



ORLANDO REALTY & PROPERTY MANAGEMENT

Welcome to the Orlando Realty and Property Management Owner Handbook!

We Lease & Manage Your Home Like it is Our Own

Thank you for choosing Orlando Realty & Property Management (ORPM) 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.

ORPM works to achieve the highest professionalism in Real Estate/Property Management Services. Therefore, we have prepared the ORPM Property Management Owner Handbook 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 us immediately, using the company contact information provided in the following pages.

ORPM forms can be downloaded from our website, www.407rentals.com, or by contacting us. *Completely* filling out these forms will assist ORPM in setting up and maintaining an accurate account for you and your investment.

Special note: The information provided in the ORPM Owner Handbook is subject to change. Landlord/Tenant laws, personnel, policies, and procedures change according to events that take place. ORPM works diligently and continually to improve services and personnel training as well as remaining current with all landlord/Tenant legislation.

Our 3 Company Principles Are:

- 1. Work harder for our clients than any other property management company. That means finishing the job every time to best of our abilities.***
- 2. Communicate effectively with our Owners, prospective Tenants, current Tenants, and Vendors.***
- 3. Treat our client's rental property as if it were our own.***

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

"ORPM OWNER HANDBOOK"

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Section I - COMPANY INFORMATION

GENERAL ADVISEMENT TO PROPERTY OWNER

Orlando Realty and Property Management has prepared this Property Owner's Handbook (Handbook) as a guide for property owners and investors to familiarize you with our property management policies, processes, and procedures for management of your property(s).

We hope that you enjoy reading this Handbook and ask that you become familiar with its contents. If you have a question or concern which you believe is not answered, please contact us at 407-641-5049 or ORPM@407rentals.com and we will be happy to assist you.

Information relating to Florida law or Federal law is included as a matter of convenience for you and is not intended to be comprehensive nor does it constitute legal advice. You should always seek appropriate legal advice from a qualified legal practitioner before acting or relying on any of the information contained in this Handbook.

Owner agrees and acknowledges it is Owner's responsibility to fully read and review contents of the Handbook. Owner holds ORPM harmless for Owner's failure to do so. Owner agrees and acknowledges that ORPM may modify terms of this Agreement and Handbook. Notice of such modifications shall be sent to Owner via electronic means and such modifications shall be posted at the ORPM's website and shall become effective and binding upon Owner and ORPM twenty-one (21) calendar days after posting.

Exclusion of Certain Handbook Provisions for Lease Only Agreements

Owner hereby acknowledges and agrees without limit and exception that the obligations and services of ORPM to Owner not specifically enumerated and described in the 'Lease Only Agreement' shall not be included or applied in or to the Lease Only Agreement by virtue of inclusion in Handbook, and that ORPM shall not have any liability, obligation, duty, or requirement to provide any services to Owner other than those specifically enumerated and described in a 'Lease Only Agreement'. Owner and ORPM hereby each acknowledge and agree that specific obligations and services of ORPM to Owner in addition to such as specifically enumerated and described in the 'Lease Only Agreement', may be created only by separate written instrument other than Handbook, and that such separate written instrument must be signed by both Owner and ORPM.

Please note on a property that ORPM is going to only lease (Owner manage): In order to ensure property is in rental ready condition at time of move in. Repair/Maintenance: ORPM at ORPM's discretion may make and/or supervise repairs, improvements, alterations, and decorations to the Property. ORPM at ORPM's discretion will purchase and pay bills for services and supplies out of the Owner's Account or charge to Owner as applicable. **ORPM shall obtain prior approval of Owner on all expenditures over \$250.00 (or alternate amount listed in the management agreement) for any one item.** Prior approval is not required for monthly or recurring operations charges as authorized by Owner. In addition, if in ORPM's opinion emergency expenditures over the maximum are needed to protect the Property, *or other property from damage, prevent injury to persons, avoid suspension of necessary services, avoid penalties, fines, or suspension of services to tenants called for in a lease or rental agreement or by law.* ORPM does not advance ORPM's own funds in connection with the Property or this Agreement. Examples of emergencies: air conditioning, heat, refrigerator, range, plumbing, and mold/mildew, etc.

Accountability

Webster's Dictionary defines accountability as: *willingness to accept responsibility*. In property management, accountability is needed from 3 parties - the Tenant, the Owner, and the Property Management Firm. The general accountability of each party is as follows...

Tenant

1. Pay rent.
2. Pay the rent on time.
3. Do their part in taking good care of the property.
4. Report maintenance issues to the property manager in a timely manner.
5. Move out on the termination date and return the property over in the condition it was received less normal wear and tear.

Owner

1. Price the property correctly.
2. Have the property clean and rent ready before the Tenant moves in.
3. Properly maintain the property / allowing maintenance issues to be completed in a timely manner.

4. Stay current on mortgage, taxes, insurance, HOA dues, etc.
5. Allow the property manager to effectively manage the property per the management agreement.

Property Management Firm

1. Evaluate a property's condition/value and provide accurate data to assist the Owner in pricing the property correctly.
2. Market and promote your property, then answer as many calls from prospective Tenants and show to as many prospective Tenants as possible.
3. Thoroughly qualify prospective Tenants.
4. Secure a qualified Tenant to a rental agreement.
5. Collect all rents and maintain proper accounting and disbursement of funds as required by the Rental Agreement, the Management Agreement, and law.

Our business depends on successfully securing qualified Tenants, maintaining occupancy, and regular rental payments. You can count on us to work hard for you, disburse your collected rental proceeds on time, and do our best to keep you informed and keep your property generating the greatest amount of income over the longest period of time.

ORLANDO REALTY AND PROPERTY MANAGEMENT

Orlando Realty and Property Management is a property management company operating in Central Florida, specializing in full-service property management.

ORPM Mission Statement

The mission of ORPM is to provide quality service in property management and real estate sales in the Central Florida community, demonstrating integrity, expertise and professionalism.

The ORPM Organization

ORPM is truly a team. Each person within our organization is hired to perform a specific job and was recruited based on experience and talent to perform that job. Many of the team members are cross-trained in areas that are not their primary job focus, but primarily team members focus on their specific job duties on a given day.

- **New Business Development Managers** – Probably the initial member of our team that you spoke with for any length of time was an ORPM NBDM. They assist new clients in understanding current rental conditions for pricing evaluations, etc. An NBDM initially reviews the property's condition. The NBDM writes up the ad, takes property photos and submits to a coordinator for ad placement.
- **The Leasing Team** – The Phone Coordinators are responsible for answering calls from prospective Tenants and setting up appointments for the Leasing Agents and for the Tenant self showings. The Leasing Agents are experts in the Central Florida rental market, selling the benefits of leasing your property to prospective Tenants. This team answers calls and shows properties 7 days a week, 360 days a year!
- **The Property Management Team** – Administrative Members, Bookkeeping and Property Managers make up this part of our organization. Ensuring timely rental payments, handling maintenance issues, making and receiving hundreds of phone calls/emails a day. Someone is on call from this team 24 hours a day, 7 days a week, 365 days a year.
- **Management** – Our Broker and our Director of Property Management have a few decades of combined experience in property management and real estate. Having been responsible for the leasing of thousands of properties and continual management of hundreds over the years.

Note: Some property management companies have a "One Size Fits All" mentality where one manager must be an expert in so many different aspects of sales, customer services, IT, maintenance, management. If they are busy handling a maintenance issue for one property, how do they have time to show your property? Plus, if you have just one person for all of those jobs, who handles maintenance issues on the weekends? They do – meaning that manager never has a day off. Our team members are compensated for their hard work and dedication, but have time off and vacation time in order to recharge their batteries to become and then stay great team members.

ORPM OWNER DOCUMENTS

It is important that ORPM receives all of the critical information as we begin management. Documents are available for you to download at our website www.407rentals.com (click on the 'Owners' tab) should you need them. Please return the appropriate forms via fax to (407) 641-5049 or email to ORPM@407rentals.com. Here are some of the documents you will find on our website:

Property Info Sheet - This information enables ORPM to set up your account. Please fill out this form completely including any HOA contact information.

Electronic Banking Authorization – ORPM sends funds directly to your bank account using this form.

W-9 - This IRS requires all property managers to report any and all income derived from a rental property.

Lead-based Paint Disclosure - This form is necessary on leases longer than 100 days on all residential properties built 1977 or before.

ORPM COMMUNICATION

Communication is a key to the success in any relationship and the ORPM/Owner relationship is certainly no an exception. We are constantly communicating with our owners, Tenants, prospective Tenants, and vendors.

ORPM Corporate Address: 314 S. Lakewood Drive, Orlando, FL 32803

Phone Number: 407-641-5049

Email Address: ORPM@407rentals.com

Website: www.407rentals.com

Fax Number: 407-429-3857

Office Hours: Property Management
Monday – Friday: 9:00am - 5:00pm (Open during lunch)
Saturday & Sunday: By appointment

Leasing
Monday – Friday: 9:00am - 5:30pm (Open during lunch)
Saturday: 9:00am – 5:00pm, Sunday: 10:00am - 4:00pm

Changes In Your Contact Information?

Communication works both ways. We need communication from you, the Owner too. It is important that you let us know of any significant changes that can affect your account. ORPM needs to know when you are moving, changing your phone number or email address, or any other important information. Please contact us with any changes like this.

How to Contact ORPM?

While we certainly welcome your phone call, much of the communication that we need from an Owner will be through an email. **As we are often handling emergency type situations, we treat communication like a hospital treats an emergency room. The most important issues are handled first.** By emailing our office a request for information we are able to review your request and typically get back to our Owner that day or the following business day. By keeping this hospital type format, we are able to quickly and effectively handle requests in a timely manner.



Special note: When using email, we request that you put 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.

Owner and ORPM agree that routine and ordinary communication between ORPM and the Owner will be through a working email account. Owner and ORPM further agree to routinely review their email account. Each party shall review their email account not less than once per business day. Further, both Owner and ORPM hereby acknowledge and agree that any routine and ordinary communication delivered to said e-mail shall constitute notification. Excluding notifications that must be sent via certified mail, as described in the Management Agreement and this Handbook.

Owner vacation notice

ORPM respectfully requests that Owners notify ORPM of vacations that are 10 days and over. Another alternative is to inform your Emergency contact listed on the Property Info Sheet. The purpose in asking for this information is only so ORPM is prepared in the event of an emergency repair or major problem concerning the owner's property and/or Tenant.

OWNER RESPONSIBILITIES

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

Owner responsibilities include:

- Notify ORPM of any ownership change or eminent owner change for the managed property.
- Supply ORPM with accurate information so ORPM can service the management account properly.
- Review online or printed statements monthly and notify ORPM of any discrepancies found as soon as possible.
- Check bank statements monthly for accurate or missing deposits and notify ORPM if there are problems immediately.
- Support Fair Housing Laws and guidelines, as well as all necessary legislation.
- Maintain a current insurance policy for their property. Review their property insurance yearly and update as needed.
- Exercise responsibility for required maintenance and the safety of their Tenants.
- Keep all mortgages, HOA dues, insurance, taxes and all other payments current related to the rental property.
- Treat ORPM personnel with the same courtesy and respect you are looking for. Please fill out a survey anytime at www.407rentals.com and share your concerns and/or happiness with a member of our organization.

Owner Current on Property Financial Obligations

By signing the ORPM Management Agreement all Owners affirmed that all payments on Property(s) listed above are current on: Homeowner Association and/or Condominium Association and/or Owner Associations fees and assessments, property taxes, property insurance, mortgage payments, vendors payments and any other fees or payments or obligations of any kind associated with the Property.

In the event the Owner fails to pay any fee or charge due to ORPM (as herein described or within the Right to Lease Agreement / Rental Management Agreement) or if ORPM pays on behalf of the Owner any charges, fees, invoices, etc., which are due, then ORPM may retain Owner funds equal to such amount.

Section II

Why Do Owners Like You Choose ORPM?

- **OUR PEOPLE MAKE THE DIFFERENCE:**
Personal relationships with our clients.
- **EXPERIENCE:** Of our 15+ team members, many have a Broker's licenses. The others that perform real estate functions have a real estate license. Collectively we have well over 100 years of real estate, leasing, management experience.
- **MEMBERS** of the National Association of Residential Property Managers, National Association of Realtors and the local Regional Realtor Association. Our team members are well trained and kept up to date on the latest technology and landlord/Tenant law.
- **TEAM APPROACH:** You are not just hiring one property manager. You have the support of leasing agents, property managers, bookkeepers, property walkthrough specialists and sales agents.
- **COMPREHENSIVE WALKTHROUGHS:** We have taken literally hundreds of thousands of photos of properties to document their condition.
- **ACCOUNTING ACCURACY:** So that you receive the rent on-time and receive it accurately.
- **NO SURCHARGE** property owners for minor maintenance and repairs.
- **OUR SERVICES ARE TYPICALLY TAX DEDUCTIBLE:**
While you spend time with family, relax knowing our services are typically tax deductible.
- **GUARANTEE! (PRICE MATCH):** Our price match guarantee for properties over \$1100 per month ensures you are getting great value for your dollar and not overpaying.
- **GUARANTEE! (EVICTIONS):** For just a few dollars per month we can help you save hundreds of dollars in costs associated with the eviction of a Tenant. Just like a spare tire on your car – you hope not to use it but your glad you have it when you need it! See the Eviction Services Protection Addendum for details.
- **GUARANTEE!** – Ask us about our other money saving guarantees.

**ORLANDO REALTY & PROPERTY MANAGEMENT
WILL SAVE YOU TIME, MONEY AND THE STRESS OF
DEALING WITH TENANTS.**



PROVEN MARKETING & LEASING PLAN FOR EACH PROPERTY

- Dozens & Dozens of **WEBSITES** advertising your property.
- **UTILIZING SOCIAL MEDIA & PHONE APPS:**
We Tweet, Facebook listings. Mobile apps too!
- **A WEBSITE IN SPANISH TOO:** Over 35% of Floridians speak Spanish. We operate a 2nd website, www.407alquilar.com, which we update daily dedicated to those who communicate in Spanish with our listings and additional leasing information.
- **THOROUGH APPLICATION PROCESS:**
Credit, Criminal & Eviction Background Checks. Landlord and Employment Verifications. We too want you to have a great Tenant.
- **MLS** – We utilize the Multiple Listing Service for **TENANT REFERRALS FROM REALTORS & RELOCATION SPECIALISTS.**
- **7 DAYS A WEEK, 360 DAYS A YEAR ANSWERING CALLS & SHOWING PROPERTIES:** We average more than 48,000 calls per year from prospective Tenants.
- **RESULTS:** We lease more than 400 properties per year and average less than 2 evictions per year. Our systems will work for you.

**MORE ADS = MORE CALLS = MORE HOWINGS =
We locate a quality Tenant 14 days faster!**

Section III

Frequently Asked Questions about the Management Agreement

For additional "Frequently Asked Questions" please go to our website, www.407rentals.com, click on "Need Leasing..." and click on "Frequently Asked Questions".

Why should ORPM be able to adjust the price of my property?

We will get right to the point on this question. Owners make more money when the price is adjusted. Vacancies are typically the Owner's highest expense in a rental property. You also increase your chances of a great Tenant when the price is appropriately adjusted – more prospective Tenants viewing your property means more applications. Keep in mind, we manage hundreds of properties, if we took off \$50 on each unit per month; imagine what our bottom line would look like? We don't want to adjust the price of your property either. We want as much as you do, to rent the property fast and for the most amount of money. You will make more money when we place a quality Tenant, a quality Tenant will do less wear and tear on a property, will live in your property longer (less vacancy costs) and therefore you will make more money.

Will you contact me on maintenance issues less than \$250.00*?

We have your best interest in mind. If you don't feel that we do have your best interest in mind, please speak with a member of our management team or possibly hiring another firm maybe best. While we do have your best interest in mind, we need the ability to do our job and that is manage the issues that can happen at a property. If we do not have the ability to correctly manage your property, you will ultimately be unsatisfied. We are not like most companies with a \$350 or a \$500 maximum repair limit. We have found through many years of doing this, that \$250 (or alternate amount per the mgmt. agreement) will not 'handcuff' us, yet will give us the opportunity to earn the your trust. If we have a larger issue, like an a/c compressor that needs to be replaced or a roof issue, we will contact you. We will then review the situation, and help you make the best decision on how to move forward. It is in our best interest too that you receive the lowest price for the repair and have it done right the first time so you are happy with our services.

What if I want you to use my plumber, A/C company, etc.?

We will welcome and gladly review the names, and numbers of licensed, insured, and bonded vendors that you may recommend as we are always receptive to working with quality and qualified vendors. All vendors must register with ORPM PRIOR to the commencement of an agreement between ORPM and the Owner. Once we begin active leasing and/or management **all vendors used at your property must:**

1. **Register with ORPM + meet ORPM's vendor qualification standards before being allowed to perform work or services.**
2. **All vendors must have appropriate applicable, current insurance and meet all applicable Federal, State and Municipal qualification requirements.**
3. **All vendors must submit a written estimate to ORPM.**
4. **All vendors must perform criminal background checks on their employees.**

THESE ARE NECESSARY REQUIREMENTS FOR THE PROTECTION OF YOUR PROPERTY AND FOR BUSINESS LIABILITY AND INSURANCE REQUIREMENTS. ORPM RESERVES THE RIGHT TO USE VENDORS FROM THE ORPM APPROVED VENDOR LIST. A SERVICE FEE OF \$75 PER ITEM IS CHARGED IN OCCASIONS WHERE THE OWNER'S VENDOR IS USED. IF YOU ARE NOT AGREEMENT TO THESE TERMS AND CONDITIONS REGARDING VENDORS, ORPM MAY NOT BE THE FIRM FOR YOU. THERE ARE NO EXCEPTIONS TO THE ABOVE POLICIES.

