OWNER HANDBOOK

The owners and staff at Home Rental Pros work to achieve the highest professionalism and experience in Real Estate/Property Management services. Therefore, we have prepared the 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 clarify many of the procedures for our Property Management services. After reading the material, if you have any questions or concerns, please contact the management team at our office.

All owner forms noted in this handbook can be signed in the office, e-mailed or are set up for digital signature for your convenience.

Special note: The information provided in the HRP Owner Manual is subject to change. Landlord/Tenant laws along with company policies and procedures change accordingly to events or legislative changes that may occur at county, state, and federal levels. HRP works diligently to continuously improve services by ongoing personnel training as well as remaining current with all landlord/tenant legislation.

Note: Home Rental Pros is a registered DBA with Waddell Realty LLC with the state of Florida

Revised date: 2022

OWNERS HANDBOOK
Home Rental Pros

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WELCOME

MANAGEMENT WITH ACCOUNTIBILITY

Thank you for choosing to partner with Home Rental Pros for your property management needs! We are aware there were multiple options in our market and appreciate that you selected us to earn your business. We are leaders in the market through our experience and utilizing technological advancements as they have become available to our industry for the last 30+ years. We also specialize in support services required to properly manage real estate investments. Our company, with the vision or our founder, has been involved in the oversight of real estate investments, property management and maintenance for investors/homeowners for over 3 decades. Our management team has endured and adapted to the ever-changing duties for property management and maintenance over the years to ensure our owners are given the upmost services possible. We are confident you will receive the highest customer care that only comes from a family owned, operated, and a locally based business. You are now among many clients that have found comfort in building relationships with our family and staff, with some relationships having spanned decades.

Once again, thank you for choosing HRP as your Property Management Company! The longer we work together the more you will find peace of mind knowing that you have partnered with a "management company with accountability" We look forward to a long, pleasant and successful business relationship. We are confident you will find HRP to be professional, experienced, and a clear a "visible value" for your and your property management needs.

Nothing can be better stated that the actual statements of past or current clients:

" After speaking to our Realtor, he recommended the Waddell Team to us as most likely the best and reliable agency to us. We were never disappointed" – R. A. Romigh USN.

"Robert and Valerie, we appreciate all you do for us in managing our properties as if they were your own". - D Meyer.

On behalf of the owners and staff at Home Rental Pros, we look forward to a successful partnership!

Home Rental Pros is a registered Dba for Waddell Realty, LLC

Management Services Summary

When Partnering with Home Rental Pros you can have peace of mind and expect high quality management services that leads to maximum returns on your investment. The following are some of the functions that HRP performs for you:

Property Marketing

The management team at HRP is extremely knowledgeable in marketing rental properties and has been very successful during the most bear markets over the past 30+ years. HRP uses multiple avenues, not only will your property be found on Pensacola MLS, Realtor.com, Zillow/Trulia, but an additional 80-100 sites daily. There are also many additional proven tactics used to attract as many potential renters as possible. Because of the decades in management and profession experiences, HRP is effective in fulfilling the marketing critical role.

- Designing a strategic marketing plan
- Using the appropriate marketing channels
- Identifying the right demographic to target
- Analyzing property marketing trends
- Putting up yard signs (as determined) or online advertisements to attract attention to your property

Tenant Screening

It is impossible to conduct comprehensive tenant screening without the right resources. HRP excels at this task, even setting up some of today's common screening practices back in the 90's. HRP was the first in our area to require a "minimum income" of 3 times the monthly rent. Please check out HRP published tenant requirements found on the website.

- Complete background checks (criminal, civil, credit) on all prospective tenants/occupants 18 years of age or older.
- Verifying information provided from prospective tenants such as verification of employment and previous tenancy.
- Verification of any pets or animals that would be in the property.

Managing the Move-in Process

HRP will take care of the move-in process and tenant relations that include but not limited to:

- Oversight for minor pre-tenant rental prep
- Document preparations to rent to property
- Review of lease with tenant
- Instructions on care requirements and what not to do when renting
- Move-in inspections with photo documentation and written report
- Collecting and accounting for security deposit, additional fees and initial rent

Maintenance and Repair Requests

Some of the most time consuming work in property management involves handling tenant maintenance issues and tenant relations. HRP management team has over 30 years of experience is such matters. We work to provide effective solutions and fast resolve for their clients. Please note: we can only be as effective as the owners allow with a timely response to a staff inquiry for all repairs inquiries that exceed the cap.

Owners have a $400.00 cap on repairs per the PMA, however this can be very limiting on the management team as basic repair or replacement costs on many basic house systems quickly exceed $400.00. For example, an electric water heater replacement is over $700.00 (2022 cost).

HRP uses our in-house maintenance group, Happy House Pros, for maintenance and repairs. Happy House Pros is a professional maintenance, rehab, remodel and construction company. It offers only skilled handy persons and licensed service technicians/vendors. Happy House Pros saves owners money with competitive costs, quality workmanship, better quality control, responsive communication between management and maintenance vendors that allows for work to completed correctly. If an owner chooses to go outside of the company for workman, HRP will secure 1 additional bid if owner demands. But, if the owner needs more than 2 cost estimates (1 being Happy House Pros), then owner will be responsible for getting additional bids.

Rent collection

Collecting monthly rent is often the most difficult task that landlords have, especially when self-managing. HRP management team will take over the stresses of rent collection in a timely manner. This often includes the following:

- Developing various payment options for tenant to pay rent (online, mail, in-person, and so on)
- Enforcing penalty fees and determining when to allow a grace period
- Posting late rent notices
- Posting eviction notices if it becomes necessary

Property Inspections

Conducting inspections is an important part of property management. Although, more important is a process to place a qualified tenant. The HRP management team discovered decades ago that a screened tenant that becomes a qualified tenant leads to better rental property care during the tenancy.

- HRP completes move-in inspections, annual lease renewal inspections, and move-out inspections. These inspections include written report with photo documentation.

- There are also property reviews by Happy House Pros handy persons and maintenance techs during tenant occupied periods. They are trained to review a property while they are on the premises for a maintenance call and alert our staff of any concerns noted while in the property.

- Also during tenancy, HRP staff completes exterior property reviews throughout the year completing drive by assessments for property curb appeal and exterior landscaping care. The staff at HRP found that the exterior of the property is typically commensurate to the interior.

- Other inspections and assessment by the HRP staff include observations for deferred maintenance to the property. This is important because owners and our office have the responsibility to maintain the home in a safe, sound, and sanitary condition. Well-maintained rental properties have better market appeal during bear real estate market cycles.

Financial Management & Reporting

HRP maintains extensive records and documentation. This is an extremely beneficial service for landlords/owners. A CPA who was working for a mutual client recently told our staff member that our end of year statements, reports, and documentation was the "best he had seen from a property management group". Some of our duties include:

- Trust and escrow account management
- Rental payment collections managing
- Monthly dissemination of rents to owners via ACH
- Provide "monthly" account summary statements (posted to the owner portal for review at the client's convenience). **NOTE:** (owners requesting check payments and paper account summaries are charged and additional cost to cover additional time, supplies, and expenses of: $25.00
- Receive, review and pay vendor, utilities, and so on. Tracking the property bill payments.
- Maintain records for homeowner accounts
- Maintain all cost receipts and invoices for all work and utilities
- **NOTE:** HRP STRONGLY SUGGEST OWNERS SET AN AMOUNT TO BE RETAINED BY HRP FOR RESERVES FOR REPAIRS AND MAINTENANCE.
- Property security deposit management
- Disbursal of deposits in accordance with State Laws
- End of year third party bookkeeping audits
- Prepare end of year account summaries and 1099's

Managing the Move-out Process

The HRP has detailed "move out" protocols in place for all tenant vacate requirements.

