

Turn-Key Properties, LLC

7312 East 67th Street, Kansas City MO 64133

Phone 816.313.8876

e-mail: info@turnkeyproperties.us

web site: turnkeyproperties.us

OWNER SET-UP AND PREFERENCES PACKET

Please take some time to give us your preferences about how your account is handled. Your preferences and choices are very important to us and we will strive to meet your expectations in every way we can. Also keep in mind, you can change your preferences at any time. Just send us an e-mail and we will make the change.

This document is intended to indicate your preferences and inform of Turn-Key's policies and is NOT intended to be construed as a Management Agreement. The Management Agreement is a separate contract.

Owner Contact Information:

Owner's Name: _____

Mailing address: _____

Home phone #: _____ Home fax #: _____

Work phone #: _____ Work fax #: _____

Cell phone (s) #: _____

E-mail address (s): _____

Any alternate #'s: _____

How did you hear about Turn-Key? Internet search? Turn-Key's Website?

Referral? Landlords, Inc? Other: _____

E-Mail Communication: Please keep in mind, our main form of communication with you will be via e-mail. We have two reasons for this:

#1 – **Convenience** – We are not interrupting you in the middle of your busy day and it gives you a chance to think about the information in the e-mail and have time to get back with us when it is convenient for you.

#2 – **Documentation** – Written communication gives both of us the opportunity to save a copy for our files. It is hard enough to remember everything that was said in a phone conversation two weeks later, let alone two months later. With written communication, we can go back and review your instructions and be sure we are not missing something. **Please check your e-mails daily!**

#3 - **We need the phone lines free for potential tenants!** We receive phone calls all day long from potential tenants. If a potential tenant calls and we cannot take their call right then, they will call on another ad and we may lose that tenant. If you send an email, we can manage our time more efficiently and respond when we are not on the phone with a potential tenant. It is in your best interest to keep our phone lines open for potential tenants.

Billing Preferences:

We make every effort to see that your Management Reports are completed efficiently and correctly. We will complete one Management Report per month and forward proceeds to you. We make every effort to send Reports out as quickly as possible and usually get the Reports out during the same month. Occasionally, there are extenuating circumstances and the Report could be delayed.

Please keep in mind, the Management Agreement states:

*“By the 31st day of each month, Agent shall furnish Owner with a **Management Report** of monies collected and an **Invoice** of charges from the operation of the Premises during the previous month.”*

In order to meet your needs, we give you options regarding your Proceeds and Reports. Please indicate your preference below:

- 1) **Bank Deposit:** We can deposit proceeds into a bank account and e-mail your report to you, if you choose.

I would like my proceeds deposited into: _____ Bank.

Bank Account #: _____

E-mail my Report to: _____

- 2) **Mail to You:** If you prefer, we can mail your Report and a check directly to you.

_____ Please mail my Report and proceeds directly to me.

Tax ID #:

The Tax ID # used for Income Tax purposes for the property is: _____

We MUST have your Tax ID #, the IRS requires it.

Utilities:

One of our services to you is monitoring the utility accounts for your property while it is vacant. We require that the new tenant switch the utilities to their name, prior to the Lease Signing and we call the utility companies to check.

When your property becomes vacant, we will have the utilities turned on in your name c/o Turn-Key Properties, LLC, with the utility bills mailed to our office. We do this as soon as possible to prevent frozen pipes, have utilities to do work to the property and have electricity on to show the property.

If your property is vacant, you will be required to pre-pay an amount sufficient to pay the utility costs.

If you prefer to take care of utility turn-on and turn-off yourself, please indicate here. Please keep in mind, if you choose to handle this yourself, Turn-Key will not be checking on utilities at all.

 I prefer to handle utility turn-on and turn-off myself and I do not want Turn-Key's assistance with utilities.

