

INTERNATIONAL GOLF REALTY, INC.

**Property
Owner's
Handbook**

For Residential Rental Property



Used in Conjunction with the Exclusive Leasing and Management Agreement

Welcome to International Golf Realty, Inc. Residential Property Management Service

Our goal is to make your association with our company a pleasant experience and our hope is that you will consider **International Golf Realty, Inc., “IGR”** for all of your real estate needs.

It is our belief that a description of our services and procedures that you can use as a reference after your listing agreement is signed will simplify our business relationship. We have developed this **Property Owner’s Handbook** to enhance the communication between you and your property manager and to detail the responsibilities of **International Golf Realty, Inc.**, as we take on the leasing and/or management of your investment property. If you understand the process, we can better serve your needs.

This **Property Owner’s Handbook** is designed to familiarize you with our administrative process.

The contractual relationship between you and **International Golf Realty, Inc.**, is defined by written agreement. You should refer to your individual Property Management Agreement for terms and conditions and for actual fees for services rendered.

If this Booklet does not provide the answers you need, we are available to answer your questions or to address your concerns.

WHO WE ARE?

International Golf Realty is a locally focused company, which offers a full range of real estate services while maintaining the highest degree of professional and ethical standards.

Company History

International Golf Realty, located in the World Golf Village area was founded in 2003. In 2003, Maryse Hotchkiss, Robert Keating and Michael Drepanos, had the foresight to form International Golf Realty Property Management to enhance customer service and broaden the company's horizons. This has been a winning combination in every way.

Since that time, we have grown into a full service organization, complete with residential property management divisions, site sales and property maintenance.

We have three PRM designees Property Managers on our staff, two brokers, office manager, property manager and Resort Vacation and Golf Packages Sales Manager.

International Golf Realty is committed to excellence in all phases of real estate and looks forward to the future with great expectations.

Members of:

Florida Association of Residential Property Managers (**FARPM**)

Northeast Florida Association of Realtors (NEFAR)

Northeast Florida Association of Property Managers (NEFARPM)

National Association of Property Managers (NARPM)

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Why Choose Us?

International Golf Realty, Inc. Property Management Division

- ❖ Personal relationships, experience and expertise.
- ❖ Knowledge of local rental market.
- ❖ Competent, competitive, licensed and insured vendors for repairs and maintenance..
- ❖ Our Property Managers are professional full time associates or employees.
- ❖ Internet exposure
- ❖ Training and legal update sessions for property managers and rental associates.
- ❖ Photo and video service available to record property condition.
- ❖ Inventory services available.
- ❖ FREE – no obligation investment property consultation.
- ❖ FREE – no obligation, sales market analysis.
- ❖ Complete tenant screening; credit, civil, criminal check and income verification.
- ❖ Full compliance with state and local landlord/tenant laws.
- ❖ Full compliance with Fair Housing laws and regulations.
- ❖ Full Compliance with Fair Credit Reporting Law.
- ❖ Full Compliance with Lead Paint Disclosure on all properties built prior to 1978.
- ❖ Prompt rent collection and necessary follow up with legally required notices.
- ❖ Delivery of monthly statements to owners detailing income/expenses.
- ❖ Lease renewal negotiations to keep rent in line with market rates.
- ❖ Attorney prepared leases and renewals.
- ❖ In house marketing department to professionally market our services.

Frequently Asked Questions

Preparing the Property for Showing and Occupancy

Question: If I turn over my vacant property to International Golf Realty, Inc., to lease, will you order any repairs/painting and /or cleaning that may need to be done to get the property rent ready?

We will review with you the preparation needs of your rental property and if you elect to have us oversee the preparation of the property for showings and new tenants, there is a charge to you for this service.

All roofing, major plumbing, air conditioning, heating, appliances and electrical repairs will be performed by licensed vendors. All vendors will be hired in your name and you will be obligated for all charges incurred.

If your property is in “rent ready” condition when you turn it over to us and nothing needs to be repaired, replaced or cleaned, we do not charge you any additional fees.

Question: If there is work to be done, why don't I just let the tenant do the work and let the tenant take it off of the rent?

The physical condition of the property is the single most important factor in attracting quality tenants. Only vendors of good reputation and credentials should do property preparation.

All properties offered for lease must comply with all applicable laws, regulations and codes. Any deficiencies shall be corrected at your expense.

Properties that are not in "rent ready" condition cause lose of prospective tenants. They simply go down the street to another unit that is “rent ready”, causing you to wait longer for income. A property that is in “rent ready” condition when we begin to market it for rent attracts a quality tenant that will cause less wear and tear on your unit, pay premium rents, stay longer and present fewer problems.

