



**ROYAL PALM**  
PROPERTY MANAGEMENT

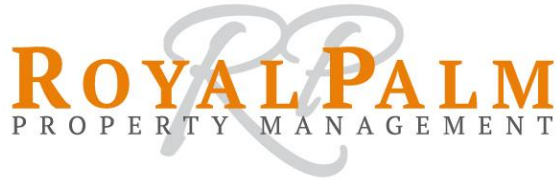
OWNER MANUAL





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# Owner Handbook

## Welcome

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Thank you for choosing Royal Palm Property Management to manage your investment. We are aware that you had many choices and we appreciate that you have selected us as your property management company.

The purpose of this handbook is to communicate the policies, procedures, and practices that dictate how we intend to manage your property. It will serve as your guide to our management practices. Properly used, this document will enhance communication between us and make our ongoing relationship stronger and more transparent. The Owner's Handbook will be updated annually as we work to keep up with changes in the laws and economics that affect our business practices.

## Communication

Communication with you is very important to us. The best way to communicate with us is through your owner portal or email. By doing so, it gives us an opportunity to properly review your question and therefore most efficiently respond. If email is not an option, we prefer you schedule a call. By scheduling a time, we are better prepared to answer your questions resulting in a quick, efficient phone call. In order to schedule a call, please use the Calendly link below.

<https://calendly.com/ashleyrppm/15min>



## About us

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Royal Palm Property Management is a residential property firm that believes in honesty and reliability. We're more than just sales people. We're actual investors who want to see you thrive. We provide top-tier management services for clients big and small who are looking to achieve financial freedom.

Financial freedom. We all want it. Yet very few people actually attain it. Here at Royal Palm Property management our aim is to help you reach your financial goals. No matter how ambitious they may be. Which is why we remain one of the leading providers in residential property management year in and year out. Whether you're looking to market your property or even just generating detailed reports each month, we can help you begin taking control of your cash flow.

Built by investors, for investors. We pride ourselves in being experts in our field. This is more than just a job to us. It's our life. With this comes an unrelenting drive to bring our clients an honest and reliable service. We're not wishy washy when it comes to fees. All of our costs are laid out in a simple and accessible manner on our website. We champion integrity and transparency above everything else and will always go out of our way to provide you with a first-rate service. No hidden fees. No hassle. Just simple property management done the right way.

You have a vision in your mind for the life you want. However, without the right income streams this will never be possible. Let us help you achieve the life of your wildest dreams by assisting you in your journey to financial freedom. We put a strong focus on results and will always work to maximise your return on investment. If we're not making you money, then we're not doing our job right and we always do our job right. The best part? We take care of all the details so you don't have to. Simply give us reigns over all the aspects of letting your property and you can sit back, relax and let the cash come in.



## Our Mission

Our mission here at Royal Palm Property Management is to help Real Estate investors and landlords to reach their goals with ease. We put honesty above everything else. Promises are made to be kept and we will always follow through on what we say.

Courage and an unrelenting drive to innovate are at the core of everything we do. We're not ones for staying inside of the box. We like to push boundaries and provide a level of expertise that you won't have experienced anywhere else. Most importantly, we believe in the power of great service. Our team will always push to provide a customer experience that's unforgettable. We're here for you every step of the way with a fierce commitment to give you the best experience possible.

## Our Values

**Honesty** - Above all others; we will follow through with our promises, providing consistency to our stakeholders. We will also recognize that we are not perfect and will take responsibility for mistakes when they do occur.

**Respect**- We treat everyone we come into contact with in a respectful manner, regardless of how we are treated in return or the benefit we might get from our behavior.

**Courage**- We will be courageous as an organization to try new things, test their efficacy & adapt as needed..

**Service**- We are committed to serving with words that are substantiated by our actions. RPPM will serve the Southwest Florida community by directly devoting our resources to organizations doing good work.



