

## The Gauntlet: FAQ

- 1) If required by your state, are you a licensed property manager/real estate brokerage?

Note: Unless you live in Idaho, Maine, or Vermont – You will need a real estate license. Montana, Oregon, and South Carolina allow property managers to work under a PM license instead of a broker's license.

- 2) Do you have references?

Absolutely, Provided upon request

- 3) How many properties are you managing? Do you manage both short-term and long-term rentals?

PMI manages over 20,000 doors across the nation.

- 4) How long have you been in business?

We are part of a national franchise that has been in operation since 2008. However, we just opened this location in (April). Being part of the PMI family allows us to bring experience from the largest property management company in the nation straight into our neighborhood. Allowing us to provide you with all of the latest tools and trends without overwhelming cost.

- 5) How many people work for your company and what are their roles?

I am currently employee 4 at this location, however I have an entire corporate team behind me to help us deliver superior service and support for your home.

- 6) Do you have electronic and automated systems set up? E.g., online portal.

Yes, not only do our owners each have access to an online portal, so do our residents. This makes things like document signing, fund transfers, maintenance requests, and owner statements so much easier and transparent between all parties.

- 7) How often do you check in with residents and view your properties? Do you do an annual walk-through? Is the cost included in the monthly management fee?

Drive by evaluations, quarterly, semiannual, annual and additional evaluations as requested.

We conduct multiple evaluations of our properties throughout the management term, both when the property is vacant and occupied. We also have a la carte options for owners that would like to have more evaluations than are provided in our standard agreements.

- 8) Who holds the security deposits?

We hold onto all security deposits on the resident's behalf. We hold these in a dedicated trust account as required by law. At the time of move out we will assess the home for any damages or cleaning fees and disburse the remaining funds back to the resident as necessary within the mandated timeframe for our state.

9) What do you charge for evictions?

We charge \$XXXX in the instance that filing an eviction becomes necessary. This covers the filing fee as well as the first court appearance. Please keep in mind that not all evictions are the same and there could be additional owner costs associated with the eviction depending on how it is resolved.

10) Will you advertise and show a property while it is occupied, or do you insist on properties being vacant before you will start advertising them for rent?

It is best practice to prelease properties. However, keep in mind that any showing of an occupied home must be done in person. You cannot use lock boxes or self-showing services for occupied property.

11) How long does the process for an eviction take?

The length of the eviction process has multiple variables that can both extend and shorten the process. Our goal is always to resolve any issues as fast as possible so that we can continue collecting revenue for you on your property.

12) How long does it take for you to turn a property around between residents? Can you do it in 24 hours or does the owner have to lose weeks to a month of rent every time a change occurs?

Property turnover time is subject to the scope of work that is needed to get the property rent ready. We have a team of qualified vendors that are ready to complete any work necessary as quickly as possible. Once the project is funded, we will have a crew at the property to promptly begin work.

13) Do you conduct credit and criminal background checks on prospective residents?

Yes, we have a full application process to provide you with the best resident possible. This includes a background check, credit check, previous rental history, verification of income, and identity validation.

14) What is your philosophy on renting properties? Do you try to get top dollar and raise rents aggressively or do you prefer more of a value play?

Our goal is to make your property as profitable as possible. Not every property has the same goals, and we take that into account when providing our rental analysis. We will share with you our professional opinions on what would create the most value and together we will come up with a strategic plan that is aligned with your goals for the property.

15) Do you take photos of the property at move in and move out?

Yes, not only do we take pictures, but we provide you with a detailed report with 360-degree photos capturing all areas of the property. We do this to ensure that we

can hold the resident accountable for any damages that they may be responsible for at move out, returning the property to its original condition.

16) Do you take photos of repairs performed by vendors or handymen?

Yes, we require all of our vendors to provide before and after photos of work performed before we close out the work order or sign off on a turnover.

17) Do you offer a resident placement guarantee? i.e., if the resident is evicted or moves out before the lease term is up, will the property manager find a new resident for free?

We have one of the most extensive screening processes in the industry to ensure we are placing the most qualified residents in your home. However, sometimes unforeseen things happen. If the resident does not fulfill at least XXX (1/2, 3/4, etc.) of the lease term, we will find you a new resident at no additional charge. Conditions do apply.

18) How do you handle resident calls for repairs? Do you try to solve the problem before sending out a repair person?

Our goal is always to troubleshoot the problem with the resident rather than spend our clients reserve funds when possible. Our maintenance coordinator will review the request and handle it accordingly.

