

HOMESEEKERS, INC.

**Property
Owner's
Handbook**

Standard Operating Procedure

For Residential Rental Property



Used in Conjunction with the Property Management Agreement

Revised January 10, 2006

Welcome to HomeSeekers, Inc

Residential Property Management Operations Manual

Our goal is to make your association with our company a pleasant experience and our hope is that you will consider HomeSeekers, Inc. for all of your real estate needs.

It is our belief that a description of our services and procedures that you can use as a reference after your management agreement is signed will simplify our business relationship. We have developed this **Property Owner's Handbook** to enhance the communication between you and us and to detail the responsibilities of HomeSeekers, Inc. as we take on the leasing and/or management of your investment property. If you understand the process, we can better serve your needs.

This **Property Owner's Handbook** is designed to familiarize you with our administrative process.

The contractual relationship between you and HomeSeekers, Inc. is defined by written agreement. You should refer to your individual Property Management Agreement for terms and conditions and for actual fees for services rendered.

If this Booklet does not provide the answers you need, we are available to answer your questions or to address your concerns.

The following index outlines the benefits and services you can expect from HomeSeekers, Inc. Management Division.

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Procedures in this handbook are subject to change as we grow and develop our services.
You may not receive notice of such change or deletion until the next edition of the handbook.

WHO WE ARE

HomeSeekers, Inc. is a locally focused company, which offers a full range of real estate services while maintaining the highest degree of professional and ethical standards.

Company History

HomeSeekers, Inc. located in the Tampa Bay area was founded in 1977 by T.J. Tompkins.

Since that time, we have been an exclusively full service property management organization.

HomeSeekers, Inc. is committed to excellence in all phases of property management and looks forward to the future with great expectations.

MEMBERS OF:

National Association of Residential Property Managers (**NARPM**)

Florida Association of Residential Property Managers (**FARPM**)

National Association of Realtors (**NAR**)

Florida Association of Realtors (**FAR**)

Why Choose Us?

HomeSeekers, Inc Property Management Services

- ❖ Personal relationships, experience and expertise.
- ❖ Knowledge of local rental market.
- ❖ Competent, competitive, licensed and insured vendors for repairs and maintenance.
- ❖ Fair market rates for appliance, heat and air conditioner repair and general repairs.
- ❖ Our Property Managers are professional full time associates or employees.
- ❖ HomeSeekers, Inc. provides global exposure via the World Wide Web.
- ❖ National advertising attracts tenants.
- ❖ Training and legal update sessions for property managers and rental associates.
- ❖ Digital Photo and video service to record property condition and emailed to you upon request.
- ❖ Inventory services available.
- ❖ 24-hour availability of property managers for all emergencies via digital pager.
- ❖ FREE – no obligation investment property consultation.
- ❖ FREE – no obligation, sales market analysis.
- ❖ Commercial Leasing and Property Management
- ❖ Complete tenant screening; credit, civil, criminal check,
- ❖ Full compliance with state and local landlord/tenant laws.
- ❖ Full compliance with Fair Housing laws and regulations.
- ❖ Full Compliance with Fair Credit Reporting Law.
- ❖ Full Compliance with Lead Paint Disclosure on all properties built prior to 1978.
- ❖ Prompt rent collection and necessary follow up with legally required notices.
- ❖ Delivery of monthly statements to owners detailing income/expenses.
- ❖ Lease renewal negotiations to keep rent in line with market rates.
- ❖ Attorney prepared leases and renewals for a very reasonable fee to the landlord.
- ❖ Access to free legal advise during the lease term.
- ❖ In house marketing department to professionally market our services.
- ❖ Tenants may pay their rent on line via ACH either one time or recurring for the duration of the lease.
- ❖ Online rental application processing via our web site.
- ❖ Credit card/debit card processing of application fee.
- ❖ Direct ACH payment to your bank account of your funds.

