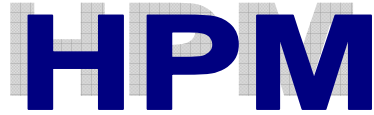


HPM

OWNER MANUAL

HOME PROPERTY MANAGEMENT
&
624HOME.COM



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8259 N. Military Trail #1, Palm Beach Gardens, FL 33410 • email: info@624home.com

WELCOME

We Manage Your Home Like it is Our Own

Thank you for choosing Home Property Management. (HPM) 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.

HPM works to achieve the highest professionalism in Real Estate/Property Management Services. Therefore, we have prepared the Home 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 the material, if you have questions or any concerns, contact your management team immediately, using the company contact information provided in the following pages.

HPM forms have also been included with this manual. There are some to fill out upon receipt unless you have already completed them. There are additional forms to assist you in the future. Completing and using the forms assists Home Property Management. in setting up and maintaining an accurate account for you and your investment.

Special note: the information provided in the HPM Owner Manual is subject to change. Landlord/Tenant laws, personnel, policies, and procedures change according to events that take place. HPM 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 Home 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 with the *HPM Owner Manual*. Refer to it as needed and keep it with this information for a handy reference.

It is important that HPM 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.624Home.com should you need them. Please return the appropriate forms via fax to (561) 624-5019 or via email to info@624Home.com

Owner Information

This information enables HPM to set up your account.

Electronic Banking Authorization – ACH form (Optional)

This form enables HPM 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.

Mortgage Authorization (Optional)

This form enables HPM to make payments and obtain information when needed from your mortgage company.

Utility Authorization (Optional)

This form enables HPM to make payments and obtain information from the utility company when needed.

Insurance Authorization (Optional)

This form requests the insurance company issue a copy of your property insurance to HPM and that they name HPM as “additional insured” on your policy.

Please complete all forms and return to us. We will send them to the appropriate organizations.

As your management continues, information can change. Please be prepared to send us a fax, email or letter should any of the following occur:

Change of owner information

Notify HPM of any important change when it happens – address, telephone, fax, email, etc.

Owner Work Request/Authorization

This is for authorizing work requests from telephone conversations with your management team.

Owner Vacation Notice

This is for notifying HPM when you will be unavailable for more than two weeks so that HPM is prepared in the event of an emergency.

HOME PROPERTY MANAGEMENT.

Home Property Management. is a property management company operating in [Palm Beach County](#), specializing in full-service property management and residential sales. The company has been operating since [1985](#), and is actively involved in the [Palm Beach](#) community.

HPM is an abbreviation used in lieu of the full company name, Home Property Management., and will be used throughout the *HPM Owner Manual*.

HPM mission statement

The mission of HPM is to provide quality service in property management and real estate sales in the [Palm Beach](#) community, demonstrating integrity and professionalism.

HPM principals

The owner/principal of HPM is [Todd Breen](#). He is the broker of HPM and has collectively, over [25 years](#) of experience in the real estate industry. [Todd Breen](#) provides the guidance and direction of HPM. He personally oversees all contracts, policies, and procedures, and works to educate the personnel to provide excellent service to our clients.

HPM COMMUNICATION

Communication is a key to the success in any relationship and the HPM/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, buyer, sellers, and the public.

Company communication

On the next page, you will find all general office information such as addresses, telephone numbers, email address, website, and office hours.

HPM personnel communicate by:

- Telephone
- Fax
- Email
- Written correspondence

HPM website “www.624Home.com”

HPM stays current with business technology. The HPM website, www.624home.com, has proved to be a tremendous asset. Here are a few of the benefits for clients on the HPM website:

- Prospective tenants can search our site for available rentals and download our application, apply to rent online and take online video tours of your property.
- Owners, Tenants and Vendors can access important information, such as work orders, account ledgers and documents or send HPM an email from the site
- Owners can obtain forms or view your account, online.
- Tenants can pay rent on-line with PayPal, credit cards, online checks or ACH.
- Owners can review their account status online