Tenants will promise you anything at the beginning of a lease to get a deep discount, but rarely do they do a quality job. At the end of the lease if there is a security deposit claim, tenants remember only all the work they had to do and not that you gave them a break. If you waive any portion of the deposit or advance rent (which we don't recommend) then you don't have financial protection from the tenant, should the tenant decide to vacate early and not fulfill his contractual obligation to you. Trusting a new tenant to prepare your property after they lease it will cost you more in the long run.

There can also be a liability issue if tenants are injured while doing work authorized by you on your premises. We do not recommend that a landlord give any concessions for reduced rent or purchase supplies for a tenant to do property repairs or decorating.

Question: How will you handle property preparation between tenants?

If we have your property under an annual management contract and a tenant vacates either by contract or by eviction, we must inspect the premises and implement “whatever it takes” to get the property in “rent ready” condition ASAP!

We will consult with you on items of decorative expense that individually exceed \$200. Other items we will order and get done quickly, to allow for good quality showings.

Not all repairs and preparation can be covered by the security deposit. Many are due to the normal wear and tear that is an owner's expense.

If a property sits vacant for several months, even though it was cleaned at tenant move-out, it may need a freshen-up cleaning. This is much less costly than a full clean, but it is money well spent since it sets a tone with the tenant that the landlord cares about his property and expects the tenant to do so also.

You will be charged the minimum monthly management fee during periods of vacancy and readiness preparation. **No additional fee will be charged unless preparation work exceeds \$750.**

Keeping your property in “rent ready” condition and maintaining your property while tenants occupy is an essential requirement for us to continue managing your property. We may cancel our agreement with you if we believe you are not cooperating to keep your property well maintained. Recent Florida state legislation was passed that allows city and local governments to fine owners and their agents for not maintaining their rental properties.

Question: Who is responsible for changes and maintenance of locks and keys?

Upon execution of the property management agreement you will be asked to provide 4 sets of keys at your expense for each door lock, plus security and pool keys, garage door openers, gate cards and security passes, if any.

We use a key checkout system to allow access to cooperating real estate brokers to show the property and for vendors needing to accomplish work on the property.

If a lock box is approved on the property in your contract, we advise you to secure or remove valuables. The lock box is for your benefit to allow easy showings and for persons working through **International Golf Realty, Inc.** Your management contract has language to hold **International Golf Realty, Inc.**, harmless from any liability which may arise from damage, theft, negligence or loss which may occur in connection with the delivery of the key to the property to cooperating brokers and vendors or utilization of a lock box. If your property is tenant occupied, the tenant must also give written approval before a lock box is used.

We will change locks at the end of each tenancy for the protection of future tenants and to protect you from liability. The cost for such change will be at Owner’s expense unless otherwise agreed in the lease document.

Marketing the Rental Property

Question: What will International Golf Realty, Inc., do to advertise my rental property?

Once your property is in rent-ready condition we will do the following:

- ✓ We will place the property in the local multiple listing service (“MLS”) (if available).
- ✓ We will place appropriate signs on the Property and remove all other such signs including any of your personal signs.
- ✓ **We will advertise the property as we deem necessary in newspapers & publications. Such advertising may be general in nature and may not specifically describe your property as we may have several similar properties available at the same time. Cost of advertising is referenced in your Agreement.**
- ✓ We will place your property on our website connections.
- ✓ **We provide network connections with other Realtors through local board meetings in areas where such meetings are held.**
- ✓ **Our relocation department sends us referrals of transferees who may need to rent before they buy.**
- ✓ **Our associates also send associate to associate referrals of prospective tenants who contact various branch offices for assistance.**
- ✓ **If agreed to in your management contract we will place a Realtor's access lock box on the door to allow for easy showings by multiple associates.**

Long-Term Tenant Approval Process

Question: How do you decide if a tenant should be approved for residency?

All adult residents 18 years of age or older are asked to complete a residency application and pay an individual fee for verification of credit references and criminal and civil background checks.

