



AMI

ASSURED MANAGEMENT, INC.

OWNER MANUAL



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1244 S. Wadsworth Blvd., Lakewood, CO 80232 Bus: (303) 985-4670 Fax: (303) 763-8982 email: info@assuredrpm.com

WELCOME

You have your job... We have ours!

Thank you for choosing Assured Management, Inc. (AMI) to manage your real estate investment. We are aware that you have many choices and we appreciate that you have selected us as your property management company.

AMI works to achieve the highest professionalism in Real Estate and Property Management Services. Therefore, we have prepared the Assured Management, Inc. Owner Manual to assist you in maintaining 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.

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

Special note: the information provided in the AMI Owner Manual is subject to change. Landlord/Tenant laws, personnel, policies, and procedures change according to events that take place. AMI 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 Assured 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 AMI Owner Manual. Refer to it as needed and keep it with this information for a handy reference.

It is important that AMI receive all critical information as we begin management. You may have completed the documents listed below. If not, we need you to fill out and return the following documents.

Owner Information and Property Disclosure

This information enables AMI to properly set up your account and helps us with our sensible and fair enforcement of the lease agreement.

Electronic Banking Authorization – ACH form

This form enables AMI to send your funds directly to the bank account of your choice. If you do not wish to your funds directly deposited into your bank account, please be advised that you will be charged a \$5 per month check processing fee.

HOA Authorization

This form enables AMI to obtain a copy of the HOA Rules and Regulations for your investment property and ask to be notified of any tenant violation.

Insurance Authorization

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

ASSURED MANAGEMENT, INC.

Assured Management, Inc. is a residential property management company operating Lakewood, Colorado, specializing exclusively in full-service residential property management. The company has been operating since 1988, and is actively involved in the Lakewood community.

AMI is an abbreviation used in lieu of the full company name, Assured Management, Inc., and will be used throughout the *AMI Owner Manual*.

AMI Mission Statement

The mission of AMI is to provide quality service in property management in the Lakewood, Golden, Wheat Ridge, Littleton, Arvada, Morrison, Denver (Sloan's Lake, The Highlands, Cherry Creek, Washington Park) and the west side of Highlands Ranch communities, demonstrating integrity and professionalism.

AMI Principals

The owner/principal of AMI is Susan E. Melton. She is the broker of AMI and has over 35 years of experience in the property management and real estate industry. Susan provides the guidance and direction of AMI. She personally oversees all contracts, policies, procedures, and works to educate our personnel to provide excellent service to our clients.

AMI COMMUNICATION

Communication is a key to the success in any relationship and the AMI/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, buyers, sellers, and the public.

AMI Website

AMI stays current with business technology. The AMI website, www.assuredrpm.com, has proven to be a tremendous asset. Here are a few of the benefits for clients on the AMI website:

- Prospective tenants can access our site for information on available rentals and/or fill out an on line application. Additionally tenants can view their accounting statements and pay rent or other charges electronically.
- Tenants can access important information, such as a work order request, update their contact information or send AMI an email from the site
- Owners can obtain forms, view or print out their AMI monthly statement, view or print out important documents and electronically send additional funds to AMI as needed for unexpected expenses or planned repairs and maintenance.

As management continues, your contact information can change, please notify AMI of any important change when it happens – address, telephone, email, etc. by visiting our website.

Company Communication

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

AMI personnel communicate by:

- Email (preferred)
- Telephone
- Fax
- Written correspondence

General Office Information

| Assured Management, Inc. General Information | |
|---|---|
| Address information | |
| Mailing and Street address | <u>1244 S. Wadsworth Blvd.</u> |
| | <u>Lakewood, CO 80232</u> |
| Communication | |
| Business # | <u>303-985-4670</u> |
| FAX # | <u>303-763-8982 or 303-380-2010</u> |
| Email | <u>info@assuredrpm.com</u> |
| Website | <u>www.assuredrpm.com</u> |
| Office Hours | |
| Monday – Friday AM | <u>9 to 12:00 am</u> |
| Monday – Friday PM Weekday Evenings | <u>1 to 4 pm</u> <u>By appointment only</u> |
| Saturday | <u>By appointment only</u> |
| Sunday | <u>Closed</u> |
| Holidays | <u>Closed</u> |
| Emergencies | |
| | Call <u>303-985-4670</u> choose maintenance option, #2 |