Frequently Asked Questions

Preparing the Property for Showing and Occupancy

Question: If I turn over my vacant property to HomeSeekers, Inc to lease, will you order any repairs/painting and /or cleaning that may need to be done to get the property rent ready?

We will review with you the preparation needs of your rental property and if you elect to have us oversee the preparation of the property for showings and new tenants, there is a charge to you for this service. Please see paragraph C of your contract.

All roofing, major plumbing, air conditioning, heating, appliances and electrical repairs will be performed by licensed vendors. All vendors will be hired in your name and you will be obligated for all charges incurred.

If your property is in “rent ready” condition when you turn it over to us and nothing needs to be repaired, replaced or cleaned, we do not charge you any additional fees.

Question: If there is work to be done, why don't I just let the tenant do the work and let the tenant take it off of the rent?

The physical condition of the property is the single most important factor in attracting quality tenants. Only vendors of good reputation with credentials do our property preparation. Most of HomeSeekers, Inc. vendors and maintenance employees have been with us many years and have proven themselves.

All properties offered for lease must comply with all applicable laws, regulations and codes. Any deficiencies will have to be corrected at your expense.

Properties that are not in "rent ready" condition cause the loss of high quality and qualified prospective tenants. They simply go down the street to another unit that is “rent ready”, causing you to wait longer for income. A property that is in “rent ready” condition when we begin to market it for rent attracts a quality tenant that will cause less wear and tear on your unit, pay premium rents, stay longer and present fewer problems.

Tenants will promise you anything at the beginning of a lease to get a deep discount, but rarely do they do a quality job. At the end of the lease if there is a security deposit claim, tenants remember only all the work they had to do and not that you gave them a break. If you waive any portion of the deposit or advance rent (which we don't recommend) then you don't have financial protection from the tenant, should the tenant decide to vacate early and not fulfill his contractual obligation to you. Trusting a new tenant to prepare your property after they lease it will cost you more in the long run.

There can also be a liability issue if tenants are injured while doing work authorized by you on your premises. We do not recommend that a landlord give any concessions for reduced rent or purchase supplies for a tenant to do property repairs or decorating.

Question: How will you handle property preparation between tenants?

If we have your property under an annual management contract and a tenant vacates either by contract or by eviction, we must inspect the premises and implement “whatever it takes” to get the property in “rent ready” condition ASAP!

We will consult with you on items of decorative expense that individually exceed \$200. Other items we will order and get done quickly, to allow for good quality showings.

Not all repairs and preparation can be covered by the security deposit. Many are due to the normal wear and tear that is an owner's expense.

If a property sits vacant for several months, even though it was cleaned at tenant move-out, it may need a freshen-up cleaning. This is much less costly than a full clean, but it is money well spent since it sets a tone with the tenant that the landlord cares about his property and expects the tenant to do so also.

You will be charged the minimum monthly management fee during periods of vacancy and readiness preparation. No additional fee will be charged unless preparation work exceeds \$750.

Keeping your property in “rent ready” condition and maintaining your property while tenants occupy is an essential requirement for us to continue managing your property. We may cancel our agreement with you if we believe you are not cooperating to keep your property well maintained. Recent Florida state legislation was passed that allows city and local governments to fine owners and their agents for not maintaining their rental properties.

Question: Who is responsible for changes and maintenance of locks and keys?

Upon execution of the property management agreement you will be asked to provide 4 sets of keys at your expense for each door lock, plus security and pool keys, garage door openers, gate cards and security passes, if any.

We use a key lock box system to allow access to cooperating real estate brokers to show the property and for vendors needing to accomplish work on the property.

If a lock box is approved on the property in your contract, we advise you to secure or remove valuables. The lock box is for your benefit to allow easy showings and for persons working through HomeSeekers, Inc. Your management contract has language to hold HomeSeekers, Inc. harmless from any liability which may arise from damage, theft, negligence or loss which may occur in connection with the delivery of the key to the property to cooperating brokers and vendors or utilization of a lock box. If your property is tenant occupied, the tenant must also give written approval before a lock box is used.