## Management Agreement and Fees

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The foundation of our relationship is the management agreement you executed before you came on board with Royal Palm Property Management.

**MANAGEMENT FEE:** Our business model offers a range of fees designed to work with the owner's desires for their level of services provided. We offer three different plans to choose from ranging from 08.00% to 15.00% of Monthly rent collected. This fee pays Royal Palm Property Management for the day to day routine of answering phones; handling maintenance, lease enforcement, HOA complaints, rent collection, monthly reporting, accounting for tenant charges, trust account management and handling emergencies.

**LEASE RENEWAL FEE:** This fee is paid by the landlord each time the lease agreement is renewed with the tenant(s) or the lease is assigned by tenant(s) with LANDLORDS permission.

**PROCUREMENT FEE:** This one time tenant procurement fee is a percentage of one full month's rent paid by the landlord to broker upon each new and existing lease agreement and tenant taking possession for account set up, marketing, processing, signage and other fees.

**TERMINATION BY LANDLORD:** Termination is effective when actually physically received by the broker by CERTIFIED MAIL. In the event that the broker has not procured a tenant within 90 days of the property being fully available for rent, the landlord may terminate the Management Agreement with no penalty.

**INSURANCE:** Landlord shall maintain a public liability insurance coverage on the property at all times in an amount not less than \$100,000.00 per person and \$300,000.00 per occurrence and shall furnish the broker with proof of insurance and a copy of the declaration page. Additionally, **we will need a copy of your liability insurance showing *Royal Palm Property Management as additionally insured.*** Once you add us to this, your insurance company can forward us a copy of the document.

***Landlord will be charged a \$35 administrative fee per month for every month that the declaration page is not on file.***



**ADVERTISING:** We use many methods to advertise the property for rent and the landlord gives Royal Palm Property Management the authority to use all legal means of advertising at the choosing of RPPM. In the event special advertising is desired by the landlord or necessary in the opinion of the broker, the landlord may be presented with additional forms and means of advertising and if you choose, these methods can be used at your expense.

## Payment terms and schedule

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- We process *owner statements* each month between the *10th and 20th*.
- If these dates fall on a weekend or holiday we will process on the next business day.
- Once your statement is processed it will be available to you through your owner portal on our website. Remember, your statement is for the previous calendar month and will show all incomes, expenses, and reserves that we are holding.
- No later than the 20th we will also initiate a direct deposit into your bank account for your rental proceeds. This ACH payment will become available within three business days of initiating. Please keep in mind that tenants' late payments, federal holidays, and weekends will affect this timing.
- We will need you to send any tenant security deposits you may have in your possession so that we are able to properly account for these funds. Keep in mind these funds are the tenants and should be held in a trust account until the tenant vacates the property. If Royal Palm is not holding the deposit at the time of the tenants move out we will not be able to help you with the appropriate disbursement as per FL Statutes.
- Broker may hold funds back at their discretion if upcoming expenses warrant.



## Screening Applicants

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### Our Rental Criteria

**Required Information**– Government issued ID, 2 most recent pay stubs (One month's worth) or 2 years tax returns or 3 months of bank statements if self-employed), pet screening application completed). Landlord contact info for the last 3 years. All adults aged 18+ must apply & pay a \$75 app fee.

**Income and Credit Requirements**- Minimum Gross Income Requirement (before taxes) is 3 times the rental rate of the property. Credit above 550 is a must however as long as there are no evictions on record and proof of rent or mortgage payment history is supplied showing on-time rent payments for the previous year the application will be considered. Student loans and medical bills will not be factored against the applicant.

**Security Deposits**- Applicants with better credit and references will generally be approved at a security deposit of 1 month's rent. Applicants with low credit scores and references may still be approved at up to a double deposit.

**Pet Screening**- Additional deposit may be considered depending on the breed of pets. Typical Pet Deposit is \$250 dollars per pet.