We ask for photo identification (typically a driver's license, sometimes a passport) from each applicant. On the back of the tenant's application are the following criteria for residency:

- a. **All monies due prior to move in must be in cashier check, certified funds or money order.**
- b. **Applicants must have a combined gross income of at least two and one half times (2 ½) the monthly rent.**
- c. **Credit history or civil court records must not contain more than 2 accounts over 30 days, judgements, eviction filings, collections, liens or bankruptcy within the past five (5) years.**
- d. **Self-employed applicants may be required to produce upon request two (2) years of tax returns or 1099's.**
- e. **All sources of income must be verifiable to qualify for a rental unit. If the income is not verifiable, additional advance funds and/or a co-signer will be considered.**
- f. Criminal records must not contain any felony convictions or adjudication withheld or misdemeanors pertaining to offenses regarding illegal drugs or crimes against persons or property.
- g. **Previous rental history reports from landlords**, if obtained, must reflect timely payment, sufficient notice of intent to vacate, no complaints regarding noise, disturbances or illegal activities, no NSF checks and no damage to unit or failure to leave the property clean and without damage at time of lease termination.
- h. **Pets are not permitted without specific permission of the landlord in the lease.** There is an addendum added to the lease which specifies a non-refundable pet fee acceptable to the landlord or an additional pet deposit or additional security deposit. Any fees or deposits are waived for medically necessary pets. **We will not accept the following breeds of dogs due to insurance liability: Rotweilers, Dobermans, Pit Bulls (AKA Staffordshire Terriers), Chows and Attack trained German Shepherds.**
- i. **Current HUD occupancy standards are a maximum of two (2) persons per bedroom plus one additional resident.**
- j. Any exceptions to the criteria required by **International Golf Realty, Inc.**, will be submitted to the owner for the owner's consideration.

If the results of the verification show that the tenant does not meet all of the criteria, we may ask for additional security and/or more advance rent. Sometimes for people without any credit history, or people from out of the country, we ask for a co-signer who must also go through the application process.

The verification report may not be all-inclusive, may not provide information from all local jurisdictions within the U.S. and will not provide information from jurisdictions outside the United States. International Golf Realty, Inc., does not warrant the completeness or accuracy of the reporting agencies.

Question: Who gives the final approval for a tenant?

You will be giving us Power of Attorney to sign leases on their behalf. That means that the listing associate will give the final approval and will sign the lease on your behalf. This is done after verbal confirmation from you unless you are not easily reachable over a 24 hour period. Then we will use our best judgment to avoid extending the vacancy period. We have a set of criteria on the Tenant Application that we can share with you that help us determine whether or not the tenant is a small or large risk and we ask for differing amount of upfront funds if there are reasonable credit problems.

If you wish to approve your tenants and sign all leases and extensions, that will slow down our ability to place tenants because we will need to reach you by fax or mail to obtain your signature on the lease. Time is very critical when we are working to get a tenant committed to a lease. Time is of the essence with regard to legally binding leases. We will want to fax you a copy of all lease documentation and have you fax back a response within 24 hours. If you have no fax then we will charge you for overnight mail costs to secure the tenant to the lease.

NON-DISCRIMINATION

We offer all rental property in accordance with the CIVIL RIGHTS ACT OF 1968, TITLE VIII FAIR HOUSING, and any amendments thereto, which provides that it shall be unlawful to refuse to rent after making a bona fide offer, or refuse to negotiate for the rental of or otherwise make unavailable or deny a dwelling to a person because of race, color, age, religion, sex, national origin, familial status or handicap.

LONG-TERM RENT COLLECTION PROCESS

Question: How will International Golf Realty, Inc., collect the tenant's rent?

We will make every reasonable effort to collect the rents according to the terms and conditions of the lease. We will also deliver the required "Three-day Notice", which is mailed or posted on the door of the rental unit when the tenant's rent has not been received by the 5th of the month. This notice delivery is the beginning of the eviction process.

The property management agreement gives us full authority to collect rents and deposit and hold all funds received on your behalf as escrow agent. **We will disburse monthly rent proceeds when the tenant's rent check clears our bank account. We disburse security funds according to Chapter 83 Florida Statutes.**

International Golf Realty, Inc., is not liable in the event the tenant presents bad checks or fails to pay. Additionally, International Golf Realty, Inc., does not guarantee the payment of rents, deposits or any other sums by tenants. The tenant guarantees those payments by executing the lease. There are legal remedies available to you, but you may incur additional legal expense for attorney fees and court costs.

The lease makes provisions for **International Golf Realty, Inc.**, to charge the tenant for bad check processing, credit reports, pet application fees, late fees, administrative fees and such other matters as may be necessary to enforce the tenants' compliance with the lease. **International Golf Realty, Inc., makes every attempt to collect those charges from the tenant so that we do not have to look to the owner to pay for the notice and enforcement process.**

If you elect to have International Golf Realty, Inc., pay recurring fees on your behalf, such as Lawn service and treatment, pool service, etc, from your rental proceeds, we require you to escrow two months of such payments. This is to ensure that in case you have a vacancy or your tenant fails to pay rent, we have sufficient funds to meet your payment due dates.