We will change locks at the end of each tenancy for the protection of future tenants and to protect you from liability. The cost for such change will be at Owner's expense unless otherwise agreed in the lease document.

Marketing the Rental Property

Question: What will HomeSeekers, Inc do to advertise my rental property?

Once your property is in rent-ready condition we will do the following:

- ✓ We will place the property in the local multiple listing service (“MLS”) if agreed upon.
- ✓ If agreed to we will place a Realtor's access lock box on the door to allow for easy showings by Realtor associates.
- ✓ We will place appropriate signs on the Property and remove all other such signs including any of your personal signs.
- ✓ We will advertise the property as we deem necessary in newspapers & publications. Such advertising may be general in nature and may not specifically describe your property as we may have several similar properties available at the same time. Cost of advertising is referenced in your Agreement See Paragraph C.
- ✓ We will place your property on our website and other pay websites that have proven productive.
- ✓ We will place your home on our 24/7 rental information phone line.
- ✓ We will list your home at Mac Dill AFB off base housing office to be viewed military personal transferring into the area,

Long-Term Tenant Approval Process

Question: How do you decide if a tenant should be approved for residency?

All adult residents 18 years of age or older are asked to complete a residency application and pay an individual fee for verification of credit references and processing of the application to rent.

We ask for photo identification (typically a driver's license, sometimes a passport) from each applicant. On the back of the tenant's application are the following criteria for residency:

- a. All monies due prior to move in must be in cashier check, certified funds or money order.
- b. Applicants must have a combined gross income of at least two and one half times (2 ½) the monthly rent.
- c. Credit history or civil court records must not contain more than 2 accounts over 30 days, judgements, eviction filings, collections, liens or bankruptcy within the past five (5) years.
- d. Self-employed applicants may be required to produce upon request two (2) years of tax returns or 1099's.
- e. All sources of income must be verifiable to qualify for a rental unit. If the income is not verifiable, additional advance funds and/or a co-signer will be considered.
- f. Criminal records must not contain any felony convictions or adjudication withheld or misdemeanors pertaining to offenses regarding illegal drugs or crimes against persons or property.
- g. Previous rental history reports from landlords, if obtained, must reflect timely payment, sufficient notice of intent to vacate, no complaints regarding noise, disturbances or illegal activities, no NSF checks and no damage to unit or failure to leave the property clean and without damage at time of lease termination.
- h. Pets are not permitted without specific permission of the landlord in the lease. There is an addendum added to the lease which specifies a non-refundable pet fee acceptable to the landlord or an additional pet deposit or additional security deposit. Any fees or deposits are waived for medically necessary pets. We will not accept the following breeds of dogs due to insurance liability: Rotweilers, Dobermans, Pit Bulls (AKA Staffordshire Terriers), Chows and Attack trained German Shepherds.
- i. Current HUD occupancy standards are a maximum of two (2) persons per bedroom plus one additional resident.
- j. Any exceptions to the criteria required by HomeSeekers, Inc. will be submitted to the owner for the owner's consideration and we will require your written approval.

If the results of the verification show that the tenant does not meet all of the criteria, we may ask for additional security and/or more advance rent. Sometimes for people without any credit history, or people from out of the country, we ask for a co-signer who must also go through the application process.

The verification report may not be all-inclusive, may not provide information from all local jurisdictions within the U.S. and will not provide information from jurisdictions outside the United States. HomeSeekers, Inc. does not warrant the completeness or accuracy of the reporting agencies.

Question: Who gives the final approval for a tenant?

You will be giving us final approval to assist the tenant and to sign the leases on your behalf. This is done after verbal confirmation from you unless you are not easily reachable over a 24 hour period. Then we will use our best judgment to avoid extending the vacancy period.

