

THE real estate
CONNECTION, INC.

THE REAL ESTATE CONNECTION PROPERTY MANAGEMENT

**OWNERS
MANUAL**



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WELCOME

Thank you for choosing TREC Property Management to manage your investment. We are aware that you had many choices and we appreciate that you have selected us as your property management company.

TREC Property Management works to achieve the highest professionalism in Property Management. Therefore, we have prepared the TREC Property Management Owner Manual to assist you in a successful business relationship with our company. We urge you to take the time to review the information enclosed. We feel this will further clarify many of the procedures for our Property Management services. After reading this material, if you have questions or any concerns, contact your management team immediately, using the company contact information provided in the following pages.

Special note: The information provided in the TREC Property Management Owner Manual is subject to change. Landlord/tenant laws, personnel, policies, and procedures change accordingly to events that take place. T.R.E.C.P.M. works diligently and continually to improve services and personnel training as well as remaining current with all landlord/tenant legislation.

Once again, thank you for choosing TREC Property Management as your property management company. We look forward to a successful business relationship.

OWNER DOCUMENTS

A copy of your management agreement is included in the TREC Property Management Owner's Manual. Refer to it as needed and keep it with this information for a handy reference.

TREC PROPERTY MANAGEMENT

TREC Property Management (T.R.E.C.P.M.) is a property management company operating in Visalia, California and manages properties all over the Central Valley.

TREC P.M. MISSION STATEMENT

The mission of TREC P.M. is:

DOING WHAT IS
RESULTS IN A TIMELY MANNER
INTEGRITY
GIVING PROFESSIONAL SERVICE
HELPING YOU REACH YOUR GOALS
TECH SAVY

TREC P.M. CORE VALUES

The owner of TREC P.M. is Willie Gallegos. He is a licensed California Broker—DRE #01206680—he has been in the business for over 20 years. Based in the Central Valley he aims to help home owners through the rental process.

Andy Andrews put it best:

"We are responsible for our choices. We seek wisdom. We are a company of action. We have decided heart. We choose to be happy. We learn to forgive. We persist without exception."

P.M. COMMUNICATION

Communication is key to the success in any relationship and the TREC P.M. / Owner relationship is certainly not an exception. We work constantly to improve communications with all of our clients or prospective clients. This includes everyone— owners, tenants, applicants, vendors, buyers, sellers, and the public.

COMPANY COMMUNICATION

Below you will find all general office information such as addresses, telephone numbers, email addresses, website and office hours.

TREC P.M. personnel communicate by:

- Text
- Telephone
- Fax
- Email
- Written Correspondence

TREC P.M. WEBSITE

TREC P.M. stays current with business technology. They TREC P.M. website is www.williegallegos.com

GENERAL OFFICE INFORMATION

Address Information 2348 W Whitendale Unit B Visalia, CA 93277

GENERAL OFFICE INFORMATION

Communication

Office # *866.614.6258*

Willie's # *559.799.1073*

EFAX # *831.535.6000*

OFFICE EMAIL trecassist@gmail.com

WILLIE'S EMAIL treconline@gmail.com

WEBSITE williegallegos.com

OFFICE HOURS *MONDAY - FRIDAY 9 AM - 6 PM*

*SATURDAY & SUNDAY BY APPOINTMENT ONLY *please call 559.799.1073*

EMERGENCIES *559.799.1073 *please text for fastest response*

TREC P.M. STAFF CONTACT INFO

OFFICE NUMBER: **866.614.6258**

WILLIE GALLEGOS **OWNER**
EMAIL: TRECONLINE@GMAIL.COM

REINA MADRID **AGENT**
EMAIL: REINAGR21@GMAIL.COM

RICK HERNANDEZ **AGENT**
EMAIL: RHMILLIONBY50@GMAIL.COM

MICHELLE REYNOSO **TRANSACTION COORDINATOR**
EMAIL: TRECASSIST@GMAIL.COM

CARMEN GALLEGOS **ASSISTANT**
EMAIL: TRECLEAD@GMAIL.COM

OWNER RESPONSIBILITIES

A successful business relationship works both ways TREC P.M. takes their management responsibilities seriously, and requests owners do the same.

Owner responsibilities are:

- Notify TREC P.M. of any ownership change or eminent owner change for the managed property.
- Supply TREC P.M. with accurate information so TREC P.M. can service the management account properly.
- Review statements monthly and notify TREC P.M. of any discrepancies found as soon as possible.
- If using ACH, check statements monthly for accurate or missing deposits and notify TREC P.M. immediately if there are any problems.
- Support Fair Housing Laws and guidelines, as well as all necessary legislation.
- Maintain a current insurance policy for their property and name TREC P.M. as an additional insured.
- Review their property insurance yearly and update as needed.
- Exercise responsibility for required maintenance and the safety of their tenants.
- Treat TREC P.M. personnel with courtesy and notify TREC P.M. principals if there are problems with TREC P.M. personnel so they can be resolved quickly.

THE SCOPE OF PROPERTY MANAGEMENT

The property owner(s) authorize(s) TREC P.M. to preform the following services: rental

analysis, coordinating any needed minor rehab, marketing, advertising, tenant screening, lease preparation, day-to-day management, lease enforcement, monthly accounting, owner draw preparation and annual re-leasing.