Tenant/Landlord Lease Compliance

Question: Do I need to give the tenant my phone number and address?

Although your name, as owner, will appear on the lease your address and phone number will not. The tenants are instructed to call their property manager. We ask that you do not give your phone number to your tenants. This does not mean that you can't have a friendly relationship, but tenants will always try to circumvent the system if they believe they can call and sweet talk an owner into getting more concessions than their property manager is willing to give. Having one line of communication minimizes the potential for misunderstandings with tenants.

We will handle all Tenant requests and negotiations that may arise from time to time. We will call you only if we need your opinion on an issue that is not clear-cut or on a repair that exceeds your reserve amount. If a tenant does contact you, please refer them back to the property manager so we can best protect your interests as a landlord.

You do not have to comply with all tenant requests. Some are merely matters of decorative taste, but those relating to appliance repairs, heat and air, and any structural defects that create a health or safety issue we take care of immediately. Speed and competent handling of repairs protects you from landlord liability.

Question: What if the tenant leaves earlier than the lease expiration?

Under the terms and conditions of the attorney prepared lease, you may keep the last month's rent and the security deposit as forfeited damages if your tenant breaks his lease without notice. If the tenant gives 30 days notice prior to vacating early, we must follow the security deposit claim procedure of Chapter 83, Florida Statutes. Any dispute of such claim by the tenant will be handled through the proper legal process.

You may elect to sue the tenant in small claims court for any damage above the amount of security deposit and for any months of vacancy suffered because of the early termination. It has been our experience that landlords do not fair well in court against a skipped tenant. Even if the landlord is lucky enough to get a judgment, the tenant rarely has any assets to satisfy an unpaid judgment. State law prohibits the collection of double rents, so that if we re-rent the unit, then the tenant only has the liability for vacant months and any penalty payments specified in the lease.

Question: What if I want to see the property with the tenant in the unit?

You will need to contact your property manager so that appropriate notice can be served to the tenant of the inspection. We must give 24 hours written notice. We strongly recommend that you do not meet with the tenant without your property manager present. Tenants frequently interpret such a visit to be an indication that the landlord wishes to deal direct with the tenant and not through the property manager. Most tenants will take immediate advantage of this situation, if the event occurs, to ask you for items they think you will approve that your property manager may not.

In the event a visit with the tenant occurs without your property manager, any items agreed upon during a landlord visit should be in writing and each should have a reasonable time frame for accomplishment included. If improvements are needed to the property, do not make promises to the tenant until you have had a chance to discuss estimates for work with your property manager. You may find that the cost for such items is higher than you thought and then if you don't proceed with the work, the tenant becomes unhappy and difficult to satisfy.

Never give your phone numbers to a tenant no matter how nice they seem or you may get calls you do not want. Several owners have had to change their home numbers because of difficult tenants.

Security Deposit and Last Month Rent Long-Term Tenants

Question: Who will hold the tenant's last month's rent and security deposit?

International Golf Realty, Inc., will hold all security deposits and advance rent in our broker's escrow account in accordance with chapter 83, Florida Statutes.

Question: Can the security deposit be used for anything other than damages and may I be present at the move-out inspection?

A security deposit can be used for cleaning, damages and unpaid tenant charges such as late fees, tenant repair responsibilities, utility charges or missing items. The tenant's Security deposit must be returned within 15 days unless a claim is to be made for damages. If a claim is made against the tenant's security deposit it must be made within 30 days of vacancy. Unless you instruct us in writing within 3 calendar days of vacancy of your intention to view the property before the prescribed 30 day claim period ends, a move-out inspection will be done and your property manager or listing associate will determine what claims need to be made. Then Vendors will be consulted for estimates. Decisions of your property manager and listing associate are final and **International Golf Realty, Inc.**, shall not be held liable for any failure to make claim(s) on any damages, which were not readily apparent to your property manager at time of the move-out inspection.

Since it is not legal to amend a claim for a higher amount after it is sent, any unclaimed funds will be returned to the tenant within the prescribed claim period.

Question: May I claim the vendor's estimate and then do the work myself?

Certainly you may work on your unit yourself, but Chapter 83 FL. Statutes gives tenants the right to see the actual paid invoices for materials and labor. If you end up in court on a security deposit dispute and the judge rules that you owe even one dollar back to the tenant, the tenant may be the prevailing party and the legal costs of the case may be charged to you.

