



pathfinder
Property Management

PROPERTY OWNER MANUAL

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Welcome

Thank you for choosing **Pathfinder Property Management** (PPM) 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.

PPM works to achieve the highest professionalism in Real Estate/Property Management Services. Therefore, we have prepared the Pathfinder Property Management 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 our Property Management procedures and services. If you have questions and concerns after reading the material, please contact PPM immediately using the company contact information provided in the following pages.

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

Special note: the information provided in the PPM Property Owner Manual is subject to change. PPM works diligently and continually to improve services and personnel training to remain current with all landlord/tenant legislation.

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



Pathfinder Property Management

Pathfinder Property Management is a limited liability corporation operating in the Austin MLS Coverage Area, specializing in full-service property management and residential sales. The company has been operating since 2014 and is actively involved in the community.

PPM is an abbreviation used in lieu of the full “Pathfinder Property Management” and is used throughout the *PPM Property Owner Manual*.

PPM Mission Statement

To build long term relationships with clients by listening to their needs & learning their financial goals. To develop **an individualized plan** of action and analyze the market to find the best real estate opportunities available.

PPM Goal

To offer a wide variety of real estate services and **excellent customer care**.

PPM General Policy

PPM adheres to the following policies:

- PPM is an Equal Opportunity Employer.
- PPM supports the laws and guidelines of Fair Housing.
- PPM has a drug-free policy for all PPM personnel, vendors, and tenants.
- PPM follows the rules and regulations of the Texas Real Estate Commission (TREC)
- PPM does not knowingly contract with undocumented immigrants.
- PPM strictly forbids any sexual harassment of or by personnel, vendors, tenants, or applicants.

PPM Principal

The owner/principal of PPM is Kimberly Parker. She is the real estate broker of PPM and has over 15 years of experience in the real estate industry. Kimberly provides the guidance and direction. She personally oversees all contracts, policies, and procedures, and works to educate personnel to provide excellent service to clients.

PPM Personnel

When you work with PPM, you will be working with the PPM team. On the following chart, you will find a convenient list of names, email addresses and telephone numbers.

PPM Office Information

Address information		
Mailing Address	905 Cedar Lake Blvd	
	Georgetown, TX 78633	
Street Address	905 Cedar Lake Blvd	
	Georgetown, TX 78633	
Telephone & Text		Internet - Email
Business Office	512-731-7395	www.pathfindertexas.com
Kimberly Parker	512-731-7395	Kimberly@pathfindertexas.com
Tenant /Landlord Portal		www.pathfinder.managebuilding.com
Beckie Robinson	405-397-3743	Beckie@pathfindertexas.com
Erica Gutierrez	512-541-0305	Erica@pathfindertexas.com
Office Hours		
Monday – Friday	8am – 5pm	
Saturday & Sunday	By Appointment & Emergencies Only	
Holidays	By Appointment & Emergencies Only	

PPM Communication

Communication is a key to success in any relationship and the PPM/Property Owner association is certainly no exception. We work constantly to improve communications with owners, tenants, vendors, buyers, sellers, prospective clients, and the public.

Company Communication

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

PPM personnel communicate with property owners by:

- Telephone & Text messaging
- Email, including using AuthentiSign for the virtual signing of legal documents
- Personalized Tenant and Landlord Online Portals

PPM Website and Property Management Website

PPM does our best to stay current with business technology. The PPM website, www.pathfindertexas.com, and Property Management website, www.pathfinder.managebuilding.com, have proved to be tremendous assets. Here are a few of the benefits for clients on the PPM websites:

- Prospective tenants can search our site for available rentals and enter applications on-line.
- Tenants can access important information such as rent due, work order requests, or send PPM an email from the Property Management Site.
- Property Owners can view their property accounts, documentation and obtain forms or view any PPM notifications.

Periodic Notifications

To keep you current on many housing issues, important changes and announcements concerning PPM, you will periodically receive our Client Updates.

Property Owner Communication

Communication works both ways. We need communication from you, the property owner. Please let us know what we can do to assist you.

It is also important that you let us know of any significant change that can affect your account. PPM needs to know when you are moving, if you are having any problems 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 an easy to use “Change of Owner Information” form with this manual.

Phone Usage & Text Messaging

PPM encourages all property owners to use text messages and/or a direct phone call to contact us quickly, ***or when an immediate response is needed.***

Email

PPM also encourages all owners to use email to contact us since it is fast, convenient, and effective. Please supply us with your email address. We will enter your email address in our database. Please note that email should NOT be used if the message is urgent or requires an immediate response. In those cases, a phone call and/or text message is more appropriate.

