



LANDLORD'S HANDBOOK FOR SUCCESS

Reduce Stress & Protect your assets



AUTHORED BY
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We Want You To Be a Successful Landlord.

Owning a rental property comes with a unique set of responsibilities and challenges. These can often cause financial strain, the stress of dealing with tenants, maintenance and rent collection, causing time away from enjoyable activities.

We designed this handbook as a Landlord's guide to professional property management and how it applies to your property. It will give you a better understanding of what to expect from your property manager, and through better understanding of this process, allow us to work together as a team towards the same goal, of the successful leasing and management of your rental property.

Thank you,

Oliver Overton-Morgan

President | Broker | GRI

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Please Note: This handbook is not a contract and any terms, conditions and provisions outlined in this handbook are subject to change or withdrawal at any time without notice.

Company Overview

Mission Statement... Our Mission is to provide people with solutions to their real estate needs in Florida, including the listing, purchase, leasing and management of property. We do this by meeting state-of-the-art technology with an excellent level of service, while always being honest and fair.

Our Vision is to... Be a leading real estate company; Solve people's real estate needs; Promote prosperity through homeownership; Achieve the highest level of customer service; Provide our customers with incredible value; and Empower our employees.

Full-service property management is ideal for "hands-off" Landlords or Investors. Our experienced leasing agents and property managers handle all the day to day responsibilities of renting and managing your rental home(s) and Tenants. Our company is run by a husband and wife team with over two decades of experience in the central Florida real estate sales and leasing market.

Key Benefits

- **Honest, fair advice** – Experienced property managers that promise to be upfront and direct.
- **Attention to Detail** – Treating your Home like our own with detailed inspections, attractive marketing and comprehensive Tenant screenings.
- **Convenience** – We handle all showings, communications, rent collections, and maintenance calls 24/7.
- **Protection** – Superior Tenant screening and attorney prepared leases, with everything fully documented.
- **Efficiency** – State of the art technology with industry-leading software for accounting, marketing, maintenance, and back-office systems keep us running efficiently.



Meet the Team!

Oliver and Devinee Overton-Morgan, the broker/owners of the company, welcome you to our property management team.

We have able to provide landlords with superior service through many years of real estate sales, leasing and management experience of hundreds of properties; together with a network of trusted vendors and local knowledge and expertise of the Orlando real estate market.

Professional Associations

- Licensed Florida Real Estate Brokerage
- Member National Association of Residential Property Managers (NARPM)
- Member National Assoc. of REALTORS® (NAR)
- Member Orlando REALTOR® Assoc. (ORRA)
- Member Better Business Bureau (BBB)

Typical Rental Property Cycle

This is the simplified process of events for a typical rental property. Our management team handles the entire process and all the details in between. The following pages provide an overview of the leasing and management services we provide.





Leasing & Management Overview

Prompt and polite customer service

Your Tenant wants to call and speak to a friendly and courteous representative, who will handle their questions efficiently in a professional manner. We punctually return every phone call and e-mail to our office plus we aim to develop trusting relationships with all our customers. Staff are available to handle the hundreds, sometime thousands, of tenant inquiries each month to our office.



Licensed Leasing Agents

Our licensed leasing agents have a great deal of experience in the art of showing properties and pre-qualifying prospective renters; and our professional property managers are highly knowledgeable and capable in every aspect of managing rental homes.

Comprehensive Applications

To help you secure good quality Tenants and weed out the "bad ones", you need a comprehensive application processed on every adult applicant. We run a full credit report & score, check nationwide criminal records, sexual predator and terrorist databases, nationwide eviction history, proof of income, current and past 2 years employment & residency references. A bad Tenant can be a nightmare... a strong application can prevent them from becoming your nightmare!

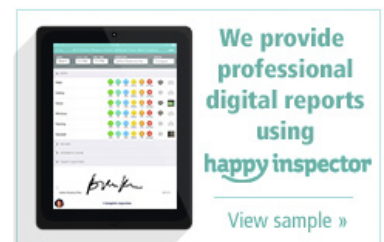


Attorney-Written Leases

A good lease helps protect you and stipulate pro-landlord lease clauses. The top eviction attorney in Florida individually writes each one of our leases, which These leases are updated regularly to reflect current Florida Landlord/Tenant laws. This attorney is also on hand to answer any of our legal questions and their office handles evictions with ease, if necessary.