AMI PERSONNEL

Our Management Team

Barbara Clint

Direct 720-575-7296

Barbara@assuredrpm.com

Rent payments, online account, tenant statements

Christina Sanchez

Direct 720-575-7299

Christina@assuredrpm.com

Maintenance requests and maintenance surveys

Diana Shull

Direct 720-575-7335

Assistant@assuredrpm.com

New contact information, satellite dish requests, scheduling

Karen Wood Davis

Direct 720-575-7298

Leasing@assuredrpm.com

Lease renewals, move out information, lease changes, showings

Susan Melton

Direct 720-575-7336

Leasing@assuredrpm.com

Broker

OWNER COMMUNICATION

Each month on the 15th a detailed monthly statement will be available via your on line account. It is important that you view this statement as it contains more information than just an accounting of your funds. The statement many times will include important statement notes regarding your property to include information about upcoming lease renewals, maintenance surveys, heating system preventative maintenance, gutter cleaning, lawn irrigation system turn on/off, etc. All of these items will result in additional charges to you.

When you set up your on line account, it is a very good idea to choose to have an automatic email sent to you whenever a statement or document is posted.

We encourage you to read the statement every month so you are fully informed about your property.

Additional Fees

Before you are charged for any additional, optional services you are notified with a note that is attached to your monthly owner statement.

Lease Renewals and Rent Increases

Tenant turnover can be expensive, our lease renewal process gives you an opportunity to offer the tenant a lease renewal package and/or notify the tenant of a rent increase 30 days before the current lease expires.

The note including the cost of the lease renewal, the month it will be scheduled and other details is added to your monthly statement at least 6 weeks before the lease expires.

Maintenance Survey

This service is optional – it is a chance to observe the care the tenant is taking of the property and it gives you an opportunity to see a detailed condition report plus photos and to plan for upgrades and necessary maintenance of your investment property. Additionally it is an opportunity to find and take care of small repairs before they become big, expensive repairs. If the tenant is doing a good job of caring for the property, you may not want to increase the rent at lease renewal time. If the tenant is doing a poor job of caring for the property, you may want to consider giving them a notice to vacate rather than offering a lease renewal. If an expensive upgrade or repair is in your future, you have time to start putting money aside to help pay for it.

The note including the cost of the maintenance survey, the month it will be scheduled and other details is added to your monthly statement at least 2 weeks before the scheduled date.

Preventative Maintenance (PM's), Work Orders, Invoices, Tenant Charges

Additional information and explanations of all of these items are in notes that are added to your monthly statement.

If, after reading your monthly statement, you still have questions or you would like to let us know you do not want one of the optional services the best way to contact us is via email.

COMPANY POLICIES

It is very important in the field of property management, that AMI 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®. Additionally, we train all personnel by requiring them to read and follow the AMI Property Management Policy and Procedures Manual and AMI Employee Manual.

Confidentiality Policy

AMI's policy is to safeguard the interests of individuals and the company. AMI staff members will:

- Treat all personal and sensitive organizational information as confidential
- Comply with the law regarding the protection and disclosure of information including personal data
- Not disclose or use personal data without obtaining the prior informed consent of the individual concerned, except in the circumstances outlined below in the section of disclosure or where otherwise permitted by law
- Not gain or attempt to gain access to information staff members of AMI are not authorized to have

All personal information relating to residents, applicants, staff and owners that is not a matter of public record will be:

- Obtained, held and processed fairly
- Held for specific purposes and used only for those purposes
- Relevant, accurate and kept up to date
- Corrected if shown to be inaccurate
- Kept no longer than is necessary and destroyed when no longer required (see Recordkeeping policy)
- Protected against loss or disclosure

All commercially sensitive data will be kept and handled confidentially, whether the information has been received formally, informally, or discovered by accident. Broadly this statement covers any personal data about a resident, applicant, staff member or owner.