Special note: When using email, we request that you put any relevant 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 Documents

A copy of your management agreement is available in your personalized, online portal at www.pathfinder.managebuilding.com. Refer to it as needed and keep it with this information for a handy reference.

It is important that PPM 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. If possible, we prefer to deal with electronic copies of correspondence & forms. Email is both convenient and fast and our preferred method of correspondence for the return of these documents.

1. Utility Information

This information provides PPM with the information needed to transfer utilities.

The following forms will be submitted to you through AuthentiSign, then forwarded to each of the respective organizations as needed.

2. Banking Authorization – Electronic Funds Transfer (EFT) Form

This form enables PPM to send your funds directly to your bank.

3. W-9

This form is required for accurate reporting of rents received to the IRS.

4. Mortgage Authorization

This form enables PPM to make payments (if applicable) and obtain information from your mortgage company as needed.

5. Utility Authorization

This form enables PPM to make payments and obtain information from the utility companies when needed.

6. Insurance Authorization

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

7. Authorization to Act for Owner Before Owner's Association

If your property is part of a Home Owners Association, this form enables PPM to make payments to the HOA, obtain information from the HOA, and receive notices from the HOA when needed.

As your management continues, information can change. Please use the following form to inform us of any change of information

8. Property Owner Change of Information

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

Property Owner Responsibilities

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

Owner responsibilities are:

- Notify PPM of any ownership change or imminent owner change for the managed property.
- Supply PPM with accurate information so PPM can service the management account properly.
- Check Buildium and bank statements monthly for accuracy and notify PPM immediately if there are any problems.
- Follow Fair Housing Laws and guidelines, as well as all relevant legislation.
- Maintain current and accurate insurance policies for your property/properties.
 - Review your property insurance yearly and update as needed.
- Exercise responsibility for required maintenance and the safety of tenants.
- Treat PPM personnel with courtesy. Notify PPM principal if there are problems with PPM personnel so they can be resolved quickly.

The Scope of Property Management

What is Included in Pathfinder Property Management Services

We want you to know what PPM does for you as your property management company. Some of these responsibilities are listed in your Property Management Agreement. In this manual, PPM outlines additional policies and procedures. However, there are so many details and aspects of managing property that we can only include the basics here. If you have more questions, please feel free to contact us.

What is Not Included in Pathfinder Property Management Services

Although PPM provides owners with full service, there are many tasks / services that go beyond the normal scope of property management. There are also many areas licensed real estate agents are not permitted to operate unless they have obtained additional licensing and/or education. We ask that you remember this when making a request, and review the following paragraph:

Property owner understands and agrees that normal Property Management does not include providing on-site management services, property sales, preparing property for sale or refinancing, refinancing, modernization, 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.

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 and fees later in this manual.

Company Policies

It is extremely important that PPM follow local, state, and federal legislation and guidelines. PPM does our best to not only follow the law but to implement policies and guidelines set in place by national organizations such as the National Association of Residential Property Managers (NARPM), the National Association of Realtors, NAR®, and state/local organizations such as the Texas Association of Realtors (TAR) and the Austin Board of Realtors (ABOR).

Texas Real Estate Commission

The Texas Real Estate Commission (TREC) requires licensing for all persons conducting Property Management and Real Estate Sales in our state. PPM requires all personnel who are Brokers, Property Managers, and Real Estate Agents to have a Texas Real Estate Salesperson or Broker license.

Code of Ethics

PPM follows the Code of Ethics outlined by TREC, NARPM®, NAR®, TAR and ABOR. PPM considers this a top priority in conducting business, and it is required of all PPM personnel.

Drug-free Policy

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

Legislation

PPM 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 PPM follows:

- Fair Housing (HUD) - PPM supports and follows Fair Housing laws and guidelines.
- Equal Opportunity - PPM 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
- FTC – Fair Trade Commission
- EPA – Environmental Protection Agency

Lead-based Paint

Lead-based paint became a major issue in the 1990s that prompted mandatory requirements for residential housing and continues today. PPM 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 PPM provides them with the required EPA Pamphlet, *Protect Your Family from Lead in the Home*. PPM 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. Legislation now requires that owners and managers must use certified vendors to work on properties that may contain lead-based paint.

Mold

PPM regards mold issues as a top priority in property management. Owners should be aware that mold is another leading issue, 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.