Company policies

It is very important in the field of Property Management, that TREC P.M. follow local, state, and federal legislation and guidelines. Our company takes pride in our industry, and we further implement guidelines and policies of several organizations, such as the National Association of Residential Property Managers, NAPRM, and the National Association of Realtors. Additionally, we train all personnel by requiring them to read and follow TREC P.M. Property Management Policies and Procedure Manual.

DEPARTMENT OF REAL ESTATE REQUIREMENTS

The California Department of Real Estate requires licensing for all persons conducting Property Management and Real Estate Sales in our state. TREC P.M requires all personnel that are Brokers, Property Managers, and Real Estate Agents to have a California Real Estate license.

TREC P.M. CODE OF ETHICS

1. Is it true?
2. Is it fair to all?
3. Will it build good will
4. Will it be beneficial to all?

DRUG-FREE POLICY

TREC P.M. has a drug-free policy for all personnel, vendors, and tenants. TREC P.M incorporates this policy into TREC P.M. rental/lease agreements, tenant, personnel, and vendor documentation.



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LEGISLATION

TREC P.M. adheres to the laws and guidelines of federal, state, and

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LEGISLATION

TREC P.M. adheres to the laws and guidelines of federal, state, and local legislation, and incorporates this into all documentation, policies, and procedures. Here are some of the agencies and acts TREC P.M. follows:

- Fair Housing (HUD) - TREC P.M. supports and follows Fair Housing Laws and guidelines; the TREC P.M. office displays Fair Housing signage
- Equal Opportunity TREC P.M. is an Equal Opportunity employer; the TREC P.M. office displays Equal Opportunity signage.
- SCRA Act — Serviceman’s Civil Relief Act, which has replaced the Soldiers’ and Sailors’ Act of 1940
- URLTA - Uniform Residential Landlord Tenant Act
- FCRA - Fair Credit Reporting Act
- FTC - Fair Trade Commission
- EPA - Environmental Protection Agency

LEAD-BASED PAINT

Lead-based paint became a major issue in the 1990s that prompted mandatory requirements for residential housing and continues today. TREC P.M. follows all mandated federal and state guidelines for lead-based paint. All properties prior to January 1, 1978 require disclosures to all tenants and owners. Tenants sign lead-based paint disclosure prior to renting a property and TREC P.M. provides them with the required EPA Pamphlet,

Protect Your Family from Lead in the Home TREC P.M. then forwards the required disclosure to owners for signature.

MOLD ISSUES

TREC P.M. regards mold issues as a top priority in property management. Owners should be aware that mold is another leading issue in property management industry and failure to act if tenants report or discover mold can lead to costly lawsuits. Several cases regarding mold have awarded damages to tenants in the millions of dollars.

This is an area of extreme liability and TREC P.M. takes action if a tenants reports mold. TREC P.M. notifies owners as soon as practical of any mold issues so TREC P.M. and/or the property owners can take proper steps.

ANSWERS REGARDING FUNDS

When you entered into a management agreement, TREC P.M. established an account for you and your property. TREC P.M. recognizes the importance of accurately collecting and disbursing funds. The bookkeeping program used by TREC P.M. is specialized software designed to handle the many facets of property management and accurate record keeping, and complies with the requirements of your state's Department of Real Estate.

BANKING

TREC P.M. maintains two trust accounts as per you state requirements. The first is the Security Deposit Trust Account where all security deposits reside. There is a Rents Trust Account where all moneys are deposited and paid out. Even security deposits come in through that account and are transferred to the Security Deposit Trust Account. All rents and owner contributions are also deposited in the Rents Trust Account. All payments to vendors for maintenance and repairs, eviction expenses, management fees, returned deposits and owner draws come from the Rents Trust Account.

MONTHLY STATEMENTS

You will have access through your Owner Portal to view real-time and monthly reports.

DISBURSEMENT

of Monthly Funds TREC P.M. disburses available funds to owners between the 8th – 12th of each month. If this day falls on the weekend, TREC P.M. issues funds on the next business day. TREC P.M. does not disburse funds on weekends and holidays. TREC P.M. does NOT issue owner checks or ACH payments unless there are sufficient funds in the owner's account. It is vital to accurately post rents, pay vendors, and disburse funds for your account. Therefore, it is vital TREC P.M. adhere to this schedule to ensure servicing every owner's account. It is recommended that you maintain a contingency fund in your Rents Account to cover any unexpected repairs or maintenance.

TREC P.M. distributes owner funds in two ways:

Company check disbursed directly to the owner accompanying their monthly statement.

Most commonly using ACH direct deposit - directly disbursed into an owner's bank account; TREC P.M. mails monthly statements after disbursement. A form to start ACH is included with this information.

END OF YEAR PROCEDURES

At the end of each year. TREC P.M. is required to file 1099's for income received over \$600. Please note that this amount is for "total income received," and not the yearly total of owner disbursements. The Internal Revenue Service dictates the "total income received" requirement. Please note that security deposits are not included in this amount.

