



We specialize in managing:

Single-family homes
Condominiums / Lofts
Multi-units

OWNER MANUAL

Salt Lake City:
2715 E 3300 South
Salt Lake City, Utah 84109
Phone: 801-486-6200
Fax: 801-486-6371

admin@tieronere.com
<http://www.TierOneRENTS.com>

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WELCOME

We Specialize in Managing Single Family Homes

Thank you for choosing TierOne Real Estate, LLC (TierOne) 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.

TierOne works to achieve the highest level of professionalism in property management services. Therefore, we have prepared this 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. Please contact us immediately if you have any questions, using the company contact information provided in the following pages.

Special note: the information provided in the *TierOne Owner Manual* is subject to change. Landlord/tenant laws, personnel, policies, and procedures change from time to time. TierOne works diligently and continually to improve services and personnel training and remain current with all landlord/tenant legislation.

Once again, thank you for choosing TierOne as your property management company. We look forward to a successful business relationship.

TierOne Real Estate LLC

TierOne Real Estate is a property management company operating in Salt Lake City, Utah, specializing in full-service property management. The company began operating in 2005 and is actively involved in the Salt Lake community. TierOne is an abbreviation used in lieu of the full company name, TierOne Real Estate, LLC, and will be used throughout the *Owner Manual*.

TierOne mission statement

The mission of TierOne is to provide top quality service in property management in metropolitan Salt Lake City, while demonstrating integrity and professionalism.

GETTING STARTED

Initial site visit

A TierOne property manager must visit your property before we can price it or agree to manage it. The site visit must include interior access.

Proposal

Immediately following the initial site visit, TierOne will prepare a proposal consisting of a market rent survey of rents for comparable properties in the area, a draft management agreement, and various property intake forms. We will deliver these documents to you by email attachment.

The management engagement begins

We must receive two things to begin the management engagement:

- A signed management agreement with intake documents completely filled out.
- A key to the property.

Property survey

When we have received the management agreement and keys, we will survey the property. TierOne does this to ensure that we can accept the risk of placing a tenant in the property and that the property is ready to market.

When we survey the property, we will:

- Test all electrical circuits
- Verify that all light fixtures work and have light bulbs
- Verify that all appliances are in functioning condition
- Verify that the furnace and air conditioner work
- Verify that all plumbing fixtures are in functioning condition
- Verify that windows are operable
- Verify that all utilities are turned on
- Look for obvious structural defects
- Verify that the property is in white glove showing condition inside and out
- Verify that the property meets TierOne requirements for move-in condition

Necessary work is completed

After the property survey TierOne will send you a report of our findings. Sometimes, the property is ready to market and needs no work at all. Sometimes extensive work is needed. If work is needed, we will send you a list of repairs along with our bid to complete the work. You may choose to have TierOne complete the work or you may complete the work yourself.

The property is marketed

After the property is both safe for tenant occupancy and ready to market, we will take photographs, place a sign in the yard (if permitted by HOA regulations), and diligently market the property.

OWNER DOCUMENTS

A copy of your management agreement with various intake documents is provided to you along with the *TierOne Owner Manual*. Refer to it as needed and keep it with this information for a handy reference. It is important that TierOne 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.

Management agreement

Under Utah law we cannot manage your property unless authorized by you to do so in a management agreement.

Owner information

This information enables TierOne to set up your account.

Electronic banking authorization

This form enables TierOne to send your funds directly to your bank.

W-9

This form enables TierOne to send you a Form 1099 for preparation of your taxes.

As management continues, information can change. We have included several forms for your convenience. These forms and a copy of this manual may also be downloaded from the Owner page on the company website.

Change of owner information

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

Owner work order authorization

For larger projects, this form authorizes us to perform specific work on the property.