NON-DISCRIMINATION

We offer all rental property in accordance with the CIVIL RIGHTS ACT OF 1968, TITLE VIII FAIR HOUSING, and any amendments thereto, which provides that it shall be unlawful to refuse to rent after making a bona fide offer, or refuse to negotiate for the rental of or otherwise make unavailable or deny a dwelling to a person because of race, color, age, religion, sex, national origin, familial status or handicap.

LONG-TERM RENT COLLECTION PROCESS

Question: How will HomeSeekers, Inc. collect the tenant's rent?

We will make every reasonable effort to collect the rents according to the terms and conditions of the lease. We will also deliver the required "Three-day Notice", which is mailed or posted on the door of the rental unit when the tenant's rent has not been received by the 5th of the month. This notice delivery is the beginning of the eviction process.

The property management agreement gives us full authority to collect rents and deposit and hold all funds received on your behalf as escrow agent. We will disburse monthly rent proceeds when the tenant's rent check clears our bank account. We disburse security funds according to Chapter 83 Florida Statutes.

HomeSeekers, Inc. is not liable in the event the tenant presents bad checks or fails to pay. Additionally, HomeSeekers, Inc. does not guarantee the payment of rents, deposits or any other sums by tenants. The tenant guarantees those payments by executing the lease.

The lease makes provisions for HomeSeekers, Inc. to charge the tenant for NSF fees, credit reports, pet application fees, late fees, administrative fees and such other matters as may be necessary to enforce the tenants' compliance with the lease. HomeSeekers, Inc. makes every attempt to collect those charges from the tenant.

Late fees on your mortgage and association payments are not the responsibility of HomeSeekers, Inc. If you elect to have HomeSeekers, Inc. pay recurring fees on your behalf, such as mortgage and association payments, insurance and property taxes, from your rental proceeds, we require you to **escrow two months** of such payments. This is to ensure that in case you have a vacancy or your tenant fails to pay rent, we have sufficient funds to meet your payment due dates.

Tenant/Landlord Lease Compliance

Question: Do I need to give the tenant my phone number and address?

Although your name, as owner, will appear on the lease your address and phone number will not. The tenants are instructed to call their property manager. We ask that you do not give your phone number to your tenants. This does not mean that you can't have a friendly relationship, but tenants will always try to circumvent the system if they believe they can call and sweet talk an owner into getting more concessions than their property manager is willing to give. Having one line of communication minimizes the potential for misunderstandings with tenants.

We will handle all Tenant requests and negotiations that may arise from time to time. We will call you only if we need your opinion on an issue that is not clear-cut or on a repair that exceeds your reserve amount. If a tenant does contact you, please refer them back to the property manager so we can best protect your interests as a landlord.

You do not have to comply with all tenant requests. Some are merely matters of decorative taste, but those relating to appliance repairs, heat and air, and any structural defects that create a health or safety issue we take care of immediately. Speed and competent handling of repairs protects you from landlord liability.

Question: What if the tenant leaves earlier than the lease expiration?

Under the terms and conditions of the attorney prepared lease, you may keep the last month's rent and the security deposit as forfeited damages if your tenant breaks his lease without notice even if the tenant gives 30 days notice prior to vacating early, we must follow the security deposit claim procedure of Chapter 83, Florida Statutes. Any dispute of such claim by the tenant will be handled through the proper legal process.

Security Deposit and Last Month Rent Long-Term Tenants

Question: Who will hold the tenant's last month's rent and security deposit?

HomeSeekers, Inc. will hold all security deposits and advance rent in our broker's escrow account in accordance with chapter 83, Florida Statutes.

Question: Can the security deposit be used for anything other than damages and may I be present at the move-out inspection?

A security deposit can be used for cleaning, damages and unpaid tenant charges such as late fees, tenant repair responsibilities, utility charges or missing items. The tenant's Security deposit must be returned within 30 days unless a claim is to be made for damages. If a claim is made against the tenant's security deposit it must be made within 30 days of vacancy. Unless you instruct us in writing within 3 calendar days of vacancy of your intention to view the property before the prescribed 30 day claim period ends, a move-out inspection will be done and your property manager will determine what claims need to be made. Then Vendors will be consulted for estimates. Decisions of your property manager and listing associate are final and HomeSeekers, Inc. shall not be held liable for any failure to make claim(s) on any damages, which were not readily apparent to your property manager at time of the move-out inspection.