**Common Reasons for applicants to be Declined** – Evictions, unpaid balances due to landlords, credit score beneath 550, insufficient income, unsatisfactory references, recent felonies or crimes against people and recent bankruptcies. Unqualified occupants, pets and/or vehicles can also be a reason for a decline.

### Application Process:

1. All Adult applicants 18 or older must submit a fully completed, dated and signed residency application and fee. Applicants must provide proof of identity. A non-refundable application fee of \$75 will be required per adult. Properties under Associations may require applicants to submit an additional association application and pay an additional application fee or an additional security or damage deposit.



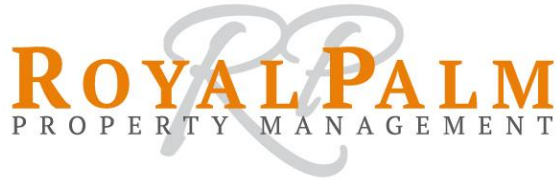


2. Applicants must have a combined gross income of at least three times the monthly rent. We reserve the right to require a co-signer. A minimum of two years residential rental history is required.
3. Credit history and or Civil Court Records must not contain judgments, eviction filing, or bankruptcy within the past 7 years.
4. Self-employed applicants may be required to produce upon request 2 years of tax returns or 1099s and non-employed individuals must provide verifiable proof of income.
5. All sources of other income must be verifiable if needed to qualify for a rental unit.
6. Criminal records must contain no convictions for crimes involving violence, assault or battery, drug manufacturing or firearms within the past seven years and no sexual offenses ever. In the event a record comes back "adjudication withheld", "nolle prosequere," or "adjudication deferred," further documentation may be required and applicant may be denied on this basis.
7. Previous rental history reports from landlords must reflect timely payment, sufficient notice of intent to vacate, no complaints regarding noise, disturbances or illegal activities, no unpaid NSF checks, and no damage to the unit or failure to leave the property clean and without damage at time of lease termination.
8. No pets (with the exception of medically necessary pets for the benefit of the occupant(s)) of any kind are permitted without specific written permission of landlord in the lease document, an addendum to lease, a non-refundable pet fee acceptable to landlord and/or an additional pet deposit or additional security deposit. Fees and deposits are waived for medically necessary pets.
9. A minimum non-refundable property preparation fee may be charged to the Resident(s) at time of leasing the property. It will be used at the end of the lease term to cover any needed cleaning, carpet cleaning and rekeying. Other mandatory minimum fees for cleaning, carpet cleaning, rekeying etc may be charged as per the lease. Resident(s) shall still be liable for amounts for damages, cleaning, rekeying etc that exceed this non-refundable property preparation fee or minimum fees.
10. Applicants will be required to pay a security deposit at the time of lease execution in a minimum amount of one month's rent. We reserve the right to require a higher security deposit and or additional prepaid rent.
11. The number of occupants must be in compliance with HUD standards/guidelines for the applied for unit.
12. We may require a holding or good faith deposit to be collected to hold a property off the market. In the event the application is approved and applicant fails to



enter into a lease, the applicant shall forfeit this deposit. In the event the application is approved, this deposit shall be applied to the required security deposit.

13. Any exceptions to our company's criteria will need to be submitted in writing to the rental agent for presentation to the landlord for consideration. If approval is then given for such exceptions, additional security, co-signers, and/or additional advance rent payments may be required.
14. Our company policy is to report all non-compliance with terms of the rental agreement or failure to pay rent, or any amounts owed to the credit bureau and/or a collection agency and if the amount is disputed, it shall be reported as disputed in accordance with law.
15. Any falsification of facts or withholding of information requested on the application is cause for denial. If the falsification of facts is revealed after a lease has been signed, this is a reasonable cause for eviction.
16. There are times when a company would like to rent a property in the company name. In those instances, we will require an individual to also be on the lease as a responsible party, either as an occupant lease holder or co-signer. This may be a principal of the company or the employee who is living at the property. The person who is responsible for the lease must qualify by our conventional scoring criteria. For occupant/non-leaseholders we require a criminal background check as part of the application.