It is necessary that you supply TREC P.M. with a W9 with the necessary Social Security/ Tax ID information so the 1099 is accurate. TREC P.M. will send the 1099 for the rent by January 31 for the previous tax year. If there is a change in your tax information such as a new trust or address, please notify us with the Owner Change of Information form. If you need another W9 change form, please contact us.

TREC P.M. also issues 1099s for disbursements to vendors for work over \$600.00. Therefore, owners do not have to issue 1099s for work completed and paid through TREC P.M. trust account. Owners are responsible for issuing 1099s to any vendor paid through the owner's personal account.

The last statement of the year will reflect "total amounts" for income and expenses that have transpired throughout the year, such as management fees, leasing fees, landscapes, utilities, repairs and maintenance, etc. The amounts will not reflect any funds issued through the owners personal account. Owners can submit their last statement to their tax professional along with other information for income tax reporting TREC P.M. does not issue statements to the owners tax preparers.

RENTING YOUR PROPERTY

Preparing to Rent the Property

When you have a vacancy, our goal is to attract, the best possible, pre-qualified tenants for the property. To do that we:

- conduct a move-out evaluation of your property and determine if repairs or maintenance are required
- Run a competitive market analysis report to make sure your rents are priced right for the market
- Enter your property into our comprehensive marketing program including syndication to the top rental websites in your market, a video tour on YouTube as well as on to our own website as a featured rental

ADVERTISING/MARKETING

Internet/Website

TREC P.M. has found that the Internet and the TREC P.M. website, receives tremendous exposure, as well as using Craig's List and syndicating to Hot Pads, Zillow, Trulia and many other real estate websites.

Signage

displays "For Rent" signs prominently if desired, and each sign has contact information including our website URL. On Our TREC P.M. Website, prospective tenants can

immediately access the property information and showings 24 hours a day. They can even complete a credit application only

Showings and Applications

The TREC P.M. property managers conduct showings for each vacant unit via appointments, open houses and secured self-showings. When prospective tenants see the property, the management team answers questions and prequalifies. Online applications are available on the TREC P.M. website.

PROCESSING TENANT APPLICATIONS

Tenant Screening

Thorough screening is crucial to successful Property Management TREC P.M. requires all applicants to fill out a detailed application online from your website and submit it for processing/approval. A credit check is NOT enough! Our company conducts a careful review of their credit, income, background and landlord reference. We also inquire about number of people, their earliest move in date, pets, and how long they plan on leasing past their first year.

All applicants must submit verifiable information to verify the income so we know they can afford the rent. Rental history or previous home ownership is carefully checked. Cross-referencing all three areas - credit, tenant history, and income - provides the answers to qualify or disqualify prospective applicants. If a pet is allowed on the property, the screening includes the pet.

Cosigners

TREC P.M. normally does not accept guarantors. TREC P.M policy is that the applicants should have the ability to rent on their own merits. However, there are rare occasions that may warrant taking a cosigner or guarantor on a property. If this is the case, TREC P.M will notify the owner, discuss the reasons, and obtain owner authorization. We disclose to the guarantor that they are equally responsible for the terms of the lease.

Pets

If an owner authorizes a pet, TREC P.M requires a pet addendum. TREC P.M can use the amount of the entire security deposit when there is animal/pet damage.

Many tenants have or want pets. It is legal for property owners to discriminate against pets. You may wish to do so. However, whether you have or have not decided to allow a pet in your property, the TREC P.M application has a place for prospective tenants to list the pet. It is important NOT to discourage full disclosure on pets while taking an application. If you do allow a pet, TREC P.M does not place inappropriate pets in a property, as we have twelve restricted breeds of dogs. TREC P.M recommends to owners that when the property is on the market, that pets are “negotiable.” This can solve two problems.

1. First this encourages prospective applicant to disclose any pet. Then, based on the owner/manager preference the pet, TREC P.M can automatically notify the applicant that the owner does not allow pets.



2. Second, by listing pet as negotiable, it avoids eliminating an excellent tenets that does care for their pet, has an excellent tenant history, and owns a pet that is suitable to your property.

Service Animals/Comfort Animals/ Emotional Support Animals *Special Note

The above animals are NOT pets by Federal law, and owners cannot discriminate against handicapped/disabled persons with a service animal. Fair Housing legislation does NOT allow owners or property managers to collect deposits of any kind for service animals.

However, Landlords can still process applicants who are on the same criteria as other applicants: income, credit, and tenant history. If they fail to qualify in these areas, the landlord/manager can still deny the application, disabled or not.

THE TENANT MOVE IN

Rent & Security Deposits

TREC P.M does not accept personal checks prior to renting the property and does not allow "payments" on security deposits - We require all funds paid in full prior to renting the property. This eliminates prospective tenants who really do NOT have the necessary funds for renting.

Once approved, all applicants must pay in full, the first month's rent, and a high security deposit. It is normally TREC P.M policy to require a security deposit in the same amount as the rent. However TREC P.M does not exceed the maximum-security deposit allowed by the California landlord/tenant laws.

Rental/Lease Agreements

Once TREC P.M receives funds, a thorough rental/lease agreement with the applicant is completed. All persons 18 and over, including adult children, are required to read and sign all rental/lease agreements and make application. If the accepted applicants are a foreign nationality and cannot read and understand the documentation, they must supply an interpreter of legal age for signing the rental/lease agreements.

