Thank you for choosing Barrons Property Managers, Inc. (known as BPM in this book) to manage your investment property. We look forward to a long and prosperous union. BPM works hard to achieve the highest professionalism in Property Management and Leasing Services. Therefore, we have prepared this Property 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 the material, if you have questions or concerns, please contact us immediately at (850) 934-2588 or Email us at Notify@BarronsPM.com

Special note: The information provided in the BPM Owners Manual is subject to change. Landlord/Tenant laws, personnel, policies, and procedures change accordingly to events that take place. BPM works continually to improve services and personnel training as well as remaining current with all landlord/tenant legislation.

Once again, thank you for choosing Barrons Property Managers, Inc. as your Property Management Company. We look forward to a successful business relationship!

**Owner Documents** - A copy of your management agreement is included with the Owners Manual. Refer to it as needed and keep it with this information for a handy reference.

It is important that BPM receive all critical information as we begin management. You may have completed the documents listed below. If not, we need you to fill out and return the following documents. P

1) W-9 - We need this information for tax purposes prior to establishing your account.
2) Lead Based Paint - If your home was built prior to 1978, complete this form and return it ASAP.
3) Electronic Banking Authorization – ACH form - This form enables BRG to send your funds directly to your bank. If you do not wish to start ACH at this time, you can use this form in the future.
4) Insurance Authorization - This form requests the insurance company issue a copy of your property insurance to BPM and that they name us as “additional insured” on your Policy. Please send this directly to the insurance company and forward a copy of your request to BPM.
5) Home Warrantees - Owners are responsible to supply all forms and numbers

Barrons Property Managers Contact information and Office Hours:

You may contact us by Telephone, Fax, Email, and Written correspondence.
Company Communication - Communication is the key to a successful relationship and the BPM/Owner relationship is certainly not an exception. We work constantly to improve communications with all of our clients, tenants and vendors.

Communication works both ways. We need communication from you, the owner. It is important that you let us know of any significant change that can affect your account. We need to know when you are moving, if you have a problem with your account, if your social security number has changed to a Tax ID, or any other important information.

Barrons Property Managers encourages all owners to use email to contact us. It is fast, effective, and provides written documentation for our records. We will respond to your email in most cases on the same day, or within 24 hours (excluding weekends). Please supply us with your email address so we can enter your email address in our database.

Special note: When using email, we request that you put the “property address” in the subject line. With the problems of spam, worms, viruses, and more in the Internet world, this helps us identify the importance of your message, and avoids oversights or deletions of messages.

Barrons Property Managers website - BPM stays current with business technology. For this reason, we have invested many resources in our websites, as more and more renters are using the web to search for their new home. Here are a few of the benefits for clients on our website:

* EVERYTHING now be done on our BPM mobile website
  - Prospective tenants can search our site for available rentals.
  - Tenants can download forms and documents.
  - Tenants can fill out applications, request maintenance, and also pay rent
• Owners can search listings for rent to keep up with our local area market, view monthly statements

**BRG staff/personnel:**

• Management Contact - we have licensed managers that can focus on showing your property, processing applications, renting, managing all the many facets of tenancy, and handling the details when the tenant moves.
• Office Team - The office team supports all Personnel and Management. They handle the everyday business of telephones, taking messages, accepting applications, office details, preparing documents, and coordinating with your manage

**Owner Responsibilities** - A successful business relationship works both ways. BPM takes their management responsibilities seriously, and requests owners to do the same.

Owner responsibilities are:

• Notify BPM of any ownership change or eminent owner change for the managed property.
• Supply BPM with accurate information so we can service the management account properly.
• Review statements monthly and notify us of any discrepancies found as soon as possible.
• If using ACH, check statements monthly for accurate or missing deposits and notify BPM if there are problems immediately.
• 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.

What is not included in BPM Property Management services - Because BPM provides owners with full service, 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 (see below).