Disclosure of personal data outside AMI will only be made with the informed consent of the individual concerned, except where permitted by law. Examples of circumstances where disclosure may be made are:

- To comply with a legal requirement or subpoena
- Where there is a clear health or safety risk or evidence of fraud
- In connection with court proceedings or statutory actions to enforce compliance with tenancy conditions

- The name, address and contact number of a resident to contractors or other agents providing services on AMI's behalf
- The name of a resident or owner and the date of occupancy to gas, electric and water companies and homeowner's associations
- Anonymous bona fide statistical or research purposes, provided it is not possible to identify the individuals to whom the information relates

Any information disclosed must only be necessary for the purpose for which it is disclosed and then only for exactly what is asked.

Personal data can also be disclosed where there is a genuine chance that failure to do so would risk the health or safety of a tenant, employee, contractor or agent of AMI. Such disclosures should be approved by the Broker and a record of this approval kept on file.

The identity of people asking for personal information by phone or in person should always be confirmed before any information is disclosed. Always call back if there is any doubt and insist that a request and response be made in writing.

Real Estate Commission Requirements

The Colorado Real Estate Commission requires licensing for all persons conducting property management in our state. AMI requires all personnel that perform licensed activities to have a Colorado Real Estate license.

Code of Ethics

AMI follows the Code of Ethics outlined by both NARPM® (National Association of Residential Property Managers) and NAR® (National Association of Realtors®). This is a top priority in conducting business, and is required of all AMI personnel.

Legislation

AMI 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 AMI follows:

- Fair Housing (HUD) - AMI supports and follows Fair Housing laws and guidelines; the AMI office displays Fair Housing signage
- Equal Opportunity - AMI supports Equal Opportunity both as an employer and property manager.
- 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
- EPA – Environment Protection Agency
- The Warranty of Habitability Law (Colorado Revised Statutes, section 38-12-501(1) et seq.) became effective September 1, 2008
- The Lofgren Family Carbon Monoxide Safety Act effective July 1, 2009

Lead-Based Paint

AMI follows all mandated federal and state guidelines for lead-based paint. All properties built prior to January 1, 1978 require disclosures to all tenants. Tenants sign lead-based paint disclosures

prior to renting a property and AMI provides them with the required EPA Pamphlet, *Protect Your Family from Lead in the Home*.

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

Mold Issues

AMI 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.

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

Carbon Monoxide Detectors, Smoke Detectors & Fire Extinguishers

AMI follows all federal, state, city, county and fire code guidelines for carbon monoxide detectors, smoke detectors and fire extinguishers. AMI will send a vendor to confirm placement, age, working condition of detectors, change batteries, add additional detectors if needed and if property is located a multi-unit building in Denver install a fire extinguisher.

Carbon Monoxide Detectors

- A carbon monoxide detector must be within 15 feet of all bedrooms or areas used for sleeping
- A carbon monoxide detector must be within 25 feet of fuel-fired appliances
- Existing carbon monoxide detectors must be less than 5-7 years old (depending on manufacturer)
- Additionally Denver requires a carbon monoxide detector on each level

Smoke Detectors

- A smoke detector must be installed on every level of the home
- Existing smoke detectors must be less than 10 years old
- Additionally Denver requires a smoke detector in every bedroom

Fire Extinguisher

- Is only required in Denver multi-units (condos, townhomes)
- Must be professionally inspected once a year
- Rechargeable fire extinguishers are recommended. When maintenance is needed on an extinguisher the vendor will handle it on the inspection service call, replacement may require a second service call
- If your property is not located in Denver, contact AMI if you want a fire extinguisher installed and professionally inspected as it may reduce your insurance premium

ANSWERS REGARDING FUNDS

When you entered into a management agreement, AMI established an owner operating reserve escrow account for you and your property. AMI recognizes the importance of accurately collecting and disbursing funds. The bookkeeping program used by AMI is specialized software designed to handle the many facets of property management in addition to accurate record keeping. AMI's bookkeeping program complies with the requirements of the Colorado Real Estate Commission.