Owner vacation notice

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

TIER ONE COMMUNICATION

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

Company communication

TierOne staff members communicate by:

- Telephone
- Fax
- Email
- Written correspondence
- Unfortunately, we no longer allow staff to communicate through texting

Company website

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

- Prospective tenants can search our site for available rentals; all other online advertising links back to the TierOne website.
- Prospective tenants may apply online.
- The majority of tenants pay rent online.
- Tenants may make maintenance requests online.
- Tenant forms, such as the tenant handbook and notice to vacate forms, are available online
- Each owner via email, fax or U.S. mail within 24 hours will have access to the management agreement, current leases, monthly reports, approved work orders, all invoices and receipts for which the owner is billed, and any photographic or written reports delivered to the owner.
- To pay for emergency repairs, owners may send funds instantly via the Owner Portal on our website by ePayment or credit card.

General office information

Address information

Mailing address: PO Box 9225
Salt Lake City, UT 84109
Physical address: 2715 E 3300 S
Salt Lake City, UT 84109

Communication

Office **801-486-6200**
FAX # **801-486-6371**
Email **Admin@TierOneRE.com**
Website **www.TierOneRENTS.com**

Emergencies

Maintenance emergencies: 801-686-8437, Broker/Property Manager emergencies: 801-898-6909

OWNER COMMUNICATION

Communication works both ways. It is important that you let us know any significant change that can affect your account. TierOne 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 questions or other important information. To assist in communicating any changes to us, we have provided the Change of Owner Information form with this manual that is easy to use.

Email

TierOne encourages all owners to use email to contact us. It is fast and effective and easily tracked. Please supply us with your email address on all the TierOne forms. We will enter your email address in our database. **Special note:** When using email, we request that you put the property address in the subject line. This helps us identify the importance of your message and avoids oversights or deletions of messages.

Owner vacation notice

TierOne respectfully requests that owners notify TierOne of vacations that are two weeks or more. Another alternative is to inform your emergency contact listed on the Owner Information Form. The purpose in asking for this information is to ensure TierOne 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 available to download from the TierOne website on the "Owners" page.

OWNER RESPONSIBILITIES

A successful business relationship must engage both parties. At TierOne, we take our management responsibilities seriously and request that owners do the same.

Owner responsibilities are:

- Maintain property in a condition that is marketable and habitable.
- Notify TierOne of any ownership change or imminent owner change for the managed property Supply TierOne with accurate information so TierOne can service the management account properly Review statements monthly and notify TierOne of any discrepancies found as soon as possible Review statements monthly for accurate or missing deposits and notify TierOne if there are problems immediately.
- Support Fair Housing Laws and guidelines, as well as all necessary legislation.
- Maintain a current insurance policy for the property.
- Review property insurance yearly and update as needed.
- **Avoid all communication with tenants.**
- Treat TierOne personnel with courtesy. Notify the TierOne principal if there are problems with TierOne personnel so they can be resolved quickly.

THE SCOPE OF PROPERTY MANAGEMENT

What is included in TierOne property management services

We want you to know what TierOne does for you as your property management company. Therefore, TierOne has outlined our policies and procedures in the pages of this manual. There are so many details to managing property that we can include only the highlights in this manual. If you have more questions, contact us.

What is not included in TierOne property management services

Some tasks go beyond the normal scope of property management or require additional fees. The property management fee 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, legal advice, and 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 or is 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 that professional property managers 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), the National Apartment Association, and the National Association of Realtors (NAR®). Additionally, we train all personnel by requiring them to read and follow the TierOne Employee Manual and the TierOne Property Management Policy and Procedures Manual.

Utah Real Estate Commission requirements

The Utah Division of Real Estate requires licensing for all principals conducting property management and real estate sales in our state.

Drug-free policy

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

Legislation

TierOne adheres to the laws and guidelines of federal, state, and local legislation, and incorporates this into all documentation, policies, and procedures. Here are some examples:

- Fair Housing (HUD) - TierOne supports and follows Fair Housing laws and guidelines; the TierOne office displays Fair Housing signage.
- Equal Opportunity - TierOne is an Equal Opportunity employer and the 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
- EPA – Environment Protection Agency

Lead-based paint

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

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

ANSWERS REGARDING FUNDS

TierOne recognizes the importance of accurately collecting and disbursing funds. The bookkeeping program used by TierOne is specialized software designed to handle the many facets of property management and accurate record keeping, and complies with the requirements of the Utah Division of Real Estate.

