



OWNER'S MANUAL



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BOYNTON BEACH, FL 33426 • (561) 738-0922 • FAX (561) 533-5458

1375 GATEWAY
BOULEVARD,

WELCOME

Thank you for choosing Salefish Property Management, LLC doing business as Salefish Properties (SFP) 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.

SFP works to achieve the highest professionalism in Real Estate/Property Management Services. Therefore, we have prepared the SFP Owner's 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.

SFP forms have also been included with this manual for your convenience. Completing and using the forms assists SFP in setting up and maintaining an accurate account for you and your investment.

Special note: the information provided in the SFP Owner's Manual is subject to change. Landlord/Tenant laws, personnel, policies, and procedures change accordingly to events that take place. SFP 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 Salefish Properties as your property management company. We look forward to a successful business relationship!

***Communication and Documentation are Keys to
Successful Property Management!***



OWNER DOCUMENTS

It is important that Salefish Properties 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. Please return the appropriate forms as required.

Owner Information

This information enables SFP to set up your account.

Utility Authorization

This form enables SFP to make payments and obtain information from the utility company when needed. Please send this directly to the utility company and forward a copy of your request to SFP.

Insurance Authorization

This form requests the insurance company issue a copy of your property insurance to SFP and that they name SFP as “**Additional Insured**” (not Additional Interested) on your policy as stated in our management agreement AND that we have an updated copy of your Declaration Page. Please send this directly to the insurance company and forward a copy of your request to SFP.

As your management continues, information can change. We have included several forms for your convenience. Please return them to us as needed.

Change of owner information

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

Owner Work Request/Authorization

This is for authorizing work requests from telephone conversations with your management team. All work requests must be in writing; email is also acceptable.

Owner Vacation Notice

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

SALEFISH PROPERTY MANAGEMENT, LLC

Salefish Property Management LLC is a Limited Liability Company operating in Palm Beach County, Florida, and doing business as Salefish Properties. We specialize in full-service property management and residential sales. The company has been operating since 2004 and is actively involved in the local community.

SFP is an abbreviation used in lieu of the full company name, Salefish Properties and will be used throughout this *Owner's Manual*.

Salefish Properties mission statement

The mission of SFP is to provide superior, quality service to our clients and residents as well as to constantly strive to educate the real estate community on property management and the integrity and professional standards we maintain. Communication combined with thorough documentation are the most important aspects of property management.

Salefish Properties principal

The Broker-Owner of Salefish Properties is Nancy Jackson. Salefish Property Management, LLC was founded by Nancy Jackson and Kristen Conti in 2004. Nancy worked for over 15 years for an international telecommunications company and was based in Boynton Beach. When that company left the area, Nancy decided to stay put to be with family and friends. She returned to the “family business” of real estate and property management. Nancy teamed up with Kristen to develop a property management division to enhance Kristen’s existing real estate sales business and the company she owned with her husband, Salefish Realty, Inc. Kristen relocated to the West Coast permanently in 2005, but stayed on as Broker of Record until early 2008 when Nancy acquired Kristen’s share of Salefish Property Management, LLC. Nancy personally oversees all contracts, policies, and procedures, and properties to ensure excellent value and service is provided to our clients.

SFP COMMUNICATION

Communication is key to the success in any relationship and the SFP/Owner relationship is certainly not an exception. We work constantly to improve communications with all of our clients, customers and prospective clients. This includes everyone – owners, tenants, applicants, vendors, buyers, sellers, and the public.

Company communication

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

SFP personnel communicate by:

- Telephone
- Fax
- Email
- Written correspondence
- Text messaging

General office information

Salefish Properties General Information		
Address information		
Mailing address	1375 Gateway Boulevard	
	Boynton Beach, Florida 33426	
Contact Information		
Business #	561-738-0922	
FAX #	561-533-5458	
Nancy Jackson	NJackson@SalefishPM.com – Broker-Owner	
Maintenance Coordinator – Terry	Terry.Salefish@gmail.com	
Website	www.SalefishPM.com	
Office Hours	Monday – Friday	9:00 am – 5:00 pm
	Saturday	By appointment only
	Sunday	Closed
	Holidays	Closed
Emergencies	561-523-0808 (Mobile phone for Nancy Jackson)	

OWNER COMMUNICATION

Communication works both ways. It is important that you let us know of any significant change that can affect your account. SFP 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 critical details. To assist in communicating any changes to us, we have provided the “*Change of Owner Information*” form with this manual that is easy to use.