Since it is not legal to amend a claim for a higher amount after it is sent, any unclaimed funds will be returned to the tenant within the prescribed claim period.

Question: May I claim the vendor's estimate and then do the work myself?

Certainly you may work on your unit yourself, but Chapter 83 FL. Statutes gives tenants the right to see the actual paid invoices for materials and labor. If you end up in court on a security deposit dispute and the judge rules that you owe even one dollar back to the tenant, the tenant may be the prevailing party and the legal costs of the case may be charged to you.

SEASONAL/ SHORT-TERM PROCEDURES

Question: Is a credit background research done for seasonal/ short-term tenants? Yes

Because your seasonal tenants pay the full amount of their lease term plus a seasonal deposit for damage and utility, your financial risk is not as great as when a tenant pays by the month.

Question: When can I expect my proceeds for a seasonal rental?

In most cases, we collect the full rent from the tenant 60 to 90days prior to move-in. We hold those funds until the tenant takes occupancy or the lease term begins whichever comes first. At that time, we release proceeds to you and pay HomeSeekers, Inc. the rental commission. You will have the income reported for the year in which the funds are collected on your behalf even if they have not been released to you.

Question: What happens if my seasonal Tenant does not find my unit acceptable after they arrive to take occupancy?

When a tenant arrives and takes issue with conditions of the property, your associate will first tries to correct the deficiencies. If the deficiencies include items that could be a health or safety hazard to the tenant, it is wise to seek legal advice and that advice may well be that you should allow the tenant to end their rental agreement and vacate the unit and refund their money.

Such issues that have arisen in furnished seasonal rental units include, Tenant allergies to chemicals used for carpet cleaning and pest control, previous pet occupancy, poor quality air form an aging air conditioning system, pest infestation, and lack of cleanliness of the unit.

Although you want to gain income from your furnished rental, you may also incur serious liability if you hold a tenant, who has raised a significant health or safety issue. If you cannot be reached to decide the issue, your property manger will seek legal advice and act accordingly to try to protect you from increased liability risk.

Question: Who determines the amount of seasonal deposit that is collected from my tenants and for what can it be used?

You and your associate need to determine what you need to collect to feel comfortable that you have enough to cover cleaning, minor damage and utility costs that are the tenants' responsibility even though they stay in your name. We suggest that you ask for one month's rent as a damage deposit.

This deposit may be used during the lease to reimburse you for utilities you have paid and after the lease for cleaning charges, carpet cleaning if necessary and missing items and any damage not due to normal wear and tear. We can hold these funds for up to 60 days after the tenant vacates, so you must get utility bills to us as soon as possible so we can refund any money to the tenant in a timely manor.

Question: Is it normal that my tenants, who lease for the season, treat the rental like a hotel?

Yes, it is. They are paying high seasonal rates and transient taxes like they would in a hotel so they often view the rental experience as if it were with a hotel and they think that HomeSeekers, Inc. has absolute control over the conditions in the unit. They often forget that there is an owner to consider and if they do remember that, they think you should act like a hotel proprietor. We want to treat your seasonal tenants more like guests so they will want to return to your unit for the next season and if not, recommend your unit to a friend. We go many extra miles for your seasonal tenants and even then cannot satisfy the more demanding ones.

Question: Is there additional insurance I should carry as a landlord of short-term transient rental property?

As an owner of investment rental property, you have a significant liability risk and should carry sufficient liability insurance. There may even be policies that will protect you from the loss of rents in some cases. You should seek the advice of your insurance agent.

We request that you name HomeSeekers, Inc. as an additional insured while we are managing your furnished rental property.