Please let us know what utilities are on at this time (please circle): **Gas Electric Water**

Winter/Summer Gas Policy with Vacant Units: To save you money on utility bills, we do not need the gas turned on during the Summer months, when heat is not needed. In the Fall, before freezing temperatures, you will need to have the gas turned on, which requires someone going to the property to meet the Gas Co Representative, checking for any leaks or problems, lighting the pilot lights and checking for any immediate mechanical problems with the furnace or water heater. A contractor will meet the utility tech to get the gas turned on. The cost for the contractor to meet the gas company will be billed to you, per our Maintenance Policy. If you prefer to meet the gas or water tech yourself, that is fine, too.

After the gas is turned on, a contractor will need to check to see that the furnace is working properly.

My preference is:

 I prefer to maintain the gas utility myself and DO NOT wish to have Turn-Key send a contractor to see that the heat is on.

 I would like for Turn-Key to have a contractor go to the unit and make sure the furnace is working properly. If the furnace is not working properly, I give permission for a contractor to make necessary repairs and I agree for payment to be made from rents or money held for this purpose.

Advertising:

As you are aware, advertising costs are your responsibility. Due to liability reasons and the many advertising and discrimination regulations, **we ask you NOT to advertise the property yourself**. Please utilize our professional services and knowledge to take care of the advertising for you.

Previously, we had Advertising packages with different options, however, because almost all advertising is Internet based today, the more expensive advertising is not needed. Everyone is charged the lower price for Advertising.

We use the following Advertising avenues:

- “For Rent” sign may be placed on the property, depending on the location and evaluation of the safety of telling criminals that the property is vacant. Sometimes it is better to not advertise that fact at the street.
- Your property is printed on a weekly list of vacant units which is available to prospective tenants the following ways:
E-mail, fax, pick up at our office and on Turn-Key’s Website
- Vacancy List is faxed weekly to the following organizations and possible other sources:
 - Battered Women’s Shelter
 - Salvation Army
 - Community Housing Network
 - Della Lamb
 - Our House of Kansas City, Inc.
 - Bishop Sullivan
 - Sheffield Place
 - Community Linc
 - Housing Info
 - Raytown Assistance
 - Restart
 - Raytown Chamber of Commerce
 - Rose Brooks
 - Rent Source
- Your property will be listed on many websites – Zillow, Rent clicks, Craigslist, etc. This list changes with the market.
- If the vacancy qualifies, it is listed on the Social Serve website.
- Your property is listed on Turn-Key’s website.

The cost for advertising a vacant unit is \$80. per month, per unit

Turn-Key Properties, LLC

Maintenance Policy

Maintenance, repairs and costs of operation of a property are a separate service; therefore, handled and charged for separately from Rental Management. Sections 10 MAINTENANCE AND REPAIR; of the Management Agreement, gives Turn-Key the authority to preserve and maintain the property

Your options are:

- **Owner does own work** – If you like, when we receive a maintenance call from a tenant, we can notify you and you can take care of the repair yourself. Or you can decide “OK, I would like for Turn-Key to take care of arranging for this to be completed”.
- **Owner has own contractor** – When we receive a maintenance call from a tenant, we can either notify you and you can get your contractor to do the work, or we can contact your contractor directly with instructions.
- **Home Warranty Plan** – If you have a Home Warranty Plan, we can contact the Warranty Company and place the request on your behalf or you can contact them yourself. If Turn-Key contacts the Warranty Company, you will be responsible for making arrangements directly with the Warranty Company to pay the co-pay. The time spent in making arrangements with the Warranty Company will be charged to you. Typically, it is very time consuming to coordinate with a Warranty Company and this is part of the operation of the property, not rental management.
- **Turn-Key handles all repairs** – Some owners just want us to take care of all repairs as the Management Agreement states and if this is your choice, we will contract the work to be completed by a reputable contractor.

Please keep in mind, we make every reasonable attempt to meet your wishes, but if a tenant is without heat and it is 15 degrees outside and we cannot reach you, IF funds are available in the form of rents, we will get the repair made promptly. In other words, we try to take care of tenants in a reasonable manner and by signing the Management Agreement, you have given us the authorization to make repairs. However, please keep in mind, we WILL NOT front the costs for an HVAC or other contractor to make repairs, especially for owners we know are difficult to collect from.

