

TANGEN PROPERTIES LLC

POLICIES & PROCEDURES

WHO WE ARE:

We are here to help our clients with their real estate and property management needs and build a client relationship based on those specific needs. Each of our clients has unique requirements and effective management must be personalized to meet those needs. Sustaining the growth of properties is the result of an effective maintenance and marketing program. Each of the members within our team has a specific skill set which helps us provide the best service and assists in achieving our client's maximum investment goals.

OUR GOAL:

A professional property management program can prove invaluable to the protection and appreciation of our clients' investments. We understand the management needs of properties. We recognize that each client has unique requirements and that a truly effective management plan should be personalized to those needs.

FAIR HOUSING:

Our company is committed to complying with all fair housing laws by ensuring that all rental decisions are made without regard to race, color, national origin, religion, sex, familial status, disability, or any other protected class. All staff and contractors must treat applicants and tenants consistently and fairly, offering equal terms, conditions, and services in every housing transaction.

OBJECTIVES:

DUTIES OF THE PROPERTY MANAGEMENT COMPANY

Qualifying Tenants:

- The Property Manager and contracted members shall use all reasonable efforts to lease the property to tenants/guests. The Property Manager shall follow preset guidelines for qualifying potential tenants/guests as outlined in the document titled "Agreement to Manage Property" (AMP). All parties must sign this document prior to public marketing of the property.

Rent Collections:

- The Property Manager shall take all reasonable and necessary action to collect rents, charges, or other income when due from tenants/guests of each property in accordance with the terms of their tenancy and may execute all receipts or other documents reflecting receipt of said sums on behalf of the owner as outlined in the AMP. The Property Manager will file all notices on behalf of the owner for non-payment of rent, coordinate with an attorney for the filing of court documents and attend all necessary court appearances. Attorney fees shall be paid by the owner.

Trust Account:

- All sums received as rents, supplies, and services from the property shall be deposited in a “trust account” maintained by the Property Manager. The Property Manager and/or staff will submit to the owner a monthly statement of deposits and disbursements. Disbursements may include but are not limited to miscellaneous repairs, maintenance items, supplies, and management fees. The security deposit and a \$250 maintenance fee (long term rental) or a \$2500-\$5000 maintenance fee (mid-term and short-term rental) shall remain in the account after owner draws are dispersed. Amount shall be outlined in the AMP.

Statements:

- The Property Manager shall maintain full records of the accounts of the property. The Property Manager shall supply the owners with a detailed monthly statement. Said monthly statement shall be deemed accurate and correct between the parties unless the owner notifies the Property Manager within (30) days after the date of said statement of any claimed error or inaccuracy. The Property Manager shall provide Owner with an annual statement and form 1099 no later than January 31st of the following year for taxes.

Maintaining the Property:

- The Property Manager shall do everything reasonably necessary for the proper management of the property including, without limitation thereto, periodic inspections, handling all tenant/guest requests and negotiations, supervision of maintenance and arranging for such improvements, alterations and repairs as may be required of Owner. The Property Manager shall obtain approval from Owner for any expenditure for repairs, improvements, or work in excess of the amount remaining in the trust account as mentioned above and excluding monthly or recurring operating charges and/or emergency repairs. In the opinion of the Property Manager, such repairs are necessary to prevent additional damage or a greater total expenditure to protect the property from damage or to maintain services and conditions for the tenants/guests as called for by their tenancy. The Property Manager shall notify the Owner promptly whenever emergency repairs have been ordered that exceed the amount mentioned above.

Inspections:

- Inspections (Long term): The Property manager will complete a move-in inspection whenever a tenant takes possession and a move-out inspection when tenants leave. The Property Manager will complete drive-by-exterior inspections and internal inspections as needed. Internal inspections may be completed more frequently if the Property Manager suspects potential problems.
- Inspections (Short term): Property will be inspected during each cleaning process. Cleaners or other contractors will notify the Property Manager immediately of any damage to ensure Airbnb can correct the issue and request payment.

Contractors:

- The Property Manager shall employ, discharge, supervise and pay, on behalf of the Owner, contractors considered by the Property Manager as necessary for the efficient management

of the property. The property manager will diligently interview all contractors to provide the best possible service for the best possible price. All contractors are licensed and insured properly.