- Provide tenants a move-out checklist detailing move-out requirements
- Move-out inspection with documentation photos and written assessments
- Handle the refund of the tenant security deposit
- Assess the property for potential preparation for a new tenant
- Suggestions to owner for rehab that can produce optimal rent rates
- Marketing plan in place for a new prospective tenant

Owner Benefits Summary

1) **Minimize vacancy periods-** HRP has an effective marketing program in place and this has always been a priority for their growth over the past 3 decades. Good marketing generates a tremendous number of prospects, which means better potential tenants and properties rented in a timely manner.
2) **Finding quality tenants-**HRP has been committed to finding owners the best possible tenants and has always had a tenant screening process from the beginning. It has evolved into the 11 items for tenant selections today (those requirements can be view on the website at: homerentalpros.net). We utilize our resources to verify income, employment, credit rating, and rental history.
3) **No more chasing rent-** HRP realizes rent collection must be effective to ensure steady cash flows. We offer tenants convenient payment avenues including online payments. We maintain payment timelines and potential penalties for late or no payment. We do not hesitate if an eviction becomes necessary.
4) **Save time and money from vendor, technician, and contractor relationships-** HRP excels in our market because of our business partner Happy House Pros being available for all maintenance, rehab, and remodel needs. You will be glad you partnered with HRP as they can take care of the move-in prep and move-out needs quickly and efficiently. HRP has complete maintenance coordination and the services are competitive in cost.
5) **Receive organized administration for your rental-** As an owner; you want to be informed of the latest finance performance of your rental. HRP uploads detailed financial reporting "monthly" into your owner portal for your review. This allows you to maintain continued oversight as to the performance and expenses of the rental.
6) **Tenant communications-**HRP understands the importance and the dedication needed to work with tenant relations. Quality tenant relations can lead to longer-term tenants. HRP has experience with a broad range of tenants, and we prepare the tenants at the time of lease signing as to protocols for best communication avenues. We also have them review tenant requirements during the lease term and have them initial the review of all added addendums and important notices (such as what not to flush and so on).
7) **Florida Landlord tenant laws and lawyer services-** The staff of HRP has a comprehensive understanding of the landlord tenant laws for the state of Florida. The laws in Florida do not allow Real Estate Brokers to "write leases". In the state of Florida, Brokers can only "fill out" leases as leases are required to be written by attorneys. HRP has attorneys on retainer for lease updates, attorney council for tenant relations, tenant compliance issues, and evictions. HRP works hard to protect the landlord in lease hold contracts. Partnering with HRP will reduce the stress of rental ownership.

PERSONNEL

Our professional and hardworking staff can assist you.

Position	Name	Phone & Ext.	Email
Front Desk/Leasing	Stephen Waddell	850-456-4526	stephen@homerentalpros.net
Asst. Property Manager/Maintenance Manager	Rebecca Gafford	850-456-4526 ext.: 101	Info@homerentalpros.net
Director of Management/Sales	Valerie Waddell	850-456-4526 ext.: 102	valerie@homerentalpros.net
Broker/Founder	Robert Waddell	850-456-4526 ext.: 103	robert@waddellrealty.com

GENERAL OFFICE INFORMATION

Address		
Street address	5876 N. Blue Angel Pkwy	
	Pensacola, FL. 32526	
Mailing address	5876-B Blue Angel Pkwy.	
	Pensacola, FL. 32526	
Telephone		
Office #	850-456-4526	
Fax #	800-795-9840	
Urgent#	850-456-4526. CALL THE OFFICE. AFTER HOURS: CALL OFFICE AND LEAVE A MESSAGE. THEN USE TENANT PORTAL.	
Emergency #	911	
	NOTE: Emergency situations are those that need to be taken care of by police, firemen, or medical care. Follow up communications can then be completed after first responders have been contacted.	
Internet		
Email	Info@homerentalpros.net	
Website	www.homerentalpros.net	
Owner Portals	OWNERS WILL BE INSTRUCTED TO SET UP AN OWNER PORTAL. This is the best avenue for access to your monthly statements, inspection reports, maintenance documentations, and making owner contributions to your account for rental maintenance, rehab, or repairs.	
Office Hours		
	Monday – Friday	8:30 – 4:30p.m.
	Saturday	Closed
	Sunday	Appointment
	Holidays	Closed (available for urgent matters with texts, e-mails, and calls.

OWNER COMMUNICATION

The staff at HRP realizes the fast-paced world of today. However, communications work both ways and today's technologies can make communications easier than the days before personal cell phones, e-mails, and text. HRP needs responsive communication from you, the owner, as needs may arise. We have all major technology avenues available for owner communications. It is important that you let us know of any significant changes that can affect your account. HRP needs to know when you are moving (change of address), if you have a problem with your account, if your social security number has changed to a Tax ID, or any other important information.

NOTE: The chart on the previous page outlines the various means available for you to contact Home Rental Pros.

Owner Portal & Access

Once you Partner with Home Rentals Pros, we will collect your information to set up direct deposit of rental income. You will also have access for the online portal. You will be e-mailed a link to your portal so you will have access 24/7 to your 1) Statements, 2) Transactions, and 3) Documents. Your monthly statements will be available for your record keeping and tracking. You can also view all transaction for your property such as rent collected, HOA dues (if applicable), and maintenance cost. We can also scan in documents for your records such as inspection reports, tenant leases, photos of completed work or deferred maintenance that may need your attention. HRP provides all our clients an end of year 1099, as needed for your IRS filings.

NOTE: Owners can use their portal to make "owner contributions" to their account for payments to vendors, insurance or utilities. For security reasons, a 3rd party vendor provides the portal service. HRP does not have access to your password or/and "backend" information. We have no control over the "back ending" for your portal. Therefore, you must never lose your password, as we have no record of it. A total new reset will be required in the event of a lost password. If you are subscribed to the "2FA" (2 factor authentication on the portal, please let us know as soon as you change your phone number so that we can reset this authentication (no need to reset your entire portal).

NOTE: Owners who opt out of ACH of rental income and require checks for rents will be charged $25.00 to receive printed checks and printed monthly statement via the USPS. (Through the years we have seen continued issues with the USPS getting mail delivered timely or sometimes at all. Due to the incompetency of the USPS and the potential of lost mail, Owners will be responsible for bank check cancellation fees, re-printing, and re-mailing in the event of mail loss). WE STONGLY SUGGEST ACH FOR DEPENDABLE DELIVERY OF MONETARY FUNDS

NOTE: We offer 1099's sent electronically. However, clients must complete electronic authorization through owner portal. Printed and mailed 1099's annual cash flow reports will be no cost (unless additional items must be duplicated and sent again).

Website

Our website, www.homerentalpros.net, is intended to be a valuable source of online information for our tenants. Please take a moment to review the "Tenant" section drop down menu on our home page to be able to view the information provided to tenants in regards to payments and care of your property. Some of the topics for tenants on our site you will find: Pay rent on line, access to maintenance request, Helpful links to How-To's, utility company contact information, and site links for local information.

Telephone

During office hours, the office is always staffed. Please feel free to call us: 850-456-4526 and follow the voice prompts. Please understand that our marketing generates many incoming calls daily and many times staff may be on the multiline line phone system with other prospective tenants, owners or service technicians at the time of your call. We ask for your patience and understanding if your call gets pushed to voice mail. Please leave a message (simply express in detail the specific nature of your call) and calls will be returned throughout the day.

NOTE: The phone system allows you to send text messages to this phone number as well.

Voicemail

If you call during regular office hours and you receive a voicemail box, please leave a clear, concise message for the purpose of the call, your phone number, and we will contact you as soon as possible. We ask for your patience and understanding if your call gets pushed to voice mail.

Email

HRP encourages all owners to use email to contact us: Info@homerentalpros.com
This is the quickest and most efficient way to reach out to our office and staff. This allows our staff to communicate with you even when staff may be out of the office and to allow for records of approvals, estimates and previous communications.

Special note: If you change your e-mail, communicate the new e-mail contact to HRP in a timely manner. When using email, we request that you include the "property address" in the subject line. With the problems of spam, worms, viruses, Trojans, and more in the Internet world, this helps us identify the importance of your message, and avoids oversights or deletions of messages

Fax

HRP still maintains a Fax option for communications. The e-fax: 1-800-795-9840.