Owner understands and agrees that normal Property Management does not include providing on-site management services, refinancing, preparing property for sale or refinancing, fire or major damage restoration, rehabilitation, obtaining or giving income tax, accounting, or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, or attending Homeowner Association meetings.
Company Policies - It is very important in the field of Property Management, that BPM 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 NARPM National Association of Residential Property Managers.

Legislation - Barrons Property Managers adheres to the laws and guidelines of FREC, federal, state, and local legislation, and incorporates this into all documentation, policies, and procedures. Here are some of the agencies that BPM follows:

- Fair Housing (HUD) - BPM supports and follows Fair Housing laws and guidelines.
- Equal Opportunity - BPM is an Equal Opportunity employer.
- 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
- EPA – Environment Protection Agency
- Florida Landlord/Tenant Act

Lead-based paint - Lead-based paint became a major issue in the 1990s that prompted mandatory requirements for residential housing and continues today. BPM 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 disclosures prior to renting a property and BPM provides them with the required EPA Pamphlet, Protect Your Family from Lead in the Home. 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 - BPM 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 BPM takes action if a tenant reports mold. BPM notifies owners as soon as practical of any mold issues so BPM and/or the property owner can take the proper steps.

Answers Regarding Funds - Barrons Property Managers uses the top property management software in the industry for accounting purposes. When you entered into a management agreement, BPM established an account for you and your property. BPM recognizes the importance of accurately collecting and disbursing funds. The bookkeeping program used by BPM is specialized software designed to handle the many facets of property management and accurate record keeping, and complies with the requirements of the Florida
Real Estate Commission.

**Banking** - Barrons Property Managers holds your money in a trust fund acct. and Security deposits for renters in a separate acct. mandated by the state of Florida. Owner’s funds do not co-mingle broker monies, following the Florida requirements.

**Monthly statements** - You can expect to receive a monthly, computerized report showing all income and expenses of your rental property along with your check sent out on or before the 15th of each month, checks MUST clear bank before owner’s checks are written.

**Other** - We will make your homeowners association payments, if you so direct and provided those adequate funds are available in your property trust account. You can expect that we will not make these payments if adequate funds are not available in your trust account.

**End of year procedures** - At the end of each year, Barrons Property Managers 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.

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. Barrons Property Managers does not issue statements to the owner’s tax preparers. Lost statements or extra information, needs to be acquired thru our accountant at market price.

It is necessary that you supply BPM with the necessary Social Security/Tax ID information so the 1099 is accurate. BPM will send the 1099 for the rent by January 31 for the previous tax year. If there is a change or you need another change of information form, please contact us by the end of the year. After 1099 is sent, you will have 30 days to review, if need be contact us with change. After 30 days, you may contact our accountant “at market price.”

BPM 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 our trust account. Owners are responsible for issuing 1099s to any vendor paid through the owner’s personal account.

**Renting Your Property** - Preparing to rent the property - When prospective tenants view your
vacancy, BPM wants the property to look its best so it can compete with other area rentals. A property maintenance report and rental market survey is completed. Our management team will contact you to discuss the details of your vacant property and any necessary maintenance.

**Setting the rent** - Supply and demand determines 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 Barrons Property Managers advises owners on the “current rental market.”

We will not lease your property at a lower amount than agreed upon, without your permission.

**How long will the property be vacant?** - This is the most commonly asked question we receive from owners. Unfortunately, there is no way to predict how long a property will remain on the market, even in the best market conditions. However, BPM works diligently to rent the property as quickly as possible.

**Advertising/Marketing** - BPM has found that the Internet and our website receive tremendous exposure as well as the Network of Realtors and Pensacola’s MultipleListingService. Our on-line advertising includes interior and exterior photos, video’s, professionally infused key word descriptions, for maximum exposure.

**Signage** - We will place a professional, attractive “Barrons Property Managers – For Rent” yard sign on your property at least two weeks prior to any known vacancy, or immediately if you have just listed your rental home with us. Each sign carries the phone number and website address. Signs promote calls. The caller can immediately access the property information on the web 24 hours a day.

