



# OWNER MANUAL

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## Welcome

### *Modern Solutions for Old Problems*

Thank you for choosing Cape Shore Property Management, Inc. (Cape Shore PMI) 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.

Cape Shore PMI works to achieve the highest professionalism in Real Estate/Property Management Services. Therefore, we have prepared the Cape Shore Property Management, Inc. Owner Manual to assist you in a successful business relationship with our company. We urge you to take the time to review the information enclosed. We feel this will further clarify many of the procedures for our Property Management services. After reading the material, if you have questions or any concerns, contact your management team immediately, using the company contact information provided in the following pages.

Cape Shore PMI forms have also been included with this manual. There are some to fill out upon receipt unless already you have already completed them. There are additional forms to assist you in the future. Completing and using the forms assists Cape Shore Property Management, Inc. in setting up and maintaining an accurate account for you and your investment.

**Special note:** the information provided in the Cape Shore PMI Owner Manual is subject to change. Landlord/Tenant laws, personnel, policies, and procedures change accordingly to events that take place. Cape Shore PMI works diligently and continually to improve services and personnel training as well as remaining current with all landlord/tenant legislation.

Once again, thank you for choosing Cape Shore Property Management, Inc. as your Property Management Company. We look forward to a successful business relationship.



## Owner Documents

A copy of your management agreement is included with the *Cape Shore PMI Owner Manual*. Refer to it as needed and keep it with this information for a handy reference.

It is important that Cape Shore PMI receive all critical information as we begin management. You may have completed the documents listed below. If not, you will soon be sent an email with a check list of items needed. Please return the appropriate forms as soon as possible.

### **Owner Information**

This information enables Cape Shore PMI to set up your account.

### **Electronic Banking Authorization – ACH form**

This form enables Cape Shore PMI to send your funds directly to your bank.

**W9 Form** This form to be submitted for tax purposes.

### **Maintenance Authorization Form**

This form authorizes us to perform maintenance on the property.

### **Insurance Authorization**

This form requests the insurance company issue a copy of your property insurance to Cape Shore PMI and that they name Cape Shore PMI as “additional insured” on your policy. Please send this directly to the insurance company and forward a copy of your request to Cape Shore PMI.

As your management continues, information can change. Please be prepared to notify us should any of the following occur:

### **Change of owner inform**

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

### **Owner Work Request/Authorization**

This is for authorizing work requests from telephone conversations with your management team.

### **Owner Vacation Notice**

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

## **Cape Shore Property Management, Inc.**

Cape Shore Property Management, Inc. is a division of Cape Shore Realty Inc., a property management company operating in Lee County, FL, specializing in full-service property management and residential sales. The company has been operating since 1989, and is actively involved in the Cape Coral and Lee County community.

Cape Shore PMI is an abbreviation used in lieu of the full company name, Cape Shore Property Management, Inc., and will be used throughout the *Cape Shore PMI Owner Manual*.

### **Cape Shore PMI Mission Statement**

To provide the best property management services to your clients and customers with impeccable integrity, honesty and professionalism and to treat each property like it was our own. We strive for perfection in all tasks and communications and provide exceptional customer service by constantly exceeding expectations. Provide the most up to date, cutting edge technology that our competitors cannot match. Improve quality of life as we eliminate the time necessary to properly manage properties. Supply safe, clean housing for residents of Lee County.

### **Cape Shore PMI Principals**

The owners/principal of Cape Shore PMI is Kevin Page. He is the broker of Cape Shore PMI and has over 30 of experience in the real estate industry. Kevin Page provides the guidance and direction of Cape Shore PMI. They personally oversee all contracts, policies, and procedures, and works to educate personnel to provide excellent service to clients.