Detailed Inspections

Highly detailed move-in and move-out inspections must accurately record the condition of the property at the time of move-in compared to move-out. We take 100-500 photos of the entire property, and follow a long checklist of property items and create a professional report. We will test all the appliances and show the Tenant how to change the a/c filters, where the water shut-off valve & breaker box are located, and any other important items.



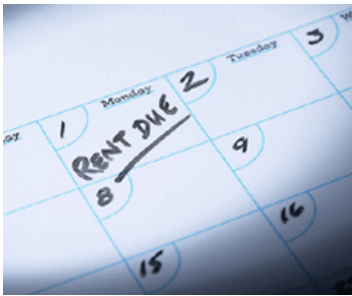
Communications

We handle all communications with the Tenant including maintenance problems, lease violations, rent collections and any other questions or issues that may arise. Our office is available during regular

hours by phone, email, fax or mail and we have commercial offices in Orlando. After hours we have live representatives on call 24 hours a day, 7 days a week for emergencies. A state-of-the-art online software system allows both Landlords and Tenants to login to their own separate site to view statements, bills and make payments.

Maintenance

Your property should be well maintained, for both your interests as a Landlord and owner. Tenants should be able to call any time for emergencies and be able to easily submit maintenance requests. Our 24/7 live call center and online maintenance system handles all of this. A team of independent trusted vendors can handle normal routine maintenance of your home, and if major repairs are needed we supply you with an estimate. These include handymen, plumbers, electricians, landscapers & more. We do not accept any kickbacks from our vendors, enabling us to act in the Landlord's best interests at all times.



Timely Deposit of Funds

Receiving the rental funds quickly after they clear is important in order to pay your bills. We handle prompt rent collection, bookkeeping, online financial statements, annual tax statement & 1099 filings. Your Tenants also have access to a popular online payment feature and over 90% of Tenants now choose to pay online. The security deposit is held in our reconciled escrow account and we handle the entire move out, damage claims process, repairs and certified mailings of security deposit refunds per Florida Law.

Tax Deductible Service

When you hire a management Company to handle your rental property you can usually deduct the cost of these services from your taxes (*when you do the management work yourself your time is not tax deductible*). Hire a professional, reputable property manager and save time, money and stress while leasing your rental property.



No bogus fees!

- No setup fee
- No marketing fee
- No cancellation fees
- No administrative fees to you or Tenants.
- No kickbacks or surcharges from our vendors.

Our practices are fair to everyone but in your best interests.

Rental Marketing Plan



Your rental property needs high-quality advertising to attract quality tenants in this market. Our listings feature extensive marketing to thousands of top rental websites, MLS Realtors and local signage. Each listing has plenty of attractive photos and detailed descriptions of the home and the area. This attracts renters both locally and internationally. Most companies offer poor quality advertising of their listings, but superb marketing is key to creating a huge influx of Tenant inquiries every month, which in turn reduces vacancy times and maximizes revenue for Landlords.

WORLDWIDE WEB EXPOSURE

Aggressive and comprehensive marketing exposes our listings to a million Realtors nationwide and their potential tenants. Your property will have exposure on our proven network of thousands of rental websites, including Realtor.com, Zillow, Hotpads, Trulia, Yahoo!, Vast, Padmapper, Showmetherent, Houserentals, Apartments.com, Trovit, and thebestorlandorentals.com. Extensive online advertising throughout America and abroad plus local mailers to residents statewide ensures your house is advertised statewide and to international relocations.

ATTRACTIVE PHOTOGRAPHS & DESCRIPTIONS

Tenants will see an abundance of wide-angle photographs of your property, plus a detailed description of the home and the area showcased on all marketing. Most rental listings online have poor quality photos and a very limited description. We make yours look it's best in order to stand out and attract more qualified applicants.

REFERRALS AND REPEAT BUSINESS

We generate so many calls and e-mail enquiries each month so we constantly have active prospects looking for rentals. We also receive referrals from customers, Tenants, and Realtors we have worked with.

YARD SIGNS *(when allowed)*

Our signs look highly visible, attractive and professional. They direct Buyers to call or view the listing online. Our signs are placed on listings across the central Florida area and help generate regular incoming Tenants calls to our office.

