



# **EAST BAY**

**PROPERTY MANAGEMENT**

*your property...our priority*

## **OWNERS MANUAL**



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## **Welcome**

Thank you for choosing East Bay Property Management 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.

East Bay Property Management works to achieve the highest professionalism in Property Management. Therefore, we have prepared the East Bay 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.

**Special note:** the information provided in the East Bay Property Management Owner Manual is subject to change. Landlord/Tenant laws, personnel, policies, and procedures change accordingly to events that take place. E.B.P.M 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 East Bay 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 *East Bay Property Management Owner Manual*. Refer to it as needed and keep it with this information for a handy reference.

### East Bay Property Management

East Bay Property Management (East Bay P.M.) is a property management company operating in **Fremont, California** specializing in full-service property management.

### East Bay P.M. Mission Statement

The mission of East Bay P.M. twofold:

- To have our tenants ranking us as at least a 9 on a 10 scale in level of service.
- To have our Owners ranking us as at least a 9 on a 10 scale in level of service

### East Bay P.M. principals

The owner of East Bay P.M. is Mike Connolly. He is a licensed California Realtor (BRE01856908) and licensed appraiser with 35 years of Business/Real Estate experience in the East Bay.

## East Bay P.M. Communication

Communication is a key to the success in any relationship and the East Bay P.M. 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

Below you will find all general office information such as addresses, telephone numbers, email address, website, and office hours.

East Bay P.M. personnel communicate by:

- Text
- Telephone
- Owner Web Portal
- Fax
- E-mail
- Written correspondence

### East Bay P.M. Website

E.B.P.M. stays current with business technology. The E.B.P.M. website, [www.pmieastbay.com](http://www.pmieastbay.com), has proved to be a tremendous asset. Here are a few of the benefits for clients on the E.B.P.M. website:

- Prospective tenants can search our site for available rentals and submit an application online.
- We can run credit reports and background screening in a matter of minutes after the application is received and make recommendations based on those screenings.
- Tenants can access important information, such as a work order request, or send E.B.P.M. an email from the site.
- Owners can log onto our website and view their vacant listing and log into the Owner Portal for real-time financial reports and view work orders.

### General Office Information

General Information		
Address information		
Mailing address	39111 Paseo Padre Pkwy #206	
	Fremont, CA 94538	
Communication		
Office #	(510) 996-3229	
Mike's #	(510) 996-3238	
FAX #	(510) 797-4004	
General E-mail	officeadmin@eastbaypmc.com	
Website	www.pmieastbay.com	
Office Hours		
	Monday – Friday	8:30 am – 5:00 pm
	Saturday, Sunday	By appointment only, Please Call (510) 996-3238
Emergencies		(510) 996-3238

## **East Bay Property Management**

### **Staff Contact Info**

<b>Main Number:</b>	(510) 996-3229
<b>Mike Connolly</b>	Owner E-mail: <a href="mailto:mike@eastbaypmc.com">mike@eastbaypmc.com</a>
<b>Christine Apour</b>	Accounting Manager E-mail: <a href="mailto:christine@eastbaypmc.com">christine@eastbaypmc.com</a>
<b>Teresa Barajas</b>	Office Manager E-mail: <a href="mailto:teresa@eastbaypmc.com">teresa@eastbaypmc.com</a>
<b>Maylin Coffey</b>	Bookkeeper E-mail: <a href="mailto:mailyn@eastbaypmc.com">mailyn@eastbaypmc.com</a>
<b>Gurpreet Singh</b>	Maintenance Manager Call or Text: (925) 519-9709 E-mail: <a href="mailto:service@eastbaypmc.com">service@eastbaypmc.com</a>
<b>Cody Connolly</b>	Property Inspector E-mail: <a href="mailto:cody@eastbaypmc.com">cody@eastbaypmc.com</a>
<b>Vince Garcia</b>	Landscape/Gardener (510) 552-4131
<b>Tony Nguyen</b>	Rehab/Maintenance (408) 915-1910
<b>Tom Connolly</b>	Managing Broker (Real Estates Sales) E-mail: <a href="mailto:tcdanville@aol.com">tcdanville@aol.com</a>



## 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. E.B.P.M. 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. Please use the owner portal or email to notify us of any changes.

### Email

E.B.P.M. encourages all owners to use email or Owner Portal to contact us. It is fast and effective. Please supply us with your email address on all the E.B.P.M. 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. This helps us identify the importance of your message and avoids oversights or deletions of messages.