19) Do you establish a threshold dollar amount on repairs above which you always call the owner? If so, what is that dollar amount?

Yes, we require our owners to keep a reserve fund of \$250- \$500 at all times. If the repair required is below that amount, we will make the necessary repairs without additional owner approval. This allows us to make small repairs in a timely manner for the resident. All owners are notified any time a maintenance issue arises to ensure transparency.

20) Who do you use for repairs? Electrical, plumbing, appliances? Do you have a handyman that you try to use for most repairs, or do you use outside vendors?

Depending on the project, we may send out our contracted handyman or use a more specialized vendor where necessary. Our goal is to address all maintenance issues properly, timely, and as cost effectively as possible.

21) What is your philosophy on repairs and replacement? Do you try to find the least expensive solution since this is a rental, or do you prefer a value solution so the repair or replacement will last?

We have found in our professional experience that it is best to use mid-level parts for our repairs. We found that using the least expensive products led to the item ultimately costing more with more frequent replacement. However, we assess each

situation and make sure any repairs being made make sense to both save cost and protect the asset.

- 22) How does your company treat maintenance? Do they treat maintenance like a profit center, or do they just pass along costs they get from outside vendors to owners?

Our goal is always to help your property reach its highest profit potential. We do charge for managing maintenance projects that may arise during the management of your property. However, this markup is to cover our cost in the coordination and management of the vendors. Our vendors are vetted, licensed, and insured.

- 23) What is your turnaround time on phone calls, texts, and emails received from the owner?

We have a 24-hour response time for all inquiries during business hours. Our goal is to answer your requests as soon as possible with accurate information. If we cannot give you a full answer, we will at least touch base with you within our guaranteed response time to provide you with an update.

- 24) When I am in the due diligence period to purchase a new property, will you be able to check the house and let me know what needs to be done to bring the house to a good rentable standard?

Yes, not only will we provide you with a detailed list of repairs needed and any suggested upgrades, but also a free quote to have our team address those issues for you.

- 25) During the pandemic, how successful have you been at rent collection?

While there have been moratoriums in place that have allowed some residents in hardship to delay their rent payments, we have stayed on top of all government regulations and guidelines so that we can be as proactive and informative as possible with all our clients and customers.

- 26) If there is a current resident in the house, is it possible for you to find out his/her payment history?

This is dependent on how the property was previously being managed and how accurate the accounting was. We will attempt to obtain the most detailed information available for past history. Going forward, you will be able to see the transaction history for your property through your owner portal.

- 27) If the rent is lower than market price, what is your strategy to bring the price up?

If the resident is currently on a month-to-month agreement or the property is vacant, we can do a rent analysis to assess market rent. With a current resident, we would then be able to provide them with notification of the new rental amount should they decide to renew their lease agreement. If the property is vacant, we would do our best to rent the property for market value.

28) What types of properties and neighborhoods do you specialize in?

Some examples would be long term residential, small multifamily, multifamily, luxury homes, investment portfolios, etc.

29) Are you experienced in section 8 residents and properties?

Yes, we are experienced with all rules, regulations, and policies of our local housing authorities. We strive to create open communication with the case workers that we interact with which helps to further protect your property.

30) How much advanced notice do you provide the current resident prior to your team conducting the initial property evaluation? How long does the evaluation take?

It is our policy that we provide at least 24-hour notice to residents prior to making entry into any occupied home. However, for these visits we prefer to provide the residents with a couple days notice prior to the evaluations to respect their schedule in case they prefer to be present.

31) Do our fees from PMI start when a tenant is placed, or do you start billing before then?

You will not be charged management fees until there is a resident in place and they pay their first month's rent. The only fees you can expect prior to a resident being placed would be the property reserve fee and any optional services you select.

32) Can you assist in utility setup for my property? If yes, what if any cost is associated with this service?

Yes, we can assist you in setting up the utilities for your property. We have a utility set up cost and require an additional charge may apply to your reserve account to cover all deposits and fees that may be required by the utility companies.

33) Does your office offer property condition reports for occupied properties?

Yes, we offer detailed condition reports of all our properties. We include this service as part of the cost.

34) How frequently do you suggest that I have a property evaluation performed by your office?

We suggest an occupied property inspection be performed every 6 months at a minimum to verify the condition of the property.

35) Does your office solely decide on the price of the rent or is it something we work on together?