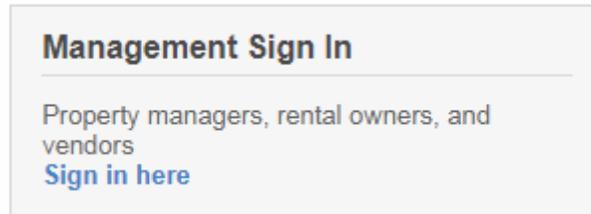
This is an area of extreme liability and PPM takes action if a tenant reports mold. PPM notifies owners as soon as practical of any mold issues so PPM and/or the property owner can take the proper steps.

Answers Regarding Funds

When you entered into a management agreement, PPM established an account for you and your property. PPM recognizes the importance of accurately collecting and disbursing funds. The bookkeeping/management program, Buildium On-Line Property Management, used by PPM, is specialized software designed to handle the many facets of property management and accurate record keeping. Use of this program complies with the requirements of the Texas Real Estate Commission (TREC).

Buildium On-Line Property Management Software

PPM uses Buildium Property Management Software to manage your properties. You, as a property owner, will be assigned your own Buildium account so you can review status, documents, and finances pertaining to your properties. Login to through the Management Sign In portal at www.pathfinder.managebuilding.com:



In addition, you can initiate work requests through Buildium on any work that needs to be done to one or more of your properties.

Banking

PPM holds your account in a trust fund as mandated by the TREC and the state of Texas. PPM accounts for each owner's funds separately in the trust account and does not commingle funds with broker monies, following TREC requirements.

Monthly Statements

Monthly statements are available on the Buildium Property Management website at the Property Owner portal. PPM will set-up your access to this site once the Management Agreement has been signed and the property owner has at least one property being managed by PPM.

Disbursement of Monthly Rents

PPM disburses available funds to owners no later than the 10th day of each month, or no later than the 1st business day following the 10th day of the month if the 10th falls on a weekend or holiday. PPM will collect rent payments, and then deduct management fees along with any maintenance or other vendor payments specific to your property. Remaining funds will then be transferred to Property Owners. Owners should see funds in your bank account 2 or 3 business days after funds are dispersed.

PPM does NOT transfer funds to the owner unless there are sufficient funds in the owner's Buildium account after fees and vendors have been paid, and after ensuring the requisite reserves in the account are maintained as outlined in the Property Management Agreement.

It is vital to accurately post rents, pay vendors, and disburse funds for your account. Therefore, PPM is very strict about adhering to this schedule to ensure servicing of every owner's account.

PPM distributes owner funds as follows:

- Electronic Funds Transfer (EFT) direct deposit – directly deposited into an owner's bank account. PPM updates the Property Owners Buildium account each month. A form to set-up EFT will be sent to you once the Property Management Agreement is in place.

End of Year Procedures

At the end of each year, PPM is required to file 1099's for income received over \$600 for that accounting year. 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. Security deposits are **not** included in this amount.

It is necessary that you supply PPM with the necessary Social Security/Tax ID information so the 1099 is accurate. PPM 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 as soon as the change is effective using the Owner Change of Information form; please **DO NOT** wait until the end of the year. If you need another change form, please contact us or download it from our website.

PPM 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 PPM. 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 been incurred throughout the year, such as management fees, leasing fees, landscape, utilities, repairs and maintenance, etc. that have been paid through PPM. These amounts will **NOT** reflect any funds issued through the owners personal account. Owners may submit your last statement to your tax preparer along with other information for income tax reporting. PPM does not issue statements directly to your tax preparer.

Leasing Your Property

Preparing the Property for Lease

PPM wants the property to look its best and to show as well as it possibly can so that it will compete extremely well with other area rentals. A property maintenance report and rental market survey is completed prior to the property being placed on the market for lease. PPM will contact you to discuss the details of your property and any necessary maintenance items.

Setting the Monthly Lease Amount

Monthly rent amounts are based upon prevailing lease amounts in the market, along with area supply and demand. If there are multiple rentals available in the same area as your property, it will necessary to be very competitive in both the marketing of your property and in setting the monthly lease amount. Markets are constantly changing, and PPM will advise property owners on current rental market conditions, along with recommended lease amounts.

How Long will the Property be Vacant?

This is the most commonly asked question PPM receives from owners. Unfortunately, there is no way to predict how long a property will remain on the market even in the best market conditions. Please be assured that PPM will work diligently to lease the property as quickly as possible.