Walk-Through

A vital part of the rental agreement is a detailed walk-through documenting the condition of the property when they move in. Unless extenuating circumstances prevail, the TREC P.M team completes the walk-through before the tenant takes possession of the property. Photos are taken of any damage to the property.

When the tenant moves out of the property, there is a sound basis for the security deposit refund. TREC P.M also documents the move in with digital photos.

WORKING WITH YOUR TENANTS

Collecting Rent

Rents are due on the 1st day of the month and are late if not received in the TREC P.M office by the 5th of the month.

TREC P.M recognizes that many things can happen where it concerns rent; rent can really be lost "in the mail"; employers can delay the tenant's paycheck, there are real tenant emergencies, and more. Therefore, we make a serious effort to determine why the tenant is having a problem. If TREC P.M receives the rent prior to issuing owner funds, TREC P.M

does not contact the owner unless the TREC P.M management team determines there is an ongoing rent issue.



Notice to Pay or Quit

If TREC P.M does not receive rent by the due date within 5 days, TREC P.M prepares and delivers a timely 5 Day Notice to pay or quit, as the law allows. TREC P.M makes every effort to mail and post notices properly should legal

action be required. If TREC P.M determines the tenant is not going to pay the rent during the notice to pay or quit period, or shortly thereafter, TREC P.M contacts the property owner and works out a plan of action leading to possible eviction.

Other Notices

There are other notices that may be involved with tenants. TREC P.M serves notices as situations warrant, such as a notice to clean up the landscape, a notice to enter the property, a notice to perform survey/inspections, a notice regarding an illegal pet, illegal tenants, etc. These tenant violations may be in the form of a certified letter or a legal Notice "form." Often, these notices are simply to correct minor tenant problems and most tenants comply. However, if necessary, TREC P.M contacts the owner with the information to discuss the situation.

Tenant Problems

TREC P.M has years of experience handling the myriad of tenant difficulties that can occur. The TREC P.M policy is to obtain good tenants, eliminating many tenant problems. However, even good tenants have problems. TREC P.M treats each problem with common sense approach, follows landlord/tenant law, and uses the appropriate documentation. If the situation is serious, TREC P.M contacts the owner and works to find a solution for the problem.

Legal Action

Although TREC P.M works diligently to avoid the necessity to begin an action, such as an unlawful detainer or eviction proceeding, it can happen. In the event any legal action is required, TREC P.M will contact the owner prior to taking action, discuss what is needed, and obtain owner authorization.



MAINTENANCE

Preventative Maintenance

The best approach to maintenance is “preventative maintenance”, and this is the TREC P.M policy.

First, TREC P.M has already started with educating the tenant by:

- Completing a detailed TREC P.M Rental Agreement outlining what are tenant responsibilities regarding maintenance as well as owner obligations.
- Completing walk-through documenting the condition of the property before the tenant take possession.

We want the tenant to know from the beginning of their tenancy that the TREC P.M landlord expectations are to “care for the property”. This approach can prevent costly maintenance.

Next, we use “preventative maintenance” techniques when work is required and utilize competent contractors. Often the minor expenditures save the most money such as doorstops, new filters, checking appliances, testing smoke alarms, adjusting doors, window latches, deadbolts, and more. Many small repair items can prevent maintenance that is more expensive.

Consider the cost of repairs like holes behind doors, clogged heaters and air-conditioners, appliance problems, dry rot, safety issues and more. Then of course, there are the major issues in a home such as the roof, the exterior condition of the building, carpeting, interior, and exterior paint, etc. When left to deteriorate, it usually means the owner will have to spend more in the future.

It is equally important to keep up with maintenance while the tenant occupies the property. Often people think no news is good news; this can be just the opposite. Instead, “delayed news can become very bad news.”

This is why, in our tenant instructions, we require them to report maintenance. For example, what is worse than finding out dry rot could have been prevented or discoloration of the linoleum if the tenant had reported the leaking toilet in the bathroom? Avoiding major maintenance costs are certainly more favorable in such cases.

The TREC P.M management teams contact owners regarding maintenance above the minimum that is listed in the TREC P.M contract, unless the situation is an emergency.

Emergencies/Disasters

When an emergency and/or disaster strikes, TREC P.M has policies in place for the property and tenants. TREC P.M notifies the property owner as soon as practical. The nature of the emergency and/or disaster determines the action needed by TREC P.M.



There are times when a property manager must "act" in order to prevent great financial risk to the owner. For example, when a property is flooding, action is necessary, particularly if the property owner is not immediately available.

WHEN THE TENANT VACATES

Notice to vacate

When there is a notice to vacate, the move out procedures with tenants are as critical as when TREC P.M. moves in a tenant. The preparation for this really began when the tenant moved in with a detailed rental agreement, Move-in Checklist and walk-through. All of these documents gave instructions to the tenant on how to move out.