Email

SFP encourages all owners to use email to contact us. It is fast and effective. Please supply us with your email address on all the SFP forms. We will enter your email address in our database.

Special note: When using email, we request that you put the “property address” in the subject line. With the problems of spam, worms, viruses, Trojan horses, and more in the Internet world, this helps us identify the importance of your message, and avoids oversights or deletions of messages. If we do not reply to your email within 24 business hours, please contact our office.

Owner vacation notice

SFP respectfully requests that owners notify SFP of vacations or extended absences 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 SFP is prepared in the event of an emergency repair or major problem concerning the owner’s property and/or tenant. A convenient “*Vacation Notification*” form is included with this manual.

OWNER RESPONSIBILITIES

SFP is committed to managing your investment efficiently, in order to meet this commitment, we need your participation in the following areas.

Owner responsibilities are:

- Notify SFP immediately of any ownership change or eminent owner change for the managed property, this includes any possible foreclosure or bankruptcy action.
- Supply SFP with accurate information so your account can be serviced properly.
- Notify SFP of any change in mailing address immediately.
- Review statements monthly and notify SFP of any discrepancies found as soon as possible.
- Support Fair Housing Laws and guidelines, as well as all necessary legislation.
- Maintain a current insurance policy for each property, listing SFP as additional insured.
- Review property insurance yearly and update as needed.
- Exercise responsibility for required maintenance and the safety of the tenants.
- Treat SFP personnel with courtesy and notify SFP principal if there is a problem with SFP staff so they can be resolved quickly.

THE SCOPE OF PROPERTY MANAGEMENT

What is included in our Property Management services

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

Again, these are general guidelines and when necessary, policies will change. Please bear in mind that we are unable to do “everything” that is required to service a property under our general management fee structure, but we offer a wide range of services at an additional charge.

What is not included in SFP Property Management services

Because SFP provides owners with full service, it can be easy to request something that we cannot perform. Some tasks go beyond the normal scope of property management or require additional fees/services (see below). There are also areas licensed real estate agents dare not tread, unless they have obtained the proper licensing or degrees. We ask that you remember this when making a request, and review a paragraph that was included in your Management Agreement:

Owner understands and agrees that standard Property Management (Sport Fisher and Big Kahuna) does not include providing on-site management services, refinancing, preparing property for sale or rent; refinancing, additional trip charges, improvements, 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 later in this manual.

COMPANY POLICIES

It is very important in the field of Property Management, that we follow local, state, and federal legislation and guidelines. Our company takes pride in the real estate industry, and we further implement guidelines, ethics and policies of several organizations, such as the National Association of Residential Property Managers (NARPM®), the National Association of Realtors (NAR®) and the Florida Association of Residential Property Managers, Inc (FARPM, Inc). Additionally, we train all personnel by requiring them to read and follow the Salefish Properties Policy and Procedures Manual.

Department of Real Estate requirements

The Florida Department of Real Estate requires licensing for all persons conducting Leasing and Real Estate Sales in our state. Florida law does not require a real estate license for an individual who is only performing property management when leasing of the property is not involved. The SFP Broker and all Leasing Agents have a Florida Real Estate license.

Code of ethics

SFP follows the Code of Ethics outlined by both NARPM®, NAR® and FARPM, Inc. SFP considers this a top priority in conducting business, and ethics training is required for all SFP personnel. Please refer to Appendix A for the NARPM® Code of Ethics.

Drug-free policy

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

Legislation

SFP 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 SFP follows:

- Fair Housing (HUD) - SFP supports and follows Fair Housing laws and guidelines; the SFP office displays Fair Housing signage
- Florida Statute Section 83-Residential Landlord Tenant Act
- FCRA - Fair Credit Reporting Act
- EPA – Environment Protection Agency
- Municipalities' building and dwelling codes

Lead-based paint

Lead-based paint became a major issue in the 1990s that prompted mandatory requirements for residential housing and continues today. SFP follows all mandated federal and state guidelines for lead-based paint. All properties prior to January 1, 1978 require disclosure to all tenants and owners. Tenants sign a lead-based paint disclosure prior to renting a property and SFP provides them with the required EPA Pamphlet, *Protect Your Family from Lead in the Home*. SFP then forwards the required disclosure to owners for signature or if proper agency has been given SFP signs on behalf of the owner.