General office information

Home Property Management. General Information		
Address information		
Mailing address	P.O. Box 31537	
	Palm Beach Gardens Fl. 33420	
Street address	8259 N. Military Trail #1	
	Palm Beach Gardens, Fl 33410	
Communication		
Toll Free #	800-999-6608	
Business #	561-624-4663	
FAX #	561-624-5019	
Email	info@624home.com	
Website	www.624home.com	
Office Hours		
(Leasing calls are answered evenings and weekends)		
Property Management	Monday – Friday	9:00 am – 5:00 pm
	Monday – Friday	Open during lunch hour
	Saturday	9:00 am – 5:00 pm by appt
	Sunday	10:00 am -4:00 pm by appt
	Holidays	Closed
Emergencies		
	Call 561-624-4663 choose emergency option,	

Newsletter/Blog

To keep you updated on the property management industry, we routinely distribute a newsletter / blog via our website. This information will enlighten you on many housing issues. Important changes or announcements concerning HPM are also included in this fashion.

TEAMS AND CONTACT INFORMATION

HPM staff/personnel

We have a complete staff to assist you. What HPM has found effective for servicing tenants is "Teamwork." Together Everyone Achieves More. There is a convenient chart of the teams and their contact information below.

- **Management Team:** HPM has assigned a management team to your account, consisting of a Property Manager and Assistant Property Manager, and a Customer Service Manager. They 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 HPM Personnel and Management. They handle the everyday business of telephones, taking messages, accepting applications, office details, preparing documents, and coordinating with your management team.
- **Sales & Leasing Team:** HPM also has a sales team that can assist you with Real Estate, buying or selling. The sales team consists of experienced and licensed Real Estate agents. There is no obligation when you ask for a market analysis for the value of your current property, information for purchasing a new investment property, or available financing.

Team	Position	Name	Phone + Ext.	Email
Mgmt Team				
	South County Property Manager	Natasha Hall	561-693-4978	Natasha@624home.com
	North County Property Manager	Marley Hyer	561-624-4663	MarleyH@624home.com
	All County	Diana W	561-308-1478	Diana@624home.com
Business Development		Todd Breen	561-283-0179	broker@624home.com
Office Team	Office Manager & Bookkeeper	Renee Sloan	561-693-4975	office@624home.com
	Property Reviewer	Logan Breen	561-632-7643	Logan@624home.com
	Showing Instruction and Front Desk	Cherisse	561-283-0175	Cherisse@624home.com
Leasing Team	Leasing Agents	Shir-Lee R	561-693-4976	shirlee@624home.com
		Diana W	561-308-1478	Diana@624home.com
Broker	HPM Broker	Todd Breen	561-283-0179	broker@624home.com

OWNER COMMUNICATION

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. HPM needs 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. To assist in communicating any changes to us, we have provided the "Change of Owner Information" form with this manual that is easy to use.

Email

HPM encourages all owners to use email to contact us. It is fast and effective. Please supply us with your email address on all the HPM forms. We will 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, trojans, and more in the Internet world, this helps us identify the importance of your message, and avoids oversights or deletions of messages.

Owner vacation notice

HPM respectfully requests that owners notify HPM of vacations that are two weeks and over. Another alternative is to inform your Emergency contact listed on the Owner Information Form. The purpose in asking for this information is only so HPM is prepared in the event of an emergency repair or major problem concerning the owner's property and/or tenant. A convenient Vacation Notification Form is included with this manual.

OWNER RESPONSIBILITIES

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

Owner responsibilities are:

- Notify HPM of any ownership change or eminent owner change for the managed property.
- Supply HPM with accurate information so HPM can service the management account properly.
- Review online or printed statements at least monthly and notify HPM of any discrepancies found as soon as possible.
- If using ACH, check statements monthly for accurate or missing deposits and notify HPM 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.
- Exercise responsibility for required maintenance and the safety of their tenants.
- Treat HPM personnel with courtesy and notify HPM principals if there are problems with HPM personnel so they can be resolved quickly
- Visit the property periodically or watch the online video property inspections sent to you via email, and if an owner cannot perform this function, HPM requests the owner assign a third party to represent them in this capacity. Please note that all visits should be scheduled through your property management team.