**Showings and applications** - The Property Manager will schedule showings of your property to all prospective renters until your rental home is leased. We also arrange showing times on weekends by appointment only. When prospective tenants see the property, the management team answers questions and distributes applications. Applications are available in the office, at the property showings, and on the website.

**Processing Tenant Applications** - Thorough screening is crucial to successful Property Management. BPM requires all applicants to fill out a detailed application and submit it for processing/approval.

All rental applicants will be subjected to:

1) Contact current and previous landlord(s) to verify rental period and payment history.
2) Contact employer to verify employment history.
3) Self employed applicants must provide their most recent tax return.
4) Applicant’s gross monthly income must be three (3) times the amount of the monthly rent.

5) BPM does a credit check, criminal and background check. If unacceptable information is found, application will be declined.

**Cosigners** - We normally do not accept cosigners. Our policy is that the applicants should have the ability to rent on their own merits. However, some conditions may warrant taking a cosigner on a property.

**Pets** - If an owner authorizes a pet, BPM takes a pet application and restricts certain types and breeds. Many tenants have or want pets. It is legal for property owners to discriminate against pets. You may wish to do so. However, We recommend to owners that when the property is on the market, that pets are “negotiable.”

First, this encourages prospective applicant to disclose any pets. Then, based on the owner preference on pets, we can automatically notify the applicant that the owner does not allow pets. 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.

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.

**The Tenant Move-In** - Rent and security deposits - BPM does not accept personal checks prior to renting the property. Once approved, all applicants must pay in full, the first month’s rent. It is normally our policy to require a security deposit.

**Rental/lease agreements** - Once BPM receives funds; a thorough rental/lease agreement with the applicant is completed. All necessary addendums are included with this documentation. All persons 18 and over, including adult children, are required to read and sign all rental/lease agreements. 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.

**Tenant handbook** - Tenants immediately receive the “Tenant Handbook.” 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.

Taking the time to prepare tenants for their residency is another step toward a successful tenant/landlord relationship. Additional forms that the tenants may need are included.

**Collecting rent** - Rents are due on the first day of the month. At Barrons Property Managers, we don’t tolerate the delinquent payment of rents. We are careful to explain this policy to new residents in order to avoid and misunderstandings that might arise later. Our rent collections and delinquencies policies are as follows:

1. We will make every effort to collect rents timely when due (1st of the month).
2. We will “Hand Deliver” a 3-day notice, (Florida’s legal prerequisite to an eviction).
3. If no response we will turn delinquent residents over for an eviction to be filed with your approval, as owners are responsible for fees.

**NOTE:** BPM 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.

**Other notices** - There are other notices that may be involved with tenants. BPM 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 letter or a legal Notice “form.” Often, these notices are simply to correct minor tenant problems and most tenants comply.

**Tenant problems** - Barrons Property Managers policy is to obtain good tenants, eliminating many tenant problems. However, even good tenants have problems. BPM treats each problem with common sense approach, follows landlord/tenant law, and uses the appropriate documentation. If the situation turns serious, BPM contacts the owner, and works to find a solution for the problem.

**Legal action** - Although BPM works diligently to avoid the necessity to begin an eviction proceeding, it can happen. In the event any legal action is required, BPM will contact the owner prior to taking action, discuss what is needed, and obtain owner authorization.

**Lease Renewals** - We strive to get our tenants to renew their leases, 30 days prior to the expiration of their lease agreement. We will try to renew the tenant’s lease for another year at the same or at a slightly higher amount of rent.

We will renew the resident’s lease agreement, or re-rent the property to new residents, unless
we have a 30-day written directive from you not to renew the lease or re-rent the property.

We will also conduct a property inspection, correct any maintenance problems the tenants may have, and will contact you in the event of necessary repairs.

**Property Inspections** - We will conduct a “Move-In” inspection prior to new residents moving into the property. We will also conduct other drive by periodic inspections, or if we determine that checking out the property is warranted. When the residents moves out of your property, a Move-Out inspection and thoroughly documents the condition of the property, according to your management agreement.

