



Owner Handbook

A living addendum to the Management Agreement



CONTACT INFORMATION

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www.frontlinerpm.com

6700 N. Linder Rd.
Meridian, ID 83646

WELCOME

Thank you for choosing Frontline Residential Property Management (FRPM) 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.

Frontline Residential Property Management is a property management company operating in Boise, Meridian, Eagle, Garden City, Kuna, Nampa, and Caldwell, Idaho, specializing in full-service property management. The company has been operating since 2005 and is actively involved in the community. The original name of our company is For Rent by Kent Property Management, LLC and we have been doing business as FRPM since 2015.

FRPM is an abbreviation used in lieu of the full company name, Frontline Residential Property Management, Inc., and will be used throughout the FRPM *Owner Handbook*.

FRPM works to achieve the highest professionalism in Property Management Services. Therefore, we have prepared the Frontline Residential Property Management Owner Handbook 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 the material, if you have questions or any concerns, contact us immediately, using the company contact information provided.

SPECIAL NOTE

The information provided in the FRPM Owner Handbook is subject to change. Landlord/Tenant laws, personnel, policies, and procedures change according to events that take place. FRPM 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 Frontline Residential Property Management as your Property Management Company. We look forward to a successful business relationship.

GENERAL MANAGEMENT

OWNER/PRINCIPAL

FRPM is under the direct supervision of Kent Barr, MPM, RPM®. He personally oversees all contracts, policies, and procedures, and works to educate the personnel to provide excellent service to our clients.

MISSION AND VISION

Our objective is to maintain and enhance your property's value by selecting responsible tenants and efficiently handling needed repairs and preventative maintenance.

We are dedicated to the successful management of your property. We process all transactions involving your property, maintain computer records that reflect all income and expenses and provide you with a monthly owner's statement.

We screen applicants by having them complete a rental application, running a credit report, checking local and national court records, verifying employment/income and checking rental/homeownership history.

BRINGING YOUR PROPERTY UNDER MANAGEMENT

UTILITIES

To ensure a smooth transition into property management, it is necessary to make sure the utilities are not shut off and that they are still in your name. If your utilities are shut off, it could result in serious damage to your property. FRPM will place your power and gas bills under a continuous service contract so that during future vacancies, the services will remain on and invoices are mailed to our office and paid out of your reserve funds.

REQUIRED DOCUMENTS

It is important that FRPM receive all critical information as we begin management. You may have completed the documents listed below. If not, they are available for you to download online on our website www.frontlinerpm.com should you need them. Please return the appropriate forms via email to kent@forrentbykent.com.

To bring your property into our active inventory, we require the following seven items in our office. We must have a completed and signed:

- Management Agreement
- W-9 form
- The minimum balance reserve on your account of \$200
- \$150 start-up fee
- Direct Deposit Authorization Form
- Property Intake Form
- Working keys to your property, remotes, pool & mail keys, etc.

If the property is currently occupied, we also require a copy of the current lease as well as applications, move in inspections, security deposit and financial documents.

PROPERTY STANDARDS

When homeowners move from their homes and convert them into rental properties, it is common that the homeowner had become accustomed to living with minor repair problems and less than perfect interior painting. An owner often feels that a tenant can live with the same minor flaws. But there are difficulties to this approach. In order to successfully market a property for rent, it is imperative to present a well-maintained, clean property. Not only does it set a standard of care to the applicant, it allows us to command higher rents and fewer days of lost rent. Most importantly, if the initial walk through inspection at the beginning of a tenancy shows areas of

deficiency, then justice courts may not hold tenants to a very high standard of care upon move out if the tenant challenges the deposit refund.

Help us start a new tenancy on your home with a good relationship as opposed to a disappointed tenant that has to make demands that the house be brought to satisfactory standards. Most often, a satisfied tenant appreciates your high standards and reflects that appreciation by maintaining your property in the condition in which they received it.

The following standards have been developed as a guideline for all new properties that come into management, as well as those properties that have been with FRPM over the years.

INTERIOR MAINTENANCE

Smoke alarms must be in every bedroom and in working condition. Let us know if you believe the smoke detectors to be older than 10 years, as they should be replaced. All wiring inside and out must be to code and outlet covers or switch covers must be installed. All door locks and window locks must operate easily and effectively, no windows painted shut. Screens and screen doors should be free of holes and fit properly. Doorstops should be installed or repaired for every door throughout the house. Sliding closet doors must be on tracks and slide easily. Fresh caulking should be applied around tubs and showers to protect the structure from mold and to provide a sanitary environment.