THE SCOPE OF PROPERTY MANAGEMENT

What is included in HPM Property Management services

We want you to know what HPM does for you as your property management company. Therefore, HPM has outlined details on our policies and procedures in future pages of this information. There are so many details and aspects of managing property, that we can only include the basics in this manual. If you have more questions, contact your management team.

Again, these are general guidelines and when necessary, policies will change. Please bear in mind that we are unable to do “everything” that is required to service a property under our management fees.

What is not included in HPM Property Management services

Because HPM 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 (see below). There are also areas licensed real estate agents dare not tread, unless they have obtained the proper licensing or degrees. We ask that you remember this when making a request. In keeping with paragraph D of Management Responsibilities of the Property Management Service Agreement which states “Manager may assess an hourly fee for special services not specified in this agreement”, the following are examples of services not specified in the Property Management Service Agreement:

Owner understands and agrees that normal Property Management does not include providing on-site management services, property sales, refinancing, modernization, fire or major damage restoration or rehabilitation requiring a permit from a General Contractor, 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.*

** our vendors routinely pull permits as required by law, however HPM cannot legally pull a permit. Any work requiring a GC license is beyond the scope of our normal services.*

If you have any questions on what is included or not included in property management, please let us know. We have more information on additional services later in this manual.

COMPANY POLICIES

It is very important in the field of Property Management, that HPM 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 the National Association of Realtors, NAR® and the Florida Associations of Residential Property Managers, FARPM. Additionally, we train all personnel by requiring them to read and follow the HPM Property Management Policy and Procedures Manual and HPM Employee Manual.

Department of real estate requirements

The **Florida Real Estate Commission (FREC)** requires licensing for all persons conducting Property Management and Real Estate Sales in our state. HPM requires all personnel that are Brokers, Property Managers, and Real Estate Agents to have a **Florida** Real Estate license.

Code of ethics

HPM follows the Code of Ethics outlined by NARPM, FARPM and NAR®. HPM considers this a top priority in conducting business, and is required of all HPM personnel.

Drug-free policy

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

Legislation

HPM 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 HPM follows:

- Fair Housing (HUD) - HPM supports and follows Fair Housing laws and guidelines; the HPM office displays Fair Housing signage
- Equal Opportunity - HPM is an Equal Opportunity employer; the HPM 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
- EPA – Environment Protection Agency
- Any other local or state legislation that may apply to a specific city.

Lead-based paint

Lead-based paint became a major issue in the 1990s that prompted mandatory requirements for residential housing and continues today. HPM 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 HPM provides them with the required EPA Pamphlet, [*Protect Your Family from Lead in the Home*](#) as published by [The Environmental Protection Agency](#). HPM then forwards the required disclosure to owners for signature.

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

HPM 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 HPM takes action if a tenant reports mold. HPM notifies owners as soon as practical of any mold issues so HPM and/or the property owner can take the proper steps.

ANSWERS REGARDING FUNDS

When you entered into a management agreement, HPM established an account for you and your property. HPM recognizes the importance of accurately collecting and disbursing funds. The bookkeeping program used by HPM is specialized software designed to handle the many facets of property management and accurate record keeping, and complies with the requirements of the [FREC](#).

Banking

HPM holds your account in a trust fund mandated by the state of [Florida](#). HPM accounts for each owner's funds separately in the trust account and does not co-mingle funds with broker monies, following [FREC](#) requirements. FREC requires that all accounts maintain a positive balance, so HPM in turn requires each property owner to be responsible to fund all expenditures in advance of their becoming due. To better enable HPM 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, electronic transfer or credit card. When an owner is unable to fund an expenditure which HPM is required to pay, HPM will occasionally pay using company funds and assess a \$39 negative balance fee to the owner's account.

Monthly statements

All daily bookkeeping transactions are available for you to view **online** on our website. While online, you can print a statement of your choice from our site, in a variety of formats. HPM sends printed monthly statements to owners upon request, usually on the 9th or 10th day of the month. If you have difficulty reading your monthly statement or logging into the program, please contact your management team. We are happy to assist you and answer your questions.