Property owners and/or Property Managers must also notify tenants, in writing, of any scheduled work necessary for lead-based paint on the property. Special precautions are required when disturbing any surface of a home built prior to 1978. Vendors MUST now be certified to work at a pre-1978 residence or the Property owner and SFP are subject to fines of \$32,500 per day unless the entire property has been tested and found to be lead-free. SFP will not authorize painting or other work to be performed at a pre-1978 residence unless the vendor is an EPA-approved Certified Renovator.

Mold issues

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

Radon Gas

Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. A radon gas disclosure is incorporated into each tenant's lease.

ANSWERS REGARDING FUNDS

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

Banking

SFP holds monies in a trust fund mandated by the state of Florida. This account does not earn interest under Florida Statute 475 and Florida Real Estate Commission. SFP accounts for each owner's funds separately in the trust account and does not co-mingle funds with broker monies, following the Florida Statute 475 and Florida Real Estate Commission requirements.

Monthly statements

SFP sends monthly statements to owners. If you have difficulty reading your monthly statement, please contact our management team. We are happy to assist you and answer your questions.

Disbursement of monthly funds

SFP disburses available funds to owners once a month by the 15th day of each month as long as a tenant has paid rent on time. If this day falls on the weekend, SFP issues funds on the previous business day. SFP does not disburse funds on weekends and holidays. SFP does NOT issue owner checks unless there are sufficient funds in the owner's account. Owners can not receive rental funds immediately, SFP must wait until the tenant's personal check clears before we can utilize and disburse funds. It is vital to accurately post rents, pay vendors, then disburse funds for your account. If we are aware of upcoming expenses pertaining to your property, we will reserve this sum in your account. It is important SFP adhere to this payment schedule to ensure servicing every owner's account correctly.

SFP distributes owner funds by issuing a company check or direct deposit disbursed directly to the owner accompanying their monthly statement.

If a foreclosure notice has been posted to the property, SFP will not disburse any sum to the owner but will continue to enforce rental payments with the Tenant.

End of year procedures

At the end of each year, SFP 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 SFP with the necessary Social Security/Tax ID information so the 1099 is accurate. SFP will send the Internal Revenue Service 1099 form containing rental income by January 31 for the previous tax year. If there is a change in your tax information such as a new

trust or address, please notify us with the “*Owner Change of Information*” form. If you need another change form, please contact us.

Also by January 31 of every year, a Year-End Operating statement is provided and will reflect “total amounts” for income and expenses that have transpired throughout the past year, such as management fees, leasing fees, landscape, utilities, repairs and maintenance, etc. The amounts will not reflect any funds issued through the owners personal account. Owners can submit their last statement to their tax person along with other information for income tax reporting. SFP does not issue statements to the owner’s tax preparers.

RENTING YOUR PROPERTY

Preparing to rent the property

When prospective tenants view your vacancy, SFP wants the property to look its best and compete with area rentals. The SFP management team will contact you to discuss the details of your vacant property and any necessary maintenance required. SFP will acquire bids and oversee the work to be performed in order to get the property in shape to rent it. There is an oversight fee of 10% of the invoice or our hourly rate, whichever is most fair and reasonable for the work being performed. If an owner declines to accept one of the bids, then an owner will be charged for SFP’s time to collect estimates.

Property Condition Acknowledgement of Understanding

SFP provides well maintained, properly functioning homes to all of our tenants. We believe it is most profitable, long-term, for your property to be kept in good condition. Better homes attract better tenants, and your resale value and rents will remain higher if the home is kept in good repair. Provided below is an outline of the minimum property condition standards required prior to a new tenant moving into your home. These items will be verified or completed at each change of tenant.

- Property professionally cleaned and free of all trash and debris, inside and outside.
- Air-conditioning serviced and verified to be operating well at time of move-in, new filter installed.
- Furnished/built-in appliances operating as designed, or repaired or replaced with new.
- Plumbing fixtures/shutoffs checked and operating, old or rusting sink traps and faucets replaced.
- Shower/Bath areas must be clean with grout and caulk in excellent condition and mold-free.
- Shower/Bath area ceramic tile in good condition with clean grout and caulk – no cracked or missing tiles.
- Cabinet doors and drawers in good operating condition throughout, with proper hardware.
- Doors and locks all function properly and have good doorknobs, latches, and legal locks.
- Doorstops will be installed if door knobs make contact with a wall.
- Windows all have good screens and open/close/lock properly - no cracked windowpanes.