Kitchen and bathroom fixtures should be free of leaks and drips to avoid any future damage. Any rusted fixtures should be replaced. Toilets should flush easily and be free of any obstructions. All plugs and diverters should be in good working order. Sinks, toilets, tubs, showers and kitchen appliances should be sparkling clean.

All walls, ceilings and baseboards should look fresh and clean in appearance, neutral in color. All nail holes should be filled in, textured and painted so that they blend with the rest of the walls. Any repair larger than a dime should be textured and painted. Any repair that is made when paint doesn't blend, should be painted corner to corner. If you can look down the side of the wall and see paint spots, then it most likely needs to be painted corner to corner.

Floor coverings should be clean and in good repair. Carpets should be free of stains and odors and properly stretched. All carpets should be professionally cleaned.

Windows should be clean in appearance and all window coverings should be clean and in good condition, including rods, drawstrings, wands and slats. Please note Roman blinds are not allowed as they have been nationally recalled due to their safety hazard.

We have also partnered with Filter Factory to send furnace filters directly to the tenant on a quarterly basis (homes that do not require a filter would be exempt). This service is at no cost to the homeowner. The filters are also stamped with the expiration date, which is helpful come inspection time.

EXTERIOR MAINTENANCE

All landscaping should be neat in appearance. Bedding areas and lawn should be free of weeds. Trees and shrubs should be trimmed back from walkways and driveway. Fencing should be in good repair with adequate locking mechanisms, when required. Sprinkler systems should be maintained to protect plants, trees and grass.

There should be no missing shingles on the roof. If gutters are present, they should be adequately attached and free of damage and clear of debris.

Any personal items or debris left behind should be removed including any chemicals other than paint. Cans, planters, hoses or lawn equipment must be removed. Oil or grease stains on driveways, walkways or carports should be removed.

NO HIDDEN FEES

Start-up fee:	\$150 for Single Family, \$250 Multi-family
Lease renewal fee:	\$100
Preventative maintenance walkthrough:	\$100/visit, performed annually
Annual cash flow statement fee (1099):	\$10 per statement
Eviction Protection Program:	\$96 annually (optional)
Rent Assurance:	\$108 annually (optional)
Vacancy fee:	\$50/month

RENTING YOUR PROPERTY

SETTING THE RENT

Supply and demand will determine the rent. If there are multiple rentals available in the area of your property, it is necessary to be very competitive. If very few are “for rent” in the same area, it can make it easier to rent the property. Markets change and FRPM advises owners on the “current rental market.” We suggest if a property is sitting vacant long, that weekly decreases to the rent, usually \$25 to \$50, be incorporated to reduce your vacancy.

HOW LONG WILL THE HOME BE VACANT?

This is the most commonly asked question we receive from owners. There is no way to predict how long a property will remain on the market, even in the best market conditions. However, FRPM works diligently to rent the property as quickly as possible. What is important to remember is that the most important objective is to have “a quality tenant.”

FRPM, or any other property management company, can rent properties “quickly” if they do not have standards for obtaining good tenancy. However, bad tenants will only create more expense, headaches and eventually another unwanted vacancy; therefore, waiting for the “right tenant” is worth the additional time it can take to rent the property.

Once a property has been cleaned placed on the market for rent, experience has shown that it needs to be 'freshened up' every two-three weeks. We may need to send in a cleaner or maintenance tech to perform light cleaning, check toilets, pick up newspapers/trash, change air fresheners, remove any light debris, weeds or dead bugs, etc., at your expense.

COMMUNICATION

Communication is a key to the success in any relationship and the FRPM/Owner relationship is certainly not an exception. We work constantly to improve communications with all our clients or prospective clients. This includes everyone – owners, tenants, applicants, vendors, buyer, sellers, and the public.

It is important that you let us know of any significant change that can affect your account. FRPM needs to know when you are moving, changed phone numbers or emails, if you have a problem with your account, if your social security number has changed to a Tax ID, if you will be unreachable for a period of time or any other important information.