Disbursement of monthly funds

HPM generally disburses available rental funds to owners **electronically** within 2 business days of receipt. If this day falls on the weekend, HPM issues funds on the next business day. (HPM does not disburse funds on weekends and holidays). HPM can not issue owner checks unless there are sufficient funds in the owner's account. Unless otherwise agreed, 'available rental funds' are all monies over the maintenance reserve of \$500 and any additional recurring monthly expenses.

HPM distributes available owner funds in two ways:

- ACH **direct deposit** into an owner's bank account within 2 business days of receipt of rents. An ACH authorization form is available online at www.624Home.com
- Company check mailed directly to the owner, accompanying their monthly statement on the 10th.
- Company check mailed to the owner's bank account on the 10th.

End of year procedures

At the end of each year, HPM 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 HPM with the necessary Social Security/Tax ID information so the 1099 is accurate. HPM 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 change form, please contact us.

HPM 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 HPM 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. HPM 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 at the physical address or email address shown on your statement 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 of our practices.

RENTING YOUR PROPERTY

Preparing to rent the property

When prospective tenants view your vacancy, HPM wants the property to look its best and compete with area rentals. An Annual Property Review (APR) report and rental market survey is completed. The HPM 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 HPM advises owners on the "current rental market."

How long will the property be vacant?

This is the most commonly asked question HPM receives from owners. There is no way to predict how long a property will remain on the market, even in the best market conditions. However, HPM 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."

HPM, 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 and another unwanted vacancy; therefore, waiting for the "right tenant" is worth the additional time it can take to rent the property.

ADVERTISING/MARKETING

Internet/website

HPM has found that the Internet and the HPM website, www.624home.com receives tremendous exposure, as well as using [Multiple Listing Service \(MLS\)](#). Additionally, we routinely market our listings on other popular websites, including the www.PalmBeachPost.com, www.RentClicks.com and a host of other sites.

InterOffice Marketing

As a member of the Regional MLS, HPM works closely with many leasing agents. When calling, prospective tenants quickly receive all the information, including when and how they can see a property. With the cooperation of so many agents, your property will receive maximum exposure!

Signage

HPM displays "For Rent" signs prominently where permitted. Signs promote calls to our office, but they also direct people to our website where they can learn all about your property.

Video Tours

HPM has pioneered a ground-breaking development in the real estate rental market by actually filming a 3-5 minute showing of your property, and making this video available in all of our advertising. Be sure to ask to have your property filmed! Current price for the marketing video is \$95.

Showings and applications

The HPM property managers conduct showings for each vacant unit. We arrange showing times for your property in advance through our voice messaging system, and appointments by contacting the HPM office directly. When prospective tenants see the property, the management team answers questions and distributes applications. Applications are available in the HPM office, at the property showings, and on the HPM website. Tenants can also apply to rent a property ONLINE on our website. We also conduct a Vacancy Review frequently to make sure your property shows well.

PROCESSING TENANT APPLICATIONS

Tenant screening

Thorough screening is crucial to successful Property Management. HPM 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.

The Broker of HPM has pioneered several risk management techniques, and teaches these techniques to other Property Managers. You can count on a closely supervised and consistent screening process with HPM!

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. If a pet is allowed on the property, the screening includes the pet (please review the upcoming pet policies).

Cosigners

HPM normally does not accept cosigners. HPM policy is that the applicants should have the ability to rent on their own merits. However, sometimes there are conditions that may warrant taking a cosigner on a property.

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, HPM policy is to allow pets at all properties unless specific written instructions to the contrary are provided.

If a tenant has a pet, HPM increases the deposit even more. HPM does not use the term “pet deposit.” By avoiding this terminology, HPM 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 HPM application has a place for prospective tenants to list pets and how many. It is important NOT to discourage full disclosure on pets while taking an application. HPM does not place inappropriate pets in a property.

HPM 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 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

HPM verifies that all funds have cleared prior to issuing possession to a tenant. HPM 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, in certified funds. It is normally HPM policy to require a higher security deposit than the rent.

Rental/lease agreements

Once HPM receives funds, a thorough rental/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 rental/lease agreements. HPM 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 monthly tenancy beyond the initial lease term.