Office

Please feel free to come by the office any time during office hours: 5876-B N. Blue Angel Pkwy. We are available to set appointments for our clients after hours as the need arises to assist owners who fly or drive into our area and have time constraints.

NOTE: HRP strongly suggests that you call in advance to notify us of your travel plans. Also, it is your best interest to set appointment days in advance so your manager will be available at the time you need. Good property management requires managers to be out of the office at times to complete inspections, show available properties and meet clients. However we will make every effort to be available at your convenience.

Special Communication: Owner vacation notice

HRP respectfully requests that owners notify HRP of vacations that are two weeks and over. Also, we need owners to provide an alternative Emergency contact during their time on vacation. The purpose in asking for this information is only so HRP is prepared in the event of an emergency repair or major problem concerning the owner's property and/or tenant during such time period.

OWNER DOCUMENTS

It is important that HRP receive all critical information as we begin management. You may have already completed the documents listed below. If not, we need you to fill out and return the following documents. Please return the appropriate forms either by mail, email or fax to our office.

Property Management Agreement (PMA)

This information enables HRP to set up your account in software and covers both HPR and the property owner's rights and responsibilities for each property.

NOTE: The HRP property management agreement includes a management POA.

Electronic Banking Authorization – ACH form

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

Insurance Authorization-ADDITIONAL INTEREST-Form

This form requests the insurance company issue a copy of your property insurance for verification to HRP and that they name HRP as "additional interest" on your policy. Please send this directly to the insurance company and forward a copy of your request to HRP.

NOTE: additional interest is defined: "The Additional Interest endorsement provides **the named Additional Interest with written notification when the homeowners policy is cancelled for non-payment**, cancelled per the insured's request or non-renewed."

NOTE: As your management continues, information can change. Please contact HRP in a timely manner for any contact information, bank account, address changes, and so on.

OWNER RESPONSIBILITIES

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

Owner responsibilities are:

- Supply HRP with accurate information so HRP can service the management account properly.

- Notify HRP of any contact information changes such as cell phone, e-mail and mailing address changes IMMEDIATELY.
- Review statements monthly and notify HRP of any discrepancies found as soon as possible.
- Check statements monthly for accurate or missing deposits and notify HRP if there are problems immediately.
- Support Fair Housing Laws and guidelines, as well as all necessary legislation. HRP do not discriminate in the sale or rental of any properties on the basis of color, national origin, race, sex, religion, familial status, age, or disability.
- Maintain a current insurance policy for their property and have HRP as additional interest.
- Review their property insurance yearly and update as needed.
- Exercise responsibility for required maintenance and the safety of their tenants. Rentals must stay in safe, sound, and sanitary condition to avoid potential issues with county housing regulators.
- Treat HRP personnel with courtesy and notify HRP principals if there are problems with HRP personnel so they can be resolved quickly
- Notify HRP of any ownership change or eminent owner change for the managed property.
- Notifying HRP when you will be unavailable for more than two weeks so that HRP is prepared in the event of an emergency.
- Visit the property periodically and if an owner cannot perform this function, HRP requests the owner assign a third party to represent this in this capacity. It is the personal desire that our owner understand the condition of rental and if there are deferred maintenance needed.

NOTE: WHEN YOU PARTNER WITH HRP WE RESPECTFULLY REQUEST THAT OWNER NEVER COMMUNICATE WITH TENANTS. IF A TENANT TRIES TO COMMUNICATE WITH YOU, MAKE IT CLEAR THAT HRP IS BOTH YOURS AND THEIR MANAGEMENT COMPANY. <u>NEVER</u> PROVIDE A TENANT WITH YOUR CONTACT INFORMATION. NEVER ALLOW THE TENANT TO WORK TO PURSUADE YOU, PRESSURE YOU OR SEEK PITY. ALL TENANT RELATIONS ARE THE RESPOSIBILITY OF HRP. FOR SUCCESS IN ALL MATTERS, HRP MUST BE ABLE TO PERFORM OUR MANAGEMENT JOB.

THE SCOPE OF PROPERTY MANAGEMENT

Landlords hire HRP for a variety of reasons. Some may have multiple rental properties in their portfolios and lack the time or expertise to maintain the properties including dealing with individual tenants. Others are forced absentee owners that move for jobs/careers and plan to return to their home in future. Then there are others who have an interest in owning rental properties just for future profits. Some Landlords that partner with HRP desire to participate in housing programs and find comfort in knowing that they have over 30 years working with and cultivating relationships with the local housing department.

Property Management Defined

There are so many details and aspects of managing property, that we can only include the basics in this manual. If you have more questions, contact your management team.

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

Property management

Comprehensive prospective tenant screening
Execution of rental agreements
Term interior and exterior inspections
Skilled negotiations for tenant issues
Tenant move in and move out process
Enforcement for leasing compliance
Evictions with attorney over sight
Section 8 oversight

Attorney written leases
Rent collections
Digital condition documentation
Property condition reports
Responsive Maintenance
Minor repairs coordination
Rehabilitation suggestions for better rent rates

Marketing

Yard Signage and lockbox systems.
Word of mouth (over 3 decades of leasing)
Zillow, Trulia, Homes, (abundant syndication sites)
Office Location (over 35,000 cars per day)
Rent rate studies for market competitiveness
Rent rate reviews by Certified appraiser

Realtor Association Posting (MLS)
Navy/Military marketing (AHRN)
Company Website
Company Facebook.
Pre-Leasing advise
Economic market monitoring

NOTE: We have syndication with PAR and our HRP website that not only puts your property on Realtor.com, Zillow/Trulia, but an additional 80-100 sites daily

Financial investment management and reporting

Owner Portal (statements/reports)
ACH owner monthly proceeds
Owner account monitoring online
Monthly financial statements
Third Party Bookkeeping oversight
Year-end Tax forms and reports
Maintain account records for owner's

Monthly rent collections
Collect security deposit
Collection agency assistance
Pay venders invoices
CPA account monitoring
Income maximizing ideas
Better peace of mind

Maintenance

On staff repairs coordinator
Experienced handy persons
Owner set repair thresholds
Cost effective maintenance
Rehabilitation suggestions for better market appeal
Capital improvement plan development
Insurance adjuster consultations
Investors custom build opportunities

Responsive maintenance techs
Licensed Vendors
Certified Contractors as needed
Two bid options, large projects
Inspections/Assessments Reports
Annual deferred maintenance s
Renovation expertise
Deferred maintenance inspections

What is not included in HRP Property Management Services

Because HRP 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 normal Property Management does not include providing on-site management services, refinancing, preparing property for sale or refinancing, modernization, fire or major damage restoration, rehabilitation, obtaining or giving income tax, accounting, or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, or attending Homeowner Association meetings.**

NOTE: A major difference of HRP as compared to other management groups in our market is that they have a sister company that has a certified and licensed contractor that can complete modernization rehabs, fire or major damage restoration, remodels and even new construction for investors looking to expand their rental doors. HRP also has experienced Realtors who can take care of any marketing and purchasing or selling needs. Please find additional information for this service under "Added Services" in this handbook.

If you have any questions on what is included or not included in property management, please let us know.

COMPANY POLICY

It is very important in the field of Property Management, that HRP 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, the National Association of Realtors, NAR®, HUD, DPRP, State Landlord tenant laws, My Escambia Fair Housing and more.

Florida Department of Real Estate Requirements

The Florida Department of Real Estate requires licensing for all persons conducting Property Management and Real Estate Sales in our state. HRP requires all personnel that are Brokers, Director Managers, and Real Estate Agents to have a Florida Real Estate license. HRP also employs well-trained staff that have completed state licensure courses and have passed state exams. All members of the management team have many years of experience for property management services and duties.