SEASONAL/ SHORT-TERM PROCEDURES

Question: Is a credit background research done for seasonal/ short-term tenants?

Because your seasonal tenants pay the full amount of their lease term plus a seasonal deposit for damage and utility, your financial risk is not as great as when a tenant pays by the month.

Question: When can I expect my proceeds for a seasonal rental?

In most cases, we collect the full rent from the tenant 60 to 90days prior to move-in. We hold those funds until the tenant takes occupancy or the lease term begins whichever comes first. At that time, we release proceeds to you and pay International Golf Realty, Inc., the rental commission. If you prefer to have your proceeds released and the commission paid before occupancy, you will need to send your written instructions to your associate so that this exception can be accommodated by our accounting department. You will have the income reported for the year in which the funds are collected on your behalf even if they have not been released to you.

Question: What happens if my seasonal Tenant does not find my unit acceptable after they arrive to take occupancy?

When a tenant arrives and takes issue with conditions of the property, your associate will first tries to correct the deficiencies. If the deficiencies include items that could be a health or safety hazard to the tenant, it is wise to seek legal advise and that advise may well be that you should allow the tenant to end their rental agreement and vacate the unit and refund their money.

Such issues that have arisen in furnished seasonal rental units include, Tenant allergies to chemicals used for carpet cleaning and pest control, previous pet occupancy, poor quality air form an aging air conditioning system, pest infestation, and lack of cleanliness of the unit.

Although you want to gain income from your furnished rental, you may also incur serious liability if you hold a tenant, who has raised a significant health or safety issue. If you cannot be reached to decide the issue, your property manger will seek legal advise and act accordingly to try to protect you from increased liability risk.

Question: Who determines the amount of seasonal deposit that is collected from my tenants and for what can it be used?

You and your associate need to determine what you need to collect to feel comfortable that you have enough to cover cleaning, minor damage and utility costs that are the tenants' responsibility even though they stay in your name. We suggest that you ask for at least \$750 for rentals of up to \$1500 monthly and higher than that for more expensive rental units. One month's rent is very typical in most areas of high seasonal tenancy.

This deposit may be used during the lease to reimburse you for utilities you have paid and after the lease for cleaning charges, carpet cleaning if necessary and missing items and any damage not due to normal wear and tear. We can hold these funds for up to 60 days after the tenant vacates, so you must get utility bills to your associate as soon as possible so we can refund any money to the tenant in a timely manor.

Question: Is it normal that my tenants who lease for the season, treat the rental like a hotel?

Yes, it is. They are paying high seasonal rates and transient taxes like they would in a hotel so they often view the rental experience as if it were with a hotel and they think that **International Golf Realty, Inc.**, has absolute control over the conditions in the unit. They often forget that there is an owner to consider and if they do remember that, they think you should act like a hotel proprietor. We want to treat your seasonal tenants more like guests so they will want to return to your unit for the next season and if not, recommend your unit to a friend. Our associates go many extra miles for your seasonal tenants and even then cannot satisfy the more demanding ones.

Please assist your associate by responding to their calls for requests, as quickly as possible or give your associate a set of limits of freedom to act for you in customer service issues.

Question: Is there additional insurance I should carry as a landlord of short-term transient rental property?

As an owner of investment rental property, you have a significant liability risk and should carry sufficient liability insurance. There may even be policies that will protect you from the loss of rents in some cases. You should seek the advice of your insurance agent.

We request that you name **International Golf Realty, Inc.**, as an additional insured while we are managing your furnished rental property.

Question: Will my International Golf Realty, Inc., associate be responsible as a caretaker and will he or she visit my property while it is vacant between seasonal rental periods?

Unless you have agreed to pay a monthly fee for year round management service of a vacant unit, your associate will only visit the property if he or she is showing it to prospective tenants. If you call to ask your associate to check on your unit and you are not under an annual monthly fee program, you can expect to be charged a trip fee of between \$50-\$75.

Repairs and Maintenance

Question: Who does my tenant call if there are repairs needed on my property?

The tenant will call our office and be directed to speak to the property manager. The tenant should never be contacting you directly for repairs/maintenance requests. You have hired us to run interference between you and your tenant. Let us do our job.

Question: What if there is an emergency, after business hours or on a weekend?

Our property managers are available through pagers, cell phones and voice mail. Tenants are given instructions at the time of move-in to follow in case of emergencies. Only true emergencies will be handled after hours and on weekends to allow for personal time for your property manager and to save you overtime charges from vendors.