Leasing Service – What’s included?



A property manager aggressively advertises rental properties to find the most qualified Tenant, in the shortest possible time. This reduces vacancy time and boosts your bottom line.

Leasing fees are charged to secure a new tenant, and include the following services.

- Arranging, recording and administering all marketing.
- Arranging, taking and saving professional photographs.
- Creation and placement of property flyers / signage.
- Uploading property advertisements to our network of Internet sites.
- Prequalifying and conducting showing appointments with tenants.
- Administering lease applications and processing applications.
- Tenant screening via credit reports, nationwide eviction searches and criminal background check, verification of last 2 years landlord & employment references of applicants.
- Providing the Landlord with an applicant summary and recommendation.
- Negotiating the terms of the lease with prospective renters.
- Preparation of proper lease renewal documentation by an attorney.
- Conducting the lease signing with the tenants, and providing move in information including: rules regulations, utilities info, trash days, keys, mailbox, a/c filter location, etc.
- Full move-in inspection report done prior to actual move in with Tenants, including a professional written report with hundreds of photos inside and out, test appliances, recording of existing damages and follow up of necessary move in repairs or possible code violations.
- Registration and activation of the tenant’s rental payment system and online maintenance request feature.

Lease Renewal – What’s included?



At the end of each lease term, a property manager attempts to renew Tenants that have good payment history and keeps the property in good condition.

Renewal fees are charged to renew a current tenant, and include the following services:

- Professional review of fair market rents in order to increase income whenever possible.
- Negotiating the terms of the lease renewals with current tenants.
- Timely (30-60 day) renewal notices to tenants per Florida statute F.S. 83.
- Preparation of proper lease renewal documentation by an attorney.
- Our goal is to extend the tenancy for an additional year of rental income.
- Encouraging management to retain existing tenants, thereby reducing property owner expenses (vacancy, releasing, etc.) and increasing income.

What do Property Managers not do?



There are certain aspects related to property management and leasing that are not part of the normal scope of our services. Some of these are listed below.

- We do not give any legal, accounting or other professional advice which is beyond our scope of real estate knowledge as Realtors® and property managers.
- We do not include in our fees any services beyond the normal scope of managing your property, such as court collections, major insurance claims, filing or paying taxes, etc.
- We do not cover the actual cost of repairs, maintenance, evictions, legal fees, etc.
- We do not include in our costs attending legal proceedings, and coordinating major repairs or damages not considered normal routine maintenance (e.g. hurricane damage).

What to expect from your Property Manager



How quickly can a Property Manager lease your home?

The goal of a property manager when a house is vacant is generally to get the property rented to the best qualified applicant, in the shortest time possible. However, the most important part is not just to fill a vacant unit, but to find a QUALIFIED applicant that will pay the rent on time and look after the property.

The time it takes to lease your home on the rental market varies depending on local market conditions, time of year, availability & condition of the property.

Generally in central Florida we expect to find a Tenant within 2 - 6 weeks if the property is in good condition and priced reasonably. During slower periods it may take a couple of extra weeks.

Soon after the current residents give us their notice of intent to move out, we begin showing the rental property in order to minimize the vacancy period. The goal is 100% occupancy.



Does it take a long time for the property manager to pay Landlords?

Organized property managers offer a quick turnaround of your rents and statements, based on when Tenants make the rent payments and how long it takes for checks and online payments to clear. We use Electronic Funds Transfers (EFTs) to your bank account. Timely rent proceeds are deposited into

your bank account by the 15th of each month. If the Tenant pays late, we do a second transfer to Landlords on or around the 20th of the month.



When does a property manager inspect my home?

Inspections are VITAL!! A detailed move-in inspection with plenty of photos should be completed before the residents move in. We use a software that creates a professional report detailing the condition of your property and approx. 100-500

photos of the entire property inside and out. After the Tenant moves out a similar inspection is completed and compared side by side. The security deposit is held to cover any possible damages and the property manager should arrange this entire process from submitting a legal deposit claim, *per Florida Landlord/Tenant law*, to arranging any necessary repairs to be completed. During the tenancy we try to give the Tenant privacy and not disturb them with regular inspections, which would make anyone uncomfortable, so we arrange an annual walkthrough inspection with photos to ensure all our properties are kept in good condition.