Code of Ethics

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

Drug-free policy

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

Legislation

HRP 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 HRP follows:

- Fair Housing (HUD) - HRP supports and follows Fair Housing laws and guidelines; the HRP office displays Fair Housing signage
- Equal Opportunity - HRP is an Equal Opportunity employer; the HRP 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

Non-Discrimination Statement

HRP conducts all business in accordance with all Federal, State, and local non-discrimination and fair housing laws.

Civil Rights Act of 1866: The Civil Rights Act of 1866 prohibits all racial discrimination in the sale or rental of property.

Fair Housing Act: The Fair Housing Act declares a national policy of fair housing throughout the United States. The law makes illegal any discrimination in the sale, lease, or rental of housing, or making housing otherwise unavailable, because of race, color, religion, sex, handicap, familial status, or national origin.

Americans with Disabilities Act: Title III of the Americans with Disabilities Act prohibits discrimination against persons with disabilities in places of public accommodations and commercial facilities.

Equal Credit Opportunity Act: The equal Credit Opportunity Act makes discrimination unlawful with respect to any aspect of credit application on the basis of race, color, religion, national origin, sex marital status, age or because all or part of the applicant's income derives from any public assistance program.

State and Local Laws: State and local laws often provide broader coverage and prohibit discrimination based on additional classes not covered by federal law.

HEALTH AND SAFETY

ALL RENTAL PROPERTIES ARE REQUIRED BY STATE AND LOCAL REGULATORS TO BE IN "SAFE, SOUND, AND SANITARY" CONDITION. ALL HOMES AND UNITS MANAGED BY HRP MUST BE MAINTAINED IN SUCH CONDITION TO REMAIN UNDER MANAGEMENT.

Lead-based paint

Lead-based paint became a major issue in the 1990s that prompted mandatory requirements for residential housing and continues today. HRP 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 HRP provides them with the required EPA Pamphlet, *Protect Your Family from Lead in the Home.* A PDF of this pamphlet is also on the HRP website.

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

HRP regards mold issues as a top priority in the over urgencies for property management. This is an area of extreme liability and HRP takes necessary actions if a tenant reports mold. HRP notifies owners as soon as practical of any mold issues so HRP and/or the property owner can take the proper steps. 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.

Our protocols in the matter are as follows: Inspection to verify active mold versus staining from past moisture issue. If it cannot be determined, a trained tech will be assigned a maintenance request to a professionally trained mold inspector at Happy House Pros assess the issue further (the tech was professional trained in Atlanta, GA for mold inspections-Just never took a certification exam). If it is determined that there is a current moisture issue feeding the mold, that will be the first repairs needed. STOP THE MOISTURE. Next, it to removed mold infested materials such as drywall and replace with new materials.

There have been claims by tenants in the past of mold and no mold was found. HRP requires that without any surface molds that the tenant be responsible for mold testing. That should include air quality test and surface sampling by a certified mold inspector. It is the tenant's responsibility to prove there is a mold concern if they claim mold as a reason to break a lease.

NOTE: All inspections and reports will be documented for the best interest of HRP and the owner.

Sewage-gray water

There are times when septic tanks fail or sewer lines break. When there is sewage discharged onto the ground this will need to be remediated professionally and quickly as to avoid "potential" liability with the tenant for failure to sanitize in timely manner. HRP can employ Happy House Pros or another vendor of owners choosing to make sure the area is cleaned as needed and sanitized. But, this action is very important to be resolved immediately upon a discharge.

ACTS OF GOD

Hurricane

The owners of HRP have experienced every hurricane that has come ashore in our area for over 3 decades. They have developed protocols for such events and will be prepared for the next time. Please understand that most of the time communication ability is lost for hours and sometimes days. Roads can be blocked with downed trees or debris-making travel is not possible for days. But know we are here working to get potential damage information as quickly as possible.

Owners are responsible for any Hurricane preparedness to the home. HRP requests that if hurricane shutters are available at a home that the tenant installs them. However, not every tenant is competent to install shutters.

We have available to owners our sister company Happy House Pros (Waddell Homes Inc) to move to get protective measures completed for any damages as quickly as possible. The certified contractor can also work with insurance adjustors to get inspections completed and discuss work processes to get the home back to whole in a timely manner.

Owners have peace of mind knowing that HRP is ahead of all other management groups in this area due to their in-house contractor.

Fire

The owners and staff of HRP have had the unfortunate experience of having rental properties damaged by fires. They have developed protocols for such events and will be prepared to communicate the occurrence with the owner, discuss as needed information with the fire marshal, then get the home/unit secured as not to become an attractive nuisance or potentially be vandalized. Then, work to get inspectors and adjustors onto and into the property for assessments.

We have available to owners our sister company Happy House Pros (Waddell Homes Inc) to move to get protective measures completed to secure the home/unit to avoid potential damage from vandals and also secure the property as require by insurance carriers as quickly as possible. The certified contractor can also work with insurance adjustors to get inspections completed and discuss work processes to get the home back to whole in a timely manner.

Flood

The owners and staff of HRP have had the unfortunate experience of having rental properties damaged by floods. They have developed protocols for such events and will be prepared to communicate the occurrence with the owner, discuss as needed information with insurance adjustors (with owner approval), then get the home/unit secured as not to become an attractive nuisance or potentially be vandalized. Then, work to get inspectors and adjustors onto and into the property for assessments.

We have available to owners our sister company Happy House Pros (Waddell Homes Inc) to move to get protective measures completed to secure the home/unit to avoid potential damage from vandals and also secure the property as required by insurance carriers as quickly as possible. It is extremely important to move quickly to remove wet materials in and around the home to avoid the onset of mold growth. The certified contractor has decades of experience with flooded properties and the protocols set by county building departs for such flood remediation. The contractor can also work with insurance adjustors to get inspections completed and discuss work processes to get the home back to whole in a timely manner.

OWNER FUNDS

When you enter into the management agreement, HRP establishes an owner account for each property. HRP recognizes the importance of accurately collecting and disbursing funds. The bookkeeping program used by HRP is specialized software designed to handle the many facets of property management and accurate record keeping, and complies with the requirements of the State of Florida Department of Real Estate.

Banking

HRP holds your account in a trust fund as mandated by the state of Florida. The trust account DOES NOT earn interest under Florida DBPR. HRP accounts for each owner's funds separately in the trust account and does not co-mingle funds with broker monies, following the Florida DBPR requirements. Owners have been provided the Bank and location in which the rental income is held.

Monthly statements

HRP sends Owners Packets each month via the Owner Portal. Owners receive an email once their monthly packet has been uploaded. The Owner Packet will include the monthly statement per property and any invoices/utility bills that are shown on the monthly statement. If you have difficulty reading your monthly statement, please contact your management team IMMEDIETLEY. We are happy to assist you and answer your questions.

Disbursement of monthly funds

HRP is one of the few companies that disburse owner funds as required by the Florida DBPR. All rents collected are held in a Trust account and ALL RENTS must be completely cleared prior to dissemination of any rents. Therefore, HRP learned during several audits with DBPR auditors through the years that they do the accounting correctly. The process is as follows: Rents are collected during the first days of the month. All rents for all rental properties are deposited into a single trust account. ALL RENTS COLLECTED MUST BECOME CLEARED FUNDS PRIOR TO DISEMINATION. Non-Late rent payments can be made till the 5th of the month. Some rent checks can take 10-14 days to clear. So, HRP disseminates owner funds on the 20th to 25th of each month depending on weekend and holidays. HRP does not disburse funds on weekends and holidays. HRP does NOT issue owner checks 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 that HRP adhere to this schedule to ensure servicing every owner's account. Owners can have peace of mind that HRP account and dissemination is done within the regulation of the DBPR.

HRP distributes owner funds in two ways:

- Preferred is: ACH direct deposit – directly disbursed into an owner's bank account; HRP post monthly statements after disbursement into the owner's portal.
  (A form to start ACH can be provided.)
- HRP can provide a written check disbursed by mail to the owner. PLEASE NOTE: this option comes at an additional cost of: $25.00 to cover the costs for time and materials (electronic option above has no additional costs).