It is critical to remember is that the **most important objective** is to have a reliable and qualified tenant. PPM, or any other property management company, can rent properties “quickly” if they do not have high standards for obtaining good tenancy. Bad tenants can (and often do) create more expense and another unwanted vacancy; waiting for the “right tenant” is worth the additional time it can take to lease the property.

Advertising/Marketing

Internet

PPM has found that the Multiple Listing Service (MLS) receives tremendous exposure, and we also syndicate to several other Internet real estate sites that are compliant with ABOR MLS requirements. PPM takes full advantage of this medium to reduce advertising costs and gain 24/7 exposure for your property.

Pictures/Floor Plan

PPM aims for not only the most exposure, but also very high-quality exposure. Therefore, PPM has a qualified third-party vendor complete a floor plan of your property, as well as have professional pictures taken. These items ensure that your property gets the very best exposure, as well as helping to answer applicants’ questions even before they visit the property.

Signage

If permitted by the property Homeowners Association (or if there is no Homeowners Association), PPM will display “For Lease” signs prominently, along with PPM contact information.

Showings and Applications

Regular showings are provided for each available unit by our agents or by cooperating agents that have access to MLS Lockbox System. We arrange showing times for your property in advance, and appointments are made by contacting the PPM office directly. When prospective tenants see the property, our agent will answer all questions and direct qualified tenants to our website where they can apply. Customized PPM on-line applications are also available upon request.

Processing Tenant Applications

Tenant Screening

Thorough screening is crucial to successful Property Management. PPM requires all applicants to fill out a detailed application and submit it for processing/approval. A credit check is NOT enough! Credit history, income & employment history, criminal history, past tenant residency & national eviction verifications are completed for all adults (18 and older) on the lease.

Full criminal background checks are required of all persons 18 and over who will be occupying the property. This includes adult children of applicants, even if the child is listed only as an occupant on the lease agreement.

For tenants who seem otherwise qualified, but have some historical credit issues, PPM will generally review the tenant with the property owner and, upon approval, request additional deposit monies.

Lease Guarantors

PPM policy is that the applicants should have the ability to rent on their own merits. However, on occasion their conditions that may warrant taking a cosigner on a property. If this is the case, PPM will notify the owner, discuss the reasons, and obtain owner authorization.

Pets

If an owner authorizes a pet, PPM will request additional per pet deposit(s) in addition to the required security deposit. Please be aware that PPM can use the amount of the entire security deposit plus the pet deposit when there is animal/pet damage. Although the PPM policy is to increase the security deposit, the deposit amount cannot exceed Texas landlord/tenant law.

Many tenants have or want pets, but it is “legal” for property owners to discriminate against pets. One of the benefits of leasing a home that allows pets is that your property will have less competition on the market. However, whether you have or have not decided to allow a pet in your property, the PPM application has a place for prospective tenants to list pets and how many. It is important to encourage full disclosure on pets while taking an application, so PPM does not place inappropriate pets in a property.

PPM 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. Then, based on the owner preference on pets, PPM can then notify the applicant that the owner does not allow pets.
2. Second, by listing pets as negotiable, it avoids eliminating an excellent tenant who does care for their pet, has an excellent tenant history, and owns a pet that is suitable to your property.

Service Animals

“Service Animals” for handicapped/disabled persons are NOT pets. Federal law mandates that 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.

Applicants who are handicapped or disabled are processed using the same criteria as other applicants. If they fail to qualify in these areas, the applicant can still be denied.

Tenant Move In

Rent and Security Deposits

PPM requires all security deposits and rents to be paid in full prior to renting the property unless special arrangements have been made. This eliminates prospective tenants who really do NOT have the necessary funds.



Once lease is signed by all parties, all applicants must pay the first month's rent and a minimum of one month's rent worth of security deposit. Most of the time the prospective tenant(s) will authorize an EFT directly from their bank account to PPM. Please note that PPM does NOT accept credit cards for payment of rent or security deposits.

Rental/Lease Agreements

Once applicant background check is approved, a thorough rental/lease agreement with the applicant is completed. The PPM five-page maintenance section of the Tenant Manual and all necessary addendums are included with this documentation.

Unless otherwise agreed by owner in writing, all persons 18 and over, including adult children, are required to read and sign all rental/lease agreements. If the accepted applicants are not fluent in the English language and cannot read and understand the documentation, they must supply an interpreter of legal age for signing the rental/lease agreements.

Walk-Through

The lease agreement with the tenant requires that an inventory and condition form be completed by the tenant and returned to PPM within a week of move-in. PPM takes digital pictures of the property condition upon move-in that may be used in place of the inventory & condition form submission by the tenant.