## **Cape Shore PMI Communication**

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

### **Company communication**

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

Cape Shore PMI personnel communicate by:

- Owner Portal through the website
- Telephone
- Fax
- Email
- Written correspondence

### **Cape Shore PMI Website**

Cape Shore PMI stays current with business technology. The Cape Shore PMI website, [www.capeshorepmi.com](http://www.capeshorepmi.com), has proved to be a tremendous asset. Here are a few of the benefits for clients on the Cape Shore PMI website:

- Prospective tenants can search our site for available rentals and download our application.
- Owners, Tenants and vendors can access important information, such as a work order requests, account ledgers and documents or send Cape Shore PMI a message through the owner and tenant portals.
- Owners can obtain forms or view account through the owner portal
- View the Cape Shore monthly marketing report, *for single family homes and lot sales in Cape Coral*. This report has graphs and charts with information of price trends, days on market, inventory, price per sq. ft. and other important data so our clients can be informed.
- Tenants pay online through the tenant portal

## General Office Information

Address information		
Mailing Address	4705 Vincennes Blvd. Ste. 4	
	Cape Coral, FL 33904	
Street Address	4705 Vincennes Blvd. Ste. 4	
	Cape Coral, FL 33904	
Telephone		
Toll Free #	800-548-0444	
Business #	(239) 549-6611	
FAX #	(239) 549-9834	
Internet		
Email	info@capeshorepmi.com	
Website	www.capeshorepmi.com	
Office Hours		
	Monday – Friday AM	9 am-5pm
	Saturday	By appointment only
	Sunday	Closed
	Holidays	Closed
Emergency information		
	Call (239) 549-6611 & leave message	

## CAPE SHORE PMI Personnel

We have a complete staff to assist you. CAPE SHORE PMI has found a "Management Team" effective for assisting tenants during their residency. Below are the members of your team with contact information and job titles:

**Office Phone: 239-549-6611**

**Kevin Page** Broker/Owner, Property Manager

[Kevin@capeshorepmi.com](mailto:Kevin@capeshorepmi.com)

**Sue Page** Owner, Property Manager, Leasing Agent

[Sue@capeshorepmi.com](mailto:Sue@capeshorepmi.com)

**Kerry Thorpe** Realtor, Buyers Agent, Sales

[Kerry@capeshorerealty.com](mailto:Kerry@capeshorerealty.com)

**Christina Carson** Property Manager, Maintenance Coordinator  
[\*\*christinac@capeshorerepmi.com\*\*](mailto:christinac@capeshorerepmi.com)

## Owner Communication

Communication works both ways. We need communication from you, the owner. It is important that you let us know of any significant change that can affect your account. Cape Shore PMI needs to know when you are moving, if you have a problem with your account, if your social security number has changed to a Tax ID, or any other important information. To assist in communicating any changes to us, we have an owner portal on the [capesshorepmi.com](http://capesshorepmi.com) website.

### **The Owner Portal**

Cape Shore PMI encourages all owners to use the owner portal to contact us. It is fast and effective and allows you to track your statements, maintenance issues and correspondence with Cape Shore PMI.

### **Owner Vacation Notice**

Cape Shore PMI respectfully requests that owners notify Cape Shore PMI of vacations that are two weeks and over. Another alternative is to inform your Emergency contact listed on the Owner Information Form. The purpose in asking for this information is only so Cape Shore PMI is prepared in the event of an emergency repair or major problem concerning the owner's property and/or tenant. A convenient Vacation Notification Form is included with this manual.

## Owner Responsibilities

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

Owner responsibilities are:

- Notify Cape Shore PMI of any ownership change or imminent owner change for the managed property.
- Supply Cape Shore PMI with accurate information so Cape Shore PMI can service the management account properly.
- Review statements monthly and notify Cape Shore PMI of any discrepancies found as soon as possible.
- If using ACH, check statements monthly for accurate or missing deposits and notify Cape Shore PMI 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.
- Treat Cape Shore PMI personnel with courtesy and notify Cape Shore PMI principals if there are problems with Cape Shore PMI personnel so they can be resolved quickly

# The Scope of Property Management

## **What is included in Cape Shore PMI Property Management services**

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

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

## **What is not included in Cape Shore PMI Property Management services**

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

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

If you have any questions on what is included or not included in property management, please let us know. We have more information on additional services later in this manual.