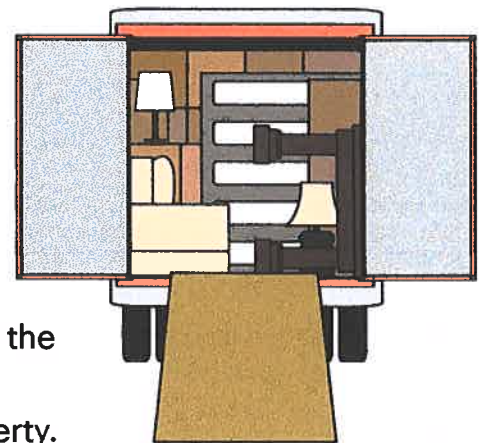
Communication with Owners and Tenants

TREC P.M notifies the owner in writing on how they will proceed with the tenant and re-renting the property. TREC P.M immediately places the property on the market to rent unless the owner notifies TREC P.M to take other measures.

TREC P.M also responds to the tenant notice with move-out check list to complete a successful move. Rent is required until the end the notice unless otherwise stated in the rental/lease agreement.

Tenant Move Out

TREC P.M. conducts a walk-through similar to the one preformed when the tenant moved into the property. TREC P.M. records any maintenance required and discloses a list of damages to the vacating tenant. Photographs are taken when the tenant moves out to document the condition of the property and support any deductions from the security deposit. After assessment of the tenant move out, TREC P.M advises owners of any tenant damages or any maintenance required to re-rent the property.



debt collection. TREC P.M. will supply consumer collection companies with the necessary documentation needed.

Conclusion

We hope this owner's manual has been helpful and going forward you will trust our business. We look forward to working with you.

Our commitment to you...

For Owners

- We rent homes faster than any other company, saving owners money
- We inspect the home annually, protecting the owner's investment
- We perform a rental property analysis annually, making the owner more money
- We have 24/7 maintenance, protecting the property and saving money
- Professional photography for stronger marketing and less vacancy
- Extensive tenant screening for better tenants
- We are NARPM members, giving owners confidence

For Tenants

- Posted screening criteria — know if you qualify before you apply
- Online Application
- Online tenant portal — submit work orders, pay rent, see statements
- Annual home inspection to address any issue
- Tenant Handbook provides excellent home info
- Rental Property maintenance software allows for streamlines process
- Security deposit itemization provides full accounting



Additional Owner Fees

1. **Oversee “Between Tenants” Checklist —**

A. \$300 - \$500 first time clients.

B. \$200 existing clients

Between tenants you will be given out Owner Pre-Move-In Checklist. It has 32 items that must be completed prior to the next tenant moving in. Items like the rekeying of locks, checking all detectors, scheduling cleaning, changing garage door opener codes, etc. These items will ensure that the home is as clean and secure as possible upon move in. Either the owner can oversee and ensure these teams are preformed, or they can hand off this task to T.R.E.C.P.M. for the fee above.

2. **First time leasing is \$0. Subsequent leasing fee — \$495**

Almost all property managers charge both a first-time leasing fee and subsequent leasing fee of 50% of first month's rent. T.R.E.C.P.M. charges **no** first-time leasing fee. There will be a \$495 leasing fee after that when those tenants move out and new tenants need to be procured. This fee will partially cover all marketing, showing, screening leasing and administrative costs.

3. **Tenant Take-Over Fee: \$95**

This fee would be charged to a new owner coming into T.R.E.C.P.M. that already has an existing tenant. It is always necessary to start from the beginning with that tenant and implement them into the system with a new lease agreement, renters' insurance, a home walk-through, tenant portal set-up, and general on boarding procedures. This fee will cover the start-up costs.

4. **Rehab Projects over \$2,000: 7 - 10% Vendor Oversight Fee**

This fee is charged if we are tasked with overseeing rehab of a property (paint, floors, lights, appliances, bathrooms, etc.). There are always multiple walkthroughs involved, constant communication with vendors and owners, the selecting and ordering items, billing, and follow up needed to ensure the job is done correctly, on time and on budget. Unlike other property managers, T.R.E.C.P.M. does not mark up the estimates from vendors and change a management fee but rather this one-time oversight fee.

5. **Additional Inspection Fee: \$85**

Our management service provides for one annual inspection of the owner's home. This is where detectors are checked, furnace filters are changed, tenant care is noted, and any deferred maintenance is reported. If additional inspections are requested by the owner and agreed upon by the tenant, the fee above will apply.



6. Maintenance Oversight Fee: \$20

There are two reasons for this nominal fee:

- A.** We employ a full time Maintenance Manager who first determines with every maintenance request whose responsibility it is... the owner or the tenant. They are also skilled at assisting tenants in resolving many maintenance issues themselves. I.e. disposal reset, tripped breaker, clogged sink. This saves time and money for our owners.
- B.** Our vendors (handymen, plumbers, electricians, etc.) all give T.R.E.C.P.M. a sizable discount on the work they perform at our owner's properties (20 - 25%). Unlike other property managers, T.R.E.C.P.M. will always pass this discount straight to the owner.

7. Pet fee of \$500 is split 50/50 with owners

Typically, we charge the tenant a one time \$500 fee for an authorized pet. This involves T.R.E.C.P.M. providing pet screening, pet addendum, it's \$3,000 pet guarantee and managing pet behavior during the term of the lease. The pet fee is split with the owner.