End of year procedures

At the end of each year, HRP 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 HRP with the necessary Social Security/Tax ID information so the 1099 is accurate. HRP will send the 1099 for the income collected 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.

HRP also issues 1099s for disbursements to vendors for work over $600. Therefore, owners do not have to issue 1099s for work completed and paid through the HRP trust account. Owners are responsible for issuing 1099s to any vendor paid by them (outside of HRP).

The annual cash flow statement for 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 annual statement to their tax person along with other information for income tax reporting. HRP does not issue statements to the owner's tax preparers; they must be forwarded from the owner.

RENTING YOUR PROPERTY

New Property Set Up Costs

(ONLY FOR NEW PROPERTY STARTING MANAGEMENT WITH HOME RENTAL PROS)

- Public records research and data collection for subject property
- Market research in market area of the subject for BEST RENTS
- Communicate data and council owner
- Collect property information from the county and owner
- Onsite inspection of property and complete inspection report with documentation and photos
- Record information for personally property that may remain left by owner
- Built the management software data base for the property
- Collect owner information, insurance, and banking for ACH.
- Set up owner portal for online monthly statement distribution and other communication
- Set up online banking ACH for owner disbursements for rents
- Communications as needed to assist owners to get their portal connected

- Input all owner and property information into management software (including emergency contacts, home warranties, and so on. There are over 50 locations for owner and property information that must be completed in the management software to get the account operational.

THIS IS ONLY A "ONE TIME" COST

Preparing to rent the property

When prospective tenants view your vacancy, HRP wants the property to look its best to compete with area rentals. A property maintenance report and rental market survey is completed. The HRP management team will contact you to discuss the details of your vacant property, potential rental amount and any necessary maintenance.

Setting the rent

Supply and demand determines rental rates. If there are multiple rentals available in the area of your property, it is necessary to be very competitive. If very few are "for rent" in the same area, it can make it easier to rent the property. Markets change and HRP advises owners on the "current rental market."

NOTE: Since 2021 and into the time of this handbook update, the market has been very bullish. However it is important to remember there are real estate cycles and there will be time when the bear returns. But you can have peace of mind knowing that the owner and staff of HRP have been through many cycles in over 3 decades, including the Bubble Crash and have remained successful for those owners that partnered with them. An additional benefit is there is an in-house retired Certified Real Estate Appraiser that is consulted as needed during the lean times to make sure the "principle of substitution" is noted and properties managed by HRP have competitive market rents that lead to continual cash flows.

Property vacancy

This is the most commonly asked question HRP receives from owners. Unfortunately even with the best marketing and property advertising avenues there is no way to predict how long a property will remain on the market, even in the best market conditions. We have also learned through decades of experience that the rental property has to have the appeal to a prospective tenant such as the condition of the rental. Most importantly is the objective to secure "a quality tenant."

HRP works diligently to rent the property as quickly as possible, we start marketing the property 30 days prior to the vacate date. HRP has an intense advertising and marketing system than that puts them ahead of the other management group. However, not only is advertising and market important, it is the timely response to potential renters that adjust the bar higher to "RENTED". See in the next section a glimpse of advertising and market information. But also read the comments of a previous owner:

"Our neighbors used to ask us how we kept our rental property continuously occupied, even when other properties in the neighborhood remained vacant for weeks and sometimes months. Our rental management company was Pensacola Home Rentals for 7 years and our rental was never vacant. They are great!"- Quinn Sharp.

ADVERTISING/MARKETING

"Our marketing reaches the masses"

Our marketing network brings powerful advantages through syndication. Yes, we still have yard signs. But did you know that over 75% of all prospective tenants turn to the web for their rental search? No single website attracts more than about 10% of prospective tenants therefore we partner with many syndication groups. Not only will your property be found on Pensacola MLS, Realtor.com, Zillow/Trulia, but an additional 80-100 sites daily.

All marketing becomes a stalemate without a unified response and communication protocol. All businesses have discovered the difficulty in being able to control call volumes; thus, the difficulty to orally communicate with every single caller. Therefore, HRP has opened additional avenues for prospective tenants to communicate with our team. Not only do we offer e-mail, in-line chat window on our webpage, but also a web-based office phone system with push technology for voicemail and text messaging to all our management staff. HRP has a vast advertising and marketing network that brings powerful advantages; you will have measurable shorter vacancy periods and higher PGI.

Signage

HRP displays "For Rent" signage promptly. HRP signs are very modern in design and color. This offers a nice presentation for recognizable signs in our market.

NOTE: HRP has learned through the years that some neighborhoods do not benefit from signage. Rent signs can be a calling card for "this is vacant, break in". We will reserve the right to be carefully in all decisions as to signage as needed for the best results for your rental property.

Showings and applications

- Prospective tenants can search our website for available rentals
- Prospective tenants can file their applications to rent online
- HRP is very responsive to showing opportunities. We arrange showing times for your property in an extremely timely manner.
- The staff work quickly to screen tenants (See Screening requirements which can be viewed on the "Tenants" section of our website)

NOTE: THE BEST MARKETING IN THE WORLD IS NEVER AS GOOD AS THE RESPONSE TO THE INQUIRIES GENERATED BY THE MARKETING. THE MANAGEMENT TEAM RECOGNIZES THE IMPORTANCE OF RESPONSIVE FOLLOW UP TO ANY AND ALL PROSPECTIVE TENANTS. RENTED PROPERTYS ARE A MUTUAL BENEFIT FOR OWNERS AND HRP.

Tenant screening

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

All applicants must submit verifiable information on their income to show they can support the property, HRP requires a minimum verifiable income of 3 times the monthly rent amount. Rental history (minimum of 2 years through a verifiable landlord) or previous home ownership is carefully checked. Cross-referencing all three areas – credit, tenant history, and income - provides the answers to qualify or disqualify prospective applicants. If a pet is allowed on the property, the screening includes the pet (please review the upcoming pet policies).

Processing Tenant Applications

RESPONSIVE PROCESSING IS KEY TO GETTING A PROSPECTIVE TENANT PLACED. HRP reserves the right to approve the strongest applicant in the event of multiple applications are received for a property. The staff of HRP works quickly to verify the information required above in a timely manner. Once an application is received through our website, the applicant is sent VOT/VOE (Verification of Tenancy/Verification of Employment) forms. We require the forms to be signed by the applicant and returned to our office within 24 hours so that we have time to have the forms completed by the landlord/employer. Once all information is received we send out approval or denial notification to the applicant. If an applicant is approved, they have 48 business hours to bring in the "Holding Deposit. Up until the "Holding Deposit" is received, the property stays listed on the market. This ensures if any issue happen with an approved applicant, your property is still being viewed so as not to lose any valuable marketing time.

Cosigners or Double Deposits

HRP normally does not accept cosigners or double deposits. HRP 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 or double deposit on a property. If this is the case HRP will notify the owner, discuss the reasons and obtain owner authorization.

Pets

If an owner authorizes a pet, HRP has fees that apply. These fees are forwarded to the owner after tenant move in and fees have cleared the bank.

Many tenants have or want pets. Property owners have the legal right to discriminate against “PETS” meaning they can decide not to rent their property with pets allowed or only specific pets allowed (NOTE: owner cannot not discriminate in regards to “animals”; IE: service animals and ESA; emotional support animals). However, whether you have or have not decided to allow a pet in your property, the HRP 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, HRP does not place inappropriate pets in a property and will work with each owner to determine the amount of, types and sizes of pets that the owner will approve.

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

1. First, this encourages prospective applicant to disclose any pets. Then, based on the owner preference on pets, HRP can automatically notify the applicant that the owner does not allow pets.
2. Second, by listing pets as negotiable, it avoids eliminating an excellent tenant that does care for their pet, has an excellent tenant history, and owns a pet that is suitable to your property.