Money flow during the lease cycle

The rent, typically pro-rated, is paid to the owner minus any maintenance and management fees incurred. For the remainder of the lease, TierOne receives the agreed upon percentage of the rent or 75.00 a month, whichever is greater, as a monthly management fee and the owner receives the balance of rent, less any expenses TierOne has paid on the owner's behalf, typically for repairs.

Disbursement of monthly funds

TierOne disburses available funds to owners prior to the 20th of each month. If this date falls on a weekend or bank holiday, TierOne issues funds on the next business day. If rent is received too late for owner funds to be disbursed on the 20th, the owner payment will be made the following month.

TierOne distributes owner funds by Automated Clearing House (ACH) direct deposit. Payments by ACH take two to three business days to post in our owners' bank accounts. Payments made on the 15th will post in the owner's account on the 18th or 19th of the month unless a holiday or weekend intervenes.

Monthly statements

Between the 25th and the last day of each month TierOne will email monthly reports, to each owner. If you have difficulty reading your monthly statement, please contact us.

End of year procedures

At the end of each year, TierOne is required to file 1099s for owner clients who receive income 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. Security deposits are not included in this amount.

You will need to supply TierOne with your tax ID number (Social Security Number or EIN) so we can issue you a 1099; we include a W9 form with your management agreement for this purpose. TierOne will send you the 1099 by January 31 for the previous tax year. If there is a change in your tax information such as a changed address or a change in the entity that holds title to the property, please notify us with the Owner Change of Information form.

TierOne also issues 1099s for disbursements to vendors for payments over \$600. Therefore, owners do not have to issue 1099s for work completed and paid through the TierOne trust account. Owners are responsible for issuing 1099s to any vendor paid through the owner's personal account.

TierOne prepares a final year-end statement which reflects 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 may submit their TierOne final year-end statement to their tax preparer along with other information for income tax reporting. TierOne does not issue statements to the owner's tax preparers other than our 1099 and our final year-end statement.

RENTING YOUR PROPERTY

Preparing to rent the property

When prospective tenants view your property, TierOne wants the property to look its best and be able to compete with other rentals in the same area. A property maintenance report and rental market survey is completed. The management team will contact you to discuss the details of your property and any necessary maintenance.

Requirements for property condition

TierOne markets only homes that are in a safe and proper showing condition and are fully repaired. Before TierOne will market a home, the following requirements must be met:

- Carpets, if any, must either be professionally cleaned or appear to have been professionally cleaned.
- All interior paint must either be freshly painted or appear freshly painted.
- The home must be in broom swept condition.
- All major systems must be operating (electrical, plumbing, gas, HVAC).
- All appliances included in advertising must be installed and in operating condition.
- All utilities must be turned on.
- Landscaping must be in good condition.
- All work identified in the property maintenance report must either be completed (if owner completes the work) or fully funded and underway (if TierOne completes the work).

When a tenant moves into a home that is rent-ready, we have an opportunity to begin the landlord-tenant relationship with mutual respect and trust. On the other hand, nothing sets a tenant against the property, the owner, and the manager, more than moving into a home that is not ready. It can be compared to checking into a hotel room that has not been cleaned. The relationship with the tenant can become polarized and adversarial from the very beginning. When this happens, the landlord/tenant relationship frequently never recovers.

Tenants who rent with TierOne expect to take possession of a property that is ready to be lived in. We are committed to delivering to tenants what we promise: a property that is move-in ready.

Why has my property been cleaned more than once?