### Owner vacation notice

E.B.P.M. respectfully requests that owners notify E.B.P.M. 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 E.B.P.M. is prepared in the event of an emergency repair or major problem concerning the owner's property and/or tenant. Please notify us of using the Owner Portal.

## Owner Responsibilities

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

Owner responsibilities are:

- Notify E.B.P.M. of any ownership change or eminent owner change for the managed property.
- Supply E.B.P.M. with accurate information so E.B.P.M. can service the management account properly.
- Review statements monthly and notify E.B.P.M. of any discrepancies found as soon as possible.
- If using ACH, check statements monthly for accurate or missing deposits and notify E.B.P.M. 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 and name E.B.P.M. as an additional insured
- Review their property insurance yearly and update as needed.
- Exercise responsibility for required maintenance and the safety of their tenants.
- Treat E.B.P.M. personnel with courtesy and notify E.B.P.M. principals if there are problems with E.B.P.M. personnel so they can be resolved quickly



## The Scope of Property Management

The property owner(s) authorize(s) E.B.P.M. to perform the following services: rental analysis, coordinating any needed minor rehab, marketing, advertising, tenant screening, lease preparation, day-to-day management, lease enforcement, monthly accounting, owner draw preparation and annual re-leasing.

### Company Policies

It is very important in the field of Property Management, that E.B.P.M 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®. Additionally, we train all personnel by requiring them to read and follow the E.B.P.M. Property Management Policy and Procedures Manual.

### Department of Real Estate Requirements

The California Department of Real Estate requires licensing for all persons conducting Property Management and Real Estate Sales in our state. E.B.P.M requires all personnel that are Brokers, Property Managers, and Real Estate Agents to have a California Real Estate license.

### E.B.P.M East Bay Code of Ethics

1. Is it true?
2. Is it fair to all?
3. Will it build good will?
4. Will it be beneficial to all?



### Drug-Free Policy

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

### Legislation

E.B.P.M 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 E.B.P.M follows:

- Fair Housing (HUD) - E.B.P.M supports and follows Fair Housing laws and guidelines; the E.B.P.M office displays Fair Housing signage
- Equal Opportunity - E.B.P.M is an Equal Opportunity employer; the E.B.P.M 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
- FTC – Fair Trade Commission
- EPA – Environment 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. E.B.P.M 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 E.B.P.M. provides them with the required EPA Pamphlet, *Protect Your Family from Lead in the Home* E.B.P.M 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 provides that owners and managers must use certified vendors to work on lead-based paint.

### **Mold issues**

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

## Answers Regarding Funds

When you entered into a management agreement, E.B.P.M established an account for you and your property. E.B.P.M recognizes the importance of accurately collecting and disbursing funds. The bookkeeping program used by E.B.P.M is specialized software designed to handle the many facets of property management and accurate record keeping, and complies with the requirements of your state's Department of Real Estate.

### Banking

E.B.P.M maintains two trust accounts as per you state requirements. The first is the Security Deposit Trust Account where all security deposits reside. There is a Rents Trust Account where all moneys are deposited and paid out. Even security deposits come in through that account and are transferred to the Security Deposit Trust Account. All rents and owner contributions are also deposited in the Rents Trust Account. All payments to vendors for maintenance and repairs, eviction expenses, management fees, returned deposits and owner draws come from the Rents Trust Account.



### Monthly Statements

You will have access through your Owner Portal to view real-time and monthly reports.

### Disbursement of Monthly Funds

E.B.P.M disburses available funds to owners between the 8<sup>th</sup> – 12<sup>th</sup> of each month. If this day falls on the weekend, E.B.P.M issues funds on the next business day. E.B.P.M does not disburse funds on weekends and holidays. E.B.P.M does NOT issue owner checks or ACH payments unless there are sufficient funds in the owner's account. It is vital to accurately post rents, pay vendors, and disburse funds for your account. Therefore, it is vital E.B.P.M adhere to this schedule to ensure servicing every owner's account. It is recommended that you maintain a contingency fund in your Rents Account to cover any unexpected repairs or maintenance.

E.B.P.M distributes owner funds in two ways:

- Company check disbursed directly to the owner accompanying their monthly statement.
- Most commonly using ACH direct deposit – directly disbursed into an owner's bank account; E.B.P.M. mails monthly statements after disbursement. A form to start ACH is included with this information.

### End of Year Procedures

At the end of each year, E.B.P.M 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 E.B.P.M with a W9 with the necessary Social Security/Tax ID information so the 1099 is accurate. E.B.P.M 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 W9 change form, please contact us.

E.B.P.M 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 E.B.P.M 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 professional along with other information for income tax reporting. E.B.P.M does not issue statements to the owner's tax preparers.