Another alternative is to inform your Emergency contact listed on the Property Intake Form. The purpose in asking for this information is only so FRPM is prepared in the event of an emergency repair or major problem concerning the owner's property and/or tenant.

FRPM encourages all owners to use email to contact us. It is fast and effective. FRPM personnel communicate by: Phone, email and written correspondence.

FRPM WEBSITE

FRPM works hard to utilize the most current and relevant business technologies. The FRPM website, www.frontlinerpm.com, has proved to be a tremendous asset. Here are a few of the benefits for clients on the FRPM website:

- Prospective tenants can search our site for available rentals, schedule showings, apply to rent online and pay rent.
- Tenants have access to a portal, allowing them to update contact information, submit a maintenance request, view transaction history or send FRPM an email from the site.
- Owners can obtain forms.
- Owner portal.

GENERAL OFFICE INFORMATION

FRPM mailing address 6700 N Linder Rd. Ste. 156 Box 231, Meridian, ID 83646. Our phone number is 208-391-5926 and a general email address is kent@forrentbykent.com

OWNER RESPONSIBILITIES

FRPM takes their management responsibilities seriously, and requests owners to do the same. Owner responsibilities are:

- Notify FRPM of any ownership change or eminent owner change for the managed property.
- Supply FRPM with accurate information so we can service the management account properly.
- Review statements at least monthly and notify FRPM of any discrepancies found as soon as possible.
- Support Fair Housing Laws and guidelines, as well as all necessary legislation.
- Maintain a current insurance policy for their property.
- Review their property insurance yearly and update as needed.
- Exercise responsibility for required maintenance and the safety of their tenants.

DEPRECIATION- WHAT YOU NEED TO KNOW

Most of the items in and on your property depreciate. Flooring and paint are two of the biggest and most misunderstood ones. If flooring or paint need to be replaced at the end of a tenancy, we will go off the age of said item, not the condition at move in. Lifespans are usually 5 years as stated by the IRS rules allowing for useful life and depreciation.

WEAR AND TEAR

Normal wear and tear is considered, the deterioration that occurs based upon the use for which the rental unit is intended and without negligence, carelessness, accident, misuse or abuse of the premises or contents by the tenants, their family or guests. Examples could be nail holes (non-excessive) used to hang pictures, minor spot painting between tenants, traffic wear in carpet, carpet replacement after 5 years, scuffed hardwood floors, sometimes minor cleaning between tenants, worn toilet seats, re-keying or replacement of worn locks, blind replacement due to sun damage or paint flaking, caulking or any other preventative maintenance.

THE SCOPE OF PROPERTY MANAGEMENT

WHAT IS NOT INCLUDED IN MANAGEMENT SERVICES

Because FRPM provides owners with a very wide range of services, it can be easy to request something that we cannot perform. Some tasks go beyond the normal scope of property management or require additional fees/services. There are also areas we dare not tread, such as accounting or legal advice, that require proper licensing. We ask that you remember this when making a request.

MANAGEMENT SERVICES DO NOT INCLUDE: showing the property to real estate agents, inspectors, appraisers, or prospective buyers while the property is for sale, providing on-site management, property sales, refinancing, preparing Property for sale or refinancing, supervising

and coordinating modernization, rehabilitation, fire or major damage restoration projects, obtaining income tax, accounting or legal advice; advising on proposed new construction, debt collection, counseling, or attending Owner’s association meeting and the like. If Owner desires Management to perform services not included in normal property management or specified above, a fee shall be agreed upon for these services before work begins, subject to certain limitation imposed by law for the specialized services only authorized by licensed professionals. If you have any questions on what is included or not included in property management, please let us know.

EVICTION PROTECTION

As a commitment to always offering a higher level of service, FRPM has implemented EVICTION PROTECTION to further protect our clients from serious financial hardship from unexpected costs incurred in removing a tenant from your home.

If an eviction becomes necessary at your property, FRPM will cover the costs, listed below, incurred in removing the tenant from your home for a low monthly commitment of \$8/mo. (\$96, billed annually each January).

To lessen the financial impact of the eviction, FRPM will cover the legal expense of the court filing fees, service of court documents, attorney fees, court fees and sheriff fees, up to \$1,000.