## **Company Policies**

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

### **Department of Real Estate Requirements**

The **Florida Real Estate Commission (FREC)** requires licensing for all persons conducting Property Management and Real Estate Sales in our state. Cape Shore PMI requires all personnel that are Brokers, Property Managers, and Real Estate Agents to have a **Florida** Real Estate license.

### **Code of ethics**

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

### **Drug-free Policy**

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

### **Legislation**

Cape Shore PMI adheres to the laws and guidelines of federal, state, and local legislation, and incorporates this into all documentation, policies, and procedures. Here are some of the agencies and acts Cape Shore PMI follows:

- Fair Housing (HUD) - Cape Shore PMI supports and follows Fair Housing laws and guidelines; the Cape Shore PMI office displays Fair Housing signage
- Equal Opportunity - Cape Shore PMI is an Equal Opportunity employer; the Cape Shore PMI office displays Equal Opportunity signage.
- SCRA Act – Serviceman’s Civil Relief Act, which has replaced the Soldiers’ and Sailors’ Act of 1940
- URLTA - Uniform Residential Landlord Tenant Act
- FCRA - Fair Credit Reporting Act
- FTC – Fair Trade Commission
- EPA – Environment Protection Agency
- **Any other local or state legislation that may apply to a specific city**

### **Lead-based Paint**

Lead-based paint became a major issue in the 1990s that prompted mandatory requirements for residential housing and continues today. Cape Shore PMI follows all mandated federal and state guidelines for lead-based paint. All properties prior to January 1, 1978 require disclosures to all tenants and owners. Tenants sign lead-based paint disclosures prior to renting a property and Cape Shore PMI provides them with the required EPA Pamphlet, *Protect Your Family from Lead in the Home*. Cape Shore PMI then forwards the required disclosure to owners for signature.

Property owners and/or Property Managers must also notify tenants, in writing, of any scheduled work necessary for lead-based paint on the property. Legislation now provides that owners and managers must use certified vendors to work on lead-based paint.

### **Mold Issues**

Cape Shore PMI regards mold issues as a top priority in property management. Owners should be aware that mold is another leading issue in the property management industry and failure to act if tenants report or discover mold can lead to costly lawsuits. Several cases regarding mold have awarded damages to tenants in the millions of dollars.

This is an area of extreme liability and Cape Shore PMI takes action if a tenant reports mold. Cape Shore PMI notifies owners as soon as practical of any mold issues so Cape Shore PMI and/or the property owner can take the proper steps.

## Answers Regarding Funds

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

### Banking

Cape Shore PMI holds your account in a trust fund mandated by the state of **Florida**. Cape Shore PMI accounts for each owner's funds separately in the trust account and does not co-mingle funds with broker monies, following FREC requirements. FREC requires that all accounts maintain a positive balance, so Cape Shore PMI in turn requires each property owner to be responsible to fund all expenditures in advance of their becoming due. To better enable Cape Shore PMI to pay expenditures as they become due, owner's accounts have a required minimum balance. Owners can replenish these funds via check, ACH or credit card. When an owner is unable to fund an expenditure which Cape Shore PMI is required to pay, Cape Shore PMI will occasionally pay using company funds and assess a \$39 negative balance fee to the owner's account.

### Monthly Statements

All daily bookkeeping transactions are available for owners to view in the owner portal on our website. While online, you can print a statement of your choice from our site, in a variety of formats. Cape Shore PMI sends printed monthly statements to owners upon request, usually on the 9<sup>th</sup> or 10<sup>th</sup> of the month. If you have difficulty reading your monthly statements or logging into the program, please contact your management team. We are happy to assist you and answer your questions.