Also, please keep in mind we must have all vendor work completed at least 6 calendar days prior to the Tenant's move in date. Please review Step 1 of the Pre-Leasing / Leasing Process, Section titled: **Vacate Property, Remove All Personal Items, Complete All Repairs/Cleaning Prior to Tenant Occupancy**

Why can using an ORPM vendor actually be better for you? Sheer volume of business. When you give a vendor 3 jobs per year, you likely will not receive a discount, nor will the loyalty be there to be there on time/perform great work. When you give a vendor hundreds of jobs per year your/our expectations are much higher.

Can a family member or an acquaintance clean, paint, or perform maintenance item at the property?

Yes, once they too meet all of the policies (i.e. licensed if necessary, insured, etc.) within the above section.

Home Owner Associations

ORPM requests from all Owners the correct current contact information (including name, address, telephone, fax, and e-mail address) for the Condominium Association, or Homeowner Association, or Association Management company, and all current rules and regulations within three (3) business days of effective date of Agreement. This will enable our office the ability to contact the association to obtain information, especially as it pertains to the possible application information needed by the association so we are able to accurately explain this information to prospective Tenants. If after 3 business days, ORPM still does not have the information, the Owner authorizes ORPM to obtain said documents at the Owner's expense. Please Note: It is the sole and exclusive responsibility of the Owner to have HOA approval to lease their property. The Owner must be approved to lease said Property before ORPM can or will place advertising on the Property. Owner agrees that ORPM may assume the Owner is approved to lease said Property unless ORPM is provided written notification from Owner, HOA or other party stating otherwise. If ORPM locates a Tenant(s) for the Property per the Owner's instructions and ORPM later discovers that the Owner is not permitted to place the Tenant, the Owner will be charged a fee equal to one month's rent or \$1095, which ever is higher. Please note: The Owner is potentially liable for Tenant moving and other associated costs if Owner is unable to deliver said property to Tenant. Also, the Owner is solely responsible for all refunds to the Tenant(s) including all application and administrative fees.

Owner hereby authorizes Condominium Association, or Homeowner Association, or Association Management company to release any and all information regarding any dues, charges, fees or fine amounts owing, due, past due, or delinquent; further Owner hereby agrees to sign separate letter confirming such authorization, and to provide an updated letter annually upon the anniversary of the Management Agreement effective date.

Owner is and shall be solely obligated and responsible for payment of any recreation fees, land fees, Tenant processing or application fees, and/or other dues, charges, fees, fines levied by the Condominium Association, or Homeowner Association, or Association Management company, or assessments and Owner agrees to indemnify ORPM for payment of same. In the event Association notifies Tenant or Owner of Association's intent to collect rent under F.S. 718 or F.S. 720, or Owner does not timely pay said dues, charges, fees and fines, or becomes delinquent in payment of said dues, charges, fees and fines, or assessments then Owner hereby authorizes payment of said fees and fines from amount of collected rent remaining after payment of all amounts due to ORPM as described herein.

Owner hereby agrees that in the event the Tenant fails to comply with the rules and regulations and the association or board levies fines or assessments against the Owner, Owner agrees that ORPM is in no way liable for the payment of any fees, fines, or assessments. Owner is responsible for making any applications to any Association and any Association application fees and/or Association fees associated with Owner's leasing of the Property. ORPM is authorized to make 'Association Tenant approval/application fee' type payments from the Owner's monies in order to place a Tenant in the Owner's property.

Hurricanes

After four hurricanes in two years (2004-2005), then Hurricane Irma in 2017, the ORPM staff is very adept at hurricane response! We have a complete hurricane response system that keeps you informed in the days immediately following a storm. Our backup systems include generators, multiple cellular phone providers to ensure optimal service coverage, and even wireless internet services to enable us to communicate with owners, Tenants and vendors. **While some Tenants may be able to shutter a home, many may not. ORPM is unable to guarantee hurricane preparation assistance to any owner.**

Why do I, the Owner, need a \$350.00 owner's escrow deposit upon execution of the agreement?

The \$350.00 is not a fee. These are monies held in escrow reserve on your behalf to handle issues at your property.

Does anything in life go 100% planned, 100% of the time? Owning a rental property is a risk, we want to control that risk as much as possible. From random acts of nature, to HOA application fees, to regular home maintenance, having a small amount of funds to protect a home is essential.

1. Do you have a lawn, pool, or something else that needs monthly service?
2. HOA application fees that are due.
3. Would you like us to turn the utilities on in our name at your property? Properties show better (and rent faster!) with the lights on.
4. Possibly your property is not in 'Show Ready Condition'. Carpet cleaning, general cleaning, or some other repair?
5. Potential leak at the property with water damaging the floor. Our plumbers know they will get paid. Our plumbers will be cheaper than someone you get out of the phone book.

6. Home in perfect condition? 95% home of homes will have some sort of emergency maintenance issue – probably not a major one. Small leak, broken window, etc. Having these funds allow our office to assist you.

Basically anything that needs to be handled at your property we need to have the resources available to help you / have the service performed. This is money we hold for you so that vendors are paid on time. Our experience has shown that when a vendor is paid on time, they perform the work quicker (which will keep the Tenant happy), for a good price (which will keep you happy), and will do a good job (which we all like). We need to hold money to make sure they are paid and paid in a timely manner.



Note: After management, minus any outstanding bills, you will receive these funds back.

Per Florida law, ORPM/Owner can not use the Tenant's security deposit to pay for any maintenance issues at the property. That is the Tenant's money held in escrow.

Disbursement of funds

Owner agrees to provide all documentation, records, fully completed property information sheet required by ORPM to manage and operate the Property. Owner hereby agrees and acknowledges that all such Internal Revenue Service forms and documentation as ORPM deems necessary, including but not limited to fully completed and signed W-9 form, must be provided to ORPM. **NO DISTRIBUTION OF FUNDS WILL BE MADE TO ANY OWNER UNLESS AND UNTIL ALL OWNERS HAVE PROVIDED TO ORPM A CURRENT SOCIAL SECURITY NUMBER OR TAX ID NUMBER, ALL APPLICABLE INTERNAL REVENUE SERVICE FORMS, DIRECT DEPOSIT (ACH) FORM, AND THE OWNER'S INSURANCE DECLARATION PAGE (PROOF OF INSURANCE).** Owner also agrees to deliver copies to ORPM of all Service Contracts or Warranties, if any. Owner hereby agrees and acknowledges that ORPM is not responsible, obligated, or liable for payment of any service fees or charges due to a Tenant initiated call for service. In such event the Tenant will be billed for the repair.

ORPM will disburse available rental funds to owners electronically not earlier than the 11th of each month, and no later than the 18th of each month. ORPM will only disburse funds on business days and does not disburse funds on weekends and holidays. **Florida law strictly prohibits any payment to an owner unless there are sufficient funds in the Owner's account.** All funds are subject to clearance and will not be available until 2 business days after clearing the ORPM account. 'Available rental funds' are monies remaining in Owner's account after payment of all charges, recurring monthly expenses, and the maintenance reserve of \$350. **Please note this example:** When the 11th of the month falls on a Saturday or Sunday, typically Owner funds will be disbursed from our bank the next business day and it may take 1-3 business days for your financial institution to show the funds. Which means, if the 11th is a Saturday, most Owners will see those funds in their bank account on Tuesday the 14th, however some banks will not post funds until Wednesday the 15th. Check with your financial institution for additional information.

Distribution of Rents to Owner - ORPM shall distribute to Owner the proceeds collected from the rental of Property minus the rental commission, fees and any costs and expenses incurred by ORPM provided for in Agreement and Handbook. Distribution of funds to Owner will be processed between the 11th and 18th of the month. In the event Owner does not receive funds by the 19th, then Owner must contact and notify ORPM. ORPM IS NOT OBLIGATED TO CONFIRM RECEIPT OF FUNDS BY OWNER.

1. Owner hereby acknowledges and agrees that no funds will be distributed until such time as monies have cleared the ORPM's bank (clearance time subject to local or out of area checks and banking regulation, procedure, and law).
2. All distributions to Owner shall be by means of ACH (Automated Clearing House) directly into Owner bank account. A processing fee of seventy-five dollars (\$75.00) is due and payable to ORPM by Owner for each instance of a distribution to Owner or a 3rd party by means of a physical paper check or a wire transfer.
3. Owner hereby acknowledges and agrees that distribution of Owner funds are subject to Agreement and Handbook and shall proceed first to fees, commissions, charges, costs, and reimbursements due; second to all other operating expenses, costs, charges, and disbursements payable from Owner funds held by ORPM; third Owner Reserve; lastly any remaining balance to Owner.
4. In the event a prospective tenant places a good faith or holding deposit with ORPM and fails to take possession, ORPM shall be entitled to fifty percent of such deposit; Owner hereby acknowledges and agrees that ORPM retains the sole and exclusive right to refund such deposit to prospective tenant in full or part upon the advice of ORPM's legal counsel, and Owner agrees to hold ORPM harmless.
5. ORPM may withhold the last month's rent of a rental agreement in the Owner Reserve upon termination of the rental agreement. Said funds, after expense and required Owner Reserve amount, shall be paid to Owner within thirty (30) days of the termination date of the rental agreement.

Monthly statements

All daily bookkeeping transactions are available 24 hours a day, 7 days a week for you to view online on our website, www.407rentals.com. While online, you can print a statement from our site. You will need to use the main email address that you provided in order to receive a statement. If you have given our office more than one email address, try those additional email addresses. If you have difficulty reading your monthly statement or logging into the program, please contact your property manager. We are happy to assist you and answer your questions. Owner acknowledges and agrees that all statements and reporting to Owner regarding ORPM's management and operation of Property will be via electronic posting to ORPM's website or via electronic mail.



Do you provide monthly statements to owners each month?

Yes. Statements can be accessed 24 hours a day, 7 days a week. We typically post statements on or around the 15th of each month.

End of year procedures

At the end of each year, ORPM 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 ORPM with the necessary Social Security/Tax ID information so the 1099 is accurate. **ORPM will send the 1099 for the rent by January 31 for the previous tax year.** With that said, please update our office with an address change by January 7 so we are able to update our records and ensure the timely delivery of the 1099. 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.

ORPM also issues 1099s for disbursements to vendors for work over \$600.00. Therefore, Owners do not have to issue 1099s for work completed and paid through the ORPM trust account. Owners are responsible for issuing 1099s to any vendor paid through the owner's personal account.

The last statement of the year will reflect "total amounts" for income and expenses that have transpired throughout the year, such as management fees, leasing fees, landscape, utilities, repairs and maintenance, etc. The amounts will not reflect any funds issued through the owners personal account. Owners can submit their last statement to their tax person along with other information for income tax reporting. ORPM does not issue statements to the Owner's tax preparers directly.

Remove Property from "For Sale" Market

Owner agrees to remove the property from the "For Sale" market once a Tenant has placed an application with ORPM. Owner agrees and acknowledges that the property may not be marketed for sale, nor placed on the market for sale, nor advertised or promoted for sale in any manner or in any media during the first three hundred (300) calendar days of a lease or rental agreement term. Upon providing thirty (30) day advance notice to ORPM in writing Owner may place Property on the "For Sale" market during the last sixty (60) days of the current lease or rental agreement term. In such event Owner hereby authorizes ORPM to provide written notice for non-renewal of rental agreement to Tenant not less than sixty (60) days prior to end of rental agreement term.



Why can I not keep my property on the "For Sale" market once a Tenant is located?

As an Owner you expect the Tenant to pay their rent on time, to take care of the property, and to report maintenance issues in a timely manner for the full term of the rental agreement. Likewise, the Tenant expects to live in the property with quiet uninterrupted enjoyment for the full term of the rental agreement without the constant disruption that always accompanies the marketing, showing, and selling of a property.

Forward All Owner Mail

Owner agrees to forward all mail to Owner's primary address and not have mail delivered to rental property. Owner shall not hold Tenant or ORPM responsible nor liable for lost or missing mail; nor shall Tenant or ORPM have any obligation or responsibility to secure or forward such Owner mail.

Cleaning of Property Prior to Tenant Move In (“*Rental Ready Condition*”)

1. Owner agrees to have the property, lawn, pool in a clean “*Show Ready Condition*” during the leasing period.
2. Carpets are to be professionally steam cleaned before a Tenant takes possession of the property. Per our lease, the Tenant must professionally steam the carpet upon their move out. This will keep your property’s carpet in a better condition than not having the carpets professionally cleaned after every move out.
3. The property must be in 100% clean condition and the property must be placed in “*Rental Ready Condition*” prior to Tenant taking possession.
4. Owner gives ORPM authority to have the property cleaned, carpets professionally cleaned and repairs performed to place the property in “*Rental Ready Condition*” prior to Tenant taking possession.

Advertising & Marketing (Can I market and advertise the property on my own?)

Please check with us first! Like you, ORPM is committed to locating a quality Tenant for your property quickly. But please refrain from placing any advertising in our name for public viewing – we must meet very specific Florida law requirements and Realtor guidelines for any and all advertisement. With the amount of advertising we do, most owners find it more than they expected, but if there is an advertising source you wish for us to use (such as a company newsletter, church bulletin, etc), please contact us. Also, if you do have a prospective Tenant contact you with regards to your property, please email us their name and phone number. It is important that we receive this contact information in writing so we have a record of when we received this information.

Furnished Property Walkthrough

For a fully furnished property, the Owner shall deliver to ORPM a copy of the furnishings inventory in a digital form via electronic mail within 3 business days of start of the Management Agreement. The walkthrough of a furnished property takes an extensive amount of time and therefore a fee of \$175.00 is charged after the performing of the move in.

1. Owner is solely and exclusively responsible to keep and maintain such inventory.
2. Owner acknowledges and agrees to pay Manager an additional \$0 administrative fee to confirm inventory at Tenant Move Out.
3. Owner acknowledges and agrees that Manager has no obligation, no responsibility, and no liability with respect to condition or loss of any personal property items including but not limited to any and all furnishings.
4. Owner acknowledges and agrees that any Tenant placed by Manager has no obligation, no responsibility, and no liability with respect to condition or loss of any personal property items including but not limited to any and all furnishings, except as may be specifically required in rental agreement.

Home Warranties

Owner hereby acknowledges and agrees that it is Owner’s sole and exclusive responsibility to provide to ORPM, in digital form via electronic mail or otherwise, full and complete written documentation and information for any warranty items or warranty programs for the Property or any elements of the Property or any mechanical items at the Property within three (3) business days of start of this Agreement. Owner further acknowledges and agrees that ORPM shall have no obligation, no responsibility, and no liability for any costs, expenses, charges, or fees regarding any warranted item in or of Property should Owner fail to provide to ORPM full and complete written documentation and information as herein required.

Owner shall, within three (3) business from Effective Date to notify such warranty program or warranty company and secure written confirmation that ORPM is fully authorized to act on behalf of Owner to make claim, or order, or demand for service from such warranty program or warranty company.

ORPM is not responsible, nor liable, for any cost, fees, charges, expense or payments of any kind for any services, repairs, or work on Property ordered by Tenant or any person associated with Tenant. The Tenant will be billed for said items and that any and all financial obligation or liability for the aforesaid, to the extent that cannot be recovered from the Tenant, shall be the Owner’s sole and exclusive responsibility, and any actions necessary for collection are the sole responsibility and liability of Owner.

In the event said warranty program, or vendor selected by warranty program, cannot provide and complete maintenance or repair within three (3) calendar days of service request, then Owner hereby acknowledges, agrees, and authorizes without exclusion or exception, ORPM at ORPM’s option, to secure any other vendor as ORPM deems necessary to complete such maintenance or repair. ORPM is not responsible, nor liable, for any cost, fees, charges, expense or payments of any kind for any services, repairs, or work on Property.