- Window coverings functioning (opening and closing well) - no broken or missing blinds, old or worn drapes removed/replaced.
- Paint and wall surfaces in good condition with clean appearance – repaired and re-painted where needed.
- Ceilings free of leaks, large water stains, large cracks, or other problems – repaired and touch-up painted if needed.
- Carpet professionally steam cleaned - replaced if extremely worn
- Vinyl flooring clean with no large tears, curling on edges, (i.e. safety hazard) or extreme wear
- Electrical outlets and switches have covers and light fixtures /ceiling fans all working - breaker box to code. All light bulbs working.
- All towel bars and rings, paper holders and other attachments in place and properly secured
- If owner is responsible for exterior paint, it must not be cracking or peeling - touched up as needed. Front door is attractive and clean
- If owner is responsible for shrubs and trees, they must be trimmed back and not touching the property or roof – dead limbs removed
- If owner is responsible for yard it must be in maintainable condition. Dead or bare areas replanted with new grass or shrubs.

The front exterior of the home should have excellent “curb appeal”, to make the home inviting and desirable to prospective tenants.

The above items are a summary of the majority of the items we evaluate during our Property Condition Survey, which is designed to identify any issues with the home and to document the status of the property prior to a tenant’s move-in and once again when they move-out. By addressing these items up-front, it provides the best opportunity to have minimum maintenance during the tenant’s occupancy, and also to provide your tenant the best opportunity for a trouble-free experience as they settle into your home, which ultimately translates to a happier tenant who is more likely to respect and care for your property. The Landlord will be responsible for the cost to get the property in “rent-ready” condition. We will notify you of any repairs exceeding the \$500 limit outlined in the management agreement.

Setting the rent

Supply and demand determines rent. If there are multiple rentals available in the area of your property, it is necessary to be very competitive. If very few are “for rent” in the same area, it can make it easier to rent the property. Markets change all the time depending on supply and demand; SFP advises owners on the “current rental market.” While we understand that property expenses can be high, SFP can not guarantee the rental amount will be sufficient to pay all related property

costs. Similar to selling a home, a prospective tenant will evaluate three criteria when deciding upon a residence – price, location and property condition. Since the location is fixed in the case, price and property condition must be used to influence a prospective tenant to choose *your* property over others that are available.

How long will the property be vacant?

This is the most commonly asked question SFP 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. However, SFP works diligently to rent the property as quickly as possible. What is important to remember is that the most important objective is to have “a quality tenant.”

SFP, or any other property management company, can rent properties “quickly” if they do not have standards for obtaining good tenancy. However, bad tenants will only create more expense and another unwanted vacancy; therefore, waiting for the “right tenant” is worth the additional time it can take to rent the property.

While the property is vacant and on the market, we will do our best to collect and provide you with any showing feedback from prospective tenants and/or their agent. This information can be valuable in assisting us in tweaking the rental price or making certain changes to the property in order to get it rented.

ADVERTISING/MARKETING

There are many choices when it comes to advertising. Multiple Listing Service (MLS) and signage (as permitted) are provided at no additional cost.

MLS

As soon as possible, SFP will enter your property into the MLS database which gives it exposure to over 12,000 Realtors® in Palm Beach, Martin, Dade, Broward and St. Lucie counties. When the property is entered in MLS, we indicate that the information should also be placed on Realtor.com, which gives it additional exposure directly to prospective Tenants.

Signage

If the community allows it, SFP displays “For Rent” signs prominently. Signs promote calls.

Publications/newspapers

Should you want more exposure for your property we can assist you in placing an advertisement in the local and neighborhood papers. This is not included in our Rental Placement fee.

PROCESSING TENANT APPLICATIONS

Tenant screening

Thorough screening is crucial to successful Property Management. SFP requires all applicants to fill out a detailed application and submit it for processing/approval. A credit check is NOT enough! Our company conducts a careful review of their credit, criminal, income, and tenant history or ownership.

All applicants must submit verifiable information of their income to show they can support the property. Rental history or previous home ownership is carefully checked. Cross-referencing all four areas – credit, tenant history (including any evictions recorded in county records), criminal and income - provides the answers to qualify or disqualify prospective applicants. If a pet is allowed on the property, the screening includes the pet (please review the upcoming pet policies). Because of this extensive screening process, most “rent-jumping” tenants (those who neglect to pay rent, damage the property and move out in the middle of the night) prefer to deal directly with property owners who may not perform the due diligence up-front. Our criminal checks are limited to the Multi-state Sex Offender list and Terrorist Watchlist.