### Disbursement of Monthly Funds

Cape Shore PMI disburses available rental funds to owners between the 10<sup>th</sup> and 15<sup>th</sup> of each month, sometime sooner. If this day falls on the weekend, Cape Shore PMI issues funds on the next business day. Cape Shore PMI does not disburse funds on the weekends or holidays. Cape Shore PMI does not issue checks unless there are sufficient funds in the owner's account. Unless otherwise agreed "available rental funds" are all monies over the maintenance reserve of \$300 and any additional recurring monthly expense.

Cape Shore PMI distributes funds in 2 ways:

- ACH Direct deposit-directly disbursed into an owner's bank account. The e-payment will show up in the owner portal with the date the payment was sent. It can take up to 5 business days before you will see the deposit in your account.
- Company check disbursed directly to the owner.

### End of Year Procedures

At the end of each year, Cape Shore PMI 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 Cape Shore PMI with the necessary Social Security/Tax ID information so the 1099 is accurate. Cape Shore PMI will send the 1099 for the rent by January

31 for the previous tax year. If there is a change in your tax information such as a new trust or address, please notify us with the Owner Change of Information form. If you need another change form, please contact us.

Cape Shore PMI 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 Cape Shore PMI 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. Cape Shore PMI does not issue statements to the owner's tax preparers.

### **Billing Rights Summary**

If you think your bill is wrong, or if you need more information about a transaction on the bill, write to us at the physical address or email address shown on the statement as soon as possible. We must hear from you no later than 60 days after we sent you the FIRST bill on which the error or problem appeared. You can call the office, but doing so will not preserve your rights. In the correspondence, give us the following information:

- The owners name and managed property address
- The dollar amount of the suspected error
- Describe the error and explain and if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

This is a summary of owners' rights under the Federal Fair Credit Billing Rights which governs all of our practices.

## **Renting Your Property**

### **Preparing To Rent the Property**

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

### **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 Cape Shore PMI advises owners on the "current rental market."

### **How Long Will The Property Be Vacant?**

This is the most commonly asked question Cape Shore PMI receives from owners. Unfortunately, there is no way to predict how long a property will remain on the market, even in the best market conditions. However, Cape Shore PMI works diligently to rent the property as quickly as possible. What is important to remember is that the most important objective is to have "a quality tenant."

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

## **Advertising/Marketing**

### **Internet/Website**

Cape Shore PMI has found that the Internet and the Cape Shore PMI website, [www.capeshorepmi.com](http://www.capeshorepmi.com) receives tremendous exposure, as well as using **the Multiple Listing Service (MLS)**. Additionally, we routinely market our listings on other popular websites, including craigslist.org, floridarentalads.com, trulia.com and Zillow.com. Cape Shore PMI takes full advantage of this medium to reduce advertising costs and gain more exposure for your property.

### **Interoffice Marketing**

As a member of the SW Florida MLS, Cape Shore PMI works closely with many leasing agents. When calling, prospective tenants receive all the information, including when and how they can see it. With the cooperation of so many agents, your property will receive maximum exposure.

### **Signage**

Cape Shore PMI displays “For Rent” signs prominently where permitted. Signs promote calls to the office but also direct potential tenants to our website where they can learn about your property.

### **Showings and Applications**

The Cape Shore PMI property managers conduct showings for each vacant unit. We arrange showing times for your property in advance through our voice messaging system, and appointments by contacting the Cape Shore PMI office directly. When prospective tenants see the property, the management team answers questions and distributes applications. Tenants can also apply to rent a property ONLINE on our website. We also conduct a Vacancy Review frequently to make sure your property shows well.

## **Processing Tenant Applications**

### **Tenant Screening**

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

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

## **Cosigners**

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

## **Pets**

Statistics show that more than half of all tenants have pets. By excluding pets from the property, an owner will substantially reduce the available number of tenants, which can prolong vacancy time. As such if an owner authorizes a pet, Cape Shore PMI charges pet rent and we collect a non-refundable pet deposit.