Please note that property inspections are very detailed, however we are not licensed or professional home inspectors and cannot guarantee that we will find every single issue related to the property. We do not check inside attics or on top of roofs, etc. If you want a professional home inspection we can arrange one at an additional cost.



What if I want to sell the property?

We are a Florida Real Estate Brokerage that specializes in property management and investment real estate. We have very experienced agents that handle both leasing and sales. We can run a full comparative market analysis of your property in order to show you the market sales prices. We can even offer the property to the current Tenant but there are pros and cons to this. If you are thinking about

this please let us know so we can discuss it in more detail. The Tenant's lease would still be effective so you would need to sell the property with the tenant in place, or wait until the lease expires.



Do property managers handle collections?

Yes and no. Our firm handles current Tenant rent collection, but we are not a collection company so we do not go after skipped leases or due balances after a Tenant moves out.

We require all rents due on the 1st of each month and late on the 4th of each month. Residents who have not paid on or before the 3rd of each month receive an automatic late notice, a firm reminder their rent plus a late fee is now due. Any

remaining residents who have not remitted their rents by the end of the first week of the month will be served with a 3-day notice, the legal prerequisite to file an eviction. Usually we hear back from the Tenant in a timely manner to arrange a suitable payment plan; if not and payment has not been received soon thereafter, we will recommend eviction.

Eviction is always the last resort. While an eviction is rare due to our **careful screening process**, sometimes unexpected financial hardships do arise and Tenants may avoid or ignore their responsibilities. Also, there are just some property locations which have higher eviction rates than others.

Should it be necessary to file an eviction, we handle the process for you. Our company will forward all paperwork (including but not limited to) copies of the lease and our notices served upon the resident to our pro-landlord law firm to proceed immediately in filing the eviction action. Sometimes evictions are settled with the resident paying all costs and remaining in the property, however, should it be necessary to complete the process we assist you free of charge for our services during the eviction. You are be responsible for the court costs and legal fees which is usually around \$500.



Will a property manager guarantee the residents or a lease?

Even though some management companies offer a "guarantee" they are full of loopholes and are just a gimmick. *There is a time limit, usually to the first 90 days, and then you still have to pay a 'marketing' fee if the Tenant skips out on their lease.* No one can really guarantee as to whether or not a tenant will default, however, it is not in our best interests for this to happen and we will oversee the

eviction process for free if it does. There are no 100% guarantees, but using a property manager with a strong application process will help prevent these type of people from renting your home. Investment Real Estate has some inherent risks but using a professional property manager will drastically reduce them.



Should you choose the cheapest Property Manager?

Please do not choose the person you are going to put in charge of managing your largest investment solely on pricing. You should make a decision after interviewing management companies and find one that suits your needs and expectations. Most property managers in Orlando, Florida have similar leasing fees and management prices, however you do need to look into hidden charges and additional fees that you or your Tenants may have to pay during the lease term, marketing fees, maintenance surcharges, cancellation fees, etc. Of course, our fee structure is simple and all-inclusive so there are no hidden charges or cancellation fees! When comparing the fees with the benefits offered, we are actually less expensive than most of our competitors.



Are property managers available for emergencies?

Our property managers are on call for our residents both regular and after hours. Our emergency hotline will take the residents emergency calls and route them to the manager on duty. We have maintenance vendors that can handle emergency situations at any time, day or night.



Do property managers take care of maintenance issues?

A property manager should arrange all routine or "normal" repairs that every property will have from time to time. These may include a/c service, appliance breakdowns, faulty sockets, etc.

A good management company will have a policy in place to make it clear to the Tenants what is expected of them as far as minor items or tenant-caused problems.

You don't want to send out a technician for blown lightbulbs or a/c filters!

We make it easy for residents to call, e-mail or submit maintenance requests online to our office. We arrange all necessary routine maintenance items automatically and can arrange estimates if needed. Most handymen and repair companies will complete a repair on the spot if it is around \$175 or under and then invoice us. If the cost is higher they contact us for authorization, and if there is a major repair needed or one that you need input on, we contact you for authorization.