8. Lease Renewal Fee: \$95

60 days prior to the expiration of the tenant lease, a rental analysis will be performed to determine if a rent adjustment is required. After that, a notice will then be sent to the tenant preparing them for a lease renewal. 15 days prior to the lease expiration, a new one-year lease will be signed with the tenant. The owner fee for this renewal process is \$95 and will be charged the following month.

9. Annual IRS Compliance Fee: \$25

There is an Annual \$25 Tax Preparation Fee to cover the costs of Administration Associated with preparation and electronic delivery of the required IRS form 1099 each year. This fee is collected annually in March.

10. Court Appearance: \$100 per hour

This charge applies to eviction, and/or lawsuits where we are asked to appear in court on behalf of the owner. This includes case, preparation travel time as well as court time.

11. Landlord Exist Fee: \$100

Upon completion or termination of T.R.E.C.P.M. agreement, owners will incur a \$100 charge for turning over all documentation, accounting for all funds and forwarding any information required to the owners and/or the tenants. In addition, all files and accounting are required to be archived by for seven years. A portion of this fee is meant to cover that liability as well.

12. First 30 Days Termination Fee: \$500

We realize that while rare, there are circumstances that cause an owner to change their mind about renting their property. To cover administrative, advertising, and marketing costs, T.R.E.C.P.M. will charge owner \$500 if this happens within the first 30 days from signing of management agreement.



Cancellation of Management

It is the goal of T.R.E.C.P.M. to satisfy your management needs and engage in a successful business relationship, but all things do change over time. Owners sell properties; people give notices. If this happens, T.R.E.C.P.M. cancellation policy is to resolve your account in a professional, timely, and pleasant manner.

Please review the following policies for cancellation.

Written Notice

- From day one, this can be by US Mail or E-mail.

Notice to Current Tenants

- T.R.E.C.P.M. will notify current tenants the date of T.R.E.C.P.M. will no longer manage the property and that T.R.E.C.P.M. forwards all security deposits to the owner.
- It is the owner's responsibility to advise tenants where to make future rental payments and work requests after the notice period.

Distribution of Documents

- T.R.E.C.P.M. will supply current tenant documentation to the owner.
- If the owner has employed new management, it is the owner's responsibility to instruct them to pick up documents, keys, and any other necessary materials at the T.R.E.C.P.M. office.

Finals Distribution of Funds

- T.R.E.C.P.M. will distribute funds, including security deposits, and final statements to the owner within 5 days of the termination date of management, as agreed in the management contract
- T.R.E.C.P.M. will issue a 1099 for funds collected during the current tax year when the tax year ends

Conclusion

We hope you have found The Real Estate Connection Property Management Owner Manual informative and useful. If there is anything we can do to improve the manual, please let us know.

Again, we want to thank you for your business and we look forward to a successful management relationship.



PRE MOVE-IN CHECKLIST FOR OWNER

- ___ 1. RE-KEY ALL LOCKS BETWEEN TENANTS
- ___ 2. MAKE SURE ALL WINDOWS AND DOORS OPERATE AND LOCK CONSTANTLY
- ___ 3. CARBON MONOXIDE DETECTORS INSTALLED (ONE PER STORY)
- ___ 4. SMOKE DETECTORS REQUIRED FOR ALL BEDROOMS
- ___ 5. WATER HEATER TURNED ON AND DOUBLE STRAPPED
- ___ 6. FIREPLACE CLEANED AND SAFETY CHECK
- ___ 7. ALL APPLIANCES IN GOOD WORKING ORDER
- ___ 8. ALL LIGHTS, BULBS, AND SWITCHED WORKING PROPERLY
- ___ 9. ALL CARPETS PROFESSIONALLY CLEANED
- ___ 10. ENTIRE HOME PROFESSIONALLY CLEANED
- ___ 11. ANY FURNITURE OR JUNK REMOVED FROM HOME, GARAGE, YARDS
- ___ 12. CONTACT PAPER REMOVED FROM ALL CABINETS
- ___ 13. CHECK TOILETS AND FAUCETS FOR LEAKS
- ___ 14. CHECK CAULKING AROUND ALL TOILETS, TUBS, SINKS
- ___ 16. REPLACE WORN TOILET SEATS

- ___ 17. TIGHTEN ALL DOOR KNOBS, HANDLES, HINGES
- ___ 18. CHECK THAT ALL DOORS AND CLOSET DOORS OPERATE PROPERLY
- ___ 19. BATHTUB REGLAZED IF ANY SIGNS OF WEAR
- ___ 20. REPLACE BLINDS WHERE NEEDED
- ___ 21. REPLACE/REPAIR DAMAGED SCREENS
- ___ 22. CLEAN GUTTERS THOROUGHLY
- ___ 23. CHECK SPRINKLER TIMERS AND VALVES
- ___ 24. HOLES PATCHED AND INTERIOR WALLS, DOORS, AND BASEBOARDS PAINTED
- ___ 25. REPLACE ALL SWITCH PLATES IF WORN OR DIRTY
- ___ 26. OUTSIDE GARBAGE CANS EMPTIED
- ___ 27. ALL KEYS AND GARAGE REMOTES PLACED IN KITCHEN DRAWER
- ___ 28. ALL OWNERS MANUALS AND WARRANTY INFO GIVEN TO PMI
- ___ 29. CHECK FURNACE/ AC / CHANGE FILTERS
- ___ 30. CHECK WASHER, DRYER. HOSES AND VENTS
- ___ 31. ALL UTILITIES MUST BE TURNED ON
- ___ 32. ALARM CODE PROVIDED TO PMI