Banking

AMI holds your account in a trust fund mandated by the state of Colorado. This account does earn interest. AMI accounts for each owner's funds separately in the trust account and does not co-mingle funds with broker monies, following the Colorado Real Estate Commission requirements.

Monthly Statements

AMI provides monthly statements to owners. If you have difficulty accessing your monthly on line statement, please contact us. We are happy to assist you and answer your questions.

Disbursement Of Funds

AMI disburses available funds to owners on the **15th** of each month. If this day falls on the weekend, AMI issues funds on the next business day. AMI does not disburse funds on weekends and holidays. AMI does NOT issue owner checks or ACH transactions unless there are sufficient funds in the owner's account.

AMI distributes owner funds in two ways:

- ACH direct deposit – directly disbursed into an owner's bank account; on line monthly statements are available after disbursement.
- Company check disbursed directly to the owner accompanying their monthly statement.

When You Need to Send Funds

You may need to provide AMI with funds; you have several options for sending funds.

- Mail a check or money order
- Use your credit/debit card or e-check via www.paylease.com or www.paypal.com (both PayLease and PayPal charge a convenience fee for this service)
- Provide AMI with written authorization to do a reverse ACH (direct withdrawal) from your checking account. Reverse ACH can be done on the day of your choosing and there is no cost to you.

End of Year Procedures

At the end of each year, AMI 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 of current tenants are not included in this amount, however, income from any charges to the security deposit of past tenants is included.

It is necessary that you supply AMI with Social Security/Tax ID accurate information. AMI will send the 1099 to the IRS 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.

AMI 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 AMI trust account. Owners are responsible for issuing 1099s to any vendor paid through the owner's personal bank 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. AMI does not issue statements to the owner's tax preparers.

RENTING YOUR PROPERTY

Preparing to Rent the Property

When prospective tenants view your vacancy, AMI wants the property to look its best and compete with area rentals. The AMI management team will contact you to discuss the details of your vacant property and any necessary maintenance.

Setting the Rent

Supply and demand determines the rent amount. If there are multiple rentals available in the same area as 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 AMI advises owners on the “current rental market.”

How Long Will the Property be Vacant?

This is the most commonly asked question AMI 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, AMI 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.”

AMI, 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 and Website

At no additional cost to you we incorporate information and pictures of your rental on our web site www.assuredrpm.com.

Advertising

Per our management agreement you are paying the cost of the advertising. AMI has found that internet advertising is the most cost effective way to advertise your available rental property. Unfortunately, we will be forced to cancel advertising your rental property if we do not have enough funds in your owner operating reserve account.

Signage

If the homeowner’s association will allow it, we place a “For Rent” sign with advertising brochures in the yard of your rental home. If a yard sign is not allowed, we will use a window sign.

Showing, Lockbox and Application

If you or anyone else is living in your rental unit, please be sure we know who to notify when a showing is scheduled. Additionally we need to know when the home will be ready for a new tenant to move in.

We want your vacant available rental property to be seen by as many potential tenants as possible. To do that we have implemented a way to show your available rental home when our leasing agent is not available, including times when the leasing agent may be sick, busy with other showings, evenings or even on weekends and holidays. The Rently System is similar to the Realtor lockbox system that home owners have approved for use on their homes for decades. This has been a wonderful tool, with many available rental homes renting within days instead of weeks.

There is no cost to you the property owner, AMI simply pays the cost of these secure lockboxes, as a benefit to our owners. This is a secure lockbox system, which requires the viewing tenant to have a good and valid credit card along with their name and phone number. Your home is safeguarded when a valid credit card is required before the potential tenant is issued a ""Limited one time code"" to enter.