The Process:

When a small maintenance issue arises, such as a leaky toilet; if your Set Up Preferences indicate we are to take care of maintenance, we will send you an email and contact a contractor to go make the repair and pay the contractor out of incoming rents.

If the maintenance issue is a larger item, such as needing a new dishwasher, re-hab, etc.; we will obtain a bid from a contractor, offer the bid work description and price to you and if you wish to accept the bid, we will need the full payment mailed or paid via debit or credit card **before** the contractor will begin the work. Contractors require full payment at completion of the work, so we need the money to pay them. We can get photos of the work, from most contractors and we forward those to you.

Pre-Paid Expenses for Vacant Properties:

If you have a vacant property, you will be asked to submit an amount to be held in anticipation of costs for the operation of property or we will not send a contractor to your property or advertise pay other expenses; without payment up front.

Turn-Key does not set any prices and the costs will be set by each individual contractor, just the same process as contracting with any contractor. We use very competitive contractors and we strive to get you the best work at the least expensive cost! We use contractors that we have worked with for YEARS! They give us discounts!

Invoicing:

If Turn-Key is the entity that is contracting with any contractor, then Turn-Key is their client, not you. Therefore, you; as Turn-Key's client will receive an Invoice from Turn-Key, **not** the outside contractor. The Invoice from the contractor is in Turn-Key's name and we **do not** supply Clients with copies of Invoices; from outside contractors; in Turn-Key's name. We use the Invoice made out to Turn-Key for our Income Taxes and you use the Invoice from Turn-Key for your Income

Taxes. Turn-Key is billing you, NOT the contractor.

If you prefer having an Invoice directly from the contractor, then it is entirely appropriate for you to choose a contractor and work directly with them, but Turn-Key **would not be involved**. You would need to obtain your own bids, supervise the work and the contractor's Invoice would come directly to you and you would pay the contractor directly. Turn-Key **will not** obtain bids for your property, if you will be paying the contractor directly.

If you would like for Turn-Key to obtain bids for you to choose from, the office time involved in calling contractors, e-mailing or faxing specs, etc. will be billed at an hourly rate. This is part of the cost of operating and maintaining your property.

- Contractor's Invoices and all Invoices paid on behalf of your property are marked up 17% for administrative costs.

The discounts we receive from our long-term contractors usually cover the administrative cost and sometimes what you are billed is actually less than what you would pay if calling your own contractor. Contractors want our business and work hard to keep it. We have one contractor we have been using since 2003!

We ONLY use Licensed, Insured contractors! If you chose to use an uninsured contractor, you are taking a chance of a huge lawsuit upon you!

We want to do the best job possible for all our clients, while still taking reasonable care of the tenants. If we have a tenant complaining about poor maintenance and repairs that are not made, it gives Turn-Key a bad name with tenants and then other clients risk not renting their units. All tenants see, is that Turn-Key is not making their repairs. They do not understand that the actual owner is calling the shots. It is not fair to the owners that want to keep their units in good condition. We always keep in mind the financial responsibility we have to our clients and our goal is to keep the units in good repair at the most reasonable cost.

Our greatest concern is the safety of the tenant and the liability of deferred maintenance. We strive to see that all safety related items are addressed as soon as possible. A very small maintenance issue ignored today, can cause a HUGE expense down the road.

We have constructed this written policy to assist with a great working relationship between us! Thank you for your business! You are very important to us!

My choice for Maintenance is:

_____ **Owner does own work** – When Turn-Key receives a call from a tenant, please notify me and I will take care of the repair myself. Or I will make the decision for “Turn-Key to take care of this one”.

_____ **Owner has own contractor** – I have my own contractor and when a call is received by a tenant, please contact my contractor and give him the maintenance request. He will then contact the tenant and make arrangements to go to the property and make the repair and I will pay him directly. The contractor I would like to use is: _____

Phone #: _____ or e-mail: _____

_____ **Home Warranty Plan** – I have a Home Warranty Plan on the property. Please contact the Warranty Company and place the request on my behalf. The Home Warranty info is:

Home Warranty Company: _____

Plan #: _____ Phone number: _____

E-mail or website: _____

_____ **Turn-Key handles all repairs** – I would like for Turn-Key to handle all repairs via an outside contractor and send me a “heads-up” e-mail. I understand I may be required to pre-pay for the repair; depending on the bid cost for the repairs and available incoming rents.