Service Animals/Emotional Support Animals (ESA)

Special note: service animals and emotional support animals for handicapped/disabled persons **are not** “PETS” by Federal law. 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, property managers and property owners can still process applicants who are handicapped or disabled on the same criteria as other applicants: income, credit, and tenant history. If they fail to qualify in these areas, the landlord/manager can still deny the application, service animal or not.

NOTE: HRP requires all service animals and emotional support animals to have the proper legal documentation before we acknowledge the status of any animal. HRP ensures the best protection for owners by constantly reviewing the policies set on the Federal level.

TENANT MOVE IN

Rent and security deposits

HRP does not exceed the maximum-security deposit allowed by the State of Florida landlord/tenant laws. HRP 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 the applicant has 48 business hours to submit the Holding Deposit. This must be paid in certified funds only. The Holding Deposit is transferred to Security Deposit the day of move-in. This protects our owners in the event of a deposit being taken in and then the tenant failing to move into the property. In situations like that, the Holding Deposit is non-refundable which gives owners income while the property is placed back on the market to procure a new tenant.

First months rent, any non-refundable pet fees or other fees must be paid prior to the move in date. Tenants have the option to pay these in office or online through their Tenant Portal.

Rental/lease agreements

Once HRP receives the required 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. HRP offers tenants the option to sign the lease in office or sign electronically.

Move-In Inspection

HRP conducts a pre-tenant move in inspection report, complete with written condition statements and photo documentation. We also provide the tenant a form and request them to inspect the home/unit within 3 days of move-in. This aids in the move-out/security deposit disposition process at the end of their tenancy.

A vital part of the rental agreement is a detailed walk-though inspection performed prior to the tenant move-in, documenting the condition of the property when they move in. The walk-through documents the condition of the property. When the tenant moves out of the property, there is a sound basis for the security deposit refund. HRP also documents the move-in with digital photos.

Tenant Handbook

HRP has available to the tenant on the website a *"HRP Tenant Handbook*." This detailed booklet gives them additional information on how to care for the property, report repairs, maintain the property, make timely payments, how to give proper notice to vacate, leave the property in good condition and additional information.

Tenant Education and Preparation

Taking the time to prepare tenants for their residency is another step toward a successful tenant/landlord relationship. Additional forms that the tenants may need are included with the *"HRP Tenant Handbook"* include the Lease and lease addendum pages. HRP wants both owners and tenants to be kept well informed.

Resident Emergency/Disaster Handbook

HRP has provided instructions within the tenant's handbook to help them to prepare for emergencies or disasters. There are conditions where HRP cannot "immediately" assist them if there is a major emergency or disaster. We want them to be prepared.

NOTE: Home Rental Pros has the experience from the past 30 years of "Acts of God" so owners can have peace of mind during the times they need HRP the most.

WORKING WITH YOUR TENANTS

Collecting Rent

Tenants can pay rent online through their Online Tenant Portal. Rents are due on the 1st day of the month and late if not received by the HRP office on the 5th of the month. HRP recognizes that many Government funds (military, SS, disability) are not disbursed until the 3rd of the month, which is the reason we offer the grace period until the 5th.

HRP recognizes that many things can happen where it concerns rent. The majority of tenants choose to pay rent online, but there are issues that can happen. Rents can really be lost "in the mail"; employers can delay the tenant's paycheck, there are real tenant emergencies, pandemics, and more. Therefore, we make a serious effort to determine why the tenant is having a problem. If HRP receives the rent prior to disbursing owner funds, HRP does not contact the owner unless the HRP management team determines there is an ongoing rent issue.

Notice to Pay or Quit

If HRP does not receive rent by Midnight of the 5th day of the month, HRP prepares and delivers a non-payment of rent notice on the 6th (this can vary if the 6th is a weekend-but a timely notice to property will be posted on the first business day after the 6th). The notice is known as a 3-day Notice for Non-Payment. HRP makes every effort to follow up after posting notices to determine if the tenant is going to pay, if the tenant has moved out without notice (abandoned) or work to determine a path to success with the tenant who may be experiencing a hardship to get the rents in prior to disbursement to owner. If HRP determines the tenant is not going to pay the rent during the notice to pay or shortly thereafter, HRP contacts the property owner and works out a plan of action.

Other Notices

There are other types of notices that may be involved with tenants. HRP serves notices as situations warrant. A few examples are: 7-Day Notice to Cure (given for lease infractions from yard cleanup to unauthorized pets/people, etc.), Inspection Notice (given when entering the property for surveys, inspections, etc.), Notice of Rent Increase/Lease Renewal and other general notices. These tenant notices 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, HRP contacts the owner with the information to discuss the situation.

Tenant Problems/Issues

HRP has years of experience handling the myriad of tenant difficulties that can at times occur. The HRP policy is to obtain good tenants, eliminating many tenant problems. However, even good tenants can have issues. HRP treats each problem with common sense approach, follows landlord/tenant law and uses the appropriate documentation. If the situation is serious, HRP has attorneys available (this is made possible due to the $5.00 fee owners pay each month- See Legal Fee in the cost section for HRP). HRP will also contact the owner as needed, and work to find the best solution for the problem.

Our company policy is to take a "what if" approach. HRP documents tenant problems in the event that it becomes a legal problem. One of the reasons you partnered with HRP is for "peace of mind" and we work hard to continually make that possible. HRP recognizes and works to prevent legal issues from arising, but we must have owner participation in a path to success.

Legal Action

Although HRP 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, HRP will contact the owner prior to taking action, discuss what is needed, the process and obtain owner authorization.

NOTE: This is an opportunity for HRP Management to communicate with Real Estate Attorneys as needed. This communication is made possible by the $5.00 per property Monthly Legal Fee (*See Fees in the Cost Section).

NOTE: This is an opportunity for HRP Management file an eviction made possible by the $5.00 per property monthly Eviction Assistance Fee (*See Fees in the Cost Section).

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 HRP moves in a tenant. The preparation for this really began when the tenant moved in with a detailed rental agreement, maintenance addendum, walk-through, and HRP *Tenant Handbook*. All of these documents gave instructions to the tenant on how to move out.

NOTE: HRP must adhere to the laws set for the Military Clause. HRP requires that the active duty service person provide transfer orders immediately to our office upon receipt for documentation. Tenant must provide move out intent (notice) 30 days prior to move out. The military clause is defined as: *"A military clause is a provision included in a residential lease that **allows military personnel to break a lease agreement** and have security deposits returned if they are called to duty or must relocate due to connected service activity".*

Communication with Owners and Tenants

HRP notifies the owner in the event that a tenant intends to not renew their lease or has received military transfer orders. HRP will immediately begin the process of getting the property re-rented in a timely manner. HRP immediately determines the new rental rates based on current comps then places the property on the market to rent unless the owner notifies HRP to take other measures.

NOTE: It is the owner's responsibility to notify HRP 60 days prior to the end of a current tenant's lease if they do not intend to re-rent or keep the home/unit as a rental.

HRP also responds to the tenant notice to move out with detailed steps to complete a successful move, including the Move Out Guidelines Addendum in their lease. Rent is required until the end of the notice unless otherwise stated in the rental/lease agreement.

Tenant Move-Out

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

After assessments of the tenants move out, HRP 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. All Security Deposit Dispositions are mailed to the tenant by certified mail so that we can verify the date mailed out, the date received by the tenant and we can track the envelope if needed. IF there are no charges assessed to a tenants security deposit, then HRP is required to mail the disposition form and the refund within 15 days of tenant vacating the property. IF there are charges assessed to the tenants security deposit, then HRP is required to mail out the disposition and any remaining funds within 30 days of tenant vacating the property. Upon the Security Deposit Disposition Letter being received by the tenant, they have 15 days to submit a dispute to HRP in writing for any charges assessed to their deposit. If a dispute comes into the office, then the staff work with the previous tenant to resolve the dispute, including sharing the evidence collected by HRP for the charges. Owners receive a copy of the transmittal with their monthly statement, showing any deductions and monies refunded.

Collections

See Added services section further in this manual.