Tenant Manual

Tenants immediately receive the "*PPM Tenant Manual*." 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 "*PPM Tenant Manual*." PPM wants both owners and tenants to be well informed

Resident Emergency/Disaster Handbook (in process)

We are currently working to provide tenants with a handbook to help them to prepare for emergencies or disasters. There are conditions where Pathfinder Property Management cannot immediately assist them if there is a major emergency or disaster. We want them to be prepared.

Working with Your Tenants

Collecting Monthly Rent

Rents are generally due on the 1st day of the month and late if not received in the PPM office by the 3rd of the month, unless otherwise specified in the lease agreement.

PPM accepts rent electronically transferred directly from the tenant's bank account. PPM recognizes that many things can happen causing a delay in tenant payment of rent and we do our best to work with the tenant and the property owner to resolve these issues as quickly as possible. Examples of problems that may arise include: employers delay the tenant's paycheck, the tenant experiences true personal or family emergencies, health issues, etc. If PPM receives the rent prior to issuing owner funds, PPM will not contact the owner unless the PPM management team determines there is an ongoing rent issue.

Late Notice or Notice of Other Breach of Lease (TAR-2209)

If PPM does not receive rent by the agreed upon due date, PPM will use any means necessary to contact the owner to address the problem. If it appears that the tenant will not, or cannot pay the rent, PPM will prepare a "Late Notice or Notice of Other Breach of Lease", as the law allows. PPM makes every effort to mail and post notices properly should legal action be required. If PPM determines the tenant is not going to pay the rent during the Late Notice or Notice of Other Breach of Lease period, PPM contacts the property owner to recommend & discuss a plan of action.

Other Notices

There are other notices that may be involved with tenants. PPM 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, email or a legal Notice "form." Often, these notices are simply to correct minor tenant problems and most tenants comply. However, if necessary, PPM contacts the owner with the information to discuss the situation.

Tenant Problems

PPM has years of experience handling the myriad of tenant difficulties that can occur. The PPM policy is to obtain good tenants, thus eliminating many tenant problems up-front. However, even good tenants may create problems. PPM treats each problem with a common-sense approach, follows landlord/tenant law, and uses the appropriate documentation as needed. If the situation is serious, PPM will consult with the property owner, so we can jointly work to find a solution that resolves any issues or concerns.

Our company policy is to take a "what if" approach. PPM documents tenant problems if it becomes a legal problem. One of the reasons you hired a property manager is for "peace of mind." PPM recognizes this and does our best to prevent legal issues from arising.

Legal Action

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

Property Maintenance

Preventative Maintenance

The best approach to maintenance is “preventative maintenance”. In the long run, properties that are maintained on an ongoing & regular basis will cost the owner less money. PPM policy is to work with the property owner and tenants to come up with a preventative maintenance plan in an effort to reduce costly expenditures later on.

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

- Completing a detailed PPM Lease Agreement, including the maintenance portion of the PPM Tenant Manual. The Lease Agreement and lease attachments outline the tenant maintenance responsibilities as well as owner obligations.
- Having a Move-in Inspection Report done documenting the condition of the property before or immediately after the tenant takes possession.
- Supplying tenants with the full “*PPM Tenant Manual*,” 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 PPM/landlord expectations are to “care for the property.” This approach can prevent costly maintenance.

Next, we use “preventative maintenance” techniques when work is required and utilize competent contractors. Often the minor expenditures save the most money such as doorstops, new filters, checking appliances, testing smoke alarms, adjusting doors, window latches, deadbolts, and more. Many small repair items can prevent maintenance that is more expensive. Consider the cost of repairs like holes behind doors, clogged heaters and air-conditioners, appliance problems, dry rot, safety 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; but it can be just the opposite. Instead, “delayed news can become very bad news.”

Therefore, in our tenant instructions, we require tenants to report/request maintenance online and/or with a phone call or email. Some things we have experienced include mold and serious plumbing concerns from not reporting leaking faucets, shower tiles separating from the wall, and/or damage/discoloration to flooring emanating from a leaky toilet. Costly heating/cooling system repairs or replacements may be avoided by replacing filters and keeping registers & air ducts clean. Avoiding major maintenance costs is certainly more favorable in such cases.

PPM contracts only licensed third party vendors to make vendor repairs. Vendors are required to take pictures of problems both before and after repair to document the property condition. The pictures are submitted to PPM either before or with the repair invoice.

PPM will contact owners regarding maintenance above the \$500 minimum that is listed in the PPM Management contract, unless the situation is an emergency.