Except for warranties provided by the home builder or the Old Republic Home Warranty Company, a fee of \$39 is charged for each maintenance item that ORPM manages under a warranty. Why is this fee charged? A typical maintenance item can be set up within our property management software in just a few minutes as the tenant and vendor's information auto populates with a few clicks of a mouse. The average maintenance item under warranty will take 60-90 minutes or more to facilitate. Upon receiving the maintenance request by the tenant, a property manager will call the warranty company. The hold time just to reach the warranty department is typically 40-60 minutes (during this time the property manager is restricted in what he/she can do and is unable to make other calls, etc.). Once we are able to place the request, the warranty company will assign the repair to a vendor of the warranty company's choice. A confirmation/service number along with the contact information of the vendor is provided to us. We will then manually enter the work order into our software program to track and ensure the repair is completed. Once the request is made, the warranty company is done, but ORPM will continue with the follow up (with vendors whom we don't typically work with, therefore, won't necessarily work with us to complete an order quickly, etc.). We must then convince the tenant to pay the deductible fee which requires an additional phone call and email. Sometimes that tenant absolutely refuses to make the payment, which requires additional work to figure out how to provide the deductible payment to the vendor at the time of service. Then, our accounting department must make the adjustments in the tenant's rent for making this payment (if the tenant made the payment), and adjust the owner's ledger. Some home warranty companies employ vendors that do not contact tenants in a timely manner, that do not perform their job correctly the first time. This upsets tenants who voice their displeasure on us (*"Why don't you just call a normal vendor?"*). While the warranty company saved money by using a cheap vendor, the owner suffers as now the tenant is less likely to renew the lease (thus causing Vacancy Loss for the owner) as the tenants states *"...we are paying our rent on time, why must we wait for the warranty company."* Again, a home builder's warranty or purchase an Old Republic Home Warranty and while our office will still have to do many of the above items, these organizations typically answer the phone in a timely manner and send out quality vendors, and thus the fee for the excess work does not have to be charged.

How many keys, remotes, etc. does ORPM need? When?

We need at least 3 house keys, preferably 2 garage door remotes, community amenity keys, etc. to the property prior to advertising beginning. (Note: if you or a Tenant currently resides in the property at the time of leasing, please provide 2 front door keys. Upon you or your current Tenant's move out, please provide the rest of the keys, remotes, etc.).

Window Treatments and Window Screens

Owner will provide window blinds (not curtains) and appropriate hardware within five (5) business days of start of this Agreement or hereby authorizes ORPM to purchase and install said items at Owner's expense.

Screens on all windows are required by Florida law and all windows and windows locks must be operate correctly. If the Tenant demands screens or window repairs, the Owner agrees that ORPM is authorized to have a vendor purchase screens and/or make window repairs or replacements at Owner's expense as required by **Florida Statue 83, "The landlord, at commencement of the tenancy, must ensure that screens are installed in a reasonable condition. Thereafter, the landlord must repair damage to screens once annually, when necessary, until termination of the rental agreement."**

Utilities

Any and all utilities (typically garbage, street lights, etc.) or any services provided by a government or private entity or which are charged to the Owner separately shall be the sole responsibility and liability of Owner unless otherwise specially provided in rental agreement. In the event that the provider of utilities or services requires either Owner direct billing to Owner only and/or direct payment from Owner, then Owner shall be solely and exclusively responsible for timely payment regardless of Tenant's ultimate responsibility to pay such amounts as maybe provided in the lease. As is allowed by law and unless otherwise agreed to in writing by Owner and ORPM, Tenant shall be required to have telephone service, cable television service, internet service, electric service, water service and all other utilities in Tenant's name.

In any rental agreement wherein the Tenant shall have use of the Owner's utilities and be responsible for all or part of the bill(s), Owner shall pay the entire bill in a timely manner and forward copies to ORPM for reimbursement by Tenant as provide in rental agreement. Owner agrees that ORPM shall be in no way responsible, nor obligated, nor liable for payment of any telephone service, cable television service, internet service, electric service, water service or any utility other services of any kind. Under no circumstances shall Owner cause the termination of these services and Owner agrees to indemnify ORPM for any damages or litigation fees/cost incurred by ORPM if Owner improperly terminates a utility service. ORPM will deduct bills to the extent of funds available and Owner agrees that ORPM shall be in no way responsible or liable for nonpayment of or theft of any utility service by Tenant.

Within 48 hours of the termination of a rental agreement, Owner shall turn on water, power, and any other needed utility in Owner's name and maintain such during all time of vacancy of Property. In the event Owner fails to do so, then ORPM may turn on utilities in ORPM's name and Owner shall be liable for full payment of all deposits, costs, fees, and charges associated with utilities including but not limited to a non-refundable \$125 administrative fee paid to ORPM, until a rental agreement is executed and a Tenant occupies Property. In the event of Owner's written request to ORPM and payment to ORPM of (i) a non-refundable administrative fee of one hundred twenty-five dollars (\$125.00), and (ii) such amount of money as is required by ORPM to cover the utility fees (which amount will be held by ORPM in trust for payment of the utilities), ORPM, shall turn on utilities in ORPM's name until a rental agreement is executed and Tenant occupies Property. Owner shall be responsible for paying to ORPM any and all amounts for utilities that are not covered by the amount deposited in ORPM's trust account for the same.



Why do I have to pay you a fee to turn on and maintain my utilities?

You do not, you may turn them on/off yourself -an owner can turn utilities on at their own property in a 10 minute phone call or even less by doing it online ([click here for utility company information](#)). A company like ours can not activate the utilities online, we must call, use our own credit or pay a large deposit. Utility companies often need an extra day to turn on utilities on a business account. We must then account for all charges, ensure we have sufficient funds to pay for current and future utilities bills and then go ahead and actually pay these bills. For international owners, some utility companies require a U.S. social security number. Please contact us for more details.

Insurance

Owner acknowledges the current existence of and agrees to maintain public liability insurance coverage on the Property at all times in an amount not less than \$100,000.00 per person and \$300,000.00 per occurrence and shall furnish Manager with proof of insurance and a copy of the declaration page at time of listing. Owner agrees to name Manager as an additional insured on all policies within 7 days of the execution of the management agreement. Owner agrees to and does hereby indemnify and hold harmless Manager, its employees, agents and assigns, from any and all claims, suits, damages costs, losses and expenses arising from the management of the Property and from any injury to persons and/or property occurring on or about the premises. Owner agrees to indemnify Manager for any damages suffered as a result of any lapse in or failure by Owner to maintain insurance coverage.

ORPM recommends to all Owners to contact their insurance agent to ensure that the proper type of coverage is being held on a given property. If the Owner is no longer residing in a property, ORPM recommends that you inform the insurance immediately and always provide accurate information to the insurance agent/company.



Why do I need to add you as an additional insured? Securing appropriate insurance protection against property and casualty losses as well as personal injury and other potential liabilities is simply a reasonable, prudent and ordinary part of business.

The Owner acknowledges and agrees that the first payment of rent to an Owner on each lease will not be disbursed until ORPM receives from the Owner the current Insurance Declaration Page.

Compensation

What are some of the items included in the Leasing Fee?

- Running comparables and compare/review for an accurate rental price.
- Calling/emailing vendors to help place property in "Show Ready Condition".
- Emailing estimates from vendors to Owners.
- Collecting funds from Owners to hold in escrow for repairs.
- Hiring vendors to repair and clean the property to place in "Show Ready Condition".
- Pay vendors from Owner escrow the agreed amount performing repairs.
- Writing up the advertisements and taking advertising photos.
- Place ads on over dozens and dozens of websites, signs, MLS, Facebook, Twitter, Blogging.
- The cost of the ads themselves.
- The cost of answering phones 7 days a week.

- The cost of showing properties 7 days a week (gas, tolls, time). A property is shown average to 8 different prospective Tenants during the leasing period.
- Receiving, running, reviewing prospective Tenant applications.
- Following up on a prospective Tenant's employer, current landlord, etc.
- Contacting the attorney to have the lease prepared.
- Meeting with and reviewing with the Tenant the lease and answer their questions.
- The cost to have a move in walkthrough performed (gas, tolls, time).
- Many other small items all performed to ensure a quality Tenant.

Note: About 30 hours and about \$350 in hard costs are spent to lease a property.

What is included in Management Fee?

- Attending to daily telephone, email and fax inquiries.
- Timely rent collection. Attending to daily telephone, email and fax inquiries.
- Property managers are available after 5:00pm on weekdays and during the weekend. 7 days a week, 365 days per year.
- Organizing keys for viewings, inspections and repair vendors.
- Attending to payment of various property expenses.
- Collection of late rent through various legal means.
- Lease enforcement with Tenants.
- Hand deliveries of notices to Tenants as necessary.
- Attending to correspondence.
- Organizing maintenance repairs and quotes.
- Administering rent through our trust account.
- Electronic funds transfer to your account.
- Filing evictions if necessary / Attending court evictions as necessary.
- Preparing monthly statements for property owners.
- Preparing annual year end income & expense statements and IRS 1099 Forms.
- Liaison with home owner or condo associations if applicable.
- Organizing utilities to be turned on and off when required.
- Conducting annual rent reviews.
- Regular follow up with maintenance contractors.
- Periodic visual inspections of the property to ensure lease compliance.
- Processing notices to vacate or to renew a lease term.
- Liaison with insurance companies, when authorized.
- Conducting video taped move-in/move-out inspections.
- Lodging security deposit claims, when necessary, in accordance with the Florida Landlord Tenant Laws, F.S. 83.
- Maintaining a staff of highly skilled and trained professional property managers who answer our phones to conduct business during normal business hours.
- Maintaining a professional office overhead with the latest in technology and property management tools.
- Constant ongoing training and cutting edge knowledge of our industry.

That names a few of the things we do in a day, but there are hundreds more. **Basically for an average cost of 17 cents an hour, we keep one of your biggest life investments running smoothly.**

Fees NOT CHARGED to Owners

No Owner Charge for Direct Deposit - ORPM agrees that Owner will not be charged to directly deposit monthly rent into an Owner's bank account.

No Owner Charge for Regular Postage - ORPM agrees that Owner will not be charged for regular postage and business calls for notifications, statements, etc. which are not deemed by ORPM to be extraordinary; ORPM and Owner hereby agree that overnight postage or overseas postage/telephone/fax are extraordinary and Owner will be charged accordingly.

No Management Fee During Vacancy – We hate vacancies! We want you to know that we are doing all we can to locate the right Tenants for your property and therefore we not charge a fee while your property is vacate.

Fee to prepare the lease

Leases prepared by a Florida attorney can cost anywhere from \$150.00 to over \$300.00. Due to ORPM's considerable position in the market place, the premier residential property management law firm in Florida provides ORPM Owners an attorney prepared lease at a significantly discounted rate. A sample copy of the Lease, Rules & Regulations and all other leasing documents, can be found at <http://www.407rentals.com>. By signing the management agreement and/or right to lease agreement, you the Owner agree to the terms and conditions set forth within those leasing documents. The current fee to have a lease prepared is \$75, but this is subject to change and Owners will be charged accordingly. As of July 1, 2018, this fee will apply to all new and existing owners.

Why is there a fee if the Tenant renews the lease?

We doubt you will find a company that does not charge a lease renewal fee or month to month fee, it's a pretty standard fee. Here is what we include:

1. We perform a walkthrough approximately 60-90 days before the end of the lease. We want to be able to give you the advice of whether we should invite the Tenant back for another year. We are happy to say, more than 98% of the time, we do invite the Tenant to stay for another year.
2. Research rental websites and the MLS to locate comparable properties in the area to effectively then negotiate with the current Tenant a possible increase of the monthly rent. In the case of a falling rental market, try to keep the rental price the same.
3. We contact the Tenant regarding the renewing the lease.
4. After agreeing to terms with the Tenant, **an attorney authorized renewal document prepared and sent to the Tenant** and then the following up on its execution. **There is no additional charge to Owner for the renewal document preparation.**
5. All while reviewing the process with the owner.

This minimal fee provides us the resources to effectively keep the vacancy of your property at a low and the quality of your property as high as possible. ORPM reserves the right to charge and retain from the Tenant a small fee to renew the lease.

Month-to-Month Fee

ORPM charges a nominal fee to have a month-to-month rental agreement drawn up between the Tenant and the Owner. ORPM reserves the right to collect and retain a month-to-month fee from Tenant. **Many of the same duties are performed as outlined in the "Why is there a fee if the Tenant renews the lease?"**

Early Termination Fee

Our typical fee to lease a property and Owner manage is one month's rent. When we lease and manage a property, in an effort to help an Owner start receiving rental funds as soon as possible, we substantially lower our leasing fee. We are willing to take less money upfront and spread fees through the management agreement. With that said, we spend a lot of money on marketing, advertising, showing your property 7 days a week, having a lease prepared, performing move in walkthroughs, etc. If the Tenant breaks their lease prior to the termination lease date, ORPM reserves to right to charge and retain from the Tenant a fee equal to 35% of a month's rent. This charge to the Tenant will help offset the above costs and the additional time and expenses associated with such early termination. This fee will be taken from the Early Termination Fee charged to the Tenant or from the Tenant's Security Deposit, and will be deducted first from the deposit before other charges.

Fee if Tenant purchases the property

If you are interested in adverting your property "Lease to Own" or placing your property on the For Sale market while on the For Rent market, please let our office know. Buyers are located on these types of situations. But the chances the Tenant who leases your property will ultimately purchase your home is less than 1/2 of 1%. Why? There are several hundred thousand properties in Central Florida. Typically the price, size, etc will force the Tenant who is looking to purchase a different property. In the rare case that the Tenant and Owner do come to an agreement on the selling of the rental property, ORPM will represent the Owner for a low fee (the fee is listed within Section 6 of the management agreement) plus a transaction fees for both the buyer / seller of \$399.00.

Service Fee for Major Maintenance Coordination

Owner agrees to pay ORPM a service fee added to the cost of all work for any extraordinary maintenance authorized and contracted by Owner, and which Owner requires ORPM to coordinate. Extraordinary maintenance is any work on Property at any

time during term of this Agreement that exceeds \$1000.00 or preparing new rental listings to rental ready status, or preparing properties ORPM 'takes over' with a Tenant already in place, or preparing units to be placed on for sale market, or insurance claims, sod replacement or hurricane/storm/fire/flood/mold damage.

Foreclosure, For Sale, or Homeowner Association or Condominium Association Delinquency

If a foreclosure action is filed against the Property; or if the Owner lists the Property "for sale", or if the Owner fails to stay current with HOA, mortgage payments or property tax obligations, then Owner acknowledges and agrees that the filing of such action will result in substantial additional work for and risk to ORPM and that in consideration thereof, Owner agrees as follows: (i) The monthly management fee shall be tripled. (ii) ORPM shall have the right to immediately accelerate all management fees due hereunder for the remainder of the term of the lease and to deduct those from the rental until paid. Such amounts shall be due and payable by Owner to ORPM for all of the remainder of the term of the lease irrespective of whether the Tenant occupies the property or not. Additionally, ORPM may increase the Repair Account amount by an additional one month's rent for repairs at Property. Owner hereby acknowledges and agrees to pay ORPM fees, costs, and charges on an accelerated basis, and to also pay additional fee to ORPM in event of the following circumstance.

Homeowner Association or Condominium Association Collection of Rent

In the event the Homeowner Association or Condominium Association notifies Tenant or Owner of Homeowner Association or Condominium Association intent to collect rent under F.S. 718 or F.S. 720, then Owner acknowledges and agrees that ORPM shall have the right to immediately accelerate all management fees due hereunder for the remainder of the term of the rental agreement and to deduct those from the rent until paid. Such amounts shall be due and payable by Owner to ORPM for all of the remainder of the term of the rental agreement irrespective of whether the Tenant occupies the property or not.

Eviction Protection

Under this service, ORPM will pay nearly all of the fees in connection with an eviction of a Tenant placed and managed by ORPM up to \$1500 including.....

- ✓ Court costs
- ✓ Process Serving Fees
- ✓ Serving of 3 or 7 day notices
- ✓ Administrative costs and fees
- ✓ Filing of the Writ of Possession
- ✓ **And the most expensive: attorney fees and legal costs!**



Example: Unfortunately the Tenant has lost their job and is unable to pay the rent. Instead of moving in with a family or friend, the Tenant decides not to move. Once the rent is late, per Florida Law the first step is to place a '3 day notice'. If after these 3 business days, the Tenant has still failed to pay the rent, the eviction process can start soon after. ORPM will contact a real estate attorney specializing in evictions and will employ them at our cost (up to \$1500) to assist in the eviction of the Tenant. If the Tenant does not contest the eviction, a typical eviction will take between 30 to 45 days.

The good news is that you won't likely pay any money to evict the Tenant!

Generally, an eviction occurs when then Tenant fails to pay rent, but evictions can be initiated for other violations of the rental agreement (such as Tenants residing in the property not on the lease). The law requires an attorney or the Owner to appear for these cases, but with this service ORPM will have attorney representation there for you. The additional fee for this protection plan is \$96 per year.

Repair Replacement Protection

If a Tenant does break the lease or is evicted, do you think they will clean the carpets? Clean the property? Probably not. Purchase either the 'Eviction Protection' or 'Tenant Replacement Protection' or both protections and for just \$48 annually*, ORPM will cover up to \$500 worth of items like:

- ✓ Property Cleaning
- ✓ Carpet Cleaning
- ✓ Carpet Replacement
- ✓ Sod replacement
- ✓ Painting
- ✓ Wall Damage
- ✓ Broken Window Blinds
- ✓ Or other Tenant caused repairs.

*The 'Repair Replacement Protection' is not available as a stand alone service.



Example #1: Unfortunately the Tenant must be evicted. The good news, by purchasing the 'Eviction Protection', you will not have to pay for the eviction costs (up to \$1500). The bad news, the former Tenant did not clean the property once they vacated (\$175 cost), the carpets need to be cleaned (\$150 cost) and two rooms need paint (\$175 cost). By having the 'Repair Replacement Protection', ORPM will cover all 3 of these repairs at no charge to you.