We will provide you with our suggested rent price based our professional knowledge of the area coupled with analysis of the market rental rates. If you do not agree with the

pricing, we will create a marketing plan which may include a plan to assess and lower the rental amount as needed. Please keep in mind that choosing a rental price that is contrary to the PMI recommended rate will opt you out of the 30-day rental guarantee.

36) Is the cost associated with the applicant screening process included in the resident placement fee?

Yes, the resident placement fee covers extensive applicant screening, denial letters issued to unqualified applications, standard property photos, standard syndication of advertising to our website and select additional resources, lease preparation, and lease signing services.

37) During the advertising process if the property is syndicated to any paid sites, am I as the owner charged for that?

We advertise your property on many platforms to ensure that the property receives maximum exposure to prospective residents. If we feel that the property needs to be listed on additional paid platforms such as Zillow or Rent.com in order to secure a resident in a timely manner, we will inform you of this recommendation.

38) If I am purchasing a property with a resident already in place, how would the transfer of the documents and funds look?

At the time of closing, all deposits, prorated rents, and any other resident funds should be surrendered to you. We will need these items as well as any lease agreements, ledgers, keys, remotes, or other details for the property forwarded to us at our office. You can either arrange for those items to be delivered to us or we can make arrangements to retrieve them.

39) How many properties do you currently manage?

That's a great question, PMI manages over 20,000 doors across the nation.

40) How many evictions do you have each month?

Due to our extensive resident screening process, we are proud to say that we deal with below average number of evictions annually. It is uncommon that we have an eviction on a monthly basis.

41) How long have you been in property management?

We have 14 years in the property management field.

42) What kind of owner reserves does your company require per property?

We require a minimum reserve of \$250- \$500 per door. However, if we identify specific defects or concerns for a property, or if you would like additional services such as utility bill pay, we may require the reserve to be at a higher threshold. This will allow us to ensure we can take care of your asset in a timely manner.

43) What is the average length of time a resident stay in a property once your team places them in the home?

Our average residents stay in a property for 2 to 2.5 years. The type of property, location, and how the property maintenance is managed are all contributing factors when it comes to resident retention.

44) How do you screen prospective residents?

All occupants 18 and older must fill out our online application. Applicants are approved based on a scoring process that is fair and consistent to comply with Fair Housing regulations. We perform credit check to detect any collections, bankruptcies, and assess credit worthiness. Employment and Previous Rental History are verified by contacting their present employer and previous landlords. We also perform criminal background checks on all prospective residents.

45) Do you accept residents with a previous eviction history on their housing background?

Applicants with outstanding evictions or unpaid rental collections are denied.

46) How do you handle maintenance requests from residents?

Work orders can be submitted electronically through our resident portals. Our maintenance coordinator will then assess the request and proceed with troubleshooting the issue with the resident and determining if a repair is required. If it is deemed that a technician is needed, the maintenance coordinator will contact the appropriate party to make the repair. If the repair is above the reserve amount that we agree to in your management agreement, you will be notified prior to the repair being authorized. If additional funds are needed to complete the repair we will request those in advance.

47) How do you handle maintenance requests from owners?

Owners can notify us in writing of any maintenance requests they may have. Once the project is funded, we will coordinate the repair and have work completed as quickly as possible.

48) Is there a specific dollar amount that your office will do maintenance repairs without notifying the owner before you proceed with the repair?

We have the authorization to make a repair without additional approval up to the amount of your reserve funds. However, we always make effort to notify you of work

being performed on your property so there are no surprises on your owner statements.

49) Is there a minimum charge for maintenance visits?

Yes, we have a minimum charge for all service calls to the property. This covers the trip fee as well as the first 30 minutes of work to be completed. However, any material costs are not included in the trip fee.

50) What is your procedure if a resident does not pay rent?

We send out a notice on the 6 of the month to all residents instructing them to pay any past due rent amounts as soon as possible. We then contact all residents who have not paid rent to inquire about their situation and try to resolve the issue. Sometimes we are able to solve the issue that day or create a plan to cure the issue in a timely manner. If it is not taken care of by the 7 day following the posted notice, we will proceed with filing for an eviction.

51) What services are included in your resident placement fee/resident procurement?

The resident placement fee covers extensive resident screening, adverse action letters to underqualified prospects, a 360 degree move in inspection, standard property photos, and lease preparation and signing.

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52) What does the property setup fee pay for?

This fee covers the work that is performed to set up your property in our system. This includes document collection, setting up the owner portal, preparing the resident portal if the property is occupied, and the initial property visit to familiarize ourselves with your property.

53) How much do you charge for an unscheduled property visit?