SFP, nor any other entity acquiring a credit report, is permitted to provide a Landlord with a copy of an applicant’s credit report – this is against the law and is a violation of the Fair Credit Reporting Act (FCRA). Believe it or not, we can not even provide a copy to the individual we are performing a background check on, according to the FCRA and our legal counsel. This has always been our policy.

Cosigners

SFP normally does not accept cosigners. SFP policy is that the applicants should have the ability to rent on their own merits. However, there are sometimes conditions that may warrant taking a cosigner on a property. If this is the case, SFP will notify the owner, discuss the reasons, and obtain owner authorization.

Pets

If an owner authorizes a pet, SFP increases the deposit even more. A non-refundable pet fee is required which will go towards additional paperwork required, carpet cleaning, pest control, etc.

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 SFP application has a place for prospective tenants to list pets and how many. It is important NOT to discourage full disclosure on pets while taking an application. If you do allow a pet, SFP does not place inappropriate pets in a property.

SFP recommends to owners that when the property is on the market, that pets are “negotiable” or that some pets are “restricted.” This can solve two problems.

1. First, this encourages prospective applicant to disclose any pets. Then, based on the owner preference on pets, SFP can automatically notify the applicant that the owner does not allow their type of pet.
2. Second, by listing pets as negotiable, it avoids eliminating an excellent tenant that does care for their pet, has an excellent tenant history, and owns a pet that is suitable for your property. If pets are permitted, the applicant must submit veterinary records which indicate accurate weight, breed and vaccination history identifying all shots are current.

Service animals

Special note: “Service animals” for handicapped/disabled persons are NOT pets by Federal law, and owners cannot discriminate against handicapped/disabled persons with a service animal. Fair Housing legislation does NOT allow owners or property managers to collect deposits of any kind for service animals.

This can be a way for an individual to legally get around a “no pet” policy for an individual property or for a community. Most of us are familiar with a Service Animal and understand that these are

trained animals, usually dogs, for the purpose of assisting blind, hearing-impaired or people with other types of physical disabilities. Companion or Comfort Animals are pets owned by individuals with mental or emotional disabilities; usually these animals are not required to go through any specialized training. There is lots of discussion on where to draw the line, i.e. should an individual be allowed to have a pit bull or an iguana for a comfort animal? A Landlord/Community Association **can** require a letter from the requestor's physician or therapist indicating the type of disability and an explanation of how the particular pet they are requesting will help them cope with the limitations their disability creates. Landlords and Community Associations must make reasonable accommodations and can have rules in place regarding the conduct of the pet owner and the pet but should not completely deny a companion animal or risk being sued.

However, Landlords can still process applicants who are handicapped or disabled on the same criteria as other applicants: income, criminal, credit, and tenant history. If they fail to qualify in these areas, the landlord/manager can still deny the application, handicapped or not.

THE TENANT MOVE IN

Rent and security deposits

SFP prefers not to accept personal checks prior to tenant move-in and does not allow "payments" on security deposits – we require all funds paid in full prior to renting the property with cleared funds. This eliminates prospective tenants who really do NOT have the necessary funds for renting. If a personal check is provided, we wait for the funds to clear.

Once approved, all applicants must pay in full, the first month's rent, and the security deposit. In most cases, we also collect last month's rent in advance but may allow the Tenant to pay in installments.

SFP retains the security deposit and last month's rent and does not disburse it to the owner. Due to Florida laws regarding handling of advanced rent and security deposit, it is company policy to retain these funds in our escrow account.

Rental/lease agreements

Once SFP 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. 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. Each person over the age of 18 is screened separately.

Walk-through

A vital part of the rental agreement is a detailed walk-through addendum performed with the tenant, documenting the condition of the property when they move in. Unless extenuating circumstances prevail, the SFP team completes the walk-through with the tenant before the tenant takes possession of the property.

The walk-through documents the condition of the property along with digital images and video. When the tenant moves out of the property, there is a solid basis for any security deposit claim. SFP also documents the move in issues with digital photos and has the tenant initial them.

For an additional fee, or inclusive in the Big Kahuna management plan, SFP can provide the owner with a CD of the digital video, so there will not be any question as to the state of the property prior to move-in. This will provide peace of mind for an owner who wants to protect their property.

Tenant Reference Guide

Tenants immediately receive the “*Salefish Properties Tenant Reference Guide*.” 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.

WORKING WITH YOUR TENANTS

Collecting rent

Rents are due on the first day of the month.

SFP 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 rent is not paid on time, the owner is kept informed of SFP’s actions with respect to rent collection.