Video Documentation

A vital part of the tenancy is a detailed video taken before each tenancy, documenting the condition of the property when they move in. Unless extenuating circumstances prevail, the HPM team completes the video before the tenant takes possession of the property. When the tenant moves out of the property, there is a sound basis for the security deposit refund or claim. Current pricing for each video is \$45, billed to the owner's ledger.

Tenant handbook

Tenants immediately receive the "HPM 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.

Tenant education and preparation

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 with the "HPM Tenant Handbook." HPM wants both owners and tenants well informed

WORKING WITH YOUR TENANTS

Collecting rent

Rents are due on the first day of the month and late if not received in the HPM office by the first of the month.

HPM 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 HPM enables Tenants to pay their rent ONLINE on our website, and can use all major credit cards. HPM also can automatically draft rental funds from the Tenants bank account each month. Rents are almost always distributed to the owner within two banking days of receipt by HPM.

Notice to pay or quit

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

Other notices

There are other notices that may be involved with tenants. HPM 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, HPM contacts the owner with the information to discuss the situation.

Tenant problems

HPM has years of experience handling the myriad of tenant difficulties that can occur. The HPM policy is to obtain good tenants, eliminating many tenant problems. However, even good tenants have problems. HPM treats each problem with common sense approach, follows landlord/tenant law, and

uses the appropriate documentation. If the situation is serious, HPM contacts the owner, and works to find a solution for the problem.

Our company policy is to take a "what if" approach. HPM documents tenant problems in the event that it becomes a legal problem. One of the reasons you hired a property manager is for "peace of mind." This is what HPM recognizes and works to prevent legal issues from arising.

Legal action – Eviction Protection Program

As we all know, evictions can happen to any landlord no matter how well a tenant is screened. Circumstances change in people's lives and they are not able to pay the rent. This is especially true when people lose their job, get a divorce or have a serious injury. When a tenant cannot afford to pay the rent they also find it difficult to move, requiring the landlord to go through the costly procedure of evicting the tenant.

The current economic slowdown has created a drastic increase in the number of evictions filed in Florida courts. To make matters worse, in 2008 the Florida legislature increased the court eviction filing fees by almost \$200! With this recent increase, our attorney is now charging almost \$700 to file an uncontested eviction.

At 624Home.com, we protect our landlord clients from the high costs of an eviction. For a small monthly fee of \$15 per unit, this **Eviction Protection Program** will cover the cost of almost all evictions. **This could save you up to \$700.00.**

The only cost of the eviction that is not covered is; a jury trial, or when a tenant is awarded legal fees, or if a tenant contests an eviction and the judge awards a hearing. (Since 1985 we have never had to go through a jury trial or had a judge award a tenant legal fees! If that happens we will let you know and try to negotiate a favorable settlement in your behalf.)

In the event any Renter procured by 624Home.com under any lease shall default in the payment of rent or shall hold over in possession for longer than the lease term stated in any such lease, 624Home.com shall have the right and sole discretion to institute legal proceedings for eviction, unlawful detainer or other civil action against such Renter, and all other persons occupying the property, in Owner's name, place and stead. Included in this agreement is 624Home.com Standard Eviction Protection: Up to \$700.00 in the aggregate for all Notice And Appearance Fees, attorney fees and legal costs to file a Count I eviction for possession only; except that 624Home.com shall not be responsible for any such costs or fees in the event either (a) that such Renter shall demand jury trial, or (b) that such Renter shall make a counterclaim against Owner.

Any recovery by Owner of attorney fees, unpaid rent, damages or other charges or expenses shall be paid to 624Home.com. The foregoing Eviction Protection shall only be valid while a management agreement is in effect and while the property is being actively marketed for re-lease by 624Home.com. Owner represents and agrees (a) that this clause contains the complete and entire agreement of the parties regarding the Eviction Protection being provided by 624Home.com, (b) that Owner shall fully cooperate in the institution, prosecution and collection of any such litigation; (c) that this Eviction Protection plan is not an indemnity or insurance contract of any kind; (d) that Owner waives any claims against 624Home.com in the event 624Home.com, for any reason, decides not to file such litigation; and (e) that Owner fully and clearly understands the terms and legal effect of this provision.