Many tenants have or want pets. It is legal for property owners to discriminate against pets. You may wish to do so. However, whether you have or have not decided to allow a pet in your property, the Cape Shore PMI application has a place for prospective tenants to list pets and how many. It is important NOT to discourage full disclosure on pets while taking an application. If you do allow a pet, Cape Shore PMI does not place inappropriate pets in a property.

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

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

## **Service Animals**

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

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.

# **The Tenant Move In**

## **Rent and Security Deposits**

Cape Shore PMI does not accept personal checks prior to renting the property and does not allow “payments” on security deposits – we require all funds paid in full prior to renting the property. This eliminates prospective tenants who really do NOT have the necessary funds for renting.

Once approved, all applicants must pay in full, the first month’s rent, and a security deposit, in certified funds.

### **Rental/Lease Agreements**

Once Cape Shore PMI receives funds, a thorough rental/lease agreement with the applicant is completed. All persons 18 and over, including adult children, are required to read and sign all rental/lease agreements. If the accepted applicants are a foreign nationality and cannot read and understand the documentation, they must supply an interpreter of legal age for signing the rental/lease agreements. Cape Shore PMI will automatically pursue lease renewals unless the owner notifies us in writing not to do so. Renewal fees are due for each written lease renewal or monthly tenancy beyond the initial lease.

### **Walk-through Video (Optional)**

A vital part of the rental agreement is a detailed walk-through video performed with the tenant, documenting the condition of the property when they move in. Unless extenuating circumstances prevail, the Cape Shore PMI team completes the walk-through with the tenant before the tenant takes possession of the property. When the tenant moves out of the property, there is a sound basis for the security deposit refund or claim. Current pricing for each video is \$45, billed to the owner ledger.

### **Tenant Handbook**

Tenants immediately receive the “*Cape Shore PMI Tenant Handbook*.” This detailed booklet gives them additional information on how to care for the property, report repairs, maintain the property, make timely payments, how to give proper notice to vacate, leave the property in good condition, and more.

### **Tenant Education and Preparation**

Taking the time to prepare tenants for their residency is another step toward a successful tenant/landlord relationship. Additional forms that the tenants may need are included with the “*Cape Shore PMI Tenant Handbook*.” Cape Shore PMI wants both owners and tenants well informed

### **Resident Emergency/Disaster Information**

In the *Cape Shore PMI Tenant Handbook*, We now provide tenants information to help them to prepare for emergencies or disasters. There are conditions where Cape Shore Property Management, Inc. cannot immediately assist them if there is a major emergency or disaster. We want them to be prepared.

## **Working with Your Tenants**

### **Collecting Rent**

Rents are due on the **first** day of the month and late if not received in the Cape Shore PMI office by the **third** of the month.

Cape Shore PMI recognizes that many things can happen where it concerns rent; rent can really be lost “in the mail”; employers can delay the tenant’s paycheck, there are real tenant emergencies, and more. Therefore, we make a serious effort to determine why the tenant is having a problem. To encourage timely payments, Cape Shore PMI enables tenants to pay their rent online in the tenant portal directly from their bank account

### **Notice To Pay or Quit**

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

### **Other Notices**

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

### **Tenant Problems**

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

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

### **Legal Action**

As we all know, evictions can happen to any landlord no matter how well a tenant is screened. Circumstances change in people's lives and they are not able to pay the rent. This is especially true when people lose their job, get a divorce or have a serious injury. When a tenant cannot afford to pay the rent they also find it difficult to move, requiring the Landlord to go through the costly procedure of evicting the tenant. We do not wait at all to take action. If the rent is late, we contact the tenant to determine the issue. Sometimes it is just an honest mistake. If not we immediately post a 3 day notice to let the tenant know that we do not tolerate late rent.

The current economic slowdown has created a drastic increase in the number of evictions filed in Florida courts. To make matters worse, in 2008 the Florida Legislature increased the court eviction filing fees by almost \$200! With this recent increase, our attorney is now charging almost \$700 to file an uncontested eviction. However we have other services that can get the job done for \$300-\$400.