Any time a code is issued, we are instantly notified via cell phone plus by email. Please let us know if you have any questions or if you would prefer not to participate in this new program

Applications are available on our website. You will be contacted once we have completed processing any applications received for your available rental property.

PROCESSING TENANT APPLICATIONS

Tenant Screening

Thorough screening is crucial to successful Property Management. AMI 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, criminal history and tenant history or property ownership.

All applicants must submit verifiable information on their income to show they can support the monthly rental payment and other charges for the property. Rental history or previous home ownership is carefully checked. Cross-referencing all these areas – credit, tenant history, criminal history and income - provides the answers to qualify or disqualify prospective applicants.

Cosigners

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

Pets

If an owner authorizes a pet, AMI increases the amount of the security deposit. AMI does not use the term "pet deposit." All money will be collected as security deposit; this gives AMI the legal right to apply entire security deposit to any damage including damage from animals.

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 AMI 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, AMI does not place inappropriate pets in a property.

Make Ready Information

Once we have a signed lease, the property needs to be "made ready" for the new tenant to move in. It is a good idea to make your decisions quickly regarding turnover work, vacant properties cost you money.

You may want to check with your insurance agent to confirm the property is covered while vacant if the improvement process will take more than 30 days.

Standard Make Ready required at each turnover:

- Re-key locks so that all work with one key (including front, back and garage people door).
- Repair/replace all broken/missing doorstops.
- Repair/replace all switch plate/outlet covers as needed.
- Repair/replace broken/missing smoke detectors & batteries - confirm one properly functioning smoke detector per floor of unit. NOTE: Per C&C of Denver guidelines, all Denver properties now require smoke detectors in every bedroom, outside each sleeping area, and on every level.
- Replace missing/burned out light bulbs.
- Check batteries and replace if needed in carbon monoxide detector(s), if applicable, or if no detector(s) please install. Send form if new is installed.
- Check all downspouts and make sure diverters are installed correctly and as needed.
- Confirm storm doors, handles & latches are in good working order
- Replace all cracked or broken window glass, confirm at least one window in each room will open and has a screen. Confirm all windows in unit will lock
- Kitchen and bathroom(s) sinks, tubs, showers, toilets and laundry hookups all have hot and cold running water. All plumbing has been checked for leaks and repaired as needed. Sewer lines have no blockages, all drains work properly. Showerheads are in place and working properly.
- Caulking has been checked and replaced as needed.
- Shower/tub enclosures have been inspected and potential water leakage problems solved.
- Trash or debris including furniture and vehicles has been removed from the property, inside and out.
- Cleaning
- Advertising
- Lawn care & snow removal, if applicable
- Utilities

Tenant charges (funds will be deducted from security deposit and deposited into your account):

- Cleaning
- Carpet cleaning
- Damages
- Yard care
- Black light test

After the final security deposit accounting has been completed the funds for the cost of the tenant charges will be transferred to your owner escrow account.

AMI will authorize the above work a few days after tenant move out.

We will hold funds in your owner escrow account to cover these costs.

Standard Make Ready Work plus Improvements

The following improvements are optional and are offered as options to improve the quality of tenant applications, decrease the number of advertising days, increase monthly rental amount, increase time tenant stays in property, and improve the value of your investment property.

Basic Improvements:

- New carpet (may be required if existing carpet has been contaminated by pets or has reached the end of usable life)

- Interior paint (may be required if interior has not been repainted within last 5 years)
- Window blinds (may be required if yellowed or not functioning properly)

Recommended Improvements:

- Windows
- Lawn watering (sprinkler) systems
- Landscaping
- Central air conditioning
- Bathroom remodel
- Kitchen remodel

If you want AMI to coordinate improvement process:

Owner must give specific written approval prior to the start of the improvement process. Funds must be deposited in your AMI owner operating reserve account prior to the start of the job. You may need to agree to pay a coordination fee to AMI of 10% of the total cost of the improvement if the total improvement cost exceeds \$2000 or if you require more than 2 bids or estimates on one item and/or 5 bids or estimates on two or more items.