Quarterly Preventive Maintenance

We offer a quarterly service that is very valuable to your investment. A well-maintained property can increase it's value. Our contracted Quarterly Preventive Maintenance includes:

- Treat the unit for roaches with roach bait.
- Change the furnace filter (Tenants cannot be trusted to change the filters and it is VERY RARE that a tenant changes the filter. The life of a very expensive furnace is substantially shortened, if the filter is not changed on a regular basis).
- Check the smoke detector batteries and change if needed or replace the smoke detector if defective or missing (a smoke detector with the battery removed is a huge liability for you). Once per year, we change ALL smoke detector batteries for safety reasons.
- Conduct a quick inspection of the unit and fill out a fast inspection sheet of the unit indicating what kind of condition the tenant is keeping the unit in, including the cleanliness of the unit, possible drug use or other violations and report this information to you on your next Invoice.
- Conduct a quick mechanical inspection of the unit checking for plumbing leaks, safety or danger hazards such as clothing stored against the water heater or furnace and any other problems that could affect your liability or alleviate future problems.
- If we find something that is a quick fix, such as a toilet that needs a new flapper, we go ahead and make the repair at that time. If it is a larger issue, we contact you with the information and ask for your directions.
- Each June, we check the exterior a/c condenser and clean if needed to prolong the life of the condenser.

Quarterly Maintenance is completed during the months of March, June, September and December.

The contractor cost for this service is typically \$65. per unit or "door".

Material costs are \$12. per unit for the Roach bait, plus additional charges for the filters, batteries, or smoke detectors, if needed.

My preference is:

I would like my property/properties scheduled for Quarterly Maintenance and I agree to reimburse Turn-Key upon receiving my monthly Invoice and Report.

I decline the offer of Quarterly Maintenance.

Vacant Properties:

If your property is vacant at sign-up, please answer the following questions:

Property Address: _____

The amount of rent I would like to get for my property is: \$ _____

of Bedrooms: _____ # of Bathrooms: _____ Garage? Yes or No

I provide the following appliance with the unit:

_____ Please circle stove connection is: gas or electric - Cooking stove

_____ Refrigerator _____ Dishwasher _____ Microwave

_____ Garbage disposal

I pay the following utilities while the unit is occupied:

_____ Water _____ Gas _____ Electric _____ Yard mowing

_____ My vacant unit is completely repaired, clean and ready to rent. (PLEASE do not check this box unless your unit is in this condition TODAY!)

_____ My vacant unit needs work, but I will be taking care of all repairs and re-hab work myself.

_____ My vacant unit is almost ready to rent, but may need a few minor repairs and a final cleaning. I would like for Turn-Key to have the final repairs completed by a contractor.

_____ My vacant unit needs re-hab work. I will decide who will do the repair work after receiving my Property Report.

_____ My vacant unit needs re-hab work. I would like for Turn-Key to make an evaluation of the work that needs done, provide me with a list of needed work and I request Turn-Key to have the work completed by a contractor.

Section 8:

Due to Discrimination Laws, we cannot just refuse to accept Section 8 assistance on a property, simply because we do not want a Section 8 tenant. However, there are legal reasons that a property will not qualify or pass a Section 8 inspection.

If the property was built before 1978, there are paint issues that will not pass a Section 8 inspection without repairs. That is a legitimate reason to tell prospective tenants the property will not qualify for Section 8.

You also have a right to set the rent at any price you chose and if the tenant's Voucher will not pay that amount of rent, you are not required to accept less rent. These are two legal reasons to reject a Section 8 application.

If you do want to open your property up to Section 8, we can handle the entire process from application, to the required Housing Authority paperwork, to the inspection process, the Contract and Lease signing, collection of rents and subsequent re-inspections.