Question: Will my HomeSeekers, Inc. associate be responsible as a caretaker and will he or she visit my property while it is vacant between seasonal rental periods?

Unless you have agreed to pay a monthly fee for year round management service of a vacant unit, your associate will only visit the property if he or she is showing it to prospective tenants. If you call to ask your associate to check on your unit and you are not under an annual monthly fee program, you can expect to be charged a trip fee of between \$50-\$75.

Repairs and Maintenance

Question: Who does my tenant call if there are repairs needed on my property?

The tenant will call our office and be directed to speak to the property manager. The tenant should never be contacting you directly for repairs/maintenance requests. You have hired us to run interference between you and your tenant. Let us do our job.

Question: What if there is an emergency, after business hours or on a weekend?

Our property managers are available through pagers, cell phones and voice mail. Tenants are given instructions at the time of move-in to follow in case of emergencies. Only true emergencies will be handled after hours and on weekends to allow for personal time for your property manager and to save you overtime charges from vendors.

Question: Who will be responsible for ordering repairs to my rental unit?

If a repair is a true emergency (water leaking, flood, septic back up, no running water, no hot water, electrical hazard, refrigerator failure, air conditioner or heat failure or some other condition which threatens the safety or health of your tenant), we will order a vendor to fix the problem as quickly as possible. Your property manager will attempt to notify you, but you may not know of the repair until your monthly statement arrives.

If a non-emergency repair exceeds \$250.00 or the amount of money that we are holding in reserve for your property then the property manager will contact you to determine what steps you wish to take to correct the deficiency in the unit. As Owner, you give HomeSeekers, Inc. the right to authorize access as necessary to your property to make repairs and to protect the property and the tenant's rights.

Question: How will I pay for repairs and services ordered on my rental unit?

As your property manager, HomeSeekers, Inc. shall have full authority to have repairs made, to purchase necessary supplies, to hire and discharge on your behalf any and all vendors necessary to the maintenance and operation of the property and to pay all bills and charge your account accordingly.

Our accounting staff will mail rent proceeds checks less any deductions for repair costs as soon as your rents have cleared. Then, on or about the 10th of the month, you will receive a full printed statement showing all transactions from the previous statement. In January of each year you will receive a full year to date statement and your IRS income report form (1099 for U.S. citizens or 1042S for non-resident aliens) showing you total income before expenses.

You may request copies of your vendor invoices, but as a general rule we do not mail these to you. The IRS may require copies of such invoices if you are audited, but your statements of income and expenses are sufficient for your tax accountant to complete your tax return.

Question: What happens if I am on vacation and you can't reach me?

In the event you cannot be contacted, when repairs are necessary, we will take whatever action an owner of reasonable prudence and concern would be expected to undertake for the protection of the owner's property and/or for the fulfillment of the owner's legal obligation to the tenant.

Question: In what order are my bills paid from the operating account?

We pay your rental expenses in the following order: Foreign withholding, leasing and management fees, insurance bills, utility and vendor bills, association fees, mortgage payments, property taxes and any assessments. This is why it is so critical for you to have sufficient reserves. (See Mortgage information on Pages 10 & 20)

Question: What if I have a service contract on my property/appliances?

You are responsible for delivering to us copies of any Service Contract or Warranty that exists, if any, within 5 business days of signing the property management agreement. If we don't receive them within 5 business days we will assume none exist. If you should purchase a service contract at any time during the term of the property management agreement, you must notify us immediately in writing and send a copy.

Question: In the event of a hurricane will HomeSeekers, Inc. put up my shutters?

No, we are not responsible for preparation of property or installation of shutters or wood in case of natural disaster or acts of God. We recommend that you make arrangements in advance with the tenant or a neighbor to help in this type of emergency.

Question: Who is responsible for items that are taken or are damaged?

If your unit is furnished you shall provide us with a written inventory of personal items and furnishings. This also includes items left in unfurnished units like washer/dryer, ceiling fans, pool equipment, yard equipment etc. If you do not have a written inventory there will be a charge for your property manager to complete an inventory. A copy of such inventory may be provided to the tenants.