Example #2: The Tenants contacts our office just 4 months into the lease and terminates the lease 1 week later. The good news, by purchasing the 'Tenant Replacement Protection' you will not have to pay a leasing cost. The bad news, the Tenant moved out in a hurry and did not clean the property (\$250 cost), nor did they remove all of their personal possessions (\$125 removal fee), and the carpets must be steam cleaned (\$185 cost). Of the \$560 in total damages, ORPM will cover the first \$500, so just a small bill of \$60 is due.



Just as important, ORPM will be able to have these items cleaned up in just a few days and we will be able to place your property back on the rental market faster then waiting on funds from you or the former Tenant's security deposit (which could be 30 days or more from the termination date), thus less vacancy and more money in your pocket!

Tenant Replacement Protection

Under this service, if the Tenant breaks the lease during the first 180 days of occupancy, ORPM will replace that Tenant for nearly no charge. Just pay the attorney's charge to prepare a new lease (\$49) and ORPM will pay the rest. The amount of days is not based on the date of notice by the Tenant, but based upon the actual day the Tenant turns over possession of the property. The following items are covered by ORPM:

- ✓ Performing the final walkthrough of the former Tenant.
- ✓ Preparing the security deposit claim of the former Tenant.
- ✓ All advertising costs to locate a new Tenant.
- ✓ Referral fees paid to an outside agent referring a Tenant to ORPM.
- ✓ **ALL costs related to placing a new Tenant are covered!**



Example #1: The Tenant's lease commences on January 1st. The Tenant contacts our office on May 1st that they have been transferred to Cincinnati. The Tenant turns over possession of the property on May 31st. ORPM will waive the leasing fee.



Example #2: The Tenant's lease commences on January 1st. The Tenant contacts our office on June 15th that they have been transferred to Houston. The Tenant turns over possession of the property on July 15th. The leasing fee will be 50% of the original leasing fee.



Example #3: The Tenant's lease commences on January 1st. The Tenant contacts our office on November 10th that they have been transferred to Boston. The Tenant turns over possession of the property on December 10th. The original leasing fee will be charged.

The additional fee for this protection is \$8 per month (paid in full at the beginning of a lease).

Internal Revenue Service Withholding

In the event any Owner fails to provide current Social Security Number or Tax ID Number and/or all applicable Internal Revenue Service forms to ORPM, then NO DISTRIBUTION OF FUNDS WILL BE MADE TO ANY OWNER UNLESS AND UNTIL ALL SUCH ITEMS HAVE PROVIDED TO ORPM. Owner acknowledges and agrees that without any further notice or advisement ORPM may pay from rent any and all such amounts as may be required by Internal Revenue Service, and to monthly collect from rent an administrative fee payable to ORPM in amount of one hundred twenty-five dollars (\$125.00) until such time as all aforesaid items are provided by Owner to ORPM. Owner acknowledges and agrees that nothing herein shall constitute or create any obligation, responsibility, or liability of ORPM with regard to any Owner obligation, duty, or liability to Internal Revenue Service.

Services NOT Provided by ORPM

Owner further agrees that normal Property Management does not include providing on-site management services, property sales, refinancing, preparing property for sale or refinancing, modernization, fire or major damage restoration, rehabilitation, obtaining income tax, accounting, or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, attending Homeowner Association meetings. If Owner requests ORPM to perform services not included in normal property management or specified above, Owner and ORPM will agree on a fee for these services before work begins.

ORPM's Fees Paid by Tenant

Owner consents to Broker's right to charge Tenant(s), and retain as its own certain fees which include, but are not limited to, the following: lease application fees, administrative fees, returned check fees, lease renewal fees, late charges, month to month rental fees, re-renting fees when the tenant breaks the lease, and other fees charged to tenants.

ORPM May Divide Compensation

Owner further agrees that ORPM may divide compensation fees and charges due under this Agreement with employees or other ORPM, in any manner acceptable to ORPM.

Why does ORPM retain Late Fees?

Yes, ORPM retains late fees. We take the payment of rent very serious. A Tenant paying the rent late will have immediate and swift action. This swift action costs money, but not to you the Owner.

1. Our leases are specifically written so that the Tenant's rent is due on the 1st so that our owners are consistently paid on time. The problem with a generic lease, internet downloaded lease or the leases used by many property managers, is that they give a 5 to 7 day grace period, *then* the rent is late, which allows too much time to pass for you to get your money.....we expect the Tenant's rent on time, on the 1st.
2. If we don't receive the rent on time, the Tenant will be contacted via phone and/or email regarding their rent. If no action is taken by the Tenant to pay after our contact, the Tenant will receive a 3 day notice. Please note, ORPM / any landlord must place an 8 day notice for counties outside their home county.
 - a. As per Florida law, this is the first action a property manager/owner must take prior to evicting. The 3 day notice gives the Tenant written notice that rent must be paid in 3 business days or further action will be taken.
3. If the Tenant has still not paid after the 3 day notice has expired, our office will follow up with the Owner and typically ask the Owner for the direction he or she would like to go. If ORPM is unable to reach the Owner or the Owner does not make a decision, ORPM does reserve the right to make a decision for the Owner.
4. Orlando Realty and Property Management spends so much money in advertising, and we answer calls/show properties 7 days a week, we typically acquire good Tenants who pay on time. If they don't, we are swift and professional in action to collect the rent.

Retaining late fees is not a way of generating a profit, we are trying to cover our costs in the important goal: Collecting your rent.

Lien on Property

Owner hereby grants to ORPM a lien on the property which is the subject matter of this action to secure the payment of any fees owed by Owner to ORPM pursuant to this Agreement. ORPM may foreclose said lien as if this Agreement were both a mortgage and note securing and evidencing such indebtedness.

ORPM Takes Over Management

Our experience shows that most of the time when Owners want us to take over management from another management company it is usually because of a breakdown in communication, services, or other issue. ORPM will strive to repair those problems, improve business the relationship, and effectively manage the property. For that reason ORPM takes over management of your vacant

property there is no set-up fee charge. In the event that you are asking ORPM to take over management of your Tenant occupied property, then a minimum set-up fee of \$249.00 is charged to you the Owner and is to be paid upon execution of the management agreement. This fee will cover:

1. Initial contact with Tenant to review their residency.
2. A walkthrough of the property.
3. Reviewing of the lease by the ORPM and Property Manager.
4. Assisting in the initial maintenance requests.
5. Setting up the accounting.
6. Finalize the transfer of the security deposit from the Owner / former management company to ORPM.

The management service fees as outlined in Management Agreement will begin once the Management Agreement has been executed by Owner and ORPM. If the current Tenant's lease contains a clause where a late fee is less than \$50.00, the balance of the late fee will be charged to the Owner as an additional management fee for that particular month. \$75.00 to serve a 3 day notice. \$60.00 to pick up county court docs. \$60.00 to fill out county court docs. \$125.00 per hour for anytime ORPMs spends at court. \$60.00 per hour for any activity associated with evicting a Tenant not placed by ORPM. Owner will be responsible for all court costs, attorney fees, sheriff department fees, locksmith (changing of locks), moving/storage expenses of Tenant's possessions.

A Note about LEASE-ONLY Agreements

When an Owner hires ORPM to just place a new Tenant and/or place a new Tenant and manage a property - and a Tenant (not placed by ORPM) already resides in the property with a lease less than 60 days, ORPM will not manage this Tenant and will just act as a leasing agent until which time the Tenant has terminated the lease and moved out of the property. In this case, where the lease ends in the next 60 days, ORPM will not hold the security deposit or perform a security deposit claim.

Length of Rental / Lease Agreements

Owner acknowledges and agrees that ORPM will employ rental/lease agreements with a term of at least 330 days, but not greater than 395 days. In the event that Owner requests and ORPM agrees to have a lease prepared that is less than 12 months in length, then Owner agrees that leasing and management fees paid to ORPM will be equal to leasing and management fees for a full 12 months lease term. Owner further acknowledges and agrees that in no event will a rental/lease agreement of less than 7 full months of duration be allowed excepting a month-to-month agreement occurring at the expiration of a 12 month rental/lease agreement.

Termination of Agreement

In the event the Agreement is terminated Owner acknowledges and agrees that ORPM shall have the right to immediately accelerate all management fees due hereunder for the remainder of the term of the rental agreement and to deduct those from the rental until paid, Such amounts shall be due and payable by Owner to ORPM for all of the remainder of the term of the rental agreement irrespective of whether the Tenant occupies the property or not.

Prior to ORPM locating a Tenant or receiving an application from a Tenant, Owner may terminate this agreement by submitting written notice of cancellation to ORPM via Certified Mail and paying a cancellation fee of \$500.00. In the event the ORPM has received an application from a prospective tenant(s) for lease during the leasing period, then Owner shall pay ORPM a cancellation fee equal to one month's rent or \$1095.00, whichever is higher. Cancellation by Owner is effective when actually physically received by ORPM and fees are paid in full. The Owner must also refund the Tenant any all fees paid to ORPM. ORPM reserves the right to lease the property to a Tenant and transfer the management rights to the Owner for a fee equivalent to one month's rent or \$1095.00, whichever is higher. The Owner would owe no additional management fees.

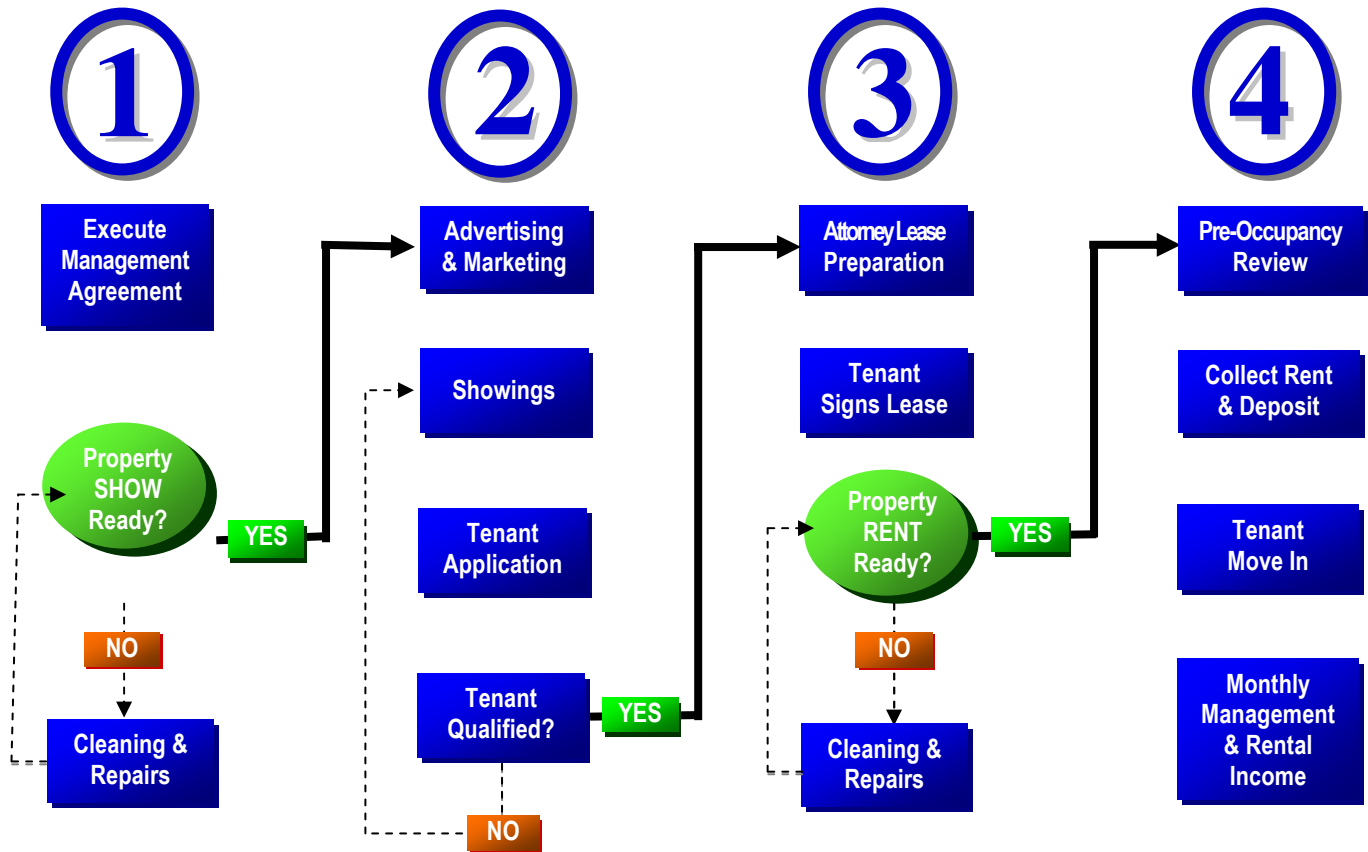
Conversion from Management to Lease Only

Owner or ORPM may convert any Management Agreement to a "Lease Only" agreement at any time during the first 30 days of the Management Agreement or the first 30 days of a Tenant's lease agreement. Conversion to a "Lease Only" agreement will be preceded by appropriate notice to Owner or to ORPM as described herein. Owner may self manage or may retain another property management company at that time. ORPM will cooperate in the transfer of management. After conversion to a "Lease Only" agreement, a leasing fee charge of one month's rent or \$1095, whichever is greater, will be charged and collected from Owner.

Section IV

Pre-Leasing / Leasing Process

Steps For Rental Success



Step 1 – Pre-Leasing Process

Execution of the Management Agreement / Setting Up Your Account

When you enter into a Management Agreement, ORPM establishes an account for you and your property. ORPM recognizes the importance of accurately collecting and disbursing funds. The accounting program used by ORPM is the most recognized and highest rated specialized software. It is designed to handle the many facets of property management and accurate record keeping, and complies with the requirements of the state of Florida.

Banking

ORPM holds your account in a trust fund mandated by the state of Florida. ORPM accounts for each owner's funds separately in the trust account and does not co-mingle funds with ORPM monies, following state law requirements. Florida law requires that all accounts maintain a positive balance, so ORPM in turn requires each property owner to be responsible to fund all expenditures in advance of their invoice becoming due. To better enable ORPM to pay expenditures as they become due, owner's accounts have a required 'minimum balance' or maintenance reserve. Owners can replenish these funds via personal check (with a waiting period for it to clear), a cashier's check (for immediate clearing), electronic transfer or credit card through PayPal (portal located on our website). When an owner is unable to fund an expenditure which ORPM is required to pay, ORPM will occasionally pay using company funds and assess a \$40 negative balance fee to the Owner's account (Over draft bank fee).

Preparing To Rent the Property

When prospective Tenants view your vacancy, ORPM wants the property to look its best and compete with area rentals. Tenants have many choices, we want your property to stand out in their mind, to 'Pop!' We understand budget constraints, so we will review with you before leasing your property what items should be addressed to ensure a quick leasing period, the highest rent and the most importantly the best qualified Tenant. The ORPM management team will contact you to discuss the details of your vacant property and any necessary maintenance/cleaning.

Pricing the Property - "Tiered Pricing" / "Flex Pricing"

You won't find another property management company in the Central Florida area using our pricing methods. We followed the example of cable providers, and other companies that grab your attention with a low introductory price. We are absolutely not trying to trick a Tenant. So a full disclaimer is placed on each ad to explain to the prospective Tenant that the price in bold on the first page of the ad is just for the first 4 months of the lease. The remaining months of the lease are then at a higher price. We have all bought products or services using this pricing method. We are constantly reviewing what companies in other industries are doing and this is no exception.

In this example, ORPM is listing Property A. Property B is listed by another company.

1. Property A is listed at \$999 per month (for the first 4 months, \$1099 for the remaining months). Property B is listed at \$1050 per month. If you were a Tenant looking for a rental, which one are you more likely to click on? Property A, right?
2. Over the course of 12 months, Property A will generate on average \$1066 per month. While Property B generates just \$1050 per month.
3. When it comes time to renewing the lease, will it be easier to get a Tenant up to say \$1125 or \$1150 from \$1050 per month or from \$1099 per month? Asking a Tenant for an additional \$25 or \$50 per month is easier than asking a Tenant for \$75 or \$100 per month.

In summary, our Owners rent their property faster because more Tenants click on our ads vs other property ads. It is a numbers game: more clicks = more calls = more showings. Because we will have more prospective Tenants look at your property, we will be able to locate a better quality Tenant. Our Owners make more money. Our Owners make a lot more money on the Tenant's second lease.

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 and we will assist you on the current rental market.

In the below example, all 4 properties were listed on December 1st. Which Owner faired the best?

	# of Showings		Property's	Lease	Days until		Rent Collected	Rent collected Thru Dec 31
	Initial Price	First 30 days	Status on Jan 1	Start Date	Leased	Lease Amt	Thru Dec 31	Divided by 12
Owner A	\$1,300	10	Rented	Jan 1	30 days	\$1,300	\$15,600	\$1,300
Owner B	\$1,350	7	Application Pending	Jan 10	40 days	\$1,350	\$15,741	\$1,312
Owner C	\$1,400	4	No adjustment	Jan 25	55 days	\$1,400	\$15,680	\$1,307
Owner D	\$1,400	4	Adjusted on Jan 1	Jan 20	50 days	\$1,350	\$15,350	\$1,279
ORPM's Client	\$1299/1399.	9	Application Pending	Jan 8	38 days	\$1,366	\$16,051	\$1,338

Would you have rather be "Owner C" and lease the property for \$1400 per month and make \$15,680? -or-

Would you rather be ORPM's Client and make the most money? In this example our client made \$16,051.