Pet Policy:

- Pet approval is on a case-by-case basis.
- All pets must be approved in advance by the property manager. Unauthorized pets may result in immediate cancellation of reservation or lease without refund.
- Pet Fee (Long Term):
Monthly pet fee of \$50 per pet plus an additional \$250 refundable security deposit.
Additional cleaning or damage charges may apply if necessary.
- Guest/Tenant Responsibilities:
 - Pets must not be left unattended at the property unless crated.
 - Guests must clean up after their pets, both indoors and outdoors.
 - Excessive barking or noise that disturbs neighbors may result in a fine or removal.
- Damage & Liability:
 - Guests/Tenants are fully responsible for any damage or injury caused by their pets.
The property owner/manager assumes no liability for pet-related incidents.

Maintenance and Repairs:

- Maintenance and repairs can be submitted by the tenant/guest in writing via text, email, or the software portal. Timeframes for addressing different types of issues (emergency vs. routine) will be prioritized by the Property Manager.
- A preventative maintenance schedule will be provided to owners upon request.

Lease Agreements (Long Term):

- Lease Agreements and all addendums will be provided by the Property Manager. Subletting is not permitted at all. The Property Manager will determine specific parameters within each lease agreement.

Move-In/Move-Out Procedures (Long Term):

- An inspection checklist will be completed before and after tenancy.
- Security deposit handling:
 - Move-in: Security deposit will be collected upon move-in and deposited within three days.
 - Move-out: Security deposit shall be returned within 10 days of move-out, unless there is a deduction from the security deposit. The Property Manager will notify the tenant in writing and return any additional amount within 30 days of move-out.
- The Property Manager or designated staff will meet the tenant at the property to provide a key. Tenants shall have utilities turned on in their name and provide proof prior to move-in. The Tenants shall carry rental insurance and provide proof of insurance to Property Manager prior to move-in.
- Cleaning Requirements:

- Long-term-professional cleaning of both property and carpets at the tenant's expense upon move-out.
- Short term-cleaning by approved cleaning staff (licensed and insured) at homeowners' expense upon move out of each guest. Strict cleaning guidelines are followed and are determined by licensed and insured cleaning staff.

Property Access:

- The Property Manager shall notify tenants of entry at least 24 hours prior to entry, unless an issue is deemed to be an emergency that requires immediate action.

Management Fees:

- **LONG TERM: 10% OF MONTHLY RENT:**
This monthly fee includes collection of rent, service of notices, internal inspections, external inspections at least every month, an accounting statement each month of deposits and payments from the trust account, an end of the year statement along with form 1099, collection of late fees, payment of any bills, and balance credited after SD and hold fee (\$250 long term).
- **SHORT/MID TERM: 10-20% OF MONTHLY AIRBNB DEPOSITS:**
This monthly fee includes marketing, guest communications, financial reporting, management of listings, set pricing, coordination of bookings, oversee guest check-ins and check-outs, and ensure the property is cleaned and maintained between stays, guest support, handling of emergencies, and ensure compliance. Provide an accounting statement each month of deposits and payments from the trust account, an end of the year statement along with form 1099, payment of any bills, and balance credited after hold fee (\$2500-\$5000 short term).

Rental Qualifications (Long Term):

- Tenants must have a combined gross income of 2-3 times the monthly rent.
- Tenants must have a good credit report. Any derogatory credit must have a reasonable and verifiable explanation. There is no minimum score. All scores will be taken into consideration with all other areas within rental qualifications.
- Tenants must have a criminal report completed. Any items on the criminal report will be reviewed on a case-by-case basis. The Property Manager will not accept tenants currently under supervision by Federal, State, or Local authorities. Additionally, disqualifications include sexual and/or violent offenses or any drug offenses within the past 10 years.
- Tenants must have positive and verifiable past rental references.
- Any past evictions are grounds for immediate rejection.
- All parties over the age of 18 on the lease must complete and sign an application.
- We pull criminal reports on all tenants.
- Falsification of any information on the rental application is grounds for immediate rejection.