Late Fees

Owners share in the late fees that are collected from the Tenant after the Owner Distribution date. Additional resources are expended when a tenant does not pay on time per their lease agreement. SFP must enforce late fees for all Tenants. If our policy is not applied consistently to all Tenants without exceptions, it could be implied that we are violating the Fair Housing Act. Therefore a late fee waiver is never given to a Tenant. Also if a Tenant does not pay their late fees with their late rent, the balance of any charges remaining from the previous month is applied to their next payment, before the funds are applied to the current month’s rent.

Notice to pay or quit

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

Other Notices and Community Notices

There are other notices that may be involved with tenants. SFP 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 unauthorized pet, unauthorized tenants, etc. These tenant violations may be in the form of a letter or a legal Notice “form.” Often, these notices are simply to correct minor tenant problems and most tenants comply. However, if necessary, SFP contacts the owner with the information to discuss the situation. If special notices are required to be posted on behalf of the owner (i.e. property showing related to sale) a special trip fee will be charged. Sometimes the community association will notify an owner of a tenant or property violation. When this occurs, it is imperative that the owner send the violation notice to SFP without delay. In most cases the community will have a time period specified in which to correct the

violation before a fine is imposed. In all situations, a Tenant must be provided with a 7-Day Notice with opportunity to cure. SFP will contact the community and do our best to explain this to them and work with the community on a successful action plan.

Tenant problems

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

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

Legal action

Although SFP 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, SFP will contact the owner prior to taking action, discuss what is needed, and obtain written owner authorization. The owner will be responsible for legal fees unless it is covered by the Tenant’s security deposit.

MAINTENANCE

Preventative maintenance

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

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

- Completing a detailed SFP Lease Agreement, which outlines the tenant responsibilities regarding maintenance as well as owner obligations.
- Completing a walk-through documenting the condition of the property before the tenant takes possession
- Supplying tenants with the “*SFP Tenant Reference Guide*,” which provides additional instructions on the care of the property and how to report maintenance

We want the tenant to know from the beginning of their tenancy that the SFP/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.” The lease indicates that the tenant is responsible for repairs and maintenance of \$xx. This amount varies per property but is usually \$75.00. This is included in the lease so that the tenant understands they are responsible for minor maintenance items that occur during their residency but it is not intended to be a deductible for large expenses related to all maintenance or repairs performed. Your property manager will decide on a case-by-case basis if the tenant is responsible or if it is a landlord expense.

This is why, in our tenant instructions, we require them to report maintenance issues in writing. For example, what is worse than finding out dry rot could have been prevented or discoloration of the tile or linoleum if the tenant had reported the leaking toilet in the bathroom? Avoiding major maintenance costs are certainly more favorable in such cases.

The SFP management teams contact owners regarding maintenance above the minimum amount that is listed in the SFP Management contract, unless the situation is an emergency. Depending on your property management agreement, there may be an oversight fee charged for repair and/or maintenance items.

Emergencies/Disaster

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

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. You agree to this when signing our management agreement.

Hurricanes or Major Storms

Hurricane preparation is very important; the possibility of a hurricane passing through our area is a very real consideration.

Every home owner and/or resident in Florida is aware of the devastation that can occur for those unfortunate property owners in the path of a hurricane or tornado. Your management agreement does not include hurricane preparedness. Please do not wait until the last minute to have a plan in place with someone to put up hurricane shutters or the like. We have been told by representatives in the insurance industry that photos to prove that precautions were taken for hurricane protection are an extremely good idea to reduce the burden of proof for post-storm claims. If the National Weather Service advises that a storm could hit our area, we will visit all our managed properties approximately 24 hours prior to the storm and take a photo with proof of date (i.e. the front page of a newspaper) with any hurricane protection measures clearly identified.

In the event of a hurricane warning, we will urge all residents to prepare the property and to protect their personal belongings. A letter will be mailed to the occupants of your property within the next week reminding them of their responsibilities also.

If a storm does approach our area, it will be extremely hectic and we will try to be prepared as much as possible. If there are *no* shutters available a tenant has *no* responsibility under the terms of the lease to put any protection in place. If your property is not occupied; you will need to make your own arrangements to have shutters installed (and then removed once the warning has expired). Due to the number of properties that we manage, Salefish Properties is ***not*** able to assist with shutter placement. If this is a service you require, please contact our office immediately and we will attempt to locate a company or individual that you can hire to perform this service, without any other involvement from Salefish Properties. Should any act of God such as a

hurricane occur, SFP will continue managing the property while owner and insurance company return property to tenable condition, and all management fees remain due and payable to SFP while property is untenable.