Take emotion out from setting the price, stick with the objectives:

1. Make the most amount of money.
2. Lease the property to the best qualified Tenant.

College Students – Should you allow them?

Most of our property owners do not wish to have college students, which is perfectly fine and perfectly legal as they are not a protected class. However, if your property is in the UCF, Rollins, or Valencia areas, chances are, students will call. And for many properties in those areas, this is a good thing. We actually love students for certain properties that we manage. Why have we had great success working with students? We have a no negotiating application policy when it comes to students. Their deposit is a minimum of 2 x the monthly rent. They must have atleast one co-signer. No exceptions. This policy has been great over the years in placing students and protecting properties.

Pets – Should you allow them?

There is a small percentage of time we would recommend to Owners that allowing a pet may not benefit them – such as – the Owner is allergic to cats and the Owner will be moving back into the property after just a year or two of leasing. **But, statistics show that more than 1/2 of all Tenants have pets. By excluding pets from your property, you will substantially reduce the available number of prospective Tenants – which can then prolong vacancy time.** As such, ORPM's policy is to allow pets at all properties unless specific written instructions to the contrary are provided. It is important to encourage full disclosure on pets while taking an application. We do not want the Tenant to hide the fact that they have a pet. **ORPM does not place certain breeds of dogs (pit bulls, rottweilers, German Shepherds, etc. are not allowed in an ORPM property.)**

ORPM recommends to owners that when the property is on the market, that pets are advertised “Pets Welcome”. This can solve two problems.

1. First, this encourages prospective applicant to disclose any pets.
2. Second, by listing pets as ok, 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. Thus decreasing vacancy costs.

Note: We do not place on advertising that ‘pets are negotiable’. If a prospective Tenant places an application, but the owner decides not to take the prospective Tenant because of the pet, the prospective Tenant may decide they were discriminating upon for something other than having a pet. This could create additional liability to ORPM and the Owner that could have easily been avoided.

Service animals

“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. However, Landlords 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, handicapped or not.

How quickly will you lease my rental property?

The million dollar question! We can never say with certainty how long it will take to lease a rental home. There are far too many variables that come into play including location, season, price, applicant quality and just being in the right place at the right time. This is a numbers game, and to win, you have to have as many potential Tenants looking at your home as possible. They can't look at it if they don't know it is there, and advertising is the only way to let them know what you have for them. Rest assured that no other Central Florida property management firm spends more on the



Note: Leasing a property haphazardly is not advised. Reminder of a story you might have had as a kid. Your mother tells you to clean your room. She comes to inspect it – she finds you didn't do a good job. We at ORPM do not have that luxury to do a do over. We have to live with a bad Tenant and face the disappointment of our client, you the owner. Therefore, it is much better to show a property another time or another 10 times vs place the wrong Tenant. Bad Tenants will only create more expense and another unwanted vacancy; therefore, waiting for the “right Tenant” is worth the add'l time it can take to lease.

advertising and promotion of rental homes than Orlando Realty and Property Management. Although vacancies are unsettling, we follow our proven processes until we find the right Tenant for your real estate investment.

Vacate Property and Remove All Personal Items Prior to Advertising

By signing the Management Agreement, the Owner agrees to vacate the Property and cause any and all other person(s) in occupancy to vacate the Property, and to remove ALL "personal property" from Property including but not limited to items from sheds, garage, attic, basement, and storage closets NOT LESS THAN SIX (6) CALENDAR DAYS PRIOR TO A TENANT OCCUPANCY OF PROPERTY.

In the event Property is VACANT, and neither Owner nor any other person is in occupancy of the Property, then Owner agrees and acknowledges that ORPM will not market nor advertise the property, nor have obligation to market or advertise the property until SIX (6) calendar days after Owner or any other person has vacated Property, has removed ALL "personal property" from the Property, and has provided written notification to ORPM of same.

In the event Property is OCCUPIED, and either Owner or any other person is in occupancy of the Property, then Owner agrees and acknowledges that any and all marketing or advertising of Property shall be in the manner, form, or means and at such time as ORPM may elect at ORPM's sole and exclusive discretion. Owner agrees and acknowledges that ORPM will not market nor advertise the property, nor have obligation to market or advertise the property until ONE (1) business day after Property is inspected by ORPM and is in SHOW READY condition as determined solely and exclusively by ORPM.

Failure of Owner to fulfill aforesaid obligations shall be cause for ORPM at ORPM's sole and exclusive discretion to immediately terminate the Management Agreement and assess to Owner all charges as are provided therein.

Vacate Property, Remove All Personal Items, Complete All Repairs/Cleaning Prior to Tenant Occupancy

By signing the Management Agreement, the Owner agrees to vacate the Property and cause any and all other person(s) in occupancy to vacate the Property, and to remove ALL "personal property" from Property including but not limited to items from sheds, garage, attic, basement, and storage closets, complete any and all repairs and/or cleaning NOT LESS THAN SIX (6) CALENDAR DAYS PRIOR TO A TENANT OCCUPANCY OF PROPERTY.

Failure of Owner to fulfill aforesaid obligations shall be cause for a penalty fee charged to Owner in the amount of one hundred dollars (\$100) per calendar day, plus any costs, fees, and charges the Tenant may incur associated with a delay of occupancy as result of Owner failure to fulfill aforesaid obligations. Further, ORPM at ORPM's sole and exclusive discretion to immediately terminate the Management Agreement and assess to Owner all charges as are provided therein.

ORPM's Opinion of "Showing Ready"

Imagine you are a prospective Tenant. **Which property would you rent, A or B?**



Actually they are the same home. Photo B is in "Showing Ready" condition. Photo A, while not in bad condition, obviously does not show nearly as well. What are some of the differences?

1. Walls were freshly painted. A \$29 can of beige, tan or gray paint can go a long way.
2. Carpets professionally steamed cleaned.
3. Reduction in the amount of furniture – making the room feel bigger.
4. The property was cleaned!

For less than \$100, this room looks fantastic, not to mention this is the first room a Tenant would see as they walk in the door. Show the Tenant you care about them - by having it cleaned, and in the best condition possible. The Tenant will pay you back both in way they treat your home and in paying you the rent on time.

Repairing/Cleaning and Prepping the Property for "Showing Condition"

ORPM reserves the right to wait to place advertising on a property until the property is in "Showing Condition." ORPM's goals are the following (If these are not your goals, we may not be the right firm for you.):

#1 - **Rent the property quickly**, every day your property is vacant you are losing money.

#2 - **Rent the property for the most amount of \$\$ possible**. A few dollars will go a long way to improve the property.

#3 - **Most importantly, rent the property to the best qualified Tenant**. Good Tenants have the most choices as everyone offers to lease to them. Why would a good Tenant rent a bad property? They won't, but a bad Tenant will rent a bad property because that's all they are offered.

The thought, "I'll clean it once you find a Tenant" is also not good. Your spouse says to you, "Honey, please go out and buy milk." You go to supermarket A, they have no milk. You are not going home without milk. Are you going to go back to supermarket A when they have milk? No, you will go to the next option, supermarket B who is willing and ready to offer you milk. Have your property ready condition to offer to a great Tenant.

Obtaining Estimates

Once we begin active management all vendors used at your property must register with us and meet our vendor qualification standards before being allowed to perform any work or services. All vendors must meet all applicable Federal, State and Municipal qualification requirements. This is a necessary requirement for the protection of your property and for business liability and insurance requirements.

At no charge to you as a part of our management services, ORPM will in most cases obtain estimates from up to two licensed professional vendors for any requested maintenance issues at your property over \$500.00. A fee of \$75 is charged for gathering exterior painting quotes (up to three). This fee is refunded upon the completion by an ORPM vendor of the exterior painting.

Our goal is to obtain for you with a fair quote from a licensed professional vendor with an established record of performing quality work. We will not seek a quote from a vendor not capable of performing the work, or one that is at an unrealistic price – whether that price is unrealistically high or unrealistically low. Our experience with low-ball price vendors is that their phone either stops working because they didn't have money to pay their bill or their workmanship was poor and we didn't use them again. Good work, at a fair price from people you feel comfortable having in your property.

Step 2 - LOCATING A QUALITY TENANT

Advertising & Marketing

Internet

For well over a decade now, ORPM has found that the Internet to be a great source in locating quality Tenants. We advertise on dozens and dozens of websites in order to maximize exposure. We have found the more exposure of our listings on the internet, the more calls we receive, the more showings we have and faster we locate a great Tenant for more money.

Phone Apps

We post our rental listings on phone apps. With so many of us using our phone / tablets on a daily basis to gather information, it is more important than ever to have a good mobile presence.

Social Media

We post an ad on Facebook. We 'Tweet' your property on Twitter. All this to ask our thousands of followers to forward our listing to a potential Tenant for your property. More views = more showings = less vacancy costs for ORPM clients.

Our (English) website

The ORPM website, www.407rentals.com, is updated daily and receives tremendous exposure. Our site, which features a mapping system on our "Properties For Rent" page allows potential Tenants an easy search in finding their next rental. Potential Tenants can apply to rent your property right on our website, download an application and other documents, pay the application fee, and even turn on utilities. We have made our site user friendly and with our contact information throughout the site.

Our (Spanish) Website

Yes, ORPM is the only Central Florida property management firm that runs two simultaneous websites at the same time. www.407rentals.com and our Spanish website, www.407alquilar.com. This site, like www.407rentals.com is updated daily and receives tremendous exposure. More than 35% of Central Floridians speak Spanish. Simply, we are able to capture more potential Tenants to view your property than any other company – thus better quality Tenants.

Craigslist.com

The difference in the way we place Craigslist.com ads and the way others do is that we delete our listings after a few days and repost them. We do this process over and over. Why? We can maximize the exposure our listings get by keeping them higher on the Craigslist.com website. Instead of renting 1 or 2 units per month through Craigslist, we are able to lease 4 to 6 units per month just through Craigslist.com. This will decrease the time to locate a Tenant – thus making our clients more money. We use a link from our website so when the Craigslist.com user clicks on our ad they can go to our website which allows them to view our of our listings and fill out an application immediately.

MLS

The source of approximately 20% of our Tenants are located through the Multiple Listing Service (MLS). Listing your property here allows us exposure to over 5000 local real estate agents and relocation experts. We enter into this database all of the important information about your property to encourage agents to show your property. As typical in real estate when a seller offers commission to the buyer's agent, a realtor receives a commission for showing the rental property. This fee charged to the Owner is listed in the management agreement.

Signage

ORPM displays "For Rent" signs prominently where permitted. For certain properties we also place 'bandit signs' where permitted in order to drive up the amount of calls we receive. More calls = more showings = better Tenants!

Answering Prospective Tenant Calls & Showing Properties

Answering Prospective Tenant Calls

Quick and convenient property viewing increases the number of qualified prospective Tenants, which means more great tenants to choose from and more rent! At ORPM we want to make viewing a property as easy and convenient as possible for prospective Tenants. Therefore we offer the prospective Tenant a variety ways to set up a time to view the property. They can call our dedicated team members that answer prospective Tenant calls 7 days a week – 360 days a year. Basically! If it's daytime, our Phone Coordinators are answering calls. We take the answering of these calls very seriously – we want the phone to ring! Last year we received over 48,000 calls from prospective Tenants. That is over 133 calls per day! These calls come in from the sheer amount of advertising that we place in order to lease your property. From these calls, we try to encourage the Tenant to set up a time to see your property. Once the time is set, we notify any current residents of the property of the showing.

Some Prospective Tenants are looking online or simply do not wish to call. We would love for those prospective Tenants to view your property too. So prospective Tenants are also able to book a time online to view a property - this allows prospective Tenants the convenience of booking the times themselves and increasing the



chance they will view your property.

Showing Properties to Prospective Tenants

Licensed leasing agents on the ORPM team conduct showings for each of our properties for rent 7 days a week, 360 days a year (there is a just a few holidays a year that we do not show properties). We arrange showing times for your property in advance through our Phone Coordinators. Our leasing agents are not just opening the door and hoping the Tenant rents the property. They are trained in sales and customer relations in knowing what questions to ask the Tenant and what features in the house to gain the interest of the prospective Tenants.

In an effort to keep your vacancy period at a very minimum, ORPM like 99% of realtors and property managers utilizes a lockbox systems in order to store keys at Properties. Owner acknowledges and agrees for ORPM to offer ORPM agent showings, showings by other real estate agents/property managers and Tenant self showings (for those Tenants with work constraints, limited availability, etc.). Tenant self showings are only used on vacant properties. Use of a lock box system to show and access the property. In this regard, Owner has been informed that through the use of a lock box system the property may be more readily shown to prospective Tenants, but personal property of Owner may, therefore, be more susceptible to theft or damage. Owner agrees that the lock box will be for the benefit of Owner and releases ORPM and those working by or through ORPM, and ORPM(s) local board(s)/association(s) of realtors from all liability and responsibility in connection with any loss that may occur. ORPM advises and requests Owner to safeguard or remove any valuables now located on the property and to verify the existence of, or obtain, proper personal property insurance. Should a Tenant be in the property, Owner should notify the Tenant in writing of the use of a lock box.

After prospective Tenants view the property, applications are available at the property, at the ORPM office, and at the ORPM website. Tenants are also able to securely apply online. Viewing and then applying to lease your property is made easy, thus increasing the chances a prospective Tenant will place an application on your property versus another available property. More viewings by Tenants = Shorter vacancy time and more prospective Tenants from which to choose.

Home Alarms / Security Systems

By placing a property on the MLS (Multiple Listing Service), ORPM and you the Owner are inviting agents from other brokerages to show your Property to possible Tenants. Please note: Agents, albeit not often, but at times will not turn off all lights, will not reset security alarm systems, etc. Owner holds ORPM harmless if/when this action occurs.

The Tenant Application Process

Tenant screening

Thorough screening is crucial to successful Property Management. ORPM 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 a Tenant's background. ORPM has pioneered several risk management techniques. You can count on a closely supervised and consistent screening process with ORPM. Note: ORPM is not responsible and can not control Tenant application information obtained by a 3rd party such as an COA or HOA. Owners are not permitted to perform their own application process on a property that ORPM is managing, leasing, etc., no exceptions. A Tenant's application details will not be reviewed with the Owner. All Tenants placed by ORPM in a property will meet ORPM's Tenant application guidelines as posted on ORPM's website. Owner is advised that unauthorized release of Tenant's application information may constitute a violation of Federal Law Fair Credit Reporting Act. ORPM is not responsible and can not control Tenant application information obtained by a 3rd party such as an COA or HOA.

1. Credit Check
2. Criminal Background Check
3. Evictions Check
4. Landlord Verification
5. Employment Verification



I want to know the credit score of the Tenant before leasing.

Per Federal law any party running the credit score of another may not release this information to a 3rd party. Please do not worry, we can tell you where the Tenant falls within the application guidelines posted on our websites, so an informed decision can be made to rent to a certain Tenant or not.

Cosigners

ORPM on occasion will accept cosigners when necessary. ORPM policy is that the applicants should have the ability to rent on their own merits. However, sometimes there are conditions that may warrant taking a cosigner on a property. See our 'College Students' section regarding their need to have a co-signer.

For complete details and application guidelines, please visit the 'Online Application' section of our websites, www.407rentals.com or www.407alquilar.com

Step 3 – Leasing Signing and “Rental Ready Condition”

Attorney Prepared Leases

We have a negotiated with a Florida law firm a great rate to have an attorney prepared lease drawn up for each Tenant that we place. Owners are not permitted to use their own lease at any time. Owners are not permitted to make any changes to the lease at any time. No exceptions.

Tenant Handbook

Tenants immediately receive the “ORPM Rules and Regulations” 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. The Owner hereby and agrees to the contents of the Sample Lease and the Tenant Handbook, which can be found at www.407rentals.com.

Renter's Insurance

If the Tenant is required to purchase 'Renter's Insurance' Owner agrees and understands that Tenant may discontinue coverage without notice to ORPM and "Renter's Insurance is primarily for the Tenant's personal property NOT the premises or injury to persons on the property or damage to Owner's property. If the Owner requires the Tenant to purchase renter insurance. Owner must direct ORPM in writing PRIOR to the placement of advertising and must specify what type of Renter's Insurance is required. Owner agrees to hold ORPM harmless for any damages suffered as a result of any lapse in or failure by Tenant to maintain insurance coverage.

Owner's Personal Items in the Property / Timely Delivery of Property

All personal items of the Owner must be completely removed from the property, all carpets must be professionally cleaned and the property must be completely clean not less than 6 business days before the Tenant is to move into the property. Please understand there are no exceptions to this policy. Why? This will allow our office time to perform a thorough move in walkthrough of the property, and will allow the necessary time to have any required maintenance or repair completed before the Tenant takes occupancy. Properties not delivered to ORPM at least 6 business days in advance of a scheduled Tenant occupancy will be assessed a fee of \$100.00 per calendar day plus any costs incurred by the Tenant for Owner failing to timely deliver the property (Including possible temporary lodging, storage, additional fees charged by a moving company.)