If you chose to make the repairs to pass the Initial and Annual Section 8 Inspections, the costs for such repairs and Inspections will increase the costs of your property and the possible higher rent may not be enough to cover those costs.

My preference is:

_____ **My property was built prior to 1978 and I do not choose to make the necessary repairs to pass a Section 8 Inspection.**

_____ **The amount of rent I require on my property is above the amount of rent a Section 8 Voucher will pay and I will not accept less rent. (Turn-Key can provide information on possible rent amounts.)**

_____ **I agree to accept a Section 8 tenant from any Housing Authority, except the Housing Authority of Kansas City, MO.**

_____ **I agree to accept a Section 8 tenant from any Housing Authority, including the Housing Authority of Kansas City, MO. I have signed the Authorization Form and understand the possible situations that may occur.**

Yard Care:

If your property is vacant during the Summer months, the yard will need to be kept mowed. You may make arrangements for mowing yourself or Turn-Key can take care of it for you. We contract with a licensed and insured contractor. The exact cost depends on the yard and the amount of work that needs done and the cost a contractor charges. Please contact the office for an approximate cost, as costs can change from year to year. In the past, approximate costs per mowing have been \$70-90. for a licensed, insured contractor. Liability Insurance for the high risk task of mowing is very expensive, but with a high liability risk, it is well worth it to be protected. We mow two times per month, instead of every week to keep the cost down.

OCCUPIED MULTI FAMILY UNITS: If your multi family building or duplex does not have detached storage for a lawn mower, you will be responsible for the lawn care, occupied or vacant. Storage of gasoline in a lawn mower in an attached garage is a code violation. Therefore, it is unreasonable to expect a tenant to mow the lawn, if they have no place to store it. For liability reasons, you do not want gasoline stored inside the dwelling!

My preference is:

_____ **I would like my property/properties scheduled for Summer mowing and I agree to reimburse Turn-Key upon receiving my monthly Invoice and Report.**

_____ **I will take care of the Summer mowing myself.**

Pets:

Pets can be a problem, but we find that when a property is advertised as “No Pets Allowed”, it turns many tenants off to the property. Pets are a part of American culture and almost everyone loves them (except landlords). We find that even if an applicant does not have a pet, they want the option of getting one in the future and even if they have no interest in having a pet, many applicants interpret the “no pets” rule as a sign that they might be dealing with an unreasonable landlord and shy away from that property or Turn-Key altogether. We have developed a Pet Policy that works fairly well. Our basic Pet Policy includes:

- No Pit Bulls or Rotweilers ever, simply for liability reasons (we have a longer list of unaccepted dogs).
- We collect a minimum Pet Deposit of \$200. per pet.
- We increase the rent, per pet.
- We require a dog to be brought to our office for us to meet and take a picture of the dog. Any approved dog must be friendly enough to take out in public and meet unfamiliar people.
- We have a very detailed Pet Agreement that the tenant signs and we attach the photo to keep in their file. If a different dog appears at the house, we have proof the pet does not belong.
- If the pet is a cat, we require the same Deposit and we require the tenant to provide us with a picture of the cat.
- We increase the rent slightly for each pet.

If the property is a duplex or apartment building, depending on the configuration of the units and possibility of disturbances to other tenants, we may not allow dogs at all or limit the size of the dog to less than 15 lbs. We do use reasonable limitations when needed.

My preference is:

_____ I agree to allow pets in my property, using Turn-Key’s Pet Policy as a guideline.

_____ I do not want any pets allowed in my property.

Showing of Vacant Properties:

Turn-Key has adopted the Key Check-Out Procedure for showing vacant units that many other Property Managers have used for years, due to the increased cost of gas and labor. The tenant comes to our office; we make a copy of their Driver’s License, get personal contact information, take a cash deposit, and give the prospective tenant a key to the unit. The prospective tenant goes to the unit, views it and returns the key and we give them back their cash. Most prospective tenants like the process, because they can take their time looking, instead of having someone standing and waiting for them. It allows them to view the property on their schedule, alleviating the necessity for both their schedule and ours to coincide. If the location of the property is inconvenient for prospective tenants to drive to our office to check out the key, we install a lock box on the unit and take information via phone and give the tenant the code to the lock box for viewing.