Question: Who will be responsible for ordering repairs to my rental unit?

If a repair is a true emergency (water leaking, flood, septic back up, no running water, no hot water, electrical hazard, refrigerator failure, air conditioner or heat failure or some other condition which threatens the safety or health of your tenant), we will order a vendor to fix the problem as quickly as possible. Your property manager will attempt to notify you, but you may not know of the repair until your monthly statement arrives.

If a non-emergency repair exceeds \$300 or the amount of money that we are holding in reserve for your property then the property manager will contact you to determine what steps you wish to take to correct the deficiency in the unit. As Owner, you give **International Golf Realty, Inc.**, the right to authorize access as necessary to your property to make repairs and to protect the property and the tenant's rights.

Question: How will I pay for repairs and services ordered on my rental unit?

We ask that owners maintain a minimum sum in an operating reserve account with **International Golf Realty, Inc.**, for repairs and recurring maintenance expenses such as pool, lawn, and extermination. This is normally \$300 but in no way does that reserve limit **International Golf Realty, Inc.**'s, expenditure to that amount if, for reasons of necessity, we find that we need to spend more. This balance will be replenished from rent proceeds or we will contact you for funds as needed.

As your property manager, **International Golf Realty, Inc.** shall have full authority to have repairs made, to purchase necessary supplies, to hire and discharge on your behalf any and all vendors necessary to the maintenance and operation of the property and to pay all bills and charge your operating account accordingly. Any vendors hired to make repairs or improvements shall not be deemed employees of **International Golf Realty, Inc.**, and **International Golf Realty, Inc.**, shall not be responsible for their acts or omissions.

Our accounting staff will mail rent proceeds checks less any deductions for repair costs as soon as your rents have cleared. Then, on or about the 15th of the month, you will receive a full printed statement showing all transactions from the previous statement. In January of each year you will receive a full year to date statement and your IRS income report form (1099 for U.S. citizens or 1042S for non-resident aliens) showing you total income before expenses.

You may request copies of your vendor invoices, but as a general rule we do not mail these to you. The IRS may require copies of such invoices if you are audited, but your statements of income and expenses are sufficient for your tax accountant to complete your tax return.

Question: What happens if I am on vacation and you can't reach me?

In the event you cannot be contacted, when repairs are necessary, we will take whatever action an owner of reasonable prudence and concern would be expected to undertake for the protection of the owner's property and/or for the fulfillment of the owner's legal obligation to the tenant.

Question: What if you can't reach me and I don't have any funds in my account?

We will try to make arrangements with vendors who will wait 30 days for payment. However, if you do not make payment in a timely manner, the vendor may place a lien on your property. If you continually have insufficient funds in your Operating Reserve Account, we shall not be obligated to contract for or make arrangements for repairs, whether standard or emergency.

Question: In what order are my bills paid from the operating account?

We pay your rental expenses in the following order: leasing and management fees, vendor bills. This is why it is so critical for you to have sufficient reserves.

Question: What if I have a service contract on my property/appliances?

You are responsible for delivering to us copies of any Service Contract or Warranty that exists, if any, within 5 business days of signing the property management agreement. If we don't receive them within 5 business days we will assume none exist. If you should purchase a service contract at any time during the term of the property management agreement, you must notify us immediately in writing and send a copy.

Question: In the event of a hurricane will International Golf Realty, Inc., put up my shutters?

No, we are not responsible for preparation of property or installation of shutters or wood in case of natural disaster or acts of God. We recommend that you make arrangements in advance with the tenant or a neighbor to help in this type of emergency.

Question: Do you have any limit of an amount you can spend on my behalf?

We cannot, by law, order any single service that exceeds \$5000. If such an expense is required, we will put you in direct contact with a licensed contractor suited for the type of work necessary.

Question: Who is responsible for items that are taken or are damaged?

If your unit is furnished you shall provide us with a written inventory of personal items and furnishings. This also includes items left in unfurnished units like washer/dryer, ceiling fans, pool equipment, yard equipment etc. If you do not have a written inventory there will be a charge for your property manager to complete an inventory. A copy of such inventory may be provided to the tenants.

International Golf Realty, Inc., is not responsible for damage to the premises, missing, lost or damaged items or furnishings under any circumstances, including but not limited to, theft, switching out of items, vandalism or negligence of tenant(s), their guests or third parties.

Additional Owner Responsibilities

Question: Will I have special requirements for any insurance policies?