## **Renting Your Property**

### **Preparing to Rent the Property**

When you have a vacancy, our goal is to attract, the best possible, pre-qualified tenant for property. To do that:

- We conduct a move-out evaluation of your property and determine if repairs or maintenance are required.
- We run a competitive market analysis report to make sure your rents are priced right for the market.
- We enter your property into our comprehensive marketing program including syndication to the top rental websites in your market, a video tour on YouTube as well as on to our own website as a featured rental.

## **Advertising/Marketing**

### **Internet/Website**

E.B.P.M has found that the Internet and the E.B.P.M website, receives tremendous exposure, as well as using Craig's List and syndicating to Hot Pads, Zillow, Trulia and many other real estate websites.

### **Signage**

E.B.P.M displays "For Rent" signs prominently if desired, and each sign has contact information including our website URL. On our E.B.P.M Website, prospective tenants can immediately access the property information and showings 24 hours a day. They can even complete a credit application only.

### **Showings and Applications**

The E.B.P.M property managers conduct showings for each vacant unit via appointments, open houses and secured self-showings. When prospective tenants see the property, the management team answers questions and prequalifies. Online applications are available on the E.B.P.M website.





## Processing Tenant Applications

### Tenant Screening

Thorough screening is crucial to successful Property Management. E.B.P.M requires all applicants to fill out a detailed application online from your website and submit it for processing/approval. A credit check is NOT enough! Our company conducts a careful review of their credit, income, background and landlord reference. We also inquire about number of people, their earliest move in date, pets, and how long they plan on leasing past their first year.



All applicants must submit verifiable information to verify the income so we know they can afford the rent. 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.

### Cosigners

E.B.P.M normally does not accept guarantors. E.B.P.M policy is that the applicants should have the ability to rent on their own merits. However, there are rare occasions that may warrant taking a cosigner or guarantor on a property. If this is the case, E.B.P.M will notify the owner, discuss the reasons, and obtain owner authorization. We disclose to the guarantor that they are equally responsible for the terms of the lease.

### Pets

If an owner authorizes a pet, E.B.P.M requires a pet addendum. E.B.P.M 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 E.B.P.M application has a place for prospective tenants to list the pet. It is important NOT to discourage full disclosure on pets while taking an application. If you do allow a pet, E.B.P.M does not place inappropriate pets in a property, as we have twelve restricted breeds of dogs.

E.B.P.M 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 pet. Then, based on the owner/manager preference the pet, E.B.P.M can automatically notify the applicant that the owner does not allow pet.
2. Second, by listing pet 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/Comfort Animals/Emotional Support Animals**

Special note: The above animals 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 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, disabled or not.



## **The Tenant Move In**

### **Rent and Security Deposits**

E.B.P.M does not accept personal checks prior to renting the property and 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. It is normally E.B.P.M policy to require a security deposit in the same amount as the rent. However, E.B.P.M does not exceed the maximum-security deposit allowed by the California landlord/tenant laws.

### **Rental/Lease Agreements**

Once E.B.P.M receives funds, a thorough rental/lease agreement with the applicant is completed.

All persons 18 and over, including adult children, are required to read and sign all rental/lease agreements and make application. If the accepted applicants are a foreign nationality and cannot read and understand the documentation, they must supply an interpreter of legal age for signing the rental/lease agreements.



### **Walk-Through**

A vital part of the rental agreement is a detailed walk-through documenting the condition of the property when they move in. Unless extenuating circumstances prevail, the E.B.P.M team completes the walk-through before the tenant takes possession of the property. Photos are taken of any damage to the property.

When the tenant moves out of the property, there is a sound basis for the security deposit refund. E.B.P.M also documents the move in with digital photos.

## Working with Your Tenants

### Collecting Rent

Rents are due on the **1st** day of the month and late if not received in the E.B.P.M office by the **2nd** of the month.



E.B.P.M 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. If E.B.P.M receives the rent prior to issuing owner funds, E.B.P.M does not contact the owner unless the E.B.P.M management team determines there is an ongoing rent issue.

### Notice to Pay Or Quit

If E.B.P.M does not receive rent by the due date within 2 – 3 days, E.B.P.M prepares and delivers a timely 3 Day Notice to pay or quit, as the law allows. E.B.P.M makes every effort to mail and post notices properly should legal action be required. If E.B.P.M determines the tenant is not going to pay the rent during the notice to pay or quit period, or shortly thereafter, E.B.P.M contacts the property owner and works out a plan of action leading to possible eviction.