MAINTENANCE

Preventative Maintenance

The best approach to maintenance is "preventative maintenance," and this is the HRP policy.

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

- Completing a detailed HRP Rental Agreement and providing additional notice on the tenant section of the webpage. HRP Rental Agreements are detailed as to maintenance and outlines what are tenant responsibilities regarding maintenance and care for the home/unit.
- Completing a walk-through documenting the condition of the property before the tenant takes possession.
- Providing tenants with the *"HRP Tenant Handbook,"* (on line) 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 HRP property owner expectations are to "care for the property." This approach can prevent costly maintenance.

Next, we use "preventative maintenance" techniques when work is required and utilize competent contractors. Often the minor expenditures save the most money such as doorstops, new filters, checking appliances, testing smoke alarms, adjusting doors, window latches, deadbolts, and more. Many small repair items can prevent maintenance that is more expensive.

Consider the cost of repairs like holes behind doors, clogged heaters and air-conditioners, appliance problems, dry rot, safety issue and more. Then of course, there are the major issues in a home such as the roof, the exterior condition of the building, carpeting, interior, and exterior paint, etc. When left to deteriorate, it usually means the owner will have to spend more in the future.

It is equally important to keep up with maintenance while the tenant occupies the property. Often people think no news is good news; 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 HRP management team contact owners regarding maintenance above the $400.00 minimum that is listed in the HRP Management contract, unless the situation is an emergency.

Emergencies/Disasters

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

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 or has hurricane damages, action is necessary, particularly if the property owner is not immediately available.

ADDED SERVICES

The following are added “additional services” offered by HRP to each property owner. They are not included in base “percentage” cost management fees.

Referrals

Do you know someone who is looking for management services in the Pensacola, Greater Pensacola, Cantonment, Milton, Pace, and Gulf Breeze are? If so, then notify your management team. HRP values their client business and believes in rewarding referrals from clients. Contact us for more information.

Supervision of Extraordinary Maintenance

If HRP employs (with notice to owner) a contractor or subcontractor for general remodeling or preparing a property for renting (other than normal and minor day-to-day repairs), Manager shall be paid 10% of contracted price or $50.00 (whichever is greater).

NOTE: Owner has the right to contract for repairs independent from the manager and not pay this fee. However, owner must contact management for such work and that contractor or maintenance person must be licensed and insured. The HRP policy is to consult licensed contractors for bids and solutions. Then HPR contacts the property owner for authorization and/or decision regarding the extraordinary maintenance.

Supervision of Disaster Repairs

HRP charges for supervising work requiring extraordinary oversight and the definition of extraordinary oversight is as follows:

HRP defines extraordinary oversight as performing the duties as a contractor to oversee major maintenance or rehabilitation work that exceeds $2,000.00, insurance claims, and major systems replacements. (Examples are roof replacement, major tree work, exterior painting, termite damage repairs, vandalism, bathroom tub/shower replacement, house replumb, insurance claims, etc.)

NOTE: owner has the right to contract for repairs independent from the manager and not pay this fee. However, owner must contact management for such work and that contractor or maintenance person must be licensed and insured.

The HRP policy is to consult licensed contractors for bids and solutions. Then HPR contacts the property owner for authorization and/or decision regarding the disaster repairs.

In-House Contractor

Unlike any other management company in our market, our company owner also has a construction, remodel, and maintenance business. When an owner partners with HRP for their management company they can also take advantage of getting best price quality work by Happy House Pros. What having an in-house contractor, remodel, and maintenance company means to you is more responsive turn times on work that may be needed, the ability to get permits in a timely manner for permit required work or repairs, and professional communication discussions by contractor and insurance adjustor, or building officials. This enables closer communication between maintenance, remodel, and contractor with the management maintenance staff. Happy House Pros offer affordable repairs, completed timely, professionally, reasonably priced by licensed and qualified people in all trade fields.

Nothing better describes this advantageous opportunity better that an actual client:

Client Letter to Pensacola News Journal (Nov. 9, 2004)

"In these trying times associated with Hurricane Ivan, we would like to share with Pensacola what a great job Waddell Realty, LLC (dba: Home Rental Pros) has done in caring for our home. My Husband and I live in North Carolina and have a home in Pensacola that is being managed by Waddell Realty, LLC. It is extremely frustrating to try and take care of problems caused by Hurricane Ivan over the phone, but this company has been very professional and absolutely wonderful in taking care of us… They have cared for our home as if it were their own."—D and C. Dula (USN retired).

HRP Gives Owners Choices

The HRP supervision fee for extraordinary maintenance and disaster repairs can be "voided" if the property owner decides to contract with Waddell Homes Inc, dba: Happy House Pros for such work. Happy House Pros owner is a State Certified Building Contractor with over 40 years of maintenance and construction experience that also operates the business within the same walls of Home Rental Pros. Happy House Pros provides skilled workers and supervision to get work completed in a professional manner, permit work when needed and turn projects timelier for getting properties back on the market.

NOTE: Owner/clients of HRP are under no obligation to use Waddell Homes Inc, dba Happy House Pros for needed work, however numerous owners and clients prefer this in-house option since it became available in 2003.

Real Estate Services

Waddell Realty LLC has Realtors in office to assist with any of your Real Estate needs including increasing your investment portfolio, selling your personal or investment property. We have built relationships with lenders, title companies and appraisers in the area that we can refer you to for additional needs you may have. Our agents are able to complete a free market analysis at any time with no obligation. Please contact your property management team with the information or services you need.

Legal Assistance Fee

The State of Florida does not allow licensed Real Estate Brokers to write leases. Real Estate Brokers are only allowed to "fill in a lease". The owners of HRP decided to be proactive decades ago by moving from using generic leases made available through the Florida Association of Realtors to consulting with Real Estate Attorneys to design a custom lease that is detailed enough to be defended in court.

Owners/Clients will be charged a legal fee of $5.00 per month so HRP can maintain continued legal counsel for their staff and updated leases with the most recent ever-changing state landlord tenant laws. This legal council is for the use of the management team only.

Benefits:

- Reduce your risk of liability in the property rental business.
- Remain legally sound with current lease updates and laws
- Have legal advocacy on your side at all times from a property management attorney
- Reduce risk of having to pay for legal fees for potential litigious situations
- Equip your property manager with legal advice, forms, leases, to represent your property
- Owners do not have to pay lawyers to draw up leases for each lease term.

NOTE: The lawyer clients (investors) that partnered with HRP for property management have stated this added service is a HUGE value.

Eviction Protection Plan

If you choose to sign up for this plan, Owners/Clients will be charged an Eviction Assistance Fee of $5.00 per month (per home/unit). Eviction Assistance for nonpayment of rent has been a great avenue for peace of mind for the owners and investors partnering with HRP for management for a nominal fee. This removes the worry about the potential unplanned financial burden of eviction cost. We believe in our screening process to find the best tenants. However, there are times with uncertain economies when tenants can lose a job or come into hardship and refuse to forfeit the rental. Should this occur, this plan covers the cost of 1) Filing, 2) Posting, 3) Court appearance, and 3) Court cost (first appearance).

NOTE: Owners/Clients have an option to "opt out" of this protection plan and suffer the total cost at the time of the eviction. Costs as of 2022 were nearing $500.00.

Collections

If the damage costs exceed security deposit, HRP will refer the matter to a qualified consumer collection service as soon as we are legally able (usually at the 30 day mark). HRP management does not include recovering tenant damages, but leaves this to companies with expertise in debt collection. HRP will supply consumer collection companies with the necessary documentation needed. In the event that the collections company is successful in collections, the company provides HRP a check. Consumer Collection Company's charge 40% of the amount collected. Although this seems like a high amount, it is the standard in that industry. Since implementing these services in 2017, we have been able to recover over $10,000 in outstanding charges.

Contractor Surveys/Inspections

HRP encourages owners to maintain their properties in an effort to 1) Bring the best rental rates 2) Reduce large sum costs due after years of deferred maintenance and 3) Maintain better re-sell value.