HomeSeekers, Inc. is not responsible for damage to the premises, missing, lost or damaged items or furnishings under any circumstances, including but not limited to, theft, switching out of items, vandalism or negligence of tenant(s), their guests or third parties.

Additional Owner Responsibilities

Question: Will I have special requirements for any insurance policies?

You shall maintain, at your expense, a rental dwelling insurance policy which includes public liability and compensation insurance in an amount not less than \$100,000.00 per person and \$300,000.00 per occurrence to protect the interests of HomeSeekers, Inc. in the same manner and to the same extent as it does the owner.

We ask that you request your insurance company to cover HomeSeekers, Inc. as an additional insured and provide your property manager with a copy of such policy. Naming HomeSeekers, Inc. as an additional insured should not increase your premium.

The responsibility to obtain and maintain the proper insurance rests solely with you. You agree to indemnify HomeSeekers, Inc. for any damages suffered as a result of any lapse in, or failure by you to maintain, insurance coverage.

Question: What about any taxes or assessments that I may owe?

If you owe money to any governmental authority, condominium or homeowners association, we will withhold enough funds for payment of those obligations from rent payments when we are notified of such obligation by these entities.

The responsibility to complete any withholding or tax forms required by federal, state or local governmental authority rests solely with you, as the Owner of the property.

Question: Must I maintain the condition of the property to any specific standard?

You must have all heating, cooling, plumbing, electrical systems, and all appliances in good working condition and you will be responsible for the maintenance of these items during the lease unless it can be shown that the need for repair was caused by tenant negligence.

You must maintain the roof as watertight and ensure that water does not enter living areas either from rain or subterranean sources during the term of your management agreement and any lease in effect during that period.

You must maintain the property in good habitable condition and in compliance with all applicable laws, ordinances and regulations.

Question: When do I have to give written notice to my property manager?

You will need to notify your property manager in writing if any of the following occur:

- a. Your mailing address changes.
- b. Your email addresses changes.
- c. Your phone numbers change so that we always have correct day and evening numbers for you.
- d. Your association changes its rules.
- e. If your association fee changes so that if we are paying these on your behalf we have proper notice of such change to avoid errors in payment.
- f. Your association has notified you of a need to gain access to the interior of your unit.

- g. Your bank where funds are being deposited on your behalf changes name, address or account number. When you are receiving ACH payments a VOIDED copy of a check from the account that you want your deposits made.
- h. You receive a notice from any government agency that affects your property or your tenants lease rights.

You may phone in changes, but the accuracy of our records is important and written notice is the best way. E-mail can be used but a follow-up letter is recommended. We have noticed that not all e-mail actually arrives at its proper destination.

ASSOCIATION FEES AND RULES

Question: How do you work with my homeowner's or condo association?

If the rental unit is a condominium or is governed by a Homeowner's Association, any lease negotiated shall be subject to the Association Rules and Regulations. As the owner of the property you agree to pay all federal, state or local taxes or assessments that are due or may become due.

You will be required to provide HomeSeekers, Inc. with association application forms and a copy of the Rules and Regulations.

As owner of the property you are responsible for any monthly maintenance or recreation fees and to keep them current. In the event that your tenant(s) fails to comply with the rules and regulations of your association, the association may force you to evict them and/or may hold you liable for fines, fees or assessments from the homeowner's association.

If HomeSeekers, Inc. is notified of such failure to comply, your property manager will deliver the appropriate legal notice, but can do nothing further if the tenant resists taking corrective action. At such time an attorney will need to be consulted.

MORTGAGE PAYMENTS

Question: Who will pay for my Mortgage payment and when will it be paid?

As owner of the property you shall pay direct any mortgage, condominium maintenance fees, taxes, insurance and charges. If HomeSeekers, Inc. agrees to accept the responsibility for paying any of these fees from the rent payments on behalf of Owner.