If you want to coordinate the improvement process:

Please notify AMI if you or vendors you hire will be visiting the property, doing the required turnover items and/or any improvement work. AMI will not advertise the property for rent until the improvement process has been completed and the property has been cleaned. Contact AMI to for information on your potential liability if you or your vendors are planning on doing the lock rekey.

Warranties

If appliances or other items in the rental home are under warranty, please provide us with the appropriate information.

Utilities

Before we have a signed lease agreement, the water, sewer, gas and electric bills will remain in your name and be mailed to you. Once the lease agreement is signed we will contact Xcel Energy to notify them we are now managing the property. We will send a letter to them requesting they do not terminate service to the property (in the event of non-payment) but instead send the bill to us. We do this to prevent the possibility of service being terminated in the winter resulting in frozen pipes and water damage. Of course, if applicable, the tenant will be instructed to put service in their name as of the first day of the lease. After the lease is signed, the water/sewer bill(s) will remain in your name and be mailed to our office.

AMI's policy regarding the water/sewer bills for your rental property. In order to confirm that the bill is paid on time and to avoid discontinuance of service and possible pipe damage or a lien against the property, AMI will pay future bills and require the tenant pay the water/sewer charges to AMI with the next month's rental payment. This means that (on your monthly owner statement) it will show you paying the water/sewer bill – the reimbursement may not show up until the next rent payment. Please be assured we will bill the tenant and require them to reimburse you for the water/sewer bill. Our lease agreement states that any payment received will be applied first to outstanding charges and second to rent. The lease agreement is worded this way because we can evict for non-payment of rent, but not for non-payment of utilities or other charges. If this happens, you may see an odd amount posted as rent the next time we receive a payment.

If you would like us to pay the utility bills while the property is vacant and we are advertising it for rent, you will need to supply us with adequate owner operating reserve funds.

Assistance Animals

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

However, AMI will still process applicants who are handicapped or disabled with the same criteria as other applicants: income, credit, and tenant history.

Frequently Asked Questions

What services are included in the management fee?

- Accounting
 - Rent collection
 - Invoice payment
 - Utility payment (tracking water bill to prevent lien against property)
 - Monthly statements
 - Verifying and confirming vendor insurance information
- Tenant Management
 - Create, establish, maintain and terminate tenancies with tenants
 - Coordinate and mediate maintenance requests
 - Execute and enforce lease agreement
 - Collect, account for and disperse security deposit
 - Mediate disputes
 - Billing, collection and overseeing eviction
- Rental Unit Management
 - Lawn and exterior maintenance not covered in lease agreement
 - Routine interior maintenance – coordinating repairs required to maintain habitability
 - Interior remodeling – coordinating minor painting, carpet replacement, vinyl flooring replacement and window covering installation.

What services are included in the leasing fee?

- Placing sign on property with brochures
- Advertising property via our web site
- Showing property, processing rental applications, verifying references, running credit reports, criminal reports, eviction reports
- Creating and signing lease, collecting security deposit and first month's rent in certified funds, scheduling the re-keying of locks, giving keys to new tenant
- Completing detailed Check In Property Condition report after vacating tenant moves out and before new tenant moves in
- Coordinating and confirming completion of all make ready cleaning and repairs

Yippee! It's rented! When can I expect to start receiving my owner proceeds check?

- AMI does not consider the property rented until we have payment in certified funds for the security deposit and a signed lease. We will not cancel the advertising or stop marketing the property until we have a signed lease.
- AMI will contact you to discuss the application BEFORE the lease is signed and we will let you know if the tenant backs out at the last minute or if everything goes well and the lease has been signed.
- The 50% leasing fee and the 10% management fee will be deducted from the first rental payment. Outstanding invoices for advertising and maintenance will be paid from the first rental payment. Sometimes not everything can be paid from the rent collected for the first month. If that happens we will pay invoices the following month. You may not receive a full owner proceeds check until the 3rd or 4th month, depending on your turnover expenses.