Who better than a licensed contractor to complete a property survey and identify potential or current issues with the home or unit. HRP managers are trained to do walk-through inspections and identify tenant damages and other easily observed conditions. Things like flooring condition, paint condition, broken commode flush handle, garage door opener not working and so on. However they may not recognize indicators to more serious conditions within and around the home or unit, as would a trained contractor. These surveys by the contractor go beyond overseeing normal maintenance by the management team and the typical manager inspection. Contact HRP management and discuss with them this great opportunity to enlist a contractor to have your home or unit surveyed annually or at least every couple years by a professional contractor.

CANCELLATION OF MANAGEMENT

It is the goal of HRP to satisfy your management needs and engage in a successful business relationship, but there are life changes that may affect owners over time such as deciding to sell properties. If this happens, the HRP cancellation policy is to resolve your account in a professional, timely and pleasant manner.

NOTE: Waddell Realty, LLC can take care of the marketing, sell, and closing transactions for owners needs.

NOTE: When an owner decides to take a property to another management company due to some gross negligence on the behalf of HRP (we have never had this issue in over 3 decades and we never plan to be negligent with anyone's property) please review the following policies for cancellation.

Written notice

- The HRP management contract accepts a 90 days written notice by either party prior to the end of the current tenants lease.
- The HRP policy is to give cancellation of management by US Mail.
- HRP does not accept cancellation of management by email due to lack of signatures.
- HRP does accept fax cancellations.

NOTE: As per the management agreement, the fees earned by HRP for placing a tenant will be paid to the management company prior to any transfer of management for any reason. (Example: tenant place by HRP has a year lease, owner chose to sell the property within the term of a current lease and buyer choses to self-management or has a relationship with another company. Commissions (rate per PMA) for the balance of the lease term shall be paid to HRP prior to release of tenant and documents required for the transferred).

Notice to current tenants

- HRP will provide a non-lease renewal to current tenants. (Per landlord tenant laws, landlords/owner are required to provide to tenants a non-renewal notice 60 days prior to the end of the lease). Therefore the 90 days requirement by the owner to NOTICE the management company.
- It is the owner's responsibility owner's new management company to advise tenants where to make future rental payments and work requests after the notice period.

Distribution of documents

This is different for "end of lease" tenants versus a transfer "while tenant remains" in rental.

- End of lease, HRP will supply current tenant documentation of security deposit transfer and management transfer.
- End of lease, HRP will oversee the move out of the tenant, complete final inspections, complete distributions of security deposit and turn the property over to the owner with a release being signed.
- In lease, HRP will supply current tenant documentation of security deposit transfer and management transfer. NOTE: security deposits will be released in name of tenant and new management company. (If the property is moved to new management. Security deposit with be released in the name of the tenant and owner of owner is taking possession)
- In lease, 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 HRP office.

Final distribution of funds

- HRP will distribute funds, including security deposits, and final statements to the owner 30 days after the terminating date of management, as agreed in the management contract
- HRP will issue a 1099 and an annual cash flow report for funds collected during the current tax year when the tax year ends.

CONCLUSION

We hope you have found HRP *Owner Manual* informative and useful. If so, please inform your management team. If you feel there is any other information HRP can provide, let us know so we can include it in the future.

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

IT IS THE DESIRE OF THE OWNERS AND STAFF OF HOME RENTAL PROS THAT YOU HAVE FOUND THIS HANDBOOK HELPFUL, OUR MANAGEMENT PROFESSIONAL AND SERVICES TIMELY AS SO MANY OTHER OWNERS HAVE FOR OVER 3 DECADES AND COUNTING. WE WOULD LIKE TO WISH YOU THE BEST WHEREEVER LIFE TAKES YOU. HAVE A GOOD DAY AND WONDER LIFE!

Waddell Realty, LLC
dba Home Rental Pros
5876-B N Blue Angel Parkway
Pensacola, FL 32526
Office 850-456-4526 Fax: 800-795-9840
Email: info@homerentalpros.net

OUR COST ADVANTAGES

- **10% MONTHLY MANAGEMENT FEE** (potential discounts for multiple properties).

- **$300.00 Marketing and Leasing Assistance Fee for new tenant procurement.**
- (NO ½ first months rents as other companies)

- **$65.00 lease prep and doc fee for tenants that renew.**
- (No ½ first months rent as other companies)

- **$5.00 per month legal services fee. (Attorney prepared leases and legal counsel for managers)**

- **$5.00 per month for Eviction Assistance for non-payment of rents** (Never pay the unbudgeted budgeted cost for an eviction for non-payment of rent) (NO $99.00 per year or more as other companies- NOTE: owners have a right to "opt out")

- **One Time set up cost $100.00 for NEW PROPERTY SET UP for renting.** (This cost is for a new rental into manager to inspect the property, assesses for prep to rent, gather property information and build the property database and owner portal into the management software).

- **No upfront cost unless repairs are needed on the home/unit**

- **No inspection cost for routine, term inspections**

- **No fees while the home/unit is vacant**

- **No basic maintenance premiums or surcharges on non-extraordinary maintenance**

- **No added fees or cost for HOA meetings**

- **No added "hidden" fees that many other management companies like to add on in the PMA and our fees are tax deductible**

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ADDITIONAL INTEREST REQUEST

INSURANCE COMPANY:

____

COMPANY ADDRESS:

____

____

POLICY NUMBER:

____

PROPERTY OWNER:

____

INSURED PREMISES:

____

____

Dear Insurer:

Please be advised that it is my/our intention to lease my property located at the above address. I/We am requesting a review of said policy to verify that there is proper coverage. In accordance with the property management contract, I/we am required to have $100,000.00 or greater liability coverage for personal injury and property damage. I/we request that you amend said policy to name Waddell Realty, LLC dba Home Rental Pros as an additional interest and forward to their office at the above address.

______________________	______________________
Name (Printed)	**Name (Printed)**
______________________	______________________
Signature	**Signature**
_________________	_________________
Date	**Date**

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Waddell Realty LLC, dba Home Rental Pros advises OWNER to consult an appropriate professional for related legal, tax, property condition, environmental, foreign reporting requirements and other specialized advice.

TO BE FILLED OUT BY PROPERTY OWNER - COMPLETE AND RETURN TO OUR OFFICE.

Date: _____________ OWNER: ____________________________ Tax ID/SSN: _____________________________

Date: _____________ OWNER: ____________________________ Tax ID/SSN: _____________________________

Home Telephone: ________________Work Telephone: _______________ Alternate Number: ___________________

Mailing Address: _______________________________ City: __________________ State: _______ Zip: __________

E-mail (s): ____

Emergency Contact: Name: _______________________________________ Telephone: _________________________

Insurance Company Name: ____

Agent: _____________________________ Insurance Policy # _______________________________________

Proceeds Disbursement: [_] Send Proceeds to OWNER Via Check **OR** [_] Deposit to OWNER'S Bank Account

Home Owner's Warranty [_] Yes [_] No

HW Name ____________________ Phone: ________ Contract # ___________________ Exp. Date ______________

AUTHORIZATION FOR PREAUTHORIZED PAYMENTS (DIRECT DEPOSIT)

Property Address: _____________________________ City: _________________ State: _____ Zip: ______________

I (we)____ hereby authorize HOME RENTAL PROS hereinafter called COMPANY, to initiate credit entries to my (our) checking ___ savings ___ account (select one) indicated below and the depository named below, hereinafter called DEPOSITORY, to credit the same to such account.

DEPOSITORY NAME: _______________________________________ BRANCH: ___________________________

CITY: __________________________________ STATE: _____________________ ZIP: __________________

TRANSIT/ABA# (ROUTING): ______________________________ ACCOUNT # ___________________________

This authority is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY a reasonable opportunity to act on it.

________________________________	________________________________
Name (Printed)	**Name (Printed)**
________________________________	________________________________
Signature	**Signature**
________________________	________________________
Date	**Date**