## Additional Services

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We have a few value-added services that you should consider.

### **Annual maintenance of your AC System**

It's important to:

1. Protect your investment and extend the life of the equipment.
2. Maintain efficiency and help keep operating costs down.
3. Keep it safe and reduce liability.

Ensure reliability and avoid untimely breakdowns. A preferred vendor of Royal Palm Property Management, At Your Service AC, has agreed to an **annual service for \$250**. This will keep your AC tuned and more than pay for itself over the life of the equipment.

### **Dryer Vent Cleaning**

Dryer vents cause approximately 2,900 residential fires each year, and 34% of them are due to poor maintenance. The main culprit is lint buildup, which most often occurs in the vent ducts.

1. Community Association Underwriters of America recommends getting the dryer vents cleaned professionally every two or three years.
2. Proper dryer maintenance helps prevent fires and ensures efficient operation.
3. Clothes dry more quickly, and that saves money for whoever pays the utility bill.

The cost to clean out the dryer vent thoroughly from the roof (if possible) is **\$150 for single-story properties**.

\*\*All vendors and employees used by RPPM are licensed and insured

### **Inherited Tenant Inspection**

This inspection will give us a better idea of the condition of the property at the point we start managing. This helps hold the tenant accountable for any future damage to the property and helps with the security deposit disposition after move out. We will do a detailed walk-through and create a report with numerous pictures



and videos as needed. A decent evaluation of the property's condition at this point may save you considerably at move out when we can bill the tenant for damage.

The cost of this inspection is **\$75.00**.

### **Eviction Protection**

With our Eviction Protection Guarantee you don't have to worry about the costs of an eviction. We not only handle the eviction process but we cover the legal costs or fees associated with the eviction, as long as it's uncontested.

The requirements for the eviction protection plan are as follows:

- New tenants that Royal Palm has qualified and moved in are immediately covered.
- Existing tenants with leases signed prior to Royal Palms's involvement are covered after seven months. \* Restrictions do apply to tenants that Royal Palm has not screened and placed.
- The Program does not cover lost rent, move-out costs, or damage to property.
- The Program does not cover the Owner for the Tenant's Attorney fees, or court-ordered fines, damages, or penalties.

The cost for this service is **\$19.00** per month.



## Maintenance

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Maintenance is the number one reason a tenant leaves a property. It is also one of the biggest expenses an owner incurs. Our focus is to provide a well-maintained home for the tenant at the same time keeping maintenance costs as low as possible for the owner.

If your home or apartment has been recently and properly renovated, we suggest you budget 10% of your gross annual rent to go to maintenance. If your home rents for \$700 we suggest budgeting \$840 per year or \$70 per month. Again, we try to keep it as low as possible but feel you should budget for this. Keep in mind this is for general maintenance and not improvements such as HVAC, roof, water heaters, siding and such.

Proper maintenance is very important because it plays a major role in attracting and retaining quality tenants. The quality tenants will not rent homes that appear poorly maintained. Tenants that would rent a home that appears poorly maintained speak volumes about the type of tenant they could be. They are not the kind we want renting your home! Proper maintenance is also important in maintaining your investment and preventing much larger, major repairs down the road.

Our process for addressing tenant-requested maintenance is quick, efficient, and price-minded. When tenants request maintenance, the first thing we do is determine if it is the tenant or owner's responsibility. If it is the tenants, we bill them accordingly. The next thing we determine is if it is truly maintenance or an improvement. If it is an improvement, we will not proceed without your approval. If it is a large repair or an emergency, we will contact you to inform you before we begin. In certain situations, we may need to make concessions to the tenants. This is rare but, in some situations, necessary. If we must, we will inform you immediately.