Properties that are well maintained are good investments and they tend to attract better Tenants. We aim to place Tenants in properties which are well maintained and in a clean, sanitary condition. We will make recommendations if we believe your property requires improvements or maintenance, and of course you are free to request any additional maintenance or upgrades to help improve the property. Maintaining your rental home at a good standard will preserve your investment and help keep your Tenants happy and renewing the lease.



If I don't like my property manager can I fire them?

We are so convinced you will be pleased with our services that we do not charge a cancellation fee if you wish to terminate the agreement. However this is not the norm. Most companies charge high penalties and some even tie their contract to the Tenant so you would have to remove the Tenant in order to terminate your agreement.

Useful Life of Rental Improvements

Every property undergoes a certain amount of normal wear and tear over time. Therefore, routine maintenance should be expected and budgeted into your operating costs. Every so often appliances need to be repaired, flooring replaced, new paint applied, etc. Here are some guidelines on the life of some rental property improvements.

| IMPROVEMENT OR ASSET | USEFUL LIFE (APPROX.) |
|-----------------------------------|-----------------------|
| Standard Quality Carpet | 5 years |
| High Quality Carpeting | 5-20 years |
| Laminate Wood Flooring | 10 years |
| Hardwood Flooring | Life |
| Ceramic Tile or Terrazzo Flooring | 20 years |
| Flat interior paint | 2-3 years |
| Semi-gloss interior paint | 5 years |
| Exterior paint (on wood or brick) | 5-7 years |
| Furniture used in rental property | 5 years |
| Fences | 15 years |
| Appliances | 5 years |
| Shrubbery | 5 years |
| Residential A/C System (HVAC) | 10-15 years |
| Electric/Gas Oven Range | 10/15 years |
| Refrigerator | 9-13 years |
| Washing Machine & Dryer | 5-10 years |
| Swimming Pool Interior Finish | 10-20 years |

This is a general guideline of the normally expected life of many of the improvements in rental properties. These figures have been obtained from various sources and are simply recommended amounts. This is used as a guideline only and is not in any way legally guaranteed.

When actual damages are made to the property by the Tenant, the Landlord needs to be careful when making security claim deductions against their deposit.

To make a successful deposit claim, in most cases the landlord should not charge a tenant the full cost of new carpet ("the full replacement cost") to replace carpet that isn't brand new. The landlord should only charge the tenant for the loss of the value that was left in the carpet. This is the "undepreciated cost". For example, if carpet lasts five years (its useful life), and the carpet is three years old when the tenant vacated then you have already used 60% (3yrs/5yrs) of its value. The tenants' destruction of the carpet has prevented you from using the other 40% (2yrs) of value in the carpet. If the new carpet costs \$600, you should charge the tenant \$240 which is 40% the value that you lost from the full cost of carpet.



What is “wear & tear” and “damage”?

Ordinary wear and tear means normal, expected deterioration of a rental property which occurs without negligence or abuse by the Tenant. Wear & tear is a landlord responsibility and should be treated as routine maintenance. The following chart provides some guidelines for differentiating between “wear & tear” and “damage”. There are many other examples but these are a sample of the some common issues.