A typical eviction in Ada County:

Eviction Filing	\$171
Service and court processing fees	\$50
Attorney fees	\$500+
Sheriff Writ of Restitution fees	\$115
Total Estimated Costs	\$836

This program does not cover any loss of rent, property damage, lock rekeying, bankruptcy hearings, legal appeals/counterclaims by tenants, jury trials or bond for removal of tenant belongings. It also does not cover early termination fees, tenants vacating with a military or court order clause, abandonments, or mitigated move outs.

Rent Assurance

To coincide with our Eviction Protection Program, Frontline Property Management also has a solution to ensure the owner’s will receive their monthly income even in the case of a full eviction. If an eviction becomes necessary at your property, and the tenant refuses to leave the home after a late notice has been served, Frontline Property Management offers a program that will guarantee a continued 30 days of income to the owner. Most evictions take between 21 and 30 days this will further prevent catastrophic and unforeseen rent losses to an owner should an evicting be necessary. Every effort will be made to mitigate losses by working with a bad tenant. However, with this program, owners will receive at least 30 days of compensation while a tenant is being removed.

Frontline Property Management will pay the owner ONE MONTHS rental income if a tenant is evicted by the courts and forced to vacate with a writ of possession being executed by law enforcement. Idaho State Law does not allow for “double rent collection” therefore if a tenant is placed within the month of eviction the rents paid to the owner will be pro-rated based on the new tenants’ occupancy date. This is billed at \$9/month annually in January.

COMPANY POLICIES

It is very important in the field of property management, that FRPM 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, (NARPM), and others.

CODE OF ETHICS

FRPM follows the Code of Ethics outlined by the NARPM. FRPM considers this a top priority in conducting business and is required of all FRPM personnel.

DRUG FREE POLICY

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

LEGISLATION

FRPM 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 FRPM follows:

- Fair Housing (HUD) - We support and follows Fair Housing laws and guidelines.
- 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
- Any other local or state legislation that may apply to Idaho.

LEAD BASED PAINT

Lead-based paint became a major issue in the 1990s that prompted mandatory requirements for residential housing and continues today. FRPM follows all mandated federal and state guidelines for lead-based paint. All properties built prior to January 1, 1978 require disclosures to all tenants and owners. Tenants sign lead-based paint disclosures prior to renting a property and FRPM provides them with the required EPA Pamphlet, [*Protect Your Family from Lead in the Home*](#) as published by [The Environmental Protection Agency](#).

Property owners and/or Property Managers must also notify tenants, in writing, of any scheduled work necessary for lead-based paint on the property.

MOLD ISSUES

FRPM regards mold issues as a top priority in property management. Owners should be aware that mold is another leading issue in the 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 FRPM takes immediate action if a tenant reports mold. FRPM notifies owners as soon as practical of any mold issues so we and/or the property owner can take the proper steps. Owners are hereby advised to immediately repair all roof, plumbing, sewage, drainage, pool or other leaks that can cause mold, as delays can cause costly mold remediation!

ANSWERS REGARDING FUNDS

FRPM recognizes the importance of accurately collecting and disbursing funds. The bookkeeping program used by FRPM is specialized software designed to handle the many facets of property management and accurate record keeping.

BANKING

FRPM accounts for each owner's funds separately in the bank account and does not co-mingle funds with company's monies. FRPM requires that all accounts maintain a positive balance, so FRPM in turn requires each property owner to be responsible to fund all expenditures in advance of their becoming due. To better enable us to pay expenditures as they become due, owner's accounts have a required 'minimum balance' or maintenance reserve. Owners can replenish these funds via check or electronic transfer.

MONTHLY STATEMENTS

FRPM uploads monthly statements to owners portal by the 20th day of the month. If you have difficulty reading your monthly statement, please contact us. We are happy to assist you and answer your questions.

DISBURSEMENT OF FUNDS

FRPM disburses available rental funds to owners electronically along with your statement. FRPM does not disburse funds on weekends and holidays. FRPM cannot issue owner checks unless there is sufficient funds in the owner's account. Unless otherwise agreed, 'available rental funds' are all monies over the maintenance reserve of \$200 and after any additional recurring monthly expenses.

END OF YEAR PROCEDURES

FRPM 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 FRPM with the necessary Social Security/Tax ID information so the 1099 is accurate. FRPM will email the 1099 unless otherwise requested to mail, 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 change form, please contact us.