We often find it necessary to clean a property more than once prior to tenant move-in, and owners sometimes ask why this is necessary. If the property was completely clean and move-in ready six weeks or six days prior to tenant move-in, how could it possibly need maid service again? Here are some of the reasons:

1. When a property is vacant for an extended period, dust enters and settles and the property simply becomes dirty again.
2. Various kinds of insects become more active at certain times of the year; spiders, for example, are very active in the fall. When a property is vacant, spiders, ants, cockroaches and many other kinds of insects will make inroads and cause the property to need cleaning.
3. Various small creatures tend to enter vacant homes and die. These may include insects of all kinds, lizards, rodents, and birds. Dead creatures in the home can be very upsetting at move-in.
4. Even if the home is shown only by TierOne staff, frequent showings and occasional use of the bathroom may be enough to create the need for cleaning. Imagine if a popular property were shown five times during a week of heavy rain to groups of people, many of whom use the bathroom.
5. If vendors have been in to repair the home, it may need to be cleaned again. In an ideal world, every vendor would leave a pristine home as clean as he found it. In reality, carpenters, plumbers, electricians, appliance delivery services and the like do not bring maid carts with them and are not prepared to do serious cleaning after they have completed the work they were hired to do.

6. In some cases, the owner has cleaned the home, and the owner's standard of cleanliness for move-in is lower than TierOne's standard of cleanliness for move-in. In the event of a disparity, TierOne's standard will prevail and the property will be cleaned again.

It is never acceptable to move a tenant into a dirty property.

Setting the rent

Supply and demand determine 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 will be easier to rent the property. Markets change and TierOne advises owners on the current rental market.

How long will the property be vacant?

This is the most commonly asked question TierOne 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, TierOne works diligently to rent the property as quickly as possible. Bear in mind that the most important objective is to obtain a high-quality tenant. It is hard to overstate the high cost of a low-quality tenant.

MARKETING

Signage

TierOne displays 'For Lease' yard signs prominently, unless prohibited by neighborhood covenants, and each sign carries our office phone number and website address. Yard signs promote calls and website visits.

Internet marketing

TierOne prides itself on effective internet marketing. Each rental property has a page on our website, TierOneRENTS.com. The website has rich information on each property with photos, maps, property description, and instructions about how to request a showing appointment and how to apply.

In addition to our own website, TierOne markets properties on a variety of paid and free websites. Our marketing staff is on the internet every day and pay close attention to which rental home websites attract the most visitors. We market our rental homes on the most-visited websites. Trends in internet advertising change rapidly and our selection of marketing websites changes with the market. Please ask about specific websites on which your property will be advertised.

Print Media

We have found that internet advertising is far more cost-effective than print media advertising. We do not recommend print advertising in most cases. There may be times when this is an exception.

Showings and applications

The TierOne property managers conduct showings for each unit. Tenants contact us by email and telephone. We arrange showing times for your property in advance.

TierOne has a user friendly online rental application. We are prepared to execute leases with approved tenants very quickly by fax and email. Many times using the internet, we have leased properties, sight-unseen, to qualified out-of-state tenants.

PROCESSING TENANT APPLICATIONS

Tenant screening

Thorough screening is crucial for successful property management. We require all applicants to fill out a detailed application and submit it for processing and approval. For each tenant, we examine the following:

- Equifax credit report
- Nationwide criminal background report
- Nationwide report of previous evictions
- Employment
- Income
- Rental history

All applicants must submit verifiable information on their income to show that they can support the rent payment. Rental history or previous home ownership is carefully checked. The credit report, criminal background report, rental history, and proof of income together provide the criteria to qualify or disqualify prospective applicants. If a pet is allowed on the property, the screening includes the pet.

Cosigners

There are sometimes conditions that may warrant taking a cosigner on a property. For example, we have successfully leased homes to students who had well-funded parental cosigners. If this is the case, TierOne will notify the owner, discuss the reasons, and obtain owner authorization.

Pets

If an owner authorizes a pet, we require an additional security deposit. Many tenants have or want pets and are willing to pay additional rents for this amenity. As a rule, TierOne does not allow cats in any of our rental properties. However, whether you have or have not decided to allow a pet in your property, the TierOne application has a place for prospective tenants to list pets and how many. It is important to encourage full disclosure on pets while evaluating an application. If you do allow pets, TierOne will not place inappropriate pets in a property.

TierOne recommends to owners that when the property is on the market, some 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, TierOne 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 who has an excellent tenant history and owns a pet that is suitable to your property.