Cape Shore PMI's current policy for determining when to file an eviction is to file an eviction when a tenant is past due more than 50% of a month's rent and is at least 15 days late. If a tenant does not pay the final month's rent due per the terms of their lease, Cape Shore PMI will evaluate tenant's performance history and the dollar amount of their security deposit when deciding whether to file an eviction.

# Maintenance

## Preventative Maintenance

The best approach to maintenance is “preventative maintenance,” and this is the Cape Shore PMI policy.

First, Cape Shore PMI has already started with educating the tenant by:

- Completing a detailed Cape Shore PMI Rental Agreement, which includes the five-page maintenance addendum that outlines what are tenant responsibilities regarding maintenance as well as owner obligations
- Completing a walk-through documenting the condition of the property before the tenant takes possession
- Supplying tenants with the “*Cape Shore PMI Tenant Handbook*,” which provides additional instructions on the care of the property and how to report maintenance

We want the tenant to know from the beginning of their tenancy that the Cape Shore PMI/landlord expectations are to “care for the property.” This approach can prevent costly maintenance.

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

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

It is equally important to keep up with maintenance while the tenant occupies the property. Often people think no news is good news; this can be just the opposite. Instead, “delayed news can become very bad news.”

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

The Cape Shore PMI management teams contact owners regarding maintenance above the \$300 minimum that is listed in the Cape Shore PMI Management contract, unless the situation is an emergency.

## Emergencies/Disaster

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

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

### **Hurricanes and Shutters**

Tropical storms are acts of God. After three hurricanes in two years (2004-2005), CAPE SHORE PMI 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.

Hurricanes watches and warnings frequently afford Floridians no more than 48 hours to secure their homes. With a limited staff, CAPE SHORE PMI is unable to guarantee hurricane preparation assistance to any owner. While some tenants may be able to shutter a home, many may not. Owners are advised to make provisions to secure their own properties, possibly with a local friend, neighbor or relative.

Should any act of God such as a hurricane occur, CAPE SHORE PMI will continue managing the property while owner and insurance company return property to tenable condition, and all management fees remain due and payable to CAPE SHORE PMI while property is untenable.

## **When the Tenant Vacates**

### **Notice to Vacate**

When there is a notice to vacate, the move out procedures with tenants are as critical as when CAPE SHORE PMI moves in a tenant. The preparation for this really began when the tenant moved in with a detailed rental agreement, video and CAPE SHORE PMI Tenant Handbook. These documents gave instructions to the tenant on how to move out.

### **Communication with Owners and Tenants**

CAPE SHORE PMI notifies the owner when a tenant gives notice to vacate. Owners can assume that CAPE SHORE PMI will automatically proceed with re-renting the property. CAPE SHORE PMI immediately places the property on the market to rent unless the owner notifies CAPE SHORE PMI in writing to take other measures.

CAPE SHORE PMI 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 Video (Optional)**

CAPE SHORE PMI conducts a move out video similar to the one performed when the tenant moved into the property. CAPE SHORE PMI records any maintenance required and discloses a list of damages to the vacating tenant. Digital photographs and videos taken when the tenant moves out are compared to move in media to document the condition of the property and support any deductions from the security deposit.

After assessment of the tenant move out, CAPE SHORE PMI advises owners of any tenant damages or any maintenance required to re-rent the property.

## **Security Deposit Refunds**

Proper handling of the security deposit refund is crucial. 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.

## **Collections**

Once a tenant vacates our leased premises, CAPE SHORE PMI's rent collection efforts will conclude with the preparation of a final statement of claim sent to the last known address of the tenant. CAPE SHORE PMI's contractual management service does not however include debt collection after a tenant vacates the leased premises. Within 30 days after a tenancy ends, Owners can request the collection account be sent to companies with expertise in debt collection, and CAPE SHORE PMI will supply consumer collection companies with the necessary documentation needed to collect. At CAPE SHORE PMI's sole discretion, CAPE SHORE PMI may attempt to collect the debt, and will earn half of any monies recovered for their collect on efforts and legal costs.