Property in “Rental Ready Condition” or “Move In Condition”

Is the below kitchen clean? Is it ready for a Tenant to move?



Looks good right? Please go to the next page.



Unclean oven



Burnt out light bulbs



Missing smoke detector



Dusty/dirty top of the refrigerator



Leftover food / dirty drawers inside the refrigerator

Picture yourself. About 45 minutes ago you signed the last piece of leasing paperwork. You gave the property manager a cashier's check for thousands of dollars. You are given some paperwork, keys, garage remotes, etc. You drive to the property. You have a long day/night ahead of you; carrying box after box from the truck, unpacking, unpacking, and more unpacking. This will be a stressful day for you, the Tenant.

You open the front door. You walk into the kitchen, turn the lights on, 2 bulbs burned out. Open the refrigerator to place food inside – you must stop and now clean the refrigerator. Then you must clean the oven. The home is unsafe with the missing smoke detector. How happy are you? How happy with your property manager are you? How happy with the Owner are you?

Would you agree the first impression of property manager and the Owner and the property is poor. If you were the Tenant, would you feel cared about? It is then difficult for the property manager and the Owner to recover from the resentment the Tenant feels. The Tenant then could think, well they don't care about me, why should I care about this property? We want the Tenant to love and care for the property.

Cleaning/Repairs - Prior to Move In

Owner authorizes ORPM to expend Owner funds as necessary in ORPM's discretion in amount not to exceed \$250.00* to carry out cleaning and repairs to the property prior to new Tenant Move In or after Tenant Move Out. ORPM is not required nor obligated to order, authorize, schedule, contract for, nor perform any such work until such time as ORPM is in receipt of said funds from Owner.



Picture yourself walking into a hotel room. There is an unused bar of soap in the shower, or there is hair on the toilet seat or an unmade bed. Would you be upset? Would you immediately call the front desk? Whether you rent a room for a night or a property for a year, it should be clean at move in (and then be cleaned by Tenant at move out).

The cleaning of the property is 1 of the 3 most important things an Owner can do to ensure a successful year with a Tenant. How clean the property is the day the Tenant moves in will dictate to the Tenant how much you the Owner care about the Tenant. Delivering an unclean property to a Tenant can lead to a very, very long year. Tenants are much more likely to nickel and dime an Owner with regards to maintenance requests. Again, if they feel you the Owner don't care about delivering a clean property to them, they may not care about trying to save you money in repairs. With this said, ORPM wants you to have quality Tenants paying on time and taking good care of your property. Tenants who respect your property. So please understand if we must have your property cleaned (typically between \$75 and \$250) prior to move in – it will help make the next year run much more smoothly and protect your home.

Step 4 – Pre-Occupancy Review

Walkthrough of the Property

A vital part of the tenancy is extensive photos taken and a detailed report taken before each tenancy, documenting the condition of the property before they move in. Unless extenuating circumstances prevail, the ORPM team completes the documentation before the Tenant takes possession of the property. Then once the Tenant moves out of the property, there is a sound basis for the security deposit refund or claim.

By signing the ORPM Management Agreement all Owners authorize and agree that walkthroughs performed prior to the Tenant taking possession and/or walkthroughs performed once the Tenant vacates the property will be performed without the presence of the Tenant or Owner. Why do we have this guideline? Imagine you are reading a newspaper, someone comes up and begins to read the same newspaper behind you – concentrating becomes more difficult. If you would like to view the property during a time of vacancy, this can typically be arranged for you, please contact our office.

Locks

At ORPM's discretion, locks will likely be changed at the Owner's expense before the new Tenant's take occupancy. This also applies to Owners that have recently moved out of a property (Housekeepers, family, friends, neighbors all could have a key to the property.). Your property insurance may also require the changing of locks between Tenants. This policy is a prudent business practice to help control and reduce the Owner's liability making it wise for any Owner to follow this practice for the protection and safety of the Tenants.

Section V

THE TENANT MOVES IN

Rent and security deposits

ORPM verifies that all funds have cleared prior to issuing possession to a Tenant. ORPM does allow on specific occasions “payments” on security deposits if the Tenant is forced to place more than a month’s deposit – we do require a minimum of at least one full month’s rent as deposit (minus the admin fee) to be placed by a Tenant prior to renting the property on every property each time. This eliminates prospective Tenants who do not have the necessary funds for renting and protects the property. Once approved, all applicants must pay in full, the first month’s rent, and a security deposit, in certified funds.



In the event a prospective Tenant places a good faith or holding deposit with ORPM and fails to take possession, per the Management Agreement ORPM shall be entitled to fifty percent of such deposit. Also per the Management Agreement the Owner authorizes and agrees that ORPM retains the sole and exclusive right to refund such deposit to prospective Tenant in full or part upon the advice of ORPM’s legal counsel, and Owner agrees to hold ORPM harmless.

Security Deposits and Claims on Deposits

ORPM will deposit all receipts collected for Owner, less any sums deducted or disbursed per Management Agreement and/or Handbook, in a financial institution insured by an agency of the United States government. ORPM shall hold funds in an escrow account separate from ORPM’s operating accounts. Owner further acknowledges and agrees that all such funds shall be held exclusively by ORPM as is described herein and in no event or circumstance shall any said funds be held by Owner. ORPM shall have responsibility, obligation, and sole discretion to file claims against said funds within provisions of Florida Statute 83. ORPM shall not be liable in event of bankruptcy or failure of a financial institution.

Evictions

At ORPM we make every effort to secure qualified Tenants who will take care of your property and pay the full rent on time every month. Sometimes though even the best Tenant, especially in today’s tough economic climate, can suffer a traumatic change in their financial circumstances such as the loss of employment or serious injury or illness of a family member or child. We will do our best to resolve matters with the Tenant in the most expedient and cost effective manner possible. Unfortunately an eviction may be necessary, and in that case the Owner authorizes ORPM to sign and serve in Owner’s name notices which are required or appropriate; commence and prosecute actions to evict Tenants with Owner authorization in either Owner or ORPM’s name as ORPM shall deem appropriate; recover possession of the Property in Owner’s or ORPM’s name as ORPM shall deem appropriate; recover rents and sums due; and when expedient, settle, compromise, and release claims, actions and suits and/or reinstate tenancies.

ORPM does provide to you for just a few dollars per month a program to save you hundreds of dollars in costs associated with the eviction of a Tenant. Just like a spare tire on your car – you hope not to use it but your glad you have it when you need it! See the Eviction Services Protection Addendum for details.

WORKING WITH TENANTS

Collecting rent

ORPM takes the payment of rent very seriously. Paying the rent on time is expected. Rent payments from Tenants are due on the first day of the month and is late if received in the ORPM office after 11:59 pm on the first day of the month.



What happens if the Tenant pays the rent late?

Please review this information within the ‘Frequently Asked Questions’ section within this Owner Handbook.

ORPM recognizes that many things can happen when it concerns rent. Although rare, an employer 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 and to assist in helping the Tenant figure out a different payment option. We might recommend to the Tenant to borrow from the monies necessary from a family member or friend, asking the employer to advance the Tenant a few hundred dollars. Or taking a cash advance on the Tenant's credit card. So long as the Tenant stays current on the rent. ORPM has found that being professional and courteous but still stern is the best policy to collect rent. At the end of the day, properties are rented by adults, and rent is to be paid on time.

Other notices

There are other notices that may be involved with Tenants. ORPM serves notices as situations warrant, such as a notice to mow the lawn, an HOA violation, a notice to enter the property, 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, ORPM contacts the Owner with information to discuss a specific situation.

Bugs/Inside Pest Control

If during the first 15 days of the rental agreement the Tenant contacts ORPM of a 'bug problem' or inside pest control issue, ORPM will have the property treated at the Owner's expense. Picture yourself newly moved into a property and immediately there is an amount of pests in the property. It is highly unlikely the Tenant caused this issue (If the Tenant did cause the issue, they will be billed accordingly) in such a short period of time.


Tenant issues

ORPM has combined experience of well over 100 years of experience handling the myriad of Tenant difficulties that can occur. The ORPM policy is to obtain good Tenants through extensive marketing and showings of the property, eliminating many Tenant problems. However, even good Tenants have problems. ORPM treats each problem with a common sense approach, follows landlord/Tenant law, and uses the appropriate documentation. If the situation is serious, ORPM contacts the Owner, and works to find a solution for the issue.

Owner / Tenant – Arm's Length Distance

By signing the ORPM Management Agreement all Owners authorize and agree to allow ORPM to enforce terms of rental agreement and further acknowledges and agrees not to interfere with ORPM's efforts to enforce terms of rental agreement, nor in any way instruct or advise Tenant to breach or not fulfill any provision of the rental agreement. We understand some owners have the urge to speak to Tenants. Why is this a dangerous situation for owner? 'Breaking bread' as we call it is a dangerous thing.

Example: An Owner client of ORPM in 2004 drove by his property on a Saturday afternoon to take a quick look. He later stated he wasn't intending on stopping or speaking to the Tenant. But he noticed the Tenant in the backyard grilling out with their family. The owner decided to speak to the Tenant to see how things were going. The Tenant said everything was going fine, and asked the owner if he would like a drink and a burger. Two hours later the owner said he left, all was great because the Tenant was nice. Two months later though, the Tenant was late on the rent. Our office called the Tenant, the Tenant stated he had already called the owner and the owner said it was ok to pay late. The Tenant did not pay on time again.

 **Example: If your mother would have told you as a child, you can not watch anymore TV today. Then, when your father came home from work and said to you, 'go ahead and watch TV'... what that kind of mixed message would that have sent? When it comes to property management, a clear, concise professional answer is best. As tempting as it maybe, the additional liability an owner could face is not worth the brief conversation with a Tenant.**

Because of the additional liability imposed on ORPM (and the Owner) if you intend on engaging with the Tenant, ORPM may not be the firm for you. Per the Management Agreement and this Handbook, the Owner agrees not to communicate directly or indirectly with Tenant in any way, form, means, or manner except through ORPM, or at specific written instruction of ORPM, during a rental agreement term. The Owner's contact information will not be provided to the Tenant, nor will the Tenant's contact information be provided to the Owner at any time. In the event the Owner does communicate with the Tenant during a rental agreement term, except as provided herein, then per the Management Agreement, the Owner agrees that ORPM may, at ORPM's sole discretion, charge the Owner a fee of \$475. and/or terminate the Management Agreement whereupon Owner shall pay fees as described in

Management Agreement and Handbook. Owner acknowledges and agrees that ORPM may at ORPM's sole and exclusive discretion assign or transfer Agreement, or any or all of ORPM's obligations, rights, and benefits under Management Agreement; and that Owner hereby agrees to fulfill any and all obligations, liabilities, and responsibilities of Owner herein with any of ORPM's successors or assigns.

Note: Owner hereby agrees that a mid lease walkthrough of the property is done solely by ORPM personnel and that if an Owners wishes to view the Property in person that this visit will only be set up during a time of vacancy. No exceptions.



Note: Please understand the risk that an Owner is taking by contacting and/or communicating with a Tenant. Example: An Owner permits the Tenant to pay the rent late on continuous basis. The Owner then decides that the Tenant must now start paying rent according to the lease, on time, etc. If the Tenant now ignores those requests to pay on time and an eviction is now necessary, a judge may decide that precedence was sent and allow the Tenant to stay and pay the rent at an altered time. (The Manager would have lost most of its control once the Owner stepped in. Now the Owner is pretty much powerless too and the situation could spiral out of control.

Mid Lease Walkthroughs

ORPM will perform one 'mid lease' walkthrough per year at no charge to Owner. A 'mid lease' walkthrough is subject to Tenant providing access to the interior of the Property. A 'mid lease' walkthrough is an exterior and interior visual evaluation of the general appearance of the Property and is not and can not be as extensive as a 'move in' / 'move out' walkthrough. Additional 'mid lease' walkthroughs or 'lawn only' walkthroughs can be purchased with 7 days notice for a fee of just \$29. ORPM may choose to perform additional 'mid lease' walkthroughs or 'lawn only' walkthroughs if ORPM deems necessary and will not charge more than \$29 for doing so. If ORPM fails to perform the single 'mid lease' walkthrough within a year, the Owner can ask for up to \$100 in damages. Owner agrees that ORPM will not perform more than 3 'mid lease' walkthroughs in a year due to legal restrictions on interference with Tenant's right of quiet enjoyment of the Property.

Legal action

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

MAINTENANCE

Preventative maintenance

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

1. Completing a move in walkthrough documenting the condition of the property before the Tenant takes possession.
2. Completing a detailed Rental Agreement, which includes a thorough outline of what are Tenant responsibilities regarding maintenance as well as owner obligations.
3. Supplying Tenants with the "ORPM Tenant Handbook," which provides additional instructions on the care of the property and how to report maintenance issues.
4. The "**Annual Comprehensive Property Review**" will go along way in understanding the property's condition on an annual basis.

We want the Tenant to know from the beginning of their tenancy that the ORPM/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, caulking, grouting 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.



How much maintenance will my property need each year?

Enough to keep up the value of your home and keep qualified tenants pay rent each month. That will certainly depend on the age and condition of the property. The American Housing Survey, conducted in odd-numbered years by the Census Bureau for the Department of Housing and Urban Development (HUD), collects extensive data on each home in the survey, including detailed data on operating costs. From this survey, Owners stated approximately 10% of the cost to own their home was spent on maintenance. Keep in mind, homeowners were interviewed and a rental will likely have slightly more maintenance required. You may consider the "1-2% rule" - a \$175,000 property will have about \$1750 to \$3500 worth of maintenance per year depending on the age and condition of the property.

Minor Repair or Maintenance (\$250 or less) During Tenancy

ORPM shall not be required to obtain prior approval of Owner on any and all expenditures of \$250.00 (or alternate amount listed in the management agreement) or less for any one item. The aforesaid limit is not cumulative and multiple items of repair or maintenance occurring within a calendar month shall not constitute one item. In the event repairs are made then ORPM shall withhold the amount of repairs from the ensuing rent proceeds distribution or from any rents received but not yet distributed to Owner.

The ORPM property management team contacts owners regarding maintenance above the current \$250 minimum or amount that is listed in the ORPM Management Agreement, unless the situation is an emergency. Our Property Managers will frequently communicate repair information to an owner for items that are below the minimum cost as well!

Owner shall provide prior approval of a maintenance request in writing to ORPM via electronic mail not less than 72 hours after ORPM has submitted written request to Owner for prior approval via electronic mail. In the event Owner fails to respond within said time period then Owner hereby authorizes ORPM to proceed with such repair or maintenance as ORPM deems necessary.

Prior approval is not required for monthly or recurring operations charges as previously authorized by Owner or if (in ORPM's opinion) emergency expenditures over the maximum are needed to protect the Property, or other property from damage, prevent injury to persons, avoid suspension of necessary services, avoid penalties, fines, or suspension of services to Tenant called for in a lease or rental agreement or by law.

Maintenance and Repair of Property

Owner agrees and acknowledges that ORPM has Owner authorization and approval to have repairs, improvements, alterations, and maintenance performed and carried out on the Property. Owner hereby further authorizes and approves ORPM to purchase and pay bills for services and supplies associated with said repairs, improvements, alterations, and maintenance to the Property out of the Owner's Account and/or Owner Reserve; and that any and all financial obligation or liability for the aforesaid, to the extent that cannot be recovered from the Tenant, shall be the Owner's sole and exclusive responsibility, obligation, and liability. Owner agrees and acknowledges that ORPM shall not be obligated, responsible, nor liable to advance ORPM's own funds in connection with the Property, the Agreement, or Handbook.

Owner acknowledges and agrees that the Owner is solely and exclusively responsible for payment of the full invoiced fee or charge from any vendor within 30 days (or sooner if demanded by vendor) of vendor providing written invoicing for materials delivered and / or for service(s) performed. Any charges or fees due to late payment of vendor's invoice is solely and exclusively the responsibility of the Owner and not ORPM regardless of Owner willingness to pay the invoice, or if the Owner did not have sufficient funds, or if the Owner did not maintain sufficient funds with ORPM or any reason whatsoever.

Contracts/Services

Unless otherwise set forth in a rental agreement with a Tenant, ORPM will contract, terminate, and/or discharge vendors and persons, including utilities, required for the operations and maintenance of the Property. ORPM may perform any of ORPM's duties through attorney's, agents, employees, and independent contractors, and shall not be responsible for their acts, omissions, defaults, negligence, and/or costs of same, except for persons working directly as an employee in ORPM's firm.

Licensed Vendors

We will welcome and gladly review the names, and numbers of licensed, insured, and bonded vendors that you may recommend. Once we begin active management all vendors used at your property must register with us and meet our vendor qualification standards before being allowed to perform any work or services. All vendors must meet all applicable Federal, State and Municipal qualification requirements. This is a necessary requirement for the protection of your property and for business liability and insurance requirements. Why will using our vendor actually be better for you? Sheer volume of business. When you give a vendor 3 jobs per year, you likely will not receive a discount, nor will the loyalty be there to be there on time/perform great work. When you give a vendor hundreds of jobs per year your/our expectations are much higher. Owner acknowledges and agrees that in no case shall such vendor perform any services at property without the ORPM's specific written authorization, further ORPM may elect not to contract the Owner's vendor and instead contract ORPM's choice of vendor.