If your property incurs any damage after a storm or “wind event”, we can assist owners in filing insurance claims if we have all associated property owners sign a contract prior to any hurricane claims being filed. An owner will be charged and invoiced directly based on our hourly rate of \$50/hour. These fees can be included in the insurance claim and the property owner(s) can request reimbursement. Once we have a signed insurance-claim agreement in place, we will be happy to make calls to adjusters or insurance agents, meet them at the properties, get quotations for repairs, schedule vendor appointments, coordinate and file for building permits, etc. as long as the cost of a repair does not exceed \$5,000. (The state of Florida does not allow for supervision of repairs without a general contractor’s license if the work is greater than \$5,000.)

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 SFP moves in a tenant. The preparation for this really began when the tenant moved in with a detailed rental agreement, walk-through, and *SFP Tenant Reference Guide*. All of these documents gave instructions to the tenant on how to move out. Additionally, a move-out instruction letter is sent to the tenant giving them plenty of time to prepare the property prior to their departure.

SFP retains the last month’s rent and does not disburse it to the owner. Because the security deposit can not be used until 15 days following the tenant’s receipt of the security deposit claim, which can be sent to the tenant up to 30 days following the move-out date. The last month’s rent is used to quickly return the property to rent-ready condition following a tenant’s move-out and prepare it for re-listing.

Communication with owners and tenants

SFP notifies the owner in writing giving details on how they will proceed with the tenant and re-renting the property.

SFP also responds to the tenant notice with a detailed letter 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

SFP conducts a walk-through similar to the one performed when the tenant moved into the property. SFP records any maintenance required and discloses a list of damages to the vacating tenant. Photographs are taken when the tenant moves out to document the condition of the property and support any deductions from the security deposit.

After assessment of the tenant move out, SFP 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 claim is prepared in accordance with state laws. When the tenant vacates a property, Florida Statute 83.49, requires the holder of the security deposit to return the entire amount within 15 days OR if any amount needs to be deducted, the former tenant must be notified in writing via certified mail within 30 days of the intent to withhold some/all of the funds and the reason(s) why the security deposit is needed. Per the statute, the former tenant has 15 days to object. If the holder of the security deposit does not provide the required notice within 30 days, they forfeit their right to impose a claim upon it. Owners receive a copy of the Security Deposit Claim letter with their monthly statement, showing any deductions and monies refunded.

If Tenant damages are excessive (unpaid rent, physical damage, in excess of actual security deposit amount), some Landlords decide to return the entire security deposit amount to the Tenant and then file a law suit against the Tenant. This removes the enforcement of the clause in Florida Statute 83 which states that whoever “loses” is entitled to attorney’s fees and court costs. {“Lose” can be interpreted very broadly in a court of law, if a Landlord withholds a certain sum and the Tenant even gets 1 cent back, that can be considered a loss for the Landlord and the Landlord would be responsible for paying the Tenant’s attorney’s fees, which is usually in the thousands. Salefish Property Management is very conservative when it comes to making claims on security deposits, we also make sure we have documentation to support our claim.}

Collections

If collecting damages is required, the owner may refer the matter to a qualified consumer collection service. SFP management does not include recovering tenant damages, but leaves this to companies with expertise in debt collection.

ADDITIONAL SERVICES

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

Annual survey/inspection

SFP maintains properties as part of their property management services. If a tenant indicates a desire to renew their lease, SFP will schedule a visit to assess the interior of the property. Sport Fisher program owners will be assessed a mandatory site visit charge for this activity. SFP believes entering the property periodically is important to identify Tenant required damage or maintenance. Through our continuing education, SFP management has learned that if a tenant is not held accountable each year for damages, the Landlord waives their right to a security deposit claim once a lease is renewed.

Supervision of extraordinary maintenance

SFP charges a percentage for supervising work requiring extraordinary maintenance or rehabilitation; this is defined as follows:

Insurance claims, major systems replacements, large construction projects, or fire clean-up. (Examples are roof replacement, major tree work, exterior painting, vandalism, kitchen cabinet replacement, etc.)

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

Real Estate services

Salefish Properties is available to assist you in buying more investment property or selling your property when ready, including those requiring 1031 exchanges. If you have an established relationship with another real estate professional, we encourage you to contact them also.