If you prefer your property to be shown in person, we can accommodate your request, by paying a contractor to show your unit. It is very expensive for anyone to drive to the property to show vacant units. If you chose the on-site showing option, we will attempt to schedule multiple showings at one time to minimize the number of trips. Showing costs are:

- **\$75. per trip to show properties in Kansas City MO (South of the river), Independence, Lee’s Summit or Grandview.**
- **\$95. per trip to show properties in North Kansas City MO, Jackson County, Johnson County KS, Belton or Raymore.**
- **\$125. per trip to show properties in Clay or Platte County in MO, Kansas City KS or Pleasant Hill MO.**
- **Other areas to be priced separately.**

My preference is:

_____ I wish to use the key check out procedure.

_____ I want individual showings on my property and I agree to provide funds upfront to cover the costs to a contractor.

Occupied Properties:

If your property is occupied, you will need to provide Turn-Key with the following:

Property Address: _____

- Copy of the tenant's Lease, Security Deposit Agreement and any other pertinent tenant documents.
- Tenant's contact number and e-mail address, if you have them.
- If you do not have a lease, then we need to know the tenant's name, amount of rent, amount of Security Deposit and contact information.
- Tenant's Rent Account status (Is the tenant current on rent or are they past due?).

Please provide the following property information:

of Bedrooms: _____ # of Bathrooms: _____

Does tenant pay all utilities? _____ If not, who pays: Gas _____ Water _____ Electricity _____

Do we need to collect past due rent? Yes or No Amount tenant is past due: \$_____

What month do we begin collecting rent for: _____

What appliances do you provide? _____

Do you provide any utilities? _____

Do you hold the tenant's Security Deposit? Yes or No Amount of the Security Deposit: \$_____

Does the amount you hold match the amount in the Lease? Yes or NO

(Keep in mind that you are legally responsible for the amount that is listed in the Lease, even if that Deposit was not transferred to you at the sale of the property.)

Are there any pending maintenance issues that we need to be aware of? _____

EVICTION PROTECTION POLICY

Turn-Key provides a service you are sure to LOVE! For a small cost per month, if an eviction is required for a tenant that we have placed, Turn-Key is going to pay for the eviction!

As we all know, evictions can happen to any landlord, no matter how well a tenant is screened. Circumstances change in people's lives and they are not able to pay the rent. This is especially true when people lose their job, get a divorce or have a serious injury. When they aren't able to pay the rent, they also find it difficult to move. When this happens the owner has to go through the costly procedure of evicting the tenant.

This is a costly time for the owner. In addition to the loss of rents, you are required to spend money to file an eviction and get the tenant out. We are going to protect you from this outlay of cash!

We are going to cover this unpleasant cost. For the small monthly fee of \$10. per unit, per month, this program will cover the cost of almost all evictions. This could save you hundreds of dollars!

DETAILS:

- If Turn-Key has placed the tenant, you will pay the small monthly fee of \$10. per unit, per month; reflected on your monthly Management Report.
- If the tenant was in the unit when Turn-Key began management, the unit is not eligible for the program and therefore, no fee will be charged.
- This program pays for a basic Rent and Possession eviction; including attorney charges, court costs, filing fees and Writ costs.
- A small administrative fee of \$50. will be charged at the time of filing the Rent and Possession filing.

EXCLUSIONS:

- An Unlawful Detainer requiring a more expensive attorney will be covered up to \$300. (This rarely required.)
- If the tenant requests a trial and a Turn-Key Representative is required to testify, the cost of this time will be charged to the owner at \$50. per hour. (This is also a rare occurrence.)
- If the tenant refuses to leave after a Judgment is obtained and we must meet the Sheriff to put the belongings on the curb, this cost will be considered a maintenance charge and will be billed as detailed in the Maintenance Policy.