Emergency Repairs

Emergency repairs are those necessary to protect the Property, or other property from damage, prevent injury to persons, avoid suspension of necessary services, avoid penalties, fines, or suspension of services to Tenant called for in a lease or rental agreement or by law. Examples of emergencies include but are not limited to electrical system (system shorts, sparking, shock hazard, or defective components), HVAC system for air conditioning (cooling), heating, refrigerator, range/oven, plumbing, water supply, water leak, pest infestation, and mold/mildew. Prior notification to Owner and/or prior approval from Owner is not required for expenditures over \$250 to resolve emergency repairs. ORPM will notify Owner in writing in a timely manner in the event of any emergency repair.

Regular Maintenance

- **Major Repair or Maintenance (over \$250) During Tenancy** – ORPM will notify you via e-mail and obtain your prior approval on all expenditures (non-Emergency) over \$250.00 (or alternate amount listed in the management agreement) for any one item. This limit applies to any one item and is not cumulative or applicable to multiple items of repair or maintenance occurring within a calendar month. Once ORPM has sent notification to you via e-mail, you will need to provide approval in writing to ORPM via electronic mail within 72 hours. If you do not respond via e-mail within the 72 hour time period then you hereby authorize ORPM to proceed with such repair or maintenance as ORPM deems necessary. This notification process is not required for monthly or recurring operations charges you have already authorized.
- **Minor Repair or Maintenance (\$250 or less) During Tenancy** - ORPM is not required to obtain your prior approval on any expenditures of \$250.00 (or alternate amount listed in the management agreement) or less for any one item. This limit applies to any one item and is not cumulative or applicable to multiple items of repair or maintenance occurring within a calendar month. Funds to pay for such repairs will be withheld from the rent proceeds distribution or from any rents received but not yet distributed to Owner.

Customer Service note: Even though a lease agreement may indicate otherwise, in order to help keep monthly rent checks flowing to the Owner from the Tenant, and to increase the likelihood that the Tenant renews the lease agreement, Owner agrees to maintain the dishwasher in the Property (unless repairs are necessary due to Tenant misuse). Likewise, Properties that rent for \$1500 per month or greater, Owner agrees to maintain the garbage disposal and icemaker in the Property (unless repairs are necessary due to Tenant's misuse).

Landscaping and Lawn Services and Other Outdoor Maintenance Items

The Owner is responsible and liable for all repair, replacement, maintenance, upkeep, and irrigation of lawn and landscaping during any period of property vacancy. Owner is responsible and liable for all repair, replacement, maintenance, upkeep, and irrigation of lawn and landscaping during any period of occupancy of property by Tenant except as may be specified and required by terms of rental agreement. Owner hereby authorizes ORPM to order at Owner's expense, subject to maintenance limits, any and all repair, replacement, maintenance, upkeep, and irrigation of lawn and landscaping as is necessary in ORPM's sole and exclusive discretion.

The Owner is responsible for the following items with regards to lawn care / landscaping:

1. Bushes, flower beds, tree and shrub trimming and other landscaping.
2. Fertilization and pest control of lawn and landscaping.
3. Irrigation system maintenance and repair unless required by current Tenant damage or abuse.
4. Any additional water usage due to sod replacement that is not the current Tenant's fault.

Tenant is responsible for the following items with regards to lawn care / landscaping:

1. Regular, appropriate irrigation of lawn and landscaping within government water use regulations.
2. Water usage due to sod replacement due to Tenant's failure to maintain the lawn.
3. Providing written notification of any degrading or damage of lawn and landscaping.

The following items are negotiated at time of leasing to be either the Tenant's responsibility or the Owner's responsibility:

1. Mowing, edging and trimming of lawn.

Note: ORPM charges an administrative fee of \$250 (for the time and costs associated with obtaining and coordinating sod bids, hiring sod vendors, handling irrigation post sod placement, taking pictures, and preparing reports) to the party that fails to maintain the lawn and sod. All sod or lawn replacement must be made while ORPM manages the property. ORPM is not responsible nor liable for any sod or lawn replacement which may be carried out outside the term of the Management Agreement.

Note: The Owner is advised to have professional fertilization / pest control performed whether the Tenant is responsible for lawn care or the Owner is responsible for lawn care. ORPM is not responsible nor liable for any lawn care or landscaping and Owner hereby acknowledges and agrees that all lawn care or landscaping is the responsibility and liability of the Owner and/or Tenant as established by the rental agreement.

The Owner is responsible for the following items with regards to outdoor maintenance items:

1. Cleaning, maintenance, repair and replacement of gutters.
2. Exterior pressure washing of driveways, sidewalks, walkways, pool decks, etc.
3. Exterior home painting and pressure washing to exterior walls.
4. Cleaning, pressure washing, repairing, replacing a roof.

If a Tenant injures themselves or a Tenant whom is unskilled at fixing one of the above items - this could create additional damage and/or liability.

It is unlikely that the Tenant would damage any of the above items, but if there is clear information/evidence that one of the above items needs to be performed due to the Tenant, the Owner may ask that the invoice be billed to the Tenant.

All foregoing maintenance items shall be performed by appropriately licensed, insured and qualified vendors that have been approved by ORPM. Owner is responsible for invoices and costs regarding the following items.

Pool / Spa / Hot Tub Services

Owner is responsible and liable for all repair, replacement, maintenance, and upkeep of pool/spa/hot tub and pool/spa/hot tub equipment during any period of property vacancy. Owner is responsible and liable for all maintenance, and upkeep of pool/spa/hot tub and pool/spa/hot tub equipment as may be required by terms of rental agreement during any period of occupancy of property by Tenant. Owner hereby authorizes ORPM to order at Owner's expense, subject to maintenance limits, any and all repair, replacement, maintenance, and upkeep of pool/spa/hot tub and pool/spa/hot tub equipment as is necessary in ORPM's sole and exclusive discretion.

The Owner is responsible for the following items with regards to pool/spa/hot tub care:

1. Pool/spa/hot tub cracks and other damage to the pool/spa/hot tub / pool/spa/hot tub equipment unless damage is due to Tenant's abuse or neglect.
2. Pool/spa/hot tub equipment, unless damage is due to Tenant's abuse or neglect.
3. Child proof gates (if applicable), unless damage is due to Tenant's abuse or neglect.
4. Solar powered pool equipment (if applicable), unless damage is due to Tenant's abuse or neglect.
5. Pool/spa/hot tub heating equipment (if applicable), unless damage is due to Tenant's abuse or neglect.
6. Pool/spa/hot tub screen (if applicable), unless damage is due to Tenant's abuse or neglect.

Tenant is responsible for the following items with regards to pool/spa/hot tub care:

1. Providing written notification of any degrading or damage of the pool/spa/hot tub /pool/spa/hot tub equipment, etc.

The following items are negotiated at time of leasing to be either the Tenant's responsibility or the Owner's responsibility:

1. Pool/spa/hot tub chemicals
2. Weekly Pool Servicing

Note: Pool Self Powered "Creepy Crawler" Vacuums – If one is in place at the property and it breaks, it will not be replaced. If one is not there, it will not be placed in the property. ORPM is not responsible for lost or stolen pool vacuums.

Note: Pool/spa covers must be completely removed from the property due to potential liability and risk.

Note: It is the Owner's sole and exclusive responsibility and obligation to review and maintain appropriate insurance coverage regarding pool/spa/hot tub.

Note: All of the above items also apply to any hot tubs or spas.

Payment of Expenses, Costs, and Charges for Property

Owner hereby agrees and authorizes ORPM to pay expenses, costs, and charges for the property from Owner's funds held by ORPM, unless specifically agreed to otherwise by ORPM and Owner in separate written agreement; including but not limited to property management fees and charges, expenses for goods and services. ORPM does not pay Owner's property taxes, association dues, assessments, loan payments, insurance premiums and Owner is solely and exclusively responsible for making these payments except as specifically provided in Agreement and Handbook.

Emergencies / Disaster

When an emergency and/or disaster strikes, ORPM as your manager may have to undertake immediate action to protect your property and the Tenants. ORPM will notify you as soon as practical, but the nature of the emergency and/or disaster determines the action needed by ORPM. There are times when a property manager must "act" in order to prevent great financial risk to you. For example, when a property is flooding, immediate action is necessary to limit property damage.

In the special case of Hurricanes, Tropical Storms, or other Acts of God, ORPM shall not be responsible to take any precautionary measures to avoid any damages from Hurricanes, Tropical Storms, or any acts of God unless specifically agreed to by separate written agreement (other than Management Agreement and Handbook) between ORPM and Owner.

Tenant Replacement

In the event the Tenant requests to transfer or assign tenancy to another Tenant, ORPM at ORPM's sole and exclusive discretion, may allow such assignment or transfer to another qualified Tenant for remaining term of tenancy. A qualified Tenant is one which meets requirements established by Owner's leasing agent and ORPM will require any Tenant to qualify through application process of Owner's leasing agent.

The Last Month's Rent

ORPM may withhold the last month's rent of a lease agreement in the Owner Reserve. Upon receipt of said funds from Tenant, ORPM shall deduct expense and required Owner Reserve amount and shall then pay balance to Owner within thirty (30) calendar days of the termination date of the lease agreement.

Why may ORPM need to hold the last month's rent? This is really about protecting your property and getting a new Tenant in the property as quickly as possible. In order to quickly secure a new Tenant, the property should have attractive curb appeal and should show great. It is likely that a few items of repair and maintenance will need to be performed on the property prior to the new Tenant moving in or before our next showing (curb appeal!). These issues may be the financial responsibility of the former Tenant, but until the security deposit claim process has been finalized (which could take 30-45 days or longer) your property would sit without the necessary repairs or improvements. That means your property would lack the necessary curb appeal to attract a new

Tenant or a new Tenant may not be able to move in until the property is in "Rental Ready" condition. Those delays will mean more and longer vacancy, which means less money for you!

Section VI

THE TENANT MOVES OUT

Notice to vacate

When there is a notice to vacate, the move out procedures with Tenants are as critical as when ORPM moves in a Tenant. The preparation for this really began when the Tenant moved in with a detailed rental agreement, move in walkthrough and *ORPM Tenant Handbook*. These documents give instructions to the Tenant on how to move out.

Communication with Owners and Tenants

ORPM notifies the Owner when a Tenant gives notice to vacate. Owners can assume that ORPM will automatically proceed with re-renting the property. ORPM places the property on the market to rent unless the Owner notifies ORPM in writing to take other measures. ORPM also responds to the Tenant notice with information 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 Walkthrough

ORPM conducts a move out walkthrough similar to the one performed before the Tenant moved into the property. ORPM records any maintenance required and discloses a list of damages to the vacating Tenant through a Security Deposit Claim. Digital photographs are taken when the Tenant moves out and are compared to the documentation from when the Tenant moved into the property. This will support any deductions from the security deposit. After assessment of the Tenant move out, ORPM advises Owners of any Tenant damages or any maintenance required to re-rent the property.



Cleaning and Repair During Vacancy

Owner agrees and authorizes Manager during any period of vacancy to order repair and cleaning performed on Property as is necessary in Manager's judgment; to purchase and pay for services and supplies associated with same at Owner's expense, subject to limits described herein. Owner acknowledges and agrees that Owner is responsible and liable for all such costs and expense during any period of vacancy and as may be required by terms of a rental agreement.

Carpets Professionally Cleaned

Carpets are to be professionally cleaned before Tenant takes possession of property. If not completed by Owner, the Owner gives Manager the authority to have the carpets professionally cleaned at Owner's expense before Tenant takes possession of unit. Per the lease, the Tenant must have the carpets professionally steam cleaned upon termination of the lease.

Professionally Cleaned Property

Just as the Owner is to have the property professionally cleaned before the Tenant takes possession of property, the Tenant must return the property professionally cleaned manner.

Re-keying the Property

At ORPM's discretion, ORPM will have the Property re-keyed (meaning all exterior door locks) at the Owner's expense after each Tenant terminates a lease and/or moves out of the Property and not later than a new Tenant taking possession provided ORPM is still retained for leasing and or management of the property. ORPM will also re-key a property at the Owner's expense after a break in at the property. The Owner shall hold ORPM harmless if ORPM chooses not to re-key a property.

Damages or Missing Items

ORPM is not responsible for damage to the premises or items missing, switched out lost or damaged under any circumstances, including but not limited to, theft, vandalism or negligence of Tenant or their guests. At the termination of a rental agreement and vacating of premises by Tenant ORPM will perform a walkthrough review of the property. A report of Tenant damage the premises or monies due to the Owner will be prepared by ORPM. ORPM is hereby given the exclusive authority by Owner to determine in ORPM's professional judgment the amount(s) due. ORPM will prepare a claim to charge the Tenant accordingly and/or settle with the Tenant upon advice of ORPM's legal counsel. Owner hereby grants ORPM the power to make claims upon the security deposit on behalf of Owner and ORPM shall not be held liable for any failure to make claim(s) on any damages, which were not readily apparent to ORPM.

Allowance for Reasonable Wear & Tear

Per case law in Florida and Florida Landlord-Tenant Law a Tenant is responsible for reasonable use of the Owner's property and is also obligated to maintain the property in good condition. Should the Tenant fail to do so then the Owner may make a financial claim for damages against the Tenant's security deposit. Florida courts, however, have consistently ruled that Owner's may not charge for "ordinary wear and tear" on the property. Ordinary wear and tear is usually defined as the physical deterioration that occurs with the normal use of a property without negligence, carelessness, accident with, or abuse of the premises, fixtures, and chattel property by the occupants or their guests. Ordinary wear and tear is deterioration or depreciation in value by normal and reasonable use. Most courts will allow the landlord or property manager to prorate the useful life of a damaged item. If the court believes the useful life of carpeting in a rental dwelling is five years, then the cost of replacing the carpeting would have to be prorated over the five year period. For example if the carpet was brand new when the Tenant moved in and when the Tenant left two years later, then a court may allow for a charge of 3/5 the cost of replacement against the Tenant – not the full replacement costs. Many Owners have lost cases in court and have been forced to pay thousands of dollars in attorney's fees to the Tenant's attorney when attempting to charge a Tenant for "ordinary wear and tear".

Illustration of Ordinary Wear vs. Claimable Damage	
ORDINARY WEAR	CLAIMABLE DAMAGE
Small marks/smudges	Crayon/marker drawings
Small nail holes	Large holes in walls
Carpet worn out	Dye stains or iron burns
Carpeting with small stain	Carpet torn/shredded
Dusty blinds	Broken or bent blinds
A/C system worn out/leaking	Intentional damage

Security Deposit Claims

Proper, timely, and accurate handling of a claim on the former Tenant's security deposit is crucial. ORPM must review and evaluate the property, estimate claimable damages, and prepare a formal written security deposit claim on the former Tenant's funds in strict accordance with Florida law. This is a very precise and detailed process as any error or miscalculation can cause the claim against the former Tenant's security deposit to be denied by a Florida court. For example, the simple misspelling of a Tenant name or minor error in the calculation of the claim amount or even one day over the allowed time period for a claim is sufficient for the entire claim to be thrown out! Obviously this is an area where ORPM takes great care and effort to protect your interests.

However, should the former Tenant dispute the claim the process may take 30-90 days or longer. This is one reason why ORPM takes such effort to ensure that any damages are well documented with the proper photo evidence cost estimates. This not only supports any claim to a Florida court but will help persuade the former Tenant that the claims are accurate and fair – so that the former Tenant will not dispute the claim in the first place.

For your convenience here below is the actual law reprinted from the Florida Statutes Section 83.49. Please keep in mind that recent Florida court rulings now require an additional 5 days to the Tenant's time periods to allow for mailing delays. Unfortunately, Florida court rulings have not allowed the same for the Owner time periods.

(3)(a) Upon the vacating of the premises for termination of the lease, if the landlord does not intend to impose a claim on the security deposit, the landlord shall have 15 days to return the security deposit together with interest if otherwise required, or the landlord shall have 30 days to give the Tenant written notice by certified mail to the Tenant's last known

mailing address of his or her intention to impose a claim on the deposit and the reason for imposing the claim. The notice shall contain a statement in substantially the following form:

This is a notice of my intention to impose a claim for damages in the amount of _____ upon your security deposit, due to _____. It is sent to you as required by s. 83.49(3), Florida Statutes. You are hereby notified that you must object in writing to this deduction from your security deposit within 15 days from the time you receive this notice or I will be authorized to deduct my claim from your security deposit. Your objection must be sent to (landlord's address) .

If the landlord fails to give the required notice within the 30-day period, he or she forfeits the right to impose a claim upon the security deposit.

(b) Unless the Tenant objects to the imposition of the landlord's claim or the amount thereof within 15 days after receipt of the landlord's notice of intention to impose a claim, the landlord may then deduct the amount of his or her claim and shall remit the balance of the deposit to the Tenant within 30 days after the date of the notice of intention to impose a claim for damages.

(c) If either party institutes an action in a court of competent jurisdiction to adjudicate the party's right to the security deposit, the prevailing party is entitled to receive his or her court costs plus a reasonable fee for his or her attorney. The court shall advance the cause on the calendar.