**Preventative Maintenance** – Our policy and the best approach to maintenance is “preventative maintenance.” First we supply tenants with the “Tenant Handbook,” which provides instructions on the care of the property and how to report maintenance.

Next, we use “preventative maintenance” techniques when work is required and utilize competent contractors. Often 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.

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 problems. 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. Rental homes must be properly maintained in order to preserve the value of the property and maintain a positive relationship with the residents. Florida also has laws that require property owners to comply with certain basic maintenance and repair items.

BPM will contact owners regarding maintenance above the agreed upon amount that is listed in your Management agreement, unless the situation is an emergency. Sometimes when a maintenance person is at the home to give an estimate, they find they can complete the repairs right then and they will call us. If we cannot reach you but we feel the work is necessary we will authorize the repair and let you know this at the earliest convenient time. We do check pricing and we do always look out for your best interest in the decision making process. When the amount is going to be less than $100, our vendors do not call for approval, they just do it. In this case, we will send a copy of the invoice with your monthly statement.

When your property becomes vacant, we will take necessary actions to improve the property’s
show-ability to prospective renters. This means faster lease ups and less vacancy for you. Examples would include lawn service; carpet cleaning, house cleaner service, pool service, utilities and painting when necessary. In the event that any of these repairs were due to the former rental residents tenancy, we will spend all of their security deposit first to put your property back into its pre-rented condition.

**Emergencies/Disaster** - When an emergency and/or disaster strikes, BPM has policies in place for the property and tenants. BPM notifies the property owner as soon as practical.

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.

**Tenant Vacates** - Notice to vacate - The preparation for this really began when the tenant moved in with a detailed rental agreement and our Tenant Handbook, which gave instructions to the tenant on how to move out.

**Tenant move out** - BRG conducts a walk-through. We record any maintenance required and disclose a list of damages to the vacating tenant. Manager documents the condition of the property that supports any deductions from the security deposit. After assessments of the tenant move out, BPM advises owners of any tenant damages or 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 transmittal is prepared in accordance with state laws. Florida Law requires security deposits be returned within 15 days. If we intend to make a deduction from the deposit, we are given 30 days, so this will allow us to get the items done and charge the tenant for the actual expenses. Once we determine the deductions, we must notify the tenant by certified mail, and they are given 15 days from the date of the receipt of the letter to dispute the charges. Tenants often dispute, and we cannot disburse the money to the owner until the dispute has been resolved. It is usually best to allow us to try to negotiate with the tenant. In the event of a dispute, we will notify you of the dispute and discuss possible solutions.

**Collections** - If collecting damages is required, BMG will refer the matter to a qualified consumer collection service at the instruction and authorization of the owner. BPM will supply consumer collection companies with documentation.

**Supervision of extraordinary maintenance** - BPM can, for a fee, supervise work requiring extraordinary maintenance. Barrons Property Managers policy is to consult licensed contractors
for bids and solutions. Then BPM contacts the property owner for authorization and/or decision regarding the maintenance. The definition of extraordinary maintenance is as follows:

BRG defines extraordinary maintenance as rehabilitation work that exceeds $1000, insurance claims, and major systems replacements. (Examples are roof replacement, major tree work, exterior painting, vandalism, insurance claims, hurricane damages, etc.)

Cancellation of Management - It is the goal of BMG to satisfy your management needs and engage in a successful business relationship, but all things do change over time. If this happens, BPM cancellation policy is to resolve your account in a professional, timely, and pleasant manner. Please refer to your management agreement.

Notice to current tenants & Tenant information:

- BPM will notify current tenants the date BPM will no longer manage the property and that BPM 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.
- BPM 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 BPM office.

Final distribution of funds:

- BPM will distribute funds, including security deposits, and final statements to the owner within 30 days of the terminating date of management, as agreed in the management contract.
- BPM will issue a 1099 for funds collected during the current tax year when the tax year ends.