1. OWNER AGREES TO OVERSEE ALL THE ABOVE ___

2. OWNER AGREES TO HAVE PMI OVERSEE ALL THE ABOVE ___ OVERSIGHT FEE ___

The Real Estate Connection Property Management

WHAT ARE THE RESPONSIBILITIES OF A PROPERTY MANAGER?

1. Advertising & Marketing Your Property

On your own, marketing can take up a lot of resources, such as time and money. Working with a property management company like The Real Estate Connection means utilizing a vast network of contacts. They can easily market widely using word-of-mouth, online & traditional methods. Another advantage of hiring us is our marketing skills and experience. It's easy for us to recognize the best demographics to target given the location of your property.

2. Extensive Tenant Screening

If you preform tenant screenings by yourself, you wish sacrificing efficiency or forgetting to check a significant factor. Hiring The Real Estate Connection Property Management means that you'd cut down your time spent on this process. A property manager does the necessary research without skipping vital information. Criminal background, rent history, financial checking is properly conducted. They can also easily access records, given their experience in tenant evaluation.



There are multiple tasks that a property manager handles. The functions are not necessarily the same for every property management team. The tasks they preform will depend a great deal on the type of property you own; for example, you could hire a property manager exclusively for particular property management services, such as tenant screening or marketing alone. Alternatively, you could hire them to preform a complete package of property management services.

This article will show you a broad scope of their responsibilities, so you can examine them and narrow down the services you want. Here are the things property managers accomplish:

Another advantage is that a property manager always adheres to laws like the Fair Housing Act. This means when interviewing prospective tenants, the right questions will be asked without stepping over privacy rights.

3. Shedding Light on Legal Matters

Going into the rental business, a landlord must also be well versed in legal matters. You have to arm yourself with the latest statuses of the State where your property is located. You must abide by the governing landlord-tenant laws and follow the proper eviction procedures. Moreover, there are also guidelines on how to handle a tenant's security deposit. The laws are dynamic and can be amended at any time.

If you work with The Real Estate Connection Property Management, you can rely on their legal knowledge and ensure you will be protected as a property owner. You will be spared from the time-consuming effort of always being updated with the minute legal details. This guarantees your legal adherence when it comes to performing the duties expected from a landlord. Additionally, you will always act within your legal rights and avoid incurring penalties for overstepping your boundaries as a landlord.

4. Budgeting and Record-Keeping

If you're a first-time landlord, managing your finances can be challenging. To succeed in the property rental business, being excellent at handling your budget is key. When you hire a property management company they are able to operate within the given budget. Unnecessary expenses will be avoided, and the budget will be strictly used where it's needed.

Record keeping is also essential in a rental business. A property management company can keep track of financial files as well as property records. This could cover income, insurance payments, repair expenses, leasing agreements, maintenance requests and several more.

5. Dealing with Complaints and Tending to Emergencies

Managing tenants is a large part of being a landlord. As they are the lifeblood of your rental business, it's a crucial responsibility to promptly respond to their needs and requests. Whether this entails emergencies or dealing with complaints and conflicts with other tenants, it's your duty to manage them.

Working with TREC PM means having more time on your hands and fewer stresses. Professional property managers will attend to all tenant issues and urgent situations any given day.

6. Conducting Move-In Preparations

Another time-consuming task for landlords is getting your vacant rental unit ready for the next occupant. Hiring a property management team means you're spared from the worries of preparing your property. They will take over the repainting, ensure cleanliness and verify the working condition of appliances in your property.

They will carefully inspect every nook and cranny. They'll work within the budget given, and can choose specific refurbishment projects. This is done to add more value to your property and market it more easily.

7. Handling Move-Ins, Move-outs and Evictions

Tenant move-ins and move-outs can take up a large bulk of your time. Hiring a property manager means the tenants will be looked after from the beginning to the end of their tenancy. In case of evictions, they will also handle the ordeal while adhering to the due process of the law.

During move-in the property manager can preform tenant orientation, reiterate property policies and share important information. They'll hand the keys, passwords and a welcome package, if applicable.

During move-out, the property manager can conduct a property walkthrough and asses damages. They can then note things that need repair and send the tenant a calculation of the charges. The property manager will also receive the keys, refund the security deposit and make sure that no tenant's belongings are left in the premises.

In case of an eviction, the property manager can send the required notices and file a lawsuit at the court. The manager can represent you and provide the required evidence to support the tenant's eviction. They'll make sure that the proper procedure is observed, shielding you, the property owner, from legal stress.

Bottom Line: Hiring a property manager is they way to go, to secure peace of mind.

What Exactly Does a Property Management Company Do?