THE TENANT MOVE IN

Rent and Security Deposits

AMI 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 the security deposit, in certified funds. It is normally AMI policy to require a security deposit in an amount equal to the rent.

Rental/Lease Agreements

AMI requires that the security deposit be paid in certified funds at the time of the lease signing, rent is paid in certified funds when the tenant receives keys to the property. The AMI Tenant Manual (more information below) and all necessary addendums are included with the lease agreement.

All persons 18 and over, including adult children, are required to read and sign all 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 to interpret the lease agreements.

Written Move In Condition Report

A vital part of the rental agreement is a detailed written Move In Condition Report with photographs performed immediately prior to tenant move-in to document the condition of the property. The tenant receives a copy of the Move In Condition Report when they pick up keys. The tenant has 48 hours to notify AMI in writing of any discrepancies. The Move In Condition Report is a sound basis for determining the security deposit refund and/or charges after tenant move out.

Tenant Manual

Tenants immediately receive the “*AMI Tenant Manual*.” 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. You can view the Tenant Manual on our website.

WORKING WITH YOUR TENANTS

Collecting Rent

Rents are due on the **first** day of the month and late if not received in the AMI office by the **fifth** of the month.

AMI offer the tenant many ways to make timely rental payments. Rental payments can be mailed, sent electronically via ACH, electronic check or credit card, dropped off at our office during normal business hours or placed in an after-hours drop box.

Demand for Payment of Rent or Possession

If AMI does not receive rent by the due date, AMI prepares and delivers a Demand for Payment of Rent or Possession notice, as the law allows. AMI makes every effort to post notices properly on the 6th or 7th day of each month. If AMI determines the tenant is not going to pay the rent during

the notice to pay or quit period, or shortly thereafter, the property owner is notified via their monthly statement.

Other Notices

There are other notices that may be involved with tenants. AMI 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 any non-authorized pet, non-authorized 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 legal action is necessary, AMI contacts the owner and provides necessary information to discuss the situation.

Tenant Problems

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

Our company policy is to take a "what if" approach. AMI 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 AMI recognizes and works to prevent legal issues from arising.

Legal Action

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

MAINTENANCE

Preventative Maintenance

AMI believes the best approach to maintenance is “preventative maintenance”. We want the tenant to know from the beginning of their tenancy that the expectations are to “care for the property.” This approach can reduce costly maintenance.

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 or furnaces and air-conditioners, appliance problems, 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 maintenance 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 damage 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 AMI staff contacts owners regarding maintenance above the \$500 minimum that is listed in the AMI Management contract, unless the situation is an emergency.

Appliances

AMI believes the best approach is to repair appliances such as the stove, dishwasher, built in microwave, disposal, refrigerator, washer and dryer. If an appliance is older and/or the repair is costly AMI will contact you to discuss repair versus replacement. Our recommendation to the property owner is to remove portable microwaves and older washers and dryers before renting. Occasionally it may be preferable to leave an older, working washer and dryer and inform the tenant that repairs will not be made. In this case, should the washer/dryer stop working, AMI will have it removed and disposed of at your cost. The exception is stackable washers and dryers. Those will be replaced if no longer repairable. AMI does not fully cycle appliances during maintenance surveys or move in or move out condition reports. AMI vendors will deliver new appliances and enter the home using a lockbox. If an owner purchases new appliances from stores such as Home Depot or Sears, the property owner must confirm that the delivery person will enter the property via a lockbox. There is an additional charge to the property owner if someone must be at the property to meet the delivery person.

Emergencies/Disaster

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

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.

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 AMI moves in a tenant. The preparation for this began when the tenant moved in with a detailed rental agreement, Move In Condition Report, and *AMI Tenant Manual*. All of these documents gave instructions to the tenant on how to move out. When a notice to vacate is received, AMI provides detailed move out instructions to the vacating tenant. Visit our website to view the Move Out Planning Checklist.