### Other Notices

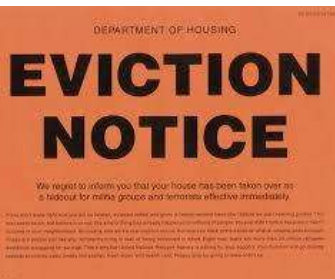
There are other notices that may be involved with tenants. E.B.P.M serves notices as situations warrant, such as a notice to clean up the landscape, a notice to enter the property, a notice to perform survey/inspections, a notice regarding an illegal pet, illegal tenants, etc. These tenant violations may be in the form of a certified letter or a legal Notice “form.” Often, these notices are simply to correct minor tenant problems and most tenants comply. However, if necessary, E.B.P.M. contacts the owner with the information to discuss the situation.

### Tenant problems

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

### Legal action

Although E.B.P.M 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, E.B.P.M will contact the owner prior to taking action, discuss what is needed, and obtain owner authorization.



## Maintenance

### Preventative maintenance

The best approach to maintenance is “preventative maintenance,” and this is the E.B.P.M policy.

First, E.B.P.M has already started with educating the tenant by:

- Completing a detailed E.B.P.M Rental Agreement outlining what are tenant responsibilities regarding maintenance as well as owner obligations.
- Completing a walk-through documenting the condition of the property before the tenant takes possession.

We want the tenant to know from the beginning of their tenancy that the E.B.P.M 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 issues 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 E.B.P.M management teams contact owners regarding maintenance above the minimum that is listed in the E.B.P.M. contract, unless the situation is an emergency.



## **Emergencies/Disaster**

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

There are times when a property manager must “act” in order to prevent great financial risk to the owner. For example, when a property is flooding, action is necessary, particularly if the property owner is not immediately available.

## **When the Tenant Vacates**

### **Notice To Vacate**

When there is a notice to vacate, the move out procedures with tenants are as critical as when E.B.P.M moves in a tenant. The preparation for this really began when the tenant moved in with a detailed rental agreement, Move-In Checklist and walk-through. All of these documents gave instructions to the tenant on how to move out.

### **Communication With Owners And Tenants**

E.B.P.M notifies the owner in writing on how they will proceed with the tenant and re-renting the property. E.B.P.M. immediately places the property on the market to rent unless the owner notifies E.B.P.M to take other measures.

E.B.P.M also responds to the tenant notice with a move-out check list 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**

E.B.P.M conducts a walk-through similar to the one performed when the tenant moved into the property. E.B.P.M records any maintenance required and discloses a list of damages to the vacating tenant. 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, E.B.P.M advises owners of any tenant damages or any maintenance required to re-rent the property.



### **Security Deposit Refunds**

Proper handling of the security deposit refund is crucial. Any tenant deductions are determined in a timely manner, and a security deposit transmittal is prepared in accordance with state laws. Owners receive a copy of the transmittal with their monthly statement, showing any deductions and monies refunded.

### **Collections**

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

## **Miscellaneous Owner Fees**

### **1. Oversee “Between Tenants” Checklist ---**

#### **A. \$300 - \$500 first time clients.**

#### **B. \$200 existing clients**

Between tenants you will be given our Owner Pre-Move-in Checklist. It has 32 items that must be completed prior to the next tenant moving in. Items like the re-keying of locks, checking all detectors, scheduling cleaning, changing garage door opener codes, etc. These items will ensure that the home is as clean and secure as possible upon move in. Either the owner can oversee and ensure these items are performed, or they can hand off this task to E.B.P.M for the fee above.

### **2. First time leasing is \$0. Subsequent leasing fee --- \$495**

Almost all property managers charge both a first-time leasing fee and subsequent leasing fee of 50% of first month's rent. E.B.P.M charges no first-time leasing fee. There will be a \$495 leasing fee after that when those tenants move out and new tenants need to be procured. This fee will partially cover all marketing, showing, screening, leasing and administrative costs.

### **3. Tenant Take-Over Fee: \$95**

This fee would be charged to a new owner coming into E.B.P.M. that already has an existing tenant. It is always necessary to start from the beginning with that tenant and implement them into the system with a new lease agreement, renters' insurance, a home walk-through, tenant portal set up, and general on boarding procedures. This fee to covers these start-up costs.

### **4. Rehab Projects over \$2,000: 7 - 10% Vendor Oversight Fee**

This fee is charged if we are tasked with overseeing rehab of a property (paint, floors, lights, appliances, bathrooms, etc.). There are always multiple walk throughs involved, constant communication with vendors and owners, the selecting and ordering of items, billing, and follow up needed to ensure the job is done correctly, on time and on budget. Unlike other property managers, E.B.P.M does not mark up the estimates from vendors and charge a management fee but rather charges this one-time oversight fee.