624Home.com's current policy for determining when to file an eviction is to file an eviction when a tenant is past due more than 50% of a month's rent and is at least 15 days late. If a tenant does not pay the final month's rent due per the terms of their lease, 624Home.com will evaluate tenant's

performance history and the dollar amount of their security deposit when deciding whether to file an eviction.

MAINTENANCE

Preventative maintenance

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

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

- Completing a detailed HPM Rental Agreement, which includes a thorough outline of what are tenant responsibilities regarding maintenance as well as owner obligations
- Completing a move in video documenting the condition of the property before the tenant takes possession
- Supplying tenants with the “*HPM 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 HPM/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, caulking, grouting 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 issue 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 HPM management teams contact owners regarding maintenance above the current **\$500** minimum that is listed in the HPM Management contract, unless the situation is an emergency. Our Customer Service Manager will frequently communicate repair information to an owner for items that are below the minimum cost as well!

Over the years as fuel costs and inflation rise, HPM reserves the right to adjust the maintenance minimum as needed to properly maintain an owners property. HPM's maintenance minimum remained at \$300 from 1985 until 2006, when fuel costs and inflation required it be adjusted!

Once a property has been cleaned placed on the market for rent, experience has shown that it needs to be 'freshened up' every two weeks. HPM's **Vacancy Maintenance Program** includes sending a Service Tech to the property to perform light cleaning, pick up newspapers, change air fresheners, remove any light debris or weeds etc... at a cost of \$25 per visit plus any materials used. This service is provided automatically to every vacant property, however a property owner may 'opt out' if they prefer to maintain a vacancy themselves.

Emergencies/Disaster

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

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.

Hurricanes and Shutters

After three hurricanes in two years (2004-2005), HPM staff is very adept at hurricane response! We have a complete hurricane response system that keeps you informed in the days immediately following a storm. Our backup systems include generators, multiple cellular phone providers to ensure optimal service coverage, fuel stockpiles and EVEN standby wireless internet service to enable us to communicate with owners, tenants and vendors.

Hurricanes watches and warnings frequently afford Floridians no more than 48 hours to secure their homes. **With a limited staff and hundreds of homes under management, HPM is unable to guarantee hurricane preparation assistance to any owner. While some tenants may be able to shutter a home, many may not. Owners are advised to make provisions to secure their own properties, possibly with a local friend, neighbor or relative.**

While HPM is unable to guarantee ANY owner that their property will be secured, our preparation routines generally include securing homes in order of the following priority:

1. Vacant homes with automated or accordion type shutters installed
2. One story homes with removable shutters
3. Two story homes with removable shutters
4. Occupied units with tenants who request assistance

Due to obvious time constraints, HPM will not always be able to honor last minute requests to direct vendors to purchase or install plywood at a property.

Neither HPM nor HPM's vendors assumes any liability for the performance of any shutters or plywood!

Shutters will be taken down when time permits, and generally only AFTER all emergency issues have been resolved at all of our managed properties.

Frequently several of HPM's vendors will assist in shuttering properties, including carpet cleaning vendors, painters and the like. For this reason, labor rates for shutter installation and removal often vary depending on which vendor performs the work. HPM cannot assure owners which vendors are available to do the work and therefore HPM cannot guarantee pricing for shuttering!

The key to hurricane preparedness is addressing your shuttering concerns yourself, well in advance of any storm. Accordion shutter tracks should be cleaned and lubricated frequently, and the owner is encouraged to attend to this, or request it be performed by HPM during the annual property review (APR).

Should any act of God such as a hurricane occur, HPM will continue managing the property while owner and insurance company return property to tenable condition, and all management fees remain due and payable to HPM while property is untenable.

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

Communication with owners and tenants

HPM notifies the owner when a tenant gives notice to vacate. Owners can assume that HPM will automatically proceed with re-renting the property. HPM immediately places the property on the market to rent unless the owner notifies HPM in writing to take other measures.

HPM also Hresponds 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 video

HPM conducts a move out video similar to the one performed when the tenant moved into the property. HPM records any maintenance required and discloses a list of damages to the vacating tenant. Digital photographs and 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, HPM advises owners of any tenant damages or any maintenance required to re-rent the property. Digital videos are available to the owner to view ONLINE, often the same day the video is taken!

