticing. You are probably asking, why?

Well, if you think about it for a minute, if your leasing agent is able to capture a renewal lease with a current resident, especially after working it and working it, you have just saved your property the expense of turnover costs. And, as you know, turnover costs can be anywhere from \$300-\$2000, depending on what is needed to complete the turn. So, in saying that, wouldn't you agree that it would be a great idea to have your lease renewal bonus higher than leasing bonuses? Absolutely!!!! You could also sweeten the pot by implementing a sliding scale of some type. If they get a resident to sign a 1 year renewal, they receive \$100. If they sign a 6 month, it could be \$50.00. Whatever you decide, include it in your HR policies.

- **Warning Letters**

Unfortunately, you may occasionally have the task of giving a warning notice to an employee. It is very important that the warning letter is very explicit as to the nature of such a notice. Also, review it with your employee to make sure they fully understand the issues. Make sure they sign it as well. This signature does not necessarily mean they agree to what it says, but that they have read and understood it completely. Also determine in this notice a length of time you are giving to either improve or rectify this area of concern. This notice should also put in your employees personnel file.

- **Termination Letter**

There are always going to be circumstances which will cause the need to terminate an employee. When at all possible, you should give them a letter of termination, stating the reasons why they are being terminated. In some cases, it may be due to a reduction of staff, the selling of the property, and of

course, the obvious poor performance.

- **Resignations**

When you received an employee's resignation, when possible, ask for it in writing. If you have learned one thing in this course, it is to have as much documentation as possible. In some cases, an employee may leave your employ without any notice at all. Once again, write up a short document stating the circumstances in regards to the resignation and put it in their file.

- **Exit Interview**

One of the best tools of HR that I think can be of assistance to you, is to conduct an "exit interview". You are probably thinking, why? They are leaving, what do you care about what they think? Well, just like our residents, we want to really be aware of what the reasons are that an employee leaves, other than the obvious, which is pay, status, or location.

Other underlining reasons may be the fact that there isn't any room for advancement, the fact that they, as an employee, may feel as though they are just another number, or offered opinions about important areas may not have been acknowledged. Exit interviews serve a purpose. They help us to address any issues that we as owners may not have been aware of and would want to improve in the future with the current employees. Unfortunately with unemployment statistics being as they currently are, many employees will stay in a job just to have a job and to survive.

About Dave Lindahl

Starting as a dead broke landscaper living in a 1 bedroom apartment Dave Lindahl started buying and selling multi-unit properties to create a better life for himself. With no Real Estate experience he created systems that allowed him to create enough monthly positive cash flow to retire within 3 1/2 years.

But he didn't retire, he still buys and sells properties today and those systems have helped him to create a portfolio of over 7,232 units and a monthly positive cash flow that equals what most people make in a year! And the best part is ... he doesn't deal with a single tenant.

David is considered as the Nation's Leading Expert in Buying and Selling Multi-Family and Self Storage Properties. David regularly shares the same stage as Robert Kiyosaki, Tony Robbins and Donald Trump.

Among his numerous accomplishments, David has authored many books and courses including: Emerging Real Estate Markets, Apartment House Riches, and The Real Estate Marketers' Tool Kit.

David Lindahl, also known as the "Apartment King®" He is the author of four popular, money-making home study courses: "*Apartment House Riches*," "*How To Estimate And Renovate Houses for Huge Profits*," "*Managing For Maximum Profits*" and "*The Real Estate Investors Marketing Tool Kit*". He also teaches live events to overflow crowds from across the country.

For more information on Dave or his products, please visit www.rementor.com or call our office at 781-878-7114.

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