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

Fuel Costs

When gas prices exceed our baseline, we are forced to add a fuel surcharge to the monthly management fee. It will be a separate line item and it will be removed as soon as fuel prices go below the price per gallon we used to calculate our monthly management costs. We will be fair in our assessment and always try to consolidate our travels when we are in the field to keep costs to a minimum for each property owner.

CANCELLATION OF MANAGEMENT

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

Please review the following policies for cancellation and refer to your management contract.

Written notice

- The SFP management contract is renewed on an annual basis, should the owner decide to discontinue the management relationship with SFP, the agreement requires a 30-day written notice by either party.
- The SFP policy is to give cancellation of management by US Mail.
- If an owner sends a cancellation of management by US mail, SFP must receive the notice within 3 business days of the date of the notice.
- SFP does not accept cancellation of management by email due to lack of signatures.
- SFP does accept fax cancellations.

Special Case - Foreclosure

If you anticipate that your property is a candidate for foreclosure, contact us prior to any paperwork being filed with the county clerk. At that time, you will be given a choice to terminate the agreement and pay a termination fee and self-manage the property or we will work together with you and the tenant to identify an exit strategy that is acceptable to all parties. Otherwise, Salefish Properties will escrow all rental funds and will not disburse them to the owner. Our management agreement has been reviewed by multiple attorneys, their opinion is that the contract is enforceable and the management company has the right to hold the rental income in escrow until such time that the property is no longer in foreclosure or the tenant moves out. Once the tenant moves out, the security deposit and last month's rent have been handled, then if you still own the property, all rental funds that Salefish Properties is holding in escrow will be returned. You will continue to

receive a monthly statement showing the income and expenses associated with the property. A foreclosure action can be very disconcerting for tenants as well.

Fees

If a management contract is cancelled prior to the annual termination date, there may be a cancellation fee. Please review your management contract then contact an SFP principal to discuss. Prior to releasing a client from the management contract, all fees owed must be paid.

Notice to current tenants

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

- SFP will supply current tenant documentation to the owner if requested in writing. There will be a charge to copy this documentation.
- 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 SFP office.

Final distribution of funds

- SFP will distribute funds, including security deposits, and final statements to the owner within 30 days of the management agreement's termination date. SFP will issue a 1099 for funds collected during the current tax year according to the schedule identified in the "End of Year Procedures" section.

APPENDIX A

National Association of Residential Property Managers Code of Ethics

- Article 1. Duty to Protect the Public
 - It is the duty of the Property Manager to protect the public against fraud, misrepresentation, and unethical practices in property management.
- Article 2. Discrimination
 - The Property Manager shall not discriminate in the rental lease or negotiation for real property based on race, color, religion, sex, national origin, familial status, or handicap and shall comply with all federal, state, and local laws concerning discrimination.
- Article 3. Duty to the Client
 - The Property Manager has a fiduciary responsibility to the Client and shall at all times act in the best interests of the Client.
- Article 4. Duty to Tenants
 - The Property Manager shall treat all Tenants professionally when applying for, living in, and vacating a managed residence. The Property Manager shall hold in high regard the safety and health of those lawfully at a managed property.
- Article 5. Property Condition
 - The Property Manager shall manage all properties in accordance with safety and habitability requirements of the local jurisdiction.
- Article 6. Protection of Funds
 - The Property Manager shall hold all funds received on behalf of others in compliance with state law with full disclosure to the Client and must never commingle the firm's or personal funds with those of the Client.
- Article 7. Duty to Disclose Expertise
 - The Property Manager must provide accurate information within his/her area of expertise but refrain from the unauthorized practice of other professions including but not limited to the law, accounting, financial planning, construction, and contracting.
- Article 8. Duty to Firm
 - The Property Manager shall act in the best interests of his/her Employer.
- Article 9. Relations with Competitors
 - The Property Manager shall refrain from criticizing competitors or their business practices. In the event of a controversy between Property Managers with different firms, the Property Managers shall submit the dispute to arbitration rather than litigate the matter.
- Article 10. Price Fixing
 - The Property Manager shall not engage in the improper acts of price fixing, antitrust, or anticompetition with other Property Managers.
- Article 11. Duty to Remain Educated
 - The Property Manager shall strive to be informed about relevant matters affecting the property management field on a local, state, and national level.
- Article 12. Improving the Profession
 - The Property Manager shall strive to improve the property management profession by sharing with others his/her lessons or experience for the benefit of all.

CONCLUSION

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

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



***Communication and Documentation are Keys to
Successful Property Management!***