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. [List what the law requiHPM, such as the amount of time to return deposits and if invoices are required.](#) Owners receive a copy of the transmittal with their monthly statement, showing any deductions and monies refunded.

Collections

Once a tenant vacates our leased premises, HPM's rent collection efforts will conclude with the preparation of a final statement of claim sent to the last known address of the tenant. HPM's contractual management service does not however include debt collection after a tenant vacates the

leased premises. Within 30 days after a tenancy ends, Owners can request the collection account be sent to companies with expertise in debt collection, and HPM will supply consumer collection companies with the necessary documentation needed to collect. At HPM's sole discretion, HPM may attempt to collect the debt, and will earn half of any monies recovered for their collection efforts and legal costs.

ADDITIONAL SERVICES

The following are "additional services" offered by HPM to each property owner. They are not included in the fees for managing and/or leasing the property.

Referrals

Do you know someone who is looking for management services in the [Palm Beach County](#)? If so, then notify your management team. HPM values their client business and believes in rewarding referrals from clients. [HPM pays a \\$50 referral fee upon signing up a new property, so send other property owners to us!](#)

Annual Property Review(APR)

HPM maintains properties as part of their property management services. This survey goes beyond overseeing normal maintenance. An [HPM representative](#) performs this review, and the purpose is to check the property thoroughly each year in order to perform necessary or preventative maintenance. Photos and/or videos of the property are made available for your review, as well as an inspection report. Cost for this service is currently \$145.

The APR is generally scheduled 60-90 days prior to every lease anniversary date, to afford HPM and the owner the opportunity to evaluate the condition of the property before a lease renewal is negotiated. **HPM notifies all owners in writing before scheduling an APR, and an owner may opt out of this inspection by providing HPM written notice not to proceed with an APR.**

Supervision of extraordinary maintenance

Although not always taken, HPM reserves the right to charge an hourly **fee** for supervising work requiring extraordinary maintenance. The definition of extraordinary maintenance is as follows:

HPM defines extraordinary maintenance as rehabilitation work that exceeds \$5000.00 for insurance claims, and major systems replacements. (Examples include major tree work, vandalism, insurance claims, etc.)

The HPM policy is to consult licensed contractors for bids and solutions. Then HPM contacts the property owner for authorization and/or decision regarding the maintenance.

Real Estate services

The HPM Sales Division is available to assist you in buying more investment property or selling your property when ready, including those requiring 1031 exchanges.

A free market analysis is available at any time with no obligation. Please contact your property management team or one of our sales team listed to provide you with the information or services you need.

CANCELLATION OF MANAGEMENT

It is the goal of HPM 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 HPM cancellation policy is to resolve your account in a professional, timely, and pleasant manner.

Please review the following policies for cancellation.

Written notice

- Owners are advised that lease renewals are frequently negotiated with tenants during the 10th month of a lease, and cancellations of the management contract may be subject to any lease renewal! For this reason, Owners are advised to give written notice of cancellation at least 90 days prior to lease renewal!
- The HPM policy is to give cancellation of management by certified US Mail.
- If an owner sends a cancellation of management by certified US mail, HPM must receive the notice within three business days of the date of the notice.
- HPM does not accept cancellation of management by email due to lack of signatures.
- HPM does accept fax cancellations.

Notice to current tenants

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

- HPM 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 HPM office.??

Final distribution of funds

- HPM will distribute funds, including security deposits, and final statements to the owner within forty-five days of the terminating date of management, as agreed in the management contract. Owner will be required to sign a General Release Form and return it to HPM before final distribution of funds can be made.
- HPM will issue a 1099 for funds collected during the current tax year when the tax year ends.

CONCLUSION

We hope you have found the *HPM Owner Manual* informative and useful. If so, please inform your management team. If you feel there is any other information HPM can provide, let us know so we can include it in the future. A reminder – do not forget to fill out the necessary HPM forms and use the others when needed in the future. Call HPM at any time or go to our website at www.624home.com when you need any forms.

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



We Treat Your Home Like it is Our Own