There are many functions a property manager has that can lighten any landlord's load. With the advanced technologies in which a property management company has invested, they help minimize errors and increase your rental business operations efficiency. The expertise and knowledge of a professional team is invaluable, especially to a new landlord or someone handling multiple properties on their own.

Hiring a property management company can offer plenty of benefits. This includes saving a property owner's precious time and resources. They can also maximize investment returns.

Here are specific areas and responsibilities a property management company can take on for you:

1. Rent Management

A property manager has the key task of rent collection. A manager must know the correct amount to collect each month, as well as be knowledgeable of when to adjust it in relation to market demand and fluctuations. A property manager is in charge of overseeing the entire rent collection process, from determining the rental price to enforcing rent collection policies.

The Real Estate Connection can help you with the rent collection process by:

- Conducting rental property analysis and determining the property's best features
- Researching housing rates around the neighborhood
- Researching target demographics
- Setting up the rent collection system
- Assigning the proper rental price
- Adjusting the rental price according to market trends and demand
- Collecting rent on the due date and providing notices when tenants fail to pay
- Enforcing policies and collecting late fees for delayed payment



2. Tenant Management

Property managers also have the task of dealing with tenants in a professional way. Working with different personalities is very challenging. It requires one to use effective communication, resolve conflicts, and remain firm with property rules.

A good property manager should:

- Find high-quality tenants for property owners
- Screen tenants effectively and with a fast turnaround time given the number of applicants
- Handle leases, create them and discuss the terms and conditions with the tenants
- Listen to the tenants' complaints and find ways to resolve their problems
- Handle reported emergency requests
- Manage tenant move-outs, inspect the property for damages and provide the tenant with the sum of estimated repairs
- Handle tenant move-ins, document rental property conditions, and welcome the tenant to the rental unit
- Manage tenant evictions, provide notices and file at the court for a lawsuit against tenant if needed.



3. Maintenance & Repair Management

A bulk of the property manager's functions rests on property maintenance and repair. They must ensure that tenants comply with the California building codes and safety standards. Property managers must also tend to the various repairs necessary to keep the property in excellent condition.

A California property manager will:

- Conduct regular inspections to track foundation problems
- Check that the tenant upholds the duties and responsibilities of maintaining the property
- Schedule pest management program and ensure common areas are sanitary
- Check proper receptacles of rubbish are available and a proper garbage disposal system is followed
- Check interiors and exteriors of the property and improve the curb appeal
- Check for normal wear-and-tear and replace damaged facilities or appliances
- Schedule annual cleaning of property and furnishings to maintain the property
- Contact licensed contractors to tend to rental property repairs
- Fix minor damages or schedule an acceptable time for repair with a maintenance team
- Check for property damages and calculate the cost of estimated repairs



10 MOST COMMON LAWSUITS AGAINST LANDLORDS

1. Improper Tenant Screenings
2. Improper Denying of Applicant
3. Improper Handling of Service/Comfort Animals
4. Improper Handling of Smoke and CO Alarms (Must Include Addendum)
5. Improper Handling of Bedbugs (Must Include Addendum)
6. Improper handling of mold issue (Must Include Addendum)
7. Improper Service of Rent Increase (Must follow RRIDRO Requirements)
8. Improper Entry Into Homes
9. Improper Move-Out Procedure
10. Improper Deposit Return

The Real Estate Connection Property Management
2348 W Whitendale Unit B
Visalia CA 93277

Phone: 559.799.1073
Office: 559.909.6300

HOURS
Monday-Friday
9AM - 6PM

16 Questions To Ask Any Property Manager

1. Are you local?
2. Are you a full-time property manager?
3. What is your base management fee?
4. What is your leasing fee and other fee?
5. How many homes do you manage?
6. How do you screen applicants?
7. How often will you inspect my home?
8. Can you offer a leasing guarantee?
9. How do you handle maintenance?
10. Who pays for an eviction?
11. When can you guarantee my payment?
12. Are you a member of NARPM?
13. Can we go month to month?
14. Can you explain how you maintain your owner's operating and security deposit accounts?
15. Can you explain my city's rent ordinances?
16. Do you offer a pet behavior guarantee?

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HOURS

Mon-Fri 9 AM - 6 PM

*closed for lunch 1-2



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How to cancel services with another property manager

Part of the responsibility of being a rental property owner is to sometimes part ways with a property manager that is not meeting expectations. Agreements between owners and property managers come in three varieties.

- Simply giving 30 day notice without penalty (this is ours)
- Year to year, often with a penalty for termination before the year is up.
- A management agreement where the length is tied to the length of the tenant lease.

Our feeling is that no reputable property management company should complete the owner to continue with their services should the owner desire to part ways.

Do not be forced into staying with the management company if they are not performing for you. Simply put your request to cancel in writing and firm. It's your property, you have paid them well in the past, but you want to move on. Here is a sample letter:

Dear ABC Property Management,

I would like to end our agreement with your company in regard to the management of my property effective in 30 days. Please provide in the coming weeks these items:

- *All lease documents*
- *Tenant application and contact information*
- *Current owner statements*
- *Any and all keys and remotes to the home*

Thank you,

Your Name

Date