FRPM 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 the FRPM 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, landscape, 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 person along with other information for income tax reporting. FRPM does not issue statements to the owner's tax preparers.

BILLING RIGHTS SUMMARY

If you think your bill is wrong, or if you need more information about a transaction on your bill, write to us as soon as possible. We must hear from you no later than 60 days after we sent you the FIRST bill on which the error or problem appeared. You can telephone us but doing so will not preserve your rights. In your letter, give us the following information: *Your name and managed property address. *The dollar amount of the suspected error, and *Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about. This is a summary of your rights under the Federal Fair Credit Billing Rights which governs all our practices.

ADVERTISING/MARKETING

INTERNET/WEBSITE

Our listings are syndicated and will appear on many websites, such as Zillow, Trulia, Hot Pads, Craigslist as well as our site www.frontlinerpm.com. Your property will receive maximum exposure.

SIGNAGE

FRPM displays "For Rent" signs prominently if necessary, where permitted. Please let us know if your HOA or neighborhood does not allow for these signs.

PROCESSING TENANT APPLICATIONS

RENTAL APPLICATIONS

Applications are available online at www.frontlinerpm.com.

TENANT SCREENING

Thorough screening is crucial to successful property management. FRPM requires all applicants to fill out a detailed application and submit it for processing/approval. A credit check is NOT enough! Our company conducts a careful review of their credit, income, and tenant history or ownership.

All applicants must submit verifiable information on their income to show they can support the property. 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.

CO-SIGNERS

FRPM may accept a co-signer to help a renter cure lack of rental history or lack of income only. We will not allow a co-signer to cure bad credit, meaning a score of under 600.

PETS

Statistics show that more than half of all tenants have pets. By excluding pets from their property, an owner will substantially reduce the available number of tenants – which can prolong vacancy time! As such, FRPM policy is to allow pets at all properties unless specific written instructions to the contrary are provided. It is legal for property owners to discriminate against pets.

At FRPM, we require every animal to be vetted through our professional screening process. The fee for this is \$20.00 for the first pet profile and \$15.00 for each additional pet in your profile. These application fees are paid directly to our 3rd party vendor, PetScreening.com, conducting the pet screening. This screening is part of our application process and any house application received that lists a pet(s) must complete this in order to move forward with the rental application. The “Paw Score” score produced will determine the amount of the monthly pet rent or fees to the renter.

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

SERVICE ANIMALS

Special note: “Service animals” for handicapped/disabled persons 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 handicapped or disabled 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, handicapped or not.

THE TENANT MOVE IN

RENT AND SECURITY DEPOSITS

FRPM 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. **Security deposits are maintained by FRPM, in a true Trust Account.**

LEASE AGREEMENT

Once FRPM receives the deposit, a thorough lease agreement with the applicant is completed. If the accepted applicants are a foreign nationality and cannot read and understand the documentation, they must supply an interpreter at their expense, of legal age for signing the lease agreements. FRPM will automatically pursue lease renewals unless the owner notifies us in writing not to do so. Renewal fees are due for each written lease renewal or new tenant.

TENANT HANDBOOK

Tenants receive a Tenant Handbook, at move in. This detailed booklet gives them additional information on how to care for the property, report repairs, maintain the property, make timely payments, how to give proper notice to vacate, leave the property in good condition, and more.

WORKING WITH YOUR TENANTS

RENT COLLECTION

Rents are due on the first day of the month and late if not received prior to the sixth day of the month.

FRPM 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. To encourage timely payments FRPM encourages Tenants to pay their rent ONLINE on our website and can use all major credit cards.

THREE DAY NOTICE TO PAY OR QUIT

If FRPM does not receive rent by the due date, FRPM prepares and delivers a 3-day eviction notice to pay or quit, as the law allows. FRPM makes every effort to mail and post notices properly should legal action be required. If FRPM determines the tenant is not going to pay the rent during the notice to pay or quit period, or shortly thereafter, we contact the property owner and works out a plan of action.

OTHER NOTICES

There are other notices that may be involved with tenants. FRPM serves notices as situations warrant, such as a notice to clean up the landscape, HOA violations, 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 letter or a legal Notice “form.” Often, these notices are simply to correct minor tenant problems and most tenants comply.