You shall maintain, at your expense, a rental dwelling insurance policy which includes public liability and compensation insurance in an amount not less than \$100,000.00 per person and \$300,000.00 per occurrence to protect the interests of **International Golf Realty, Inc.**, in the same manner and to the same extent as it does the owner.

We ask that you request your insurance company to cover **International Golf Realty, Inc.**, as an additional insured and provide your property manager with a copy of such policy. Naming **International Golf Realty, Inc.**, as an additional insured should not increase your premium.

The responsibility to obtain and maintain the proper insurance rests solely with you. You agree to indemnify **International Golf Realty, Inc.**, for any damages suffered as a result of any lapse in, or failure by you to maintain, insurance coverage.

Question: What about any taxes or assessments that I may owe?

If you owe money to any governmental authority, condominium or homeowners association, we will withhold enough funds for payment of those obligations from rent payments when we are notified of such obligation by these entities.

The responsibility to complete any withholding or tax forms required by federal, state or local governmental authority rests solely with you, as the Owner of the property.

Question: Must I maintain the condition of the property to any specific standard?

You must have all heating, cooling, plumbing, electrical systems, and all appliances in good working condition and you will be responsible for the maintenance of these items during the lease unless it can be shown that the need for repair was caused by tenant negligence.

You must maintain the roof as watertight and ensure that water does not enter living areas either from rain or subterranean sources during the term of your management agreement and any lease in effect during that period.

You must maintain the property in good habitable condition and in compliance with all applicable laws, ordinances and regulations.

Question: When do I have to give written notice to my property manager?

You will need to notify your property manager in writing if any of the following occur:

- a. Your mailing address changes.
- b. Your phone numbers change so that we always have correct day and evening numbers for you.
- c. Your association changes its rules.
- d. If your association fee changes so that if we are paying these on your behalf we have proper notice of such change to avoid errors in payment.
- e. Your association has notified you of a need to gain access to the interior of your unit.
- f. Your bank where funds are being deposited on your behalf changes name, address or account number.
- g. You receive a notice from any government agency that effects your property or your tenants lease rights.

You may phone in changes, but the accuracy of our records is important and written notice is the best way. E-mail can be used but a follow-up letter is recommended. We have noticed that not all e-mail actually arrives at its proper destination.

ASSOCIATION FEES AND RULES

Question: How do you work with my homeowner's or condo association?

If the rental unit is a condominium or is governed by a Homeowner's Association, any lease negotiated shall be subject to the Association Rules and Regulations. As the owner of the property you agree to pay all federal, state or local taxes or assessments that are due or may become due.

You will be required to provide **International Golf Realty, Inc.**, with association application forms and a copy of the Rules and Regulations.

As owner of the property you are responsible for any monthly maintenance or recreation fees and to keep them current. In the event that your tenant(s) fails to comply with the rules and regulations of your association, the association may force you to evict them and/or may hold you liable for fines, fees or assessments from the homeowner's association.

If **International Golf Realty, Inc.**, is notified of such failure to comply, your property manager will deliver the appropriate legal notice, but can do nothing further if the tenant resists taking corrective action. At such time an attorney will need to be consulted.

Question: What forms must I provide to you to exempt me from IRS withholding regulations?

US citizens may provide a Tax ID number with a US physical address or a citizenship statement and W-9 to be exempt from IRS withholding tax.

Non-US citizens (non-resident aliens) may provide a signed form W8-EIC with their US tax ID number, but are advised to seek the advice of a tax professional before signing IRS form W8-EIC 8 which states that the signer is exempt from US tax withholding because their rental property is a business.

All income will be reported to the IRS by form 1099 for US citizens or form 1042S for non-resident aliens. Without the proper owner tax information, our accounting department will have two options:

1. Hold all owner funds in escrow for a period not to exceed 3 months waiting for the withholding exemption paperwork.
2. Release funds to owner after paying 31% withholding tax to pay the IRS until withholding exemption paperwork is complete and submitted to accounting.

Question: Do I have to have a license to rent my property?

Some local jurisdictions require that you have an occupational license before renting your property. **It is your sole responsibility to check with your city and county regulatory agencies for their direction as the responsibility to obtain any required licenses rest with you.**

If you lease your property for a period less than 7 months to new tenants, then we must register your property under Chapter 509 FL Statute as a transient rental unit. The accounting department will bill your account \$30.00 per year for registering under **International Golf Realty, Inc's.**, collective license. If you were required to obtain this license as an individual, the cost would exceed \$100 per year.

Question: If I lease my property for a period less than 6 months and one day, who will collect and pay the state and local option taxes?