Emergencies/Disaster Policies (In Process)

PPM is currently working on an Emergency/Disaster Policy for tenants. When an emergency and/or disaster strikes, PPM will have policies in place for both the tenants and the properties they occupy. In such cases, PPM will notify the property owner as soon as practical. The nature of the emergency and/or disaster determines the action needed by PPM.

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, IMMEDIATE action is necessary, even when the property owner is not available.

To help you with this, we are also working on our “*Property Owner Emergency/Disaster Handbook*” so you will understand what we will do if something occurs.

When the Tenant Vacates

Notice Terminating Right of Occupancy (TAR-2208)

When there is a Notice to Vacate, or “NOTICE TERMINATING RIGHT OF OCCUPANCY”, the move out procedures with tenants are as critical as when the tenant moves in. The preparation for this began with the lease agreement, maintenance addendum, walk-through, and *PPM Tenant Manual*. All these documents gave instructions to the tenant on how to move out.

Communication with Owners and Tenants

PPM notifies the owner verbally or in writing giving details on how they will proceed with the tenant and re-renting the property. PPM immediately places the property on the market to rent unless the owner notifies PPM to take other measures.

PPM also responds to the tenant notice with a detailed letter/email 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

PPM will have Move-out Inspection Report with pictures similar to the one performed when the tenant moved into the property. PPM records any maintenance required and discloses a list of damages to the vacating tenant. Digital photographs are taken when the tenant move out to document the condition of the property and support any deductions from the security deposit.

After assessment of the tenant move out, PPM 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 need to be determined in a timely manner, and a security deposit transmittal document is prepared in accordance with state laws. Deposits are to be refunded within 30 days by Texas state law. If the tenant will not be getting a full refund, documentation detailing the amount of the deductions



and why is to be provided to tenant, also within 30 days of move out. Owners receive a copy of the return of security deposit transmittal document in their account through their online portal.

Collections

If collecting damages is required, PPM will refer the matter to a qualified consumer collection service at the instruction and authorization of the owner. PPM management does not include recovering tenant damages but leaves this to companies with expertise in debt collection. PPM will supply consumer collection companies with the necessary documentation needed.

Additional Services

The following are “additional services” offered by PPM 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 or real estate services in the Austin MLS coverage area? If so, then please let us know how we can help them. PPM values both your business and any business that is referred to us. We strongly believe in rewarding clients for their referrals. Contact Kimberly Parker about our referral rebate program for more information.

Vendor Inspections

PPM maintains properties as part of their property management services. This goes beyond overseeing normal maintenance. When repairs are requested by tenant, a contractor performs this inspection, and the purpose is to check the property each time a maintenance request is submitted in order to perform necessary or preventative maintenance.

Vendors are required to take pictures of problems both before and after repair to document the property condition. PPM requires the vendor submit these pictures before we will pay the invoice.

Supervision of Extraordinary Maintenance

PPM can help you with your large maintenance projects on your rental property. However, please be aware that we charge a 10% fee for supervising work requiring extraordinary maintenance and the definition of extraordinary maintenance is as follows:

PPM defines extraordinary maintenance as rehabilitation work that exceeds \$2000 per month.

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

Real Estate Services

PPM 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 us and let us know what we can do to provide you with the information or services you need.

Cancellation of Management

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

Please review the following policies for cancellation.

Written Notice

- The PPM management contract accepts a 30-day written notice by either party, but this excludes the minimum management period. Please refer to your management contract.
- The PPM policy is to accept notice of cancellation by email. We will then send you a confirmation form through AuthentiSign to get your legal electronic signature on file.
- If an owner sends a cancellation of management by US mail, PPM must receive the notice within 5 business days of the date of the notice.

Notice to Current Tenants

- PPM will notify current tenants the date PPM will no longer manage the property and that PPM forwards all security deposits to the owner, or owner designate.
- 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

- PPM will set up a Buildium online account for the owner. Through this account, the property owner will have access to all relevant tenant, management and property documentation, as well as financial records on the property.
- 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 PPM office. In addition, the owner can download pertinent documents from your on-line portal if the portal is live.

Final Distribution of Funds

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



Conclusion

We hope you have found *PPM Property Owner Manual* informative and useful. If so, please let us know. If you feel there is any additional information PPM can provide, let us know that as well so can include it in the future. A reminder – please remember to fill out the necessary PPM forms, if you have not already done so, and please use the others when needed in the future. Call PPM at any time if you need any forms.

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