We charge a \$75 trip charge fee for any unscheduled property visits.

54) Do you suggest that I get a home warranty for my property?

A home warranty can be a great resource for your property if you have older systems that you are expecting will need replacement or service in the near future. However, we do suggest that you research multiple companies and review their offerings to ensure they will meet your needs and goals for the property.

55) How does your office handle a home warranty claim if one were to arise?



We keep a record of your home warranty on file. When a maintenance request comes in, we check to see if it may be covered by the warranty. We would then notify you, as most warranty policies require the homeowner to reach out to establish the claim and provide them with authorization for your property management company to assist them in coordinating with the residents. Please keep in mind that if the home warranty company is not performing the necessary repairs within a timely manner, our team may step in and resolve the repair.

56) How much is your late rent fee for residents?

We charge the resident a \$XX late fee. This fee covers the cost of our efforts in attempting to recover the funds from the resident as quickly as possible.

57) Who is intitled to the funds of late fees?

PMI Southern States keeps all resident fees that are collected during the lease term.

58) When do you send your owners their portion of the rent you collect from the residents?

Owner payments go out on the 10<sup>th</sup> business day of the month. We also do additional owner draws of any rent that were received late or additional money that may be owed to you once collected. Our intention is to get you your funds as quickly as possible.

59) How will I receive my rental payments?

We can distribute funds in multiple ways. Our preferred method is via ACH to the account of your choosing.

60) Do you require residents to have rental insurance?

Yes, we require all residents to carry tenant liability insurance with a minimum coverage amount of \$100,000. We do not require residents to have a renter's insurance policy, which would protect their personal property, however we do encourage them to do so.

61) Do the damage costs charged to the resident at move-out include all repairs, damage fees, and maintenance that the resident is responsible for?

Yes, when we perform the move out inspection, we will compare it to the move in inspection and charge the residents for any damage, not including any wear and tear. We will then deduct that from the resident's security deposit. If the damages exceed the amount of the deposit, we will also go after those funds. If the tenant does not pay the excess amount, we will pursue them in collections.

62) Do you have any resident fees that are charged during the tenancy? If so, are they shared with the owner?

Yes, we do have resident fees that are charged directly to the residents for services and programs that they obtain from our office. These are fees that we retain to offset the cost of managing the property so that we can keep more of your funds in your pocket.

63) Do you markup maintenance items that are performed on the property? If yes, how much?

We charge a project management fee on maintenance items performed by our team and/or vendors. This fee varies between 5-20% depending on the scope of work that is going to be completed during the project.

64) Does your company have a portal to log into to see all the info (ledger, documents, etc.) pertaining to my property?

Yes, our clients receive access to their own owner portal. This is a great resource that can be accessed 24/7. In your owner portal you have access to all the owner documents and ledgers associated with your portfolio. This is one of the many ways we offer transparency and peace of mind with our clients.

65) The residents lease is currently in a month-to-month status. Do you recommend negotiating a new lease?

Yes, we have found that it is best practice to have your resident under a formal agreement with a set length of lease. We make our recommendations based on the resident history and market situation. However, we do look at each situation on an individual basis and ensure that we are aligned with your goals for the property.

66) Is there owner cost for bringing on a property that already has a resident in place?

Yes, we do require an initial property evaluation for all properties regardless of if there is a resident in place. This is done so that we can familiarize ourselves with the property which allows us to manage it effectively.

67) How much does your office charge to renew a resident's lease?

Renewal cost is subject to which service plan you select for your property. The range of price is anywhere between \$150 and \$195, but we will talk more about any associated costs when we review the contract. We always ensure that our owners are comfortable and have a deep understanding of any services we provide.

68) What is your average property turnover time for property rehab projects?

Property turn over time is subject to the scope of work that is needed to make the property rent ready. We have a team of vendors that are at the ready to complete any our projects in an accurate and timely fashion. Once the project is funded, we will have the crew at your home to begin work as quickly as possible.

69) What are your average days on market?

Currently our average days on market is between XX and XX. It is always our goal to have your property occupied within 30 days or less. Sometimes this is outside our control, but we will update you regularly and make any suggestions for modifications to the pricing, promotions, or property to ensure the property is rented in a timely manner.

70) What is your vacancy rate?

Vacancy rate is subject to many factors such as: location, property condition, property type, and available inventory in the area. For this reason, it's difficult for us to predict. However, PMI Southern States syndicates your property to XX different rental sites and has the experience and processes in place to rent your property as quickly as the market will allow.