

MANAGEMENT INFORMATION SUMMARY

Property Management Experts realizes the importance of protecting your investment and is enthusiastic about the prospect of managing your rental property. As part of our commitment to helping you reach your financial goals, PME strives to maintain your investment's rental value and to enhance its future market value as well.

Today, property management is a complex and time consuming business which is usually better left to a knowledgeable third party. Call PME today at (209) 465-5000 or **(800) FONE PME** to speak with a Management Specialist. There is no charge to evaluate your property or present our programs. Until then, we invite you to study the enclosed information which addresses many common concerns about property management and to consider the difference that our service can make.

"OUR SUCCESS LIES IN YOUR COMPLETE SATISFACTION

MANAGEMENT INFORMATION SUMMARY

COMMON CONCERNS

Late Charges: Rent is due on the first of each month and late after the fifth. A Late Fee of five percent (5%) of the monthly rent or \$40.00, whichever is greater, is charged to the tenant after the fifth. ***Owners receive all late fees.*** On or about the 7th of the month a ***Three Day Notice*** is sent to each tenant that have not paid their rent or have a balance due.

Evictions: When necessary, PME will serve a "3-day notice to pay or quit" and retain an eviction service or law firm to process the Unlawful Detainer (ie. "eviction") action. Court and attorney's fees are required to be paid in advance.

Should eviction become necessary, a 3-day Notice is served to the tenant after the 7th of the month. The charge to the tenant for a 3-day Notice is \$25.00, which is initially deducted from the owner's trust account. Upon payment of the charge by the tenant, the owner's trust account is reimbursed as reflected on the owner's cash flow statement under the 3-day Notice income category.

Lock Box: In order to provide better security and ensure the availability of a key in the event of an emergency, each property may be installed with a permanent lock box to be placed on the building's structure. The installation of the lock box is done in such a manner that its presence will not detract from the appearance of your property. The lock box will save you money by making it easier for our workmen to get into your unit to complete the turnaround process.

Trust Account Balances: By law, an owner's trust account may never show a negative balance. Therefore, if a tenant's check should be returned and results in non-compliance with this requirement, PME will request funds from the owner within 24 hours to bring the account back to a positive balance. If the owner has more than one property managed by PME, an account may have a negative balance, but only as long as it is off-set by a sufficient positive balance in the other accounts. In order to do this, PME must have an authorization letter from the owner on file. Therefore, PME requires each owner to keep a minimum balance equal to the security deposit (usually equal to one month's rent) in each account.

Non-Sufficient Funds: A tenant may pay rent by money order, cashier's check or personal check. If a check is returned for non-sufficient funds or a money order is canceled, the tenant is charged a penalty fee of \$25.00 which is initially deducted from the owner's trust account to cover NSF charges incurred by PME. Upon payment of the penalty charge by the tenant, the owner's trust account is reimbursed. The tenant is warned in writing that they will lose the privilege of writing personal checks should NSF charges arise again in the future.

Proceeds Checks: As long as your tenant pays on time and the expenses for your property are not greater than the income it produces, PME will provide you with the rental income for that unit. PME can either mail you a check or ***automatically transfer funds (ACH)*** into your bank account on approximately the 10th of each month. It will take approximately 2 days for these funds to hit your bank account, so expect to receive your monies around the 12th of the month. If your tenant pays their rent after the 10th of the month, funds will be sent to you the week the rent is received. For your convenience we encourage the use of ACH deposit.

Mortgage Payments: PME will pay your mortgage payments if there is a reserve in your account equal to one month's mortgage payment. This will provide a reserve in case of any late rent payments and prevent a late fee on your mortgage payment.

Tenant Damages: If a repair to your property is necessary due to damage caused by the tenant, the bill for the repair will be paid out of the owner's trust account. The tenant will then be billed back, and the owner's account will be reimbursed.

Utility Charges: If a tenant doesn't pay the water, sewer, or garbage fees as they are directed to in their lease agreement, the owner will be notified by the city in which the property is located. If a late notice is received by the owner, the owner should contact PME as soon as possible. Upon verification by PME of non-payment, the bill will be paid out of the owner's trust account. The tenant will then be billed back to reimburse the owner's account.

Automated Answering System and Voice Mail: To better serve you, PME has departmentalized our services to streamline information, as daily management decisions need to be made. PME has an automated answering phone system with voice mail, which enables you to access each department specialist through their direct extension number to get the answers you require in the quickest way possible.

Advertising: As part of our management services, PME offers daily advertising of vacancies. A professionally designed **PME "FOR RENT" SIGN** similar to those used to market properties for sale will be placed on site. Your property's vacancies will automatically be included in **PME's FREE DAILY RENTAL LIST**, which is available at any of our offices. The data on this list is then transferred to our automated **RENTAL HOTLINE SYSTEM**. This voice mail system makes it possible to post details describing each vacant unit to its own voice mailbox. In this way, prospective tenants are provided with 24-hour access to essential information regarding your property as they match its amenities to their own needs. In addition, your property's vacancy will be posted to our web site at **WWW.PMERENTS.COM**. Currently, this web site averages over 15,000 inquiries and 170,000 site hits each month. We also advertise on **www.Rentalhouses.com** website at an expense of \$50 one time charge per vacancy.

If a property is vacant at the time PME is contracted to provide management services, the owner is required to provide PME with funds in advance in the amount of \$200.00 to establish a trust account. This is not an additional management fee, but capital to establish the trust account for the property, which is then used to cover advertising costs. All costs incurred through advertisement of vacancies in the local media will be charged to the trust account.

Annual Property Inspection: PME will conduct a comprehensive inspection of the property each year and submit a copy of the inspection to you with recommendations for preventive maintenance and repairs at an annual charge of \$100.00.

Inspection Fee Charges: In order to encourage tenants to cooperate with our annual property inspection, we will be charging the tenant \$25 if we can not gain access to their property on the date of inspection. If we are unable to enter due to the locks being changed, the alarm being activated or barking dogs inside, the tenant will be fined the \$25. The tenant upon payment of the penalty charge then reimburses the penalty fee of \$25.00, which is initially deducted from the owner's trust account.

Accounting Set-up Charges: There will be a one-time Account Set-up Fee of \$100.00 assessed to each property that covers all incidentals related to establishing your account. This fee will cover such items as: the set-up of your property in our computerized accounting system, initial inspection of the property, the lock box, a digitized photo of your property for the web page, ACH (automatic transfer funds) set-up, and the automated rental hotline mailbox.