However, if necessary, FRPM contacts the owner with the information to discuss the situation.

COMMUNICATIONS WITH TENANTS

FRPM prohibits direct communication between owners and tenants. This is to avoid your risk by opening gray areas. FRPM cannot effectively do our job as your agent and advocate if we are not involved in communications.

TENANT PROBLEMS

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

TENANT HOLIDAY GIFT PROGRAM

Studies have shown that tenants who feel valued and appreciated by the owners of their home tend to stay longer, take better care of the property, and are encouraged to make timely rent payments. Each Fall, FRPM will notify you of the opportunity to participate in our Holiday Gift Program where we send a gift to your tenant(s) on your behalf at your expense (usually \$25-100). You will have the opportunity to opt out in writing should you prefer not to participate in this program.

MAINTENANCE

PREVENTATIVE MAINTENANCE

The best approach to maintenance is “preventative maintenance,” and this is our policy.

First, FRPM has already started with educating the tenant by:

- Completing a detailed Rental Agreement, which includes a thorough outline of what are tenant responsibilities regarding maintenance.
- Supplying tenants with the Tenant Handbook, which provides additional instructions on the care of the property and how to report maintenance issues.

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

It is equally important to keep up with maintenance while the tenant occupies the property. When items are left to deteriorate, it usually means the owner will have to spend more in the future. Often people think no news is good news; this can be just the opposite. Instead, “delayed news can become very bad news.”

Therefore, 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.

We have implemented a “preventative maintenance” program once a year. Often the minor expenditures save the most money such as door stops, new filters, checking appliances, testing smoke alarms, adjusting doors, window latches, deadbolts, caulking, grouting and more. Many small repair items can prevent maintenance that is more expensive. You will receive a full report spelling out the items they find.

We contact owners regarding maintenance above the current \$200 minimum that is listed in the Management Agreement, unless the situation is an emergency.

EMERGENCIES

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

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 FRPM moves in a tenant. The preparation for this really began when the tenant moved in with a detailed rental agreement and Tenant Handbook. These documents gave instructions to the tenant on how to move out.

COMMUNICATION WITH OWNER/TENANTS

FRPM notifies the owner when a tenant gives notice to vacate. Owners can assume that FRPM will automatically proceed with re-renting the property unless instructed otherwise.

FRPM also responds to the tenant notice with information detailing the steps to complete a successful move. Rent is required until the end of the notice unless otherwise stated in the rental/lease agreement.

TENANT MOVE OUT

FRPM conducts a move out inspection similar to the one performed when the tenant moved into the property. FRPM records any maintenance required and discloses a list of damages to the vacating tenant. Digital photographs and/or videos taken when the tenant move out are compared to move in media to document the condition of the property and support any deductions from the security deposit.

After assessment of the tenant move out, FRPM advises owners of any maintenance required to re-rent the property.

SECURITY DEPOSIT REFUNDS

Proper handling of the security deposit refund is crucial. Any tenant deductions are determined

in a timely manner, and a security deposit refund and/or claim is prepared in accordance with state laws. Owners receive a summary of the claim with their monthly statement, showing any deductions and monies refunded.

COLLECTION ACCOUNTS

If a balance is still owing after 30 days of the tenant's move out date, we will submit the account to collections. We found that sending it to collections rather than small claims is the best option and receives a higher level of return. If collections become unrecoverable FRPM will charge off the remaining balance to your property which will show as bad debt and offset income on the property for that year.

CANCELLATION OF MANAGEMENT

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

Please review the following policies for cancellation.

WRITTEN NOTICE

We require a written and signed 30-day notice to cancel your account.

NOTICE TO CURRENT TENANTS

FRPM will notify current tenants the date FRPM will no longer manage the property and that FRPM 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

FRPM 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.

FINAL DISTRIBUTION OF FUNDS

FRPM will distribute funds, including security deposits, and final statements to the owner within as agreed in the management contract. FRPM will issue a 1099 for funds collected during the current tax year when the tax year ends.

PENALTIES/FEES

Penalties and fees may be charged for early termination of the contract, as spelled out in the Management Agreement.

CONCLUSION

If you feel there is any other information FRPM can provide, let us know so we can include it in the future. Call FRPM at any time or go to our website at www.frontlinerpm.com when you need any forms.

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