Service animals

Service animals for handicapped 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

We require payment of first month's rent and security deposit in certified funds. Tenants must pay a full month's rent and a security deposit, usually equal to one month's rent, prior to taking possession of the property. A portion of the security deposit (approximately \$150) is paid out to TierOne as a non-refundable fee for procurement.

Lease

Once TierOne receives funds, a lease with the applicant is completed. All persons 18 and over, including adult children, are required to read and sign the lease. 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.

Move-in inspection

A vital part of the rental agreement is a detailed move-in inspection performed with the tenant, documenting the condition of the property when they move in. Unless extenuating circumstances prevail, the TierOne leasing agent completes the move-in inspection with the tenant before the tenant takes possession of the property. The move-in inspection documents the condition of the property. When the tenant moves out of the property, there is a sound basis for the security deposit refund. TierOne also documents the move-in with digital photos.

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 available on the TierOne website. We want both owners and tenants to be well informed.

WORKING WITH YOUR TENANTS

Collecting rent

Rent is due on the first day of the month and late if received on or after the fifth day of the month.

Communicating with tenants

Occasionally a tenant will reach out to an owner. **Do not communicate with the tenant under any circumstances!** Instruct the tenant that all business will be conducted through TierOne directly, then let us know and we will educate the tenant on our communication policy.

When rent is not paid

If TierOne does not receive rent by the due date, we prepare and deliver a demand letter. The demand letter notifies the tenant that their rent is delinquent and asks them to pay in full within three business days.

If TierOne receives the rent prior to issuing owner funds, TierOne does not contact the owner unless the TierOne management team determines there is an ongoing rent issue.

If the rent is not paid by the specified date, we post a 3-day Pay or Quit notice. Very few of our Pay or Quit notices result in a physical eviction. However, the notice is an effective tool to let tenants know that the rent must be paid. In most cases the tenants simply get current with their account and the notice is dismissed. In the rare event that a tenant does have to be evicted, prompt filing of the notice minimizes the time an owner has to carry a non-paying tenant.

Evictions

If an eviction is necessary, TierOne handles every part of the process on your behalf. We will file all necessary documents, monitor legal proceedings, attend court if necessary, hire a crew to perform a set-out by the Sheriff, and prepare the property to be marketed to a new tenant. Professional and correct legal action by a property manager both reduces the owner's expense in an eviction and avoids the risk of a lawsuit for wrongful eviction.

Notices of violation

TierOne 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, TierOne contacts the owner with the information to discuss the situation.

Tenant problems

TierOne has years of experience handling the wide range of tenant difficulties that can occur. Our policy is to obtain good tenants, eliminating many tenant problems. However, even good tenants can have problems. We treat each problem with a common-sense approach, follow Utah landlord/tenant law, and use the appropriate documentation. If the situation is serious, we contact the owner and work to find a solution to the problem.

MAINTENANCE

Preventive maintenance

The best approach to maintenance is preventive maintenance, and this is the TierOne policy. First, we have already started with educating the tenant by:

- Completing a detailed lease which outlines tenant responsibilities regarding maintenance as well as owner obligations
- Completing a move-in inspection documenting the condition of the property before the tenant takes possession
- Supplying tenants with the TierOne *Tenant Handbook*, which provides additional instructions on the care of the property and how to request maintenance

We want the tenant to know from the beginning of their tenancy how TierOne expects them to care for the property. This proactive approach can prevent costly maintenance.

Next, we use preventive maintenance techniques when work is required and utilize competent contractors. Often 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.

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. We contact owners regarding maintenance above the \$300.00 limit that is listed in the TierOne Management contract - unless the situation is an emergency.

Emergencies

When an emergency occurs, TierOne has policies in place for the property and tenants. We notify the property owner as soon as possible. The nature of the emergency determines the action we need to take.

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

WHEN THE TENANT VACATES

Communication with owners and tenants

Seventy-five days prior to the expiration of a lease, TierOne notifies the owner in writing. TierOne asks for the owner's instructions: Shall we invite the tenant to renew for another year, or give the tenant notice that the lease will not be renewed? If we do not hear from the owner within two weeks, we assume the owner wishes us to renew the current tenant if possible. Sixty days prior to the expiration of a lease, TierOne invites the tenant to renew if the tenant's account is in good standing. If neither the tenant nor the landlord gives notice of termination 30 days prior to the expiration of the lease, the lease will automatically go month-to-month and \$50 will be added to the rental amount. If TierOne receives no instruction to the contrary from the owner, the tenant will be allowed to stay month-to-month.