HomeSeekers, Inc. will not make such payments if you do not provide sufficient funds to cover the expense. HomeSeekers, Inc. will not be responsible for payments that are not made on time for any reason unless caused by gross negligence.

Owner will establish two month's worth of reserve funds in owner's operating account and will allow Broker to retain funds from rents to replace that reserve amount.

Owner shall provide HomeSeekers, Inc. with all necessary deposit slips or coupon slips to accompany said deposits and payments. See page 15 for order of payment priority applied each month from your owner operating account.

IRS Withholding Requirements and Local Tax and Registration Requirements

Question: What forms must I provide to you to exempt me from IRS withholding regulations?

US citizens may provide a Tax ID number with a US physical address or a citizenship statement and W-9 to be exempt from IRS withholding tax.

Non-US citizens (non-resident aliens) may provide a signed form W8-EIC with their US tax ID number, but are advised to seek the advice of a tax professional before signing IRS form W8-EIC 8 which states that the signer is exempt from US tax withholding because their rental property is a business.

All income will be reported to the IRS by form 1099 for US citizens or form 1042S for non-resident aliens. Without the proper owner tax information, our accounting department will have two options:

1. Hold all owner funds in escrow for a period not to exceed 3 months waiting for the withholding exemption paperwork.
2. Release funds to owner after paying 31% withholding tax to pay the IRS until withholding exemption paperwork is complete and submitted to accounting.

Question: Do I have to have a license to rent my property?

Yes, Local jurisdictions as The City of Tampa & Hillsborough County require that you have an occupational license before renting your property.

Question: If I lease my property for a period less than 6 months and one day, who will collect and pay the state and local option taxes?

Leases for periods of less than 6 months and one day are subject to both State Sales and County Tourist taxes. HomeSeekers, Inc will collect these from the tenant and pay them to the taxing authorities

HomeSeekers, Inc. Fees

Question: What are leasing and renewal fees and when are they due?

When first list your rental property we will collect a **\$-0-** one time set up fee. When we have found a suitable tenant and all advance funds are collected, we will debit your owner operating account for the initial leasing commission and \$35 for the Lease Preparation fee. (See paragraph # C of your agreement.)

If the tenant remains in the property after the first lease term is over, we are entitled to a renewal fee. See paragraph C of the management agreement. The renewal fee is charged to your account the first month of the new lease.

Approximately 60 to 90 days prior to the lease end date you should contact HomeSeekers, Inc. to determine what your intentions are regarding a new lease term or if you desire to revert a month to month lease, and what amount of increase in rent you desire.

The renewal request is prepared for the attorney to draft the lease renewal document. There is a \$35.00 charge for the attorney's services in addition to the renewal commission owed to HomeSeekers, Inc.

Question: What does my management fee cover?

The rent collection process, paying of related vendor expenses and a monthly account statement showing all of your income and expenses in an organized report form.

At the end of year we provide an annual statement of income and expense and the IRS required 1099 or 1042S form which ever applies to your citizenship status. Your property manager and associated support staff stand ready to serve both routine and emergency needs for your tenants. They handle emergencies as they occur and routine matters are handled during normal business hours. This includes coordinating vendor appointments and when an individual expense is greater than \$500 getting work estimates.

Move-in and move-out inspections are done as a written record for tenant security issues. Written and oral reports are made to you about needs of your property and market conditions.

Question: What if I change my mind and don't want to rent the property after I have signed the management contract?

We do have a cancellation fee policy in your contract to allow for unexpected circumstances before a tenant is secured. After we have secured a tenant you will owe management fees for the full term of that tenancy, plus rental commissions.

This Property Owners Manual is intended to be a legally binding document. By signing the Property Management Agreement, you agree to be bound by the terms and condition herein. If you do not understand any provisions in this manual, consult an attorney. In the event of a conflict between any provision in the manual and the Property Management Agreement, the terms of the Property Management Agreement shall control.