Should a Tenant and/or an Owner be unable or unwilling to agree to a Security Deposit disbursement, ORPM will charge a fee of thirty dollars (\$30.00) for each contact (Contact defined as any of the following: an email received or sent by ORPM, a phone call received or made by ORPM, a fax sent or received by ORPM, a document mailed or received by ORPM, or an in person visit to ORPM regarding the Security Deposit disbursement or any other forms of communication). Fees will be charged to the party who sent such communication to ORPM whether directly or by means of a 3rd party or party acting in behalf of the party who sent the communication or who ORPM contacted in response to such communication. Should ORPM be requested or required to attend any legal or court proceeding, a fee of \$125 per hour is charge to the Owner or Tenant as applicable. If for any reason ORPM must hold a security deposit or other deposit of a former Tenant for more than 45 days after the former Tenant's move out date or if ORPM no longer manages a property, but is still holding a deposit of a Tenant, a fee of \$100 is charged and \$2 per day is charged to the Owner for ORPM to hold these funds. Also, ORPM reserves the right to provide the contact the info of Owner without notice to a former Tenant.

Sample Timeline of a Security Deposit Funds Disbursement

1. Tenant moves out of a property on December 31st.
2. ORPM performs the final walkthrough on January 3rd.
3. During the first week after the Tenant moves out, the Property Manager reviews the pictures and move out walkthrough document. The Property Manager compares the move out walkthrough documentation to the move in walkthrough documentation to determine which party (Tenant or Owner) is responsible for which repair / cleaning items, if any.
4. Vendors are asked during the 2nd week to provide estimates on each repair / cleaning item.
5. The Security Deposit Claim / Settlement Statement is prepared during the 3rd or 4th week after the Tenant moves out of the property. The statement is sent to the former Tenant via certified mail as required by Florida Law.
6. In this example, let's say the United State Post Office first attempts delivery on January 29th. But the Tenant is not home.
7. The USPS tries to deliver again on January 31st. The Tenant is home and accepts the certified mail piece.
8. The Tenant is now on the clock and has 15 calendar days to dispute the claim. In this example, if the former Tenant is to object to the claim, they would have to mail that objection no later than February 15.
9. If on the 15th, the former Tenant mails the objection, depending on where they mailed it from, the mail piece will take 2-7 days to reach our office (take into account holidays/weekend days).
10. Legal counsel advises disbursement to be 10 days after 15 day calendar period has ended in the rare cases delivery was delayed by the USPS.
11. In correctly following Florida Law, a property management firm like ORPM, would be able to disburse funds of a non-disputed Security Deposit Claim to an Owner approximately 25 days after the Certified Mail has been delivered. (in this example, February 25th).

Section VII

TURNING THE PROPERTY BACK OVER TO THE OWNER

It is the goal of ORPM to satisfy your management needs and engage in a successful business relationship, but some things do change over time, Owners sell properties, etc. If this happens, the ORPM cancellation policy is to resolve your account in a professional, timely, and pleasant manner. Please review the following policies for cancellation:

Written notice

1. Owners are advised that lease renewals are frequently negotiated with Tenants during the 10th month (approximately 60-90 days before the end of the lease) of a lease, and cancellations of the management contract may be subject to any lease renewal! For this reason, ORPM recommends that Owners provide written notice of cancellation at least 75 days prior to lease renewal.
2. ORPM does not accept cancellation of management by email due to lack of signatures.
3. ORPM does not accept fax cancellations (When sending a fax, if the document is faxed upside down, our office will receive just a plain white sheet of paper not knowing what the details of the fax).
4. The ORPM policy is to give cancellation of management by certified US Mail. ORPM must receive the notice within three business days of the date of the notice

Keys

ORPM will allow for pick up by the Owner of any keys, remotes, that ORPM has in its possession. ORPM will mail these keys, remotes, etc via regular mail to Owner. Keys picked up by someone other than the Owner, must be authorized by the Owner in writing prior to and must have a valid photo id at time of key pick up.

Documents

If occupied by a Tenant, ORPM will supply the Owner with a copy of the lease. All documents forwarded to the Owner will be forwarded via email.

Monthly Rent and Security Deposit

ORPM will deposit all receipts collected for Owner, less any sums deducted or disbursed per Agreement and Handbook, in a financial institution insured by an agency of the United States government. Manager shall hold funds in an escrow account separate from ORPM's operating accounts. Owner further acknowledges and agrees that any Tenant security deposit funds shall be held exclusively by ORPM as is described herein and in no event or circumstance shall any Tenant security deposit funds be held by Owner. ORPM shall have responsibility, obligation, and sole discretion to file claims against Tenant security deposit funds within provisions of Florida Statute 83. Manager shall not be liable in event of bankruptcy or failure of a financial institution. Owner is responsible for reviewing the attached Florida Statutes 83.49. All Owner escrow funds will be released to the Owner minus any outstanding bills or vendor invoices upon written request by the Owner. ORPM will issue a 1099 for funds collected during the current tax year when the tax year ends.

Turning a property over to an Owner with a Tenant still in place

If ORPM is turning over the management of the property to the Owner directly, per Florida Law (Florida Statute 83.49, Florida landlord/tenant law), the Owner Must have a Florida based bank account to hold the security deposit. Also, the Owner must provide to ORPM the name of the account holder, the name of the bank, and the bank's physical address. There are no exceptions to this legal requirement.

Section VIII

MISCELLANEOUS

Osceola County Properties

As of 2014, Osceola County charges rental Owners a fee of \$50.00 to lease their property. This is NOT a fee charged by ORPM, Osceola County requires this annual fee to be paid by the Owner. Payment of this annual fee is solely and completely the responsibility of the Owner, not ORPM. If ORPM will pay fee on Owner's behalf from Owners funds only, upon written request from Owner a service fee of \$45 is charged to Owner's account for this service. Owner hereby holds ORPM harmless if required documents and/or fees are not turned in or paid. When other counties, municipalities or other government agencies require similar fees, ORPM will handle similarly as above.

Release of Contact Information

In the event OWNER and Tenant are unable to reach a mutually acceptable resolution on Security Deposit disputes, then ORPM may release Owner and Tenant's contact info to each other to allow Owner and Tenant to work together to resolve to their satisfaction.

Homestead of the Owner's Property

Per Florida property tax law, the Owner of a rental property shall not have their rental property as an Owner occupied / Homestead property. Please contact the county for which your property is located and correctly identify that your property is not / no longer Owner occupied. It is the Owner's sole and exclusive responsibility to comply with Florida law with regards to Homestead Tax / county rules and regulations. Owner agrees to hold ORPM harmless for the Owner's failure to do so.

What property qualifies for a homestead exemption? Pursuant to Fla. Stat. 196.031, in order to qualify for a homestead exemption, as of January 1st of the tax year in question, you must have either legal or beneficial title to the property for which you are seeking an exemption, and the property must be the permanent residence of either yourself or someone who is legally or naturally dependent on you. Thus, the property can be owned by a trust, as long as the applicant retains beneficial title and a possessory interest in the property. However, the homestead exemption may not be claimed by a corporation.

The property must also be you or your natural dependent's "permanent residence," which is defined by Fla. Stat. 196.012(18) as "that place where a person has his or her true, fixed, and permanent home and principal establishment to which, whenever absent, he or she has the intention of returning." In determining whether the property is your permanent residence, the Property Appraiser may consider a number of statutory factors, including but not limited to the existence of a formal declaration of domicile, where your children are registered for school, your place of employment, residency in another state, the address where you are registered to vote, the address on your driver's license or identification card, vehicle registration, the address on your federal income tax returns, the address on your bank statements, and proof of payment for utilities at the subject property.

Also, the homestead exemption only applies to that portion of the property that is classified and assessed as owner-occupied residential property. Thus, mixed-use properties may only receive the homestead exemption benefits on a portion of the property.

We would recommend checking with your local county property tax office for more information and details.

Disclosure of Affiliated Business Relationship – The Repairman, LLC

As you may be aware, Florida Law (F.S. 83.51) requires you the rental property Owner to keep your rental property in good repair at all times. Therefore, in order to provide further service to you and all of our rental property owners, Orlando Realty and Property Management, LLC ("ORPM") has established an affiliated business relationship with The Repairman, LLC ("TRM"). ORPM is owned and operated by Jason C. Myers and TRM is owned and operated by Jason C. Myers. This affiliated business relationship creates many advantages for ORPM rental property owners like you - including priority for service, quality control, and highly competitive pricing. Also, as a result of this relationship, the owners of ORPM could indirectly receive a financial or other benefit as a result of any monies paid to TRM by you or on your behalf. We want you to know that ORPM does not and will not ever require you to use TRM as a condition for management services by ORPM. As the rental property Owner, you are free to shop around to compare services and rates from the other maintenance and repair service providers available in the marketplace. Please keep in mind, however, that under Florida Law (F.S. 83.56) if repairs are not completed within seven days of notice, the tenant may terminate the lease without penalty.

By signing the Management Agreement, you acknowledge having read and understood the above stated disclosure and have no objection to the use of TRM for services to be performed on behalf of you the Owner.

Mold Issues

Owner hereby agrees to maintain Property in a clean, rental ready condition as solely and exclusively defined by ORPM during leasing period, including appropriate control and/or remediation of mold. Owner further agrees to provide and maintain all necessary maintenance as solely and exclusively defined by ORPM for Property during leasing period and Owner further agrees that Owner is solely liable for any and all costs, fees, charges, and expenses whatsoever that may be associated with appropriate control and/or remediation of mold at Property prior to and during any rental agreement period. Failure of Owner to fulfill aforesaid obligations shall be cause for ORPM to immediately terminate this Agreement and Handbook and assess to Owner all charges as are provided herein. Notification to Owner and/or prior approval from Owner is not required for emergency expenditures over the maximum are needed to protect the Property, or other property from damage, prevent injury to persons, avoid suspension of necessary services, avoid penalties, fines, or suspension of services to Tenant called for in a lease or rental agreement or by law, including appropriate control and/or remediation of mold.

Lead-based paint

Lead-based paint became a major issue in the 1990s that prompted mandatory requirements for residential housing and continues today. ORPM 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. ORPM forwards the required disclosure to owners for signature. Tenants sign lead-based paint disclosures prior to renting a property and ORPM provides them with the required EPA Pamphlet, [Protect Your Family from Lead in the Home](#) as published by [The Environmental Protection Agency](#).

Property owners and/or Property Managers must also notify Tenants, in writing, of any scheduled work necessary for lead-based paint on the property.

Note: If your property was built prior to 1978, maintenance items must be completed by a licensed certified lead based professional.

Disputes and Litigation

Owner agrees to indemnify and defend ORPM in the event of a dispute arising out of the tenancy.

Other Related Services

Any service or activity which is beyond the scope of services described in the Management Agreement as solely and exclusively determined by ORPM shall incur an additional charge to Owner at \$75 per hour plus travel time (with exception of the below paragraph). Including, but not limited to, meeting a party at a property (other than a showing to a prospective Tenant).

Should an employee or agent of ORPM be requested or required to attend and/or participate in a any proceeding or hearing including but limited to court proceedings, depositions, other legal proceeding, HOA meetings, Code Enforcement meetings, or other hearing, Owner shall be billed at a rate of \$125 per hour. This charge will apply to any legal proceeding, conference with an attorney, meeting, hearing or otherwise, inside the ORPM office or outside the ORPM office and time to travel to and from the ORPM office, along with the time spent at the meeting or hearing. Owner indemnifies ORPM in the case of any legal proceeding against ORPM and ORPM's administrative costs.

Confidentiality

ORPM hereby agrees that all information provided to ORPM by Owner shall be confidential and ORPM shall not disclose to any third party nor publish in any media (including but not limited to online, internet, or websites) nor provide to any third party data or information related to Owner's non-compliance, breach, or any violation of this Agreement, nor provide any allegation, opinion or recounting of Owner's conduct related to or arising from this Agreement without the express written consent of Owner except as may be required by law, proper government regulatory agency, or a court of competent jurisdiction. Owner, in exchange for such obligation from ORPM, hereby agrees that all information provided to Owner by ORPM, including but not limited to, in whole or in part, this Agreement and any Rental Agreement, shall be confidential and Owner shall not disclose to any third party nor publish in any media (including but not limited to online, internet, or websites) nor provide to any third party, data or information alleging ORPM's non-compliance, breach, or violation of this Agreement, nor provide any allegation, opinion or recounting of ORPM's conduct related to or arising from this Rental Agreement without the express written consent of ORPM. Both Owner and ORPM

hereby acknowledge and agree that foregoing obligations are of mutual benefit and value to both parties and that any violation of the foregoing obligations by either party shall be considered a breach of this Agreement, with all legal remedies available for said breach, including but not limited to all court costs and all legal fees to be awarded to prevailing party. The parties agree to a liquidated damage of \$500.00 for each violation of this provision. The foregoing shall in no way whatsoever limit nor constrain either party from seeking injunctive relief in addition to remedies above.

Professional and Specialized Advice

ORPM recommends and advises Owner to verify all facts and representations that are important to Owner and to consult an appropriately licensed and qualified professional for specialized advice including but not limited to legal advice, tax advice, insurance advice, property condition, landlord Tenant law, environmental condition, and other specialized advice; Owner hereby acknowledges no reliance on ORPM and its officers, directors, agents, licensees, affiliates, and employees for such specialized advice. Owner and ORPM each agree to rely solely on appropriate qualified professionals for specialized advice on any and all matters regarding Property and/or lease. Owner hereby acknowledges and agrees to accept without reservation and undertake the obligation and responsibility for selection and compensation of such appropriate qualified professionals. This paragraph will survive expiration of Agreement.

If ORPM contacts legal counsel on the Owner's behalf, the Owner agrees to pay for these charges. ORPM will advise the Owner before legal counsel's invoice is to go above \$250.00 and will receive written permission to continue receiving advice from counsel.

Equal Housing Opportunity and Non-Discrimination

ORPM and the Owner of the Property hereby mutually agree to operate in full and complete accordance with the Fair Housing Act, the Americans with Disabilities Act, and any other applicable federal, state, or municipal law, statute, or ordinance. ORPM and Owner further agree to not discriminate on the basis of race, creed, religion, age, sex, familial status, marital status, disability, color, national origin, sexual orientation or any protected basis under federal, state, or municipal law.

Placing the property on the For Sale Market

Placing your property on the for sale market is not included as part of the Management Services, but the ORPM Sales Team can assist you with selling your home. We view selling a property like a doctor views a patient. As sometimes a doctor will refer a patient to a different doctor if he or she thinks they need special care or specific advice. We treat real estate the same way as ORPM does accept many listings, but not all, so please do not be offended. Our goal is for you to sell your property the way you want it sold. Some owners are looking to make the most amount of money, others to sell as quickly as possible, still others need to short sale their property, etc. So if referring you to an agent with a different company is best, that is what we will do. Not all properties are the same, not all agents are the same and not all selling situations are the same. For example, selling a property going through a short sale is different than selling property as a typical retail sale. If you are interested in selling your property, contemplating placing your property on the for sale market or just have questions, please feel free to contact our office.



This ORPM Handbook

By signing the ORPM Management Agreement all Owners authorize and agree that ORPM's services and operating procedures are further described in Handbook, a copy of which can be reviewed at ORPM's website, www.407rentals.com. Owner agrees and acknowledges it is Owner's responsibility to fully read and review the Management Agreement and the contents of the Handbook. Owner holds ORPM harmless for Owner's failure to do so. Owner agrees and acknowledges that ORPM may modify terms of the Management Agreement and Handbook. Notice of such modifications shall be sent to Owner via electronic means and such modifications shall be posted at the ORPM's website and shall become effective and binding upon Owner and ORPM twenty-one (21) calendar days after posting.

Modification and/or Alteration of Agreement by Owner

By signing the ORPM Management Agreement all Owners authorize and agree that Owner may not modify, alter, adjust, or amend Agreement and Handbook in any way or manner except with specific written agreement of ORPM.

Section IX

CONCLUSION

We hope you have found the *ORPM Owner Handbook* informative and useful. If you still have questions, please do not hesitate to contact us. If you feel there is any other information ORPM can provide, let us know so we can include it in the future. A reminder – do not forget to fill out the necessary ORPM forms and use the others when needed in the future. Email our office or go to our website at www.407rentals.com/ when you need any forms.

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

We Lease & Manage Your Home Like it is Our Own

Orlando Realty & Property Management

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General Disclaimer - To the maximum extent permitted by law, our management team, agents and team members disclaim all responsibility for any loss or damage which any person may suffer from reliance on the information and material contained in this Owner Handbook or any opinion, conclusion or recommendation in the information and material whether the loss or damage is caused by any fault or negligence on the part of our management team, agents and team members or otherwise.

The information relating to the law in this Owner Handbook is intended only as a summary and general overview on matters of interest. It is not intended to be comprehensive nor does it constitute legal advice. While it is our officers, employees, agents and associates believe that such information is correct and current at the time of printing, we do not guarantee its accuracy or currency. Many factors unknown to us may affect the applicability of any statement or comment that we make to your particular circumstances and consequently you should seek appropriate legal advice from a qualified legal practitioner before acting or relying on any of the information contained in this Handbook. ____