Communication with Owners and Tenants

AMI notifies the owner on how they will proceed with the tenant and re-renting the property. AMI immediately places the property on the market for rent unless the property will not show well or the owner notifies AMI to take other measures.

Payment of the rent is required until the end of the rental period.

Tenant Move Out

AMI prepares a Move Out Condition Report similar to the one performed when the tenant moved into the property to document the condition of the property and support any deductions from the security deposit. AMI records any maintenance required and discloses a list of damages to the vacating tenant.

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

Security Deposit Accounting

Proper handling of the security deposit refund is crucial. Any tenant deductions are determined in a timely manner, and a security deposit transmittal is prepared in accordance with Colorado Revised Statutes 1973, section 38-12-101, the Colorado Real Estate Commission Rule E-1 and E-16 and the Commission Position on Advance Rentals and Security Deposits. Owners receive a copy of the security deposit accounting statement with their monthly statement, showing any deductions and monies refunded. AMI sends positive tenant rental payments history information to a credit reporting agency.

Collections

AMI will report payment histories of tenants in the Property to collection agencies and directly to credit bureaus. If, at any time, a previous tenant starts making payments to AMI or a collection agency the funds will be deposited into your owner escrow account. We will deduct 25% management fee from the funds collected.

ADDITIONAL SERVICES

The following are “additional services” offered by AMI 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 Lakewood area? If so, the let us know. AMI values their client business and believes in rewarding referrals from clients.

Supervision of Extraordinary Maintenance

Extraordinary maintenance is:

- Any remodel or repair project exceeding \$2,000.00 and/or requiring more than one bid. Capital improvements, major repairs, restorations, refurbishments, renovations, landscaping, alterations, modernizations or redecoration.
- Remodeling projects (cabinet replacement, flooring replacement, paint, carpet, blinds, tub/shower area, appliance and fixture replacement)
- Construction projects (concrete replacement, driveway, pavement, walkway, porch, patio, roof replacement, gutter replacement, plumbing, sewer line replacement, well drilling & well pumps)
- Electrical service replacement
- Landscaping, tree removal or trimming, fence installation and/or sprinkler system installation
- Supervision of insurance claims
- Rental property maintenance surveys. Property owners receive a detailed, written report regarding the condition of the rental property, including pictures.
- Coordination of maintenance done by owner.
- Security deposit held by owner.

CANCELLATION OF MANAGEMENT

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

Please review the following policies for cancellation.

Foreclosure

Assured Management will not manage rental properties in foreclosure. As soon as we are aware the property is in foreclosure AMI will freeze all owner related funds to the property and will not make any further disbursements to you. You will have 30 days to correct and make all obligations current. Should you fail to stop the foreclosure process AMI will release the tenants from their rental agreement and all future rental payments. Additionally AMI will refund the security deposit to the tenant and deduct from any owner funds on hand all amounts due to the company, vendors or the tenant including but not limited to any refund to the tenant of prorated rents or expenses and all management fees and other fees as described in the management agreement.

Written Notice

- The AMI management contract accepts a 30 days written notice by either party, excluding the minimum management period. Please refer to your management contract.
- The AMI policy is to give cancellation of management by US Mail, by facsimile or email.
- If an owner sends a cancellation of management by US mail, AMI must receive the notice within 30 business days of the date of the notice.
- AMI does accept cancellation of management by email; please confirm our receipt of the email.
- AMI does accept fax cancellations; please confirm our receipt of the fax.

Notice to Current Tenants

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

Distribution of Documents

- AMI 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 AMI office.

Final Distribution of Funds

- AMI will distribute funds, including security deposits, and final statements to the owner within 30 days of the terminating date of management, as agreed in the management contract.
- AMI will issue an IRS form 1099 for funds collected during the current tax year when the tax year ends.

CONCLUSION

We hope you have found *AMI Owner Manual* informative and useful. If you feel there is any other information AMI can provide, let us know so we can include it in the future. A reminder – do not forget to fill out the necessary AMI forms and use the others when needed in the future. Call AMI at any time when you need any forms.

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



You have your job... We have ours!