### **5. Additional Inspection Fee: \$85**

Our management service provides for one annual inspection of the owner's home. This is where detectors are checked, furnace filters are changed, tenant care is noted, and any deferred maintenance is reported. If additional inspections are requested by the owner and agreed upon by the tenant, the above fee will apply.

### **6. Maintenance Over-sight Fee: \$20**

**There are two reasons for this nominal fee:**

**A.** We employ a full time Maintenance Manager who first determines with every maintenance request whose responsibility it is...the owner or the tenant. He is also skilled at assisting tenants in resolving many maintenance issues themselves. i.e. disposal reset, tripped breaker, clogged sink. This saves time and money for our owners.

**B.** Our vendors (handymen, plumbers, electricians, etc.) all give E.B.P.M a sizable discount on the work they perform at our owner's properties (20 – 25%). Unlike other property managers, E.B.P.M will always pass this discount straight to the owner.

### **7. Pet fee of \$500 is split 50/50 with owners**

Typically, we charge the tenant a onetime \$500 pet fee for an authorized pet. This involves E.B.P.M. providing pet screening, a pet addendum, it's \$3,000 pet guarantee and managing pet behavior during the term of the lease. The pet fee is split with the owner.

### **8. Lease Renewal Fee: \$95**

60 days prior to the expiration of the tenant lease, a rental analysis will be performed to determine if a rent adjustment is required. After that, a notice will then be sent to the tenant preparing them for a lease renewal. 15 days prior to the lease expiration, a new one-year lease will be signed with the tenant. The owner fee for this renewal process is \$95 and will be charged the following month.

### **9. Annual IRS Compliance Fee: \$25**

There is an Annual \$25 Tax Preparation Fee to cover the costs of administration associated with preparation and electronic delivery of the required IRS form 1099 each year. This fee is collected annually in March.

#### **10. Court Appearance: \$100 per hour**

This charge applies to evictions, and/or lawsuits where we are asked to appear in court on behalf of the owner. This includes case, preparation, travel time as well as court time.

#### **11. Landlord Exit Fee: \$100**

Upon completion or termination of E.B.P.M agreement, owners will incur a \$100 charge for turning over all documentation, accounting for all funds and forwarding any information required to the owners and/or the tenants. In addition, all files and accounting are required to be archived by for seven years. A portion of this fee is meant to cover that liability as well.

#### **12. First 30 Days Termination Fee: \$500**

We realize that while rare, there are circumstances that cause an owner to change their mind about renting their property. To cover administrative, advertising, and marketing costs, E.B.P.M. will charge owner \$500 if this happens within the first 30 days from the signing of management agreement.

#### **Real Estate Services**

E.B.P.M. is the only property management company in the entire East Bay that does not sell real estate. In fact, almost all East Bay property managers sell real estate as their primary business and manage property as a side business. Only E.B.P.M. is totally focused on property management 100% of the time. Having said that, we recommend Tom Connolly of Connolly Real Estate for any questions or needs regarding:

- The sale of your rental property
- The purchase of another rental property
- 1031 Exchange
- Cap Rate Analysis of your home
- Market Analysis of your home

Tom Connolly can be reached at Connolly Real Estate (925) 984-1470

Website: [www.connollyrealestates.com](http://www.connollyrealestates.com)

E-mail: [tcdanville@aol.com](mailto:tcdanville@aol.com)

In addition, we recommend one of the East Bay's leading mortgage brokers, Chris Connolly. He can be reached at (925) 750-4663.

Website: [www.stonecastlemtg.com](http://www.stonecastlemtg.com)

E-mail: [cconnolly@stonecastle-lhf.com](mailto:cconnolly@stonecastle-lhf.com)



## Cancellation of Management

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

Please review the following policies for cancellation.

### Written Notice

- From day one, this can be by US Mail or E-mail

### Notice to Current Tenants

- E.B.P.M I will notify current tenants the date E.B.P.M will no longer manage the property and that E.B.P.M 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

- E.B.P.M 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 E.B.P.M office.

### Final Distribution of Funds

- E.B.P.M will distribute funds, including security deposits, and final statements to the owner within **5** days of the terminating date of management, as agreed in the management contract
- E.B.P.M will issue a 1099 for funds collected during the current tax year when the tax year ends.

## Conclusion

We hope you have found the East Bay Property Management Owner Manual informative and useful. If there is anything we can do to improve the Manual, please let us know.

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