## **Additional Services**

The following are "additional services" offered by CAPE SHORE PMI to each property owner. They are not included in the fees for managing and or leasing the property.

## **Referrals**

Do you know someone who is looking for management services in the Lee County? If so, then notify your management team. CAPE SHORE PMI values their client business and believes in rewarding referrals from clients. CAPE SHORE PMI pays a \$50 referral fee upon signing up a new property, so send other property owners to us!

## **Annual Property Review (APR)**

CAPE SHORE PMI maintains properties as part of their property management services. This survey goes beyond overseeing normal maintenance. A CAPE SHORE PMI representative performs this review, and the purpose is to check the property thoroughly each year in order to perform necessary or preventative maintenance. Photos and/or videos of the property are made available for your review, as well as an inspection report. Cost for this service is currently \$145.

The APR is generally scheduled 60-90 days prior to every lease anniversary date, to afford CAPE SHORE PMI and the owner the opportunity to evaluate the condition of the property before a lease renewal is negotiated. CAPE SHORE PMI notifies all owners in writing before scheduling an APR, and an owner may opt out of this inspection by providing CAPE SHORE PMI written notice not to proceed with an APR.

### **Supervision of Extra Ordinary Maintenance**

Although not always taken, CAPE SHORE PMI reserves the right to charge an hourly fee for supervising work requiring extraordinary maintenance. The definition of extraordinary maintenance is as follows:

CAPE SHORE PMI defines extraordinary maintenance as rehabilitation work that exceeds \$5000.00 for insurance claims, and major systems replacements. (Examples include major tree work, vandalism, insurance claims, etc.)

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

### **Real Estate Services**

The CAPE SHORE PMI Sales Division is available to assist you in buying more investment property or selling your property when ready, including those requiring 1031 exchanges.

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

## Cancellation of Management

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

Please review the following policies for cancellation:

### Written Notice

Owners are advised that lease renewals are frequently negotiated with tenants during the 10th month of a lease, and cancellations of the management contract may be subject to any lease renewal! For this reason, Owners are advised to give written notice of cancellation at least 90 days prior to lease renewal. The CAPE SHORE PMI policy is to give cancellation of management by the certified US mail. If an owner sends a cancellation of management by certified US mail, CAPE SHORE PMI must receive the notice within three business days of the date of the notice. CAPE SHORE PMI does not accept cancellation of management by email due to lack of signatures. CAPE SHORE PMI does accept fax cancellations.

### Notice to Current Tenants

CAPE SHORE PMI will notify current tenants the date CAPE SHORE PMI will no longer manage the property and that CAPE SHORE PMI forwards all security deposits to the owner. It's the owner's responsibility to advise tenants where to make rental payments and work requests after the notice period.

### Distribution of documents

CAPE SHORE PMI will supply current tenant documentation to the owner. If the owner has employed new management, it is the owner's responsibility to instruct them to pick up documents, keys, and any other necessary materials at the CAPE SHORE PMI office.

### Final distribution of funds

CAPE SHORE PMI will distribute funds, including security deposits, and final statements to the owner within forty-five days of the terminating date of management, as agreed in the management contract. Owner will be required to sign a General Release Form and return it to CAPE SHORE PMI before final distribution of funds can be made. CAPE SHORE PMI will issue a 1099 for funds collected during the current tax year when the tax year ends.

## Conclusion

We hope you have found the CAPE SHORE PMI Owner Manual informative and useful. If so, please inform your management team. If you feel there's any other information CAPE SHORE PMI can provide, contact us so we can include it in the future. A reminder - do not forget to complete the necessary CAPE SHORE PMI forms and use the others when needed in the future. Call CAPE SHORE PMI at any time or go to our website at [capesshorepmi.com](http://capesshorepmi.com) when you need any forms.

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