Notice to vacate

When there is a notice to vacate, the move-out procedures with tenants are as critical as when TierOne moves in a tenant. The preparation for this really began when the tenant moved in with a detailed rental agreement, maintenance exhibit, walk-through, and TierOne *Tenant Handbook*. All of these documents give instructions to the tenant on how to move out.

Tenant move-out

TierOne conducts a walk-through similar to the one performed when the tenant moved into the property. We record any maintenance required and discloses a list of damages to the vacating tenant. Digital photographs are taken when the tenant moves out to document the condition of the property and support any deductions from the security deposit. After assessment of the tenant move-out, we advise 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. Any tenant deductions are determined in a timely manner, and a security deposit transmittal is prepared in accordance with Utah law. Owners receive a copy of the transmittal with their monthly statement, showing any deductions and monies refunded.

Collections

If collecting damages is required, TierOne will refer the matter to a qualified consumer collection service at the instruction and authorization of the owner. TierOne management does not include recovering tenant damages, but leaves this to companies with expertise in debt collection. TierOne will supply consumer collection companies with the necessary documentation needed.

ADDITIONAL SERVICES

The following are additional services offered by TierOne to each property owner. They are not included in the fees for managing the property.

Seasonal inspection

TierOne maintains properties as part of their property management services. This inspection goes beyond overseeing normal maintenance. A licensed home inspector performs this inspection and the purpose is to

check the property thoroughly twice a year in order to perform necessary seasonal or preventative maintenance.

Extraordinary maintenance

Property management normally includes only routine maintenance. Large repairs and renovations are outside the scope of typical property management. TierOne will bid out repairs when needed.

Real estate sales

TierOne specializes in property management and working with buyers and sellers of residential and commercial property. We are available for additional purchases, sales or consultations.

CANCELLATION OF MANAGEMENT

It is our goal 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. When this happens, the TierOne cancellation policy is to resolve your account in a professional, timely, and pleasant manner. Please review the following policies for cancellation.

Written notice

- The TierOne management contract accepts a 30-day written notice by either party.
- Your written notice must include your signature. You may convey this to us by U.S. postal mail, fax, or a scanned document by email attachment.

Notice to current tenants

- TierOne will notify current tenants of the date TierOne will no longer manage the property
- TierOne will forward 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

- TierOne will supply current tenant documentation to the owner.
- If the owner has employed new management, TierOne will forward documents, keys, and any other necessary materials to the new management upon request by the owner.

Final distribution of funds

- TierOne 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.
- TierOne will issue a 1099 for funds collected during the current tax year when the tax year ends.

CONCLUSION

We hope you have found *TierOne Owner Manual* informative and useful. If you feel there is any other information we can provide, let us know so we can include it in the future.

Thank you for your business. We appreciate the opportunity to serve you very much.

RECAP

Management Fees

- Ongoing monthly management fee of a percentage of rent (minimum \$75)

Tenant Screening

- Credit report
- Criminal background
- Prior evictions
- Rental history
- Income and employment verification

State-of-Art Internet Marketing

- Each property has a page on our website photos, description and driving directions
- Rental properties are marketed on a variety of free and paid websites
- Rental applications are taken online and paid for by the prospective tenant
- Leases may be executed via email and fax

Owner Payments and Statements

- Owners are paid by direct deposit
- Owner funds are disbursed before the 25th day of each month
- Invoices, receipts and Owner reports are available via email
- Owners receive a 1099 form, a Schedule E, and a full year statement at year-end for tax preparation

Repairs and Maintenance

- TierOne's in-house maintenance staff can handle most repair issues your property may require at a price that is easy on the pocketbook
- All professional, licensed tradesmen are thoroughly screened
- Maintenance prices are the lowest in town and all savings is passed to Owners

ATTACHMENTS