| Ordinary “Wear and Tear” | Tenant-Caused “Damage” |
|---|---|
| Maintenance items which are normally expected deterioration of a rental property. | Damaged caused by a Tenant treated with violation notices, inspections and/or security deposit claims. |
| Minor marks on or nicks in wall | Holes in wall larger than nail size (picture hanger) or excessive nail holes (more than 6 nail holes per wall); tenant shall not use any type of heavy duty “wall-anchors” or bolts in walls without landlord’s permission. |
| Faded or cracked paint | Crayon marks, writing on walls, unapproved paint color or excessive dirt beyond a couple of minor scuff marks on some walls or doors. |
| Plaster cracks from settling | Holes in walls from doorknob or carelessness |
| Carpeting / drapes slightly worn or faded by the sun | Torn, stained or burned carpeting/curtains |
| A rug worn thin by ordinary use | Stains and odor in rug caused by pets or spills |
| Minor scuffing on tile/vinyl/wood floors and baseboards | Gouges, chips, scratches in floors or baseboards |
| Cracking or yellowing grout due to age | Dirty or scratched tiles, grout or bath fixtures (e.g. surface mildew, lime scale, heavy water marks) |
| Bathroom mirror beginning to “de-silver” (black spots) | Mirrors broken, missing or dirty |
| Toilet running or unstable | Broken toilet seat or tank top |
| Worn gaskets on refrigerator due to age | Broken or missing refrigerator shelves, trays, bins or bars |
| Minor scuff marks on stove surface | Scratched glass or surface on stove cooktop or doors |
| Minor scuffing on kitchen cabinet doors or shelves | Heavy Scratches or stains on kitchen cabinet doors or shelves |
| Worn or minor scuffs on countertops | Burns, cuts, scratches, gouges or stains on countertops |
| Loose hinges or handles on cabinet doors | Greasy, sticky or broken cabinets and interiors |
| Loose hinges or handles on doors | Damage to door or door frame from forced entry |
| Closet door off track due to normal use over time | Damaged or missing closet door, hardware, doorknobs/handles |
| Slightly dusty blinds | Excessive dust, missing, broken or bent slats on blinds |
| Slightly dirty windows or screens | Excessive dust and dirt, broken windows or torn or missing screens |
| Slightly dirty sidewalk | Rust, oil or paint stains on sidewalk |

Read What Our Clients Are Saying About Us...

"My family was moving several years ago and was looking for a property manager to handle the renting of our home. After meeting with several companies, we chose [Morgan Property Solutions]. Their knowledge of the real estate market, professionalism and overall sincerity made them the right company to manage our home. Our choice was the right one. Their quick response to any tenant or landlord concerns is superb. They usually respond to emails or phone calls within the hour and always within 24 hours. The landlord online portal they set up is an excellent resource to answer any questions you may have with regards to the property. Financial statements are clear and concise and are always at your fingertips. After 5 years under Management, we chose them to be the Realtor for the sale of the home. The right choice was made again. Within 1 week of listing the property, we had several buyers interested and [Morgan Property Solutions] made the selling process simple and quick. We are very pleased with the way they handled the rental and sale of our home. We will recommend them to any and everyone who is looking to rent, sell or purchase a house." **Mr. Porter**

"[Morgan Property Solutions] has provided our company outstanding service in regards to our property management needs. We would highly recommend them and would use them again."

Top qualities: Great Results, Personable, Good Value

Ms. Jimenez | Winvest Mortgage - Corporate Landlord

"I had my home on the market for about 10 months without success so I hired Oliver and Devinee to find someone to rent it. From the start, I was very pleased with their professionalism and their attention to detail. After a very short time, they found a great person to rent my home. They worked through all the details and walked us through the process. I am very pleased to recommend them."

Top qualities: Personable, Good Value, High Integrity

Mr. McElhane

"Oliver and I have served on the real estate risk management committee at the Orlando Regional Realtor Association. Oliver is an excellent team player and organizer. He was very proactive in decisions making and committee's initiatives. It is with great pleasure that I recommend Oliver."

Ms. Pindling - Past President of Orlando Regional Realtor Association

"Extremely efficient and professional company. A tenant was found in a very short period of time. Will most certainly use in the future."

Mr. Swift

"Since day one, my first appointment with Oliver, my experience with [Morgan Property Solutions], professional, understanding. We were moving back from Europe, and that move isn't a small leap. Thanks to Devinee and Oliver, the house part was easy and smooth. They helped us out with formalities, invested time and efforts answering every question we could have, and helped us out with whatever problems we were confronted with, in and out of the house. They live up to their name: Absolutely great! I warmly recommend them not only to friends and family, but to anyone looking for a serious and trustworthy Realtor. Thank you again!"

Mr. Simonet

"Devinnee and Oliver are like angels here on earth! There was a divine placement of their presence in our lives. They worked so hard week after week to help us to find a place to call home. They are always so willing to help anyone above and beyond their call of duty; they don't stop looking for the right home until you are completely satisfied with your choice. They will negotiate tooth and nail to get the price you want and the timeframe you want it in. We would not have our Gorgeous home in Bellalago if it wasn't for them and we thank the Lord above each day that we were blessed to have them in our lives and to be able to call them friends."

Mr. Leacon and Ms. Palacat

"You were great! Very professional. We will certainly recommend you to all our friends."

Ernie and Joyce Lariviere



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