Leases for periods of less than 6 months and one day are subject to both state and county taxes. **International Golf Realty, Inc.**, will register your property under its group license with the Florida Department of Revenue. The cost for this registration is a one-time fee of \$10.00, which will be deducted from your rent proceeds.

If you should receive documents pertaining to your Florida tax registration status, please forward them to your property manager.

If you have been leasing your unit for short-term leases and already have a registration number with the state, you may want to inactivate it as you will no longer have to complete the required reports. Our accounting department will do that for you.

International Golf Realty, Inc., Fees

Question: What are leasing and renewal fees and when are they due?

When first list your rental property we will collect a \$75 one time set up fee. When we have found a suitable tenant and all advance funds are collected, we will debit your owner operating account for the initial leasing commission.

If the tenant remains in the property after the first lease term is over, we are entitled to a renewal fee. See paragraph 5 of the management agreement. The renewal fee is charged to your account the first month of the new lease.

Approximately 60 to 90 days prior to the lease end date your property manager writes to you and your tenant to determine what your intentions are regarding a new lease term. We need to determine the length of any renewal, any changes needed in the terms of the lease, and what amount of increase in rent can be anticipated.

Next the renewal request is prepared for the attorney to draft the lease renewal document.

Please check your contract to see if a management fee is due the same month as a new lease commission or renewal commission is due. Different regions of the state have slightly different market rates for their services.

Question: What does my management fee cover?

The rent collection process, paying of related vendor expenses and a monthly account statement showing all of your income and expenses in a organized report form.

At the end of year we provide an annual statement of income and expense and the IRS required 1099 or 1042S form which ever applies to your citizenship status. Your property manager and associated support staff stand ready to serve both routine and emergency needs for your tenants. They handle emergencies as they occur and routine matters are handled during normal business hours. This includes coordinating vendor appointments and when an individual expense is greater than \$500 getting work estimates.

Move-in and move-out inspections are done as a written record for tenant security issues. Written and oral reports are made to you about needs of your property and market conditions.

Question: What if the property manager assigned to my account leaves International Golf Realty, Inc., or no longer chooses to perform the duties of a property manager?

No one is crazy about change, but no one stays forever in the same job. Although you may have chosen **International Golf Realty, Inc.**, for your property management and leasing needs because of a specific associate, you may not always be served by your original property manager. When a change in property manager becomes necessary, we take the following steps:

1. Notify owners and tenants by letter of the newly assigned property manager.
2. New Property Manager reviews the file for current needs and schedules an appointment to view the property.
3. New Property Manager communicates you with an update report of your property's needs.

At any time during a change period, you may feel free to call the Director of Property Management Services listed on page 2 of this manual. Our main objective is to give you continuous professional service.

Question: What if I change my mind and don't want to rent the property after I have signed the management contract?

We do have a cancellation fee policy in your contract to allow for unexpected circumstances before a tenant is secured. After we have secured a tenant you will owe management fees for the full term of that tenancy, plus lease and renewal commissions.

Question: What if I want to sell the property with the tenant in the unit?

If you have a tenant, the lease will prevail and the property must be sold subject to the lease. Our attorney prepared lease provides for showings anytime during the lease term, but gaining tenant cooperation much sooner than 60 days from the end date is difficult.

Lock boxes cannot be placed on a tenant occupied property without the specific written consent of the tenant.

If you wish to list the property for sale you should contact your rental listing associate who can do a comparative market analysis to help you determine a reasonable asking price. He or she can go over our selling services with you at that time. You should also notify your Property Manager if you are listing the property for sale.

Tenants often feel insecure when the property is listed and may ask for an early termination. You will need to be prepared to either let them go without penalty or to make some concessions for the inconvenience.

Question: What if the tenant purchases the property?

We will help you through the offer and acceptance process and will provide you with a comparable market analysis of current value. Your Listing Contract contains a sales commission rate to cover this transaction.

We will work with the tenant to help them find mortgage opportunities. We can offer you in house title service to handle the closing. If the tenant purchases your unit, **International Golf Realty, Inc.**, will be entitled to a sales commission. (See paragraph 10 of your contract)

This Property Owners Manual is intended to be a legally binding document. By signing the Property Management Agreement, you agree to be bound by the terms and condition herein. If you do not understand any provisions in this manual, consult an attorney. In the event of a conflict between any provision in the manual and the Property Management Agreement, the terms of the Property Management Agreement shall control.

Procedures in this handbook are subject to change as we grow and develop our services.
You may not receive notice of such change or deletion until the next edition of the handbook.