Preventative maintenance is often overlooked and deferred. Items such as keeping gutters cleaned out, servicing the HVAC equipment, painting exterior wood, and



trimming trees must be regularly done or you will create problems and large repair bills. We keep a close eye on these and will inform you when attention is needed.

Trust that your property is in good hands and we have your best interest in mind.

## Our Guarantees

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### **PAYMENT GUARANTEE**

If your tenant does not pay as agreed, we do not charge our management fee. There is no monthly “vacancy” fee at Royal Palm.

### **FEE GUARANTEE**

If you can find a lower management fee in writing by another company, we will match that fee.

### **RESPONSE GUARANTEE**

If we do not respond within 24 hours of an inquiry whether by phone or by email, we will waive that month’s management fee.

### **RENTAL GUARANTEE**

If we do not secure a tenant within 30 days (with agreed-upon rent) we will waive your first month’s management fee.

### **SERVICE GUARANTEE**

A lot of people say they are the best and that you won’t regret hiring them. However, they then lock you into a contract that you can not get out of without paying exorbitant cancellation fees. That doesn’t seem right to us, nor does it instill confidence that they are looking out for your best interests. We believe that the quality of management should stand on its own. If you aren’t fully satisfied working with us, let us try to fix it, or fire us with just 30 days’ notice!



## TENANT PLACEMENT GUARANTEE

NEVER pay two leasing fees within a 12 month period. We stand behind our screening and the tenants we place. With our full-service management, we will replace a tenant that breaks their lease within their first lease term, for free. The only exclusion is if a tenant is relocated due to military orders.

## EVICTION PROTECTION GUARANTEE

### **How the Eviction Protection Plan works:**

We understand how frustrating it is when a tenant violates their lease agreement and the financial implications for property owners. It's an unfortunate fact that some tenancies end in eviction. With our Eviction Protection Guarantee, you don't have to worry about the costs of an eviction. We not only handle the eviction process but we cover the legal costs or fees associated with the eviction, as long as it's uncontested. The requirements for the eviction protection plan are as follows:

- Owner must subscribe to our Eviction Protection Plan in the Management Agreement.
- New tenants that Royal Palm has qualified and moved in are immediately covered.
- Existing tenants with leases signed prior to Royal Palms's involvement are covered after seven months. \* Restrictions do apply to tenants that Royal Palm has not screened and placed.
- The Program does not cover lost rent, move-out costs, or damage to property.
- The Program does not cover the Owner for the Tenant's Attorney fees, or court-ordered fines, damages, or penalties.

Please see the pricing page for details on the cost of the Eviction Protection Guarantee.



## Owner Portal

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You should receive an email from Buildium with a link to set up your owner portal on our website. This email link will expire after 48 hours so if you are not able to access it, just email us and we will send you a new link. Please familiarize yourself with your portal as this is where you will access your monthly statements, review invoices, and get a copy of your management agreement.

Here is a brief video that will explain how to navigate your new owner portal:

<https://youtu.be/KjqjnQpR1wc>

In order to process your first statement, we will need your EIN/SSN. **Please ensure we have a completed W-9 so that we will have this information.**

It's imperative that we receive the **Owner Questionnaire** back as soon as possible so we can make sure we have all the information gathered and entered into our system. Please use this link to complete the owner questionnaire.

<https://form.asana.com/?hash=99ff970afa11f27084a028b4e142c3cf7523d919f1bdf83bbf299a4f460b71fa&id=1163123040950892>





## Contact Details

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### Our office

813 Lake McGregor Dr.

Fort Myers, FL 33919

**General Phone:** (239) 223-2116

<b>Our Team</b>	<b>Extension Number</b>	<b>Email</b>
<b><i>Broker   Owner</i></b> Ashley Simonelli	101 <i>Cell: 239 691 0810</i>	ashley@royalpalmpm.com
<b><i>Managers</i></b>	104	managers@royalpalmpm.com
<b><i>Maintenance Director</i></b>	107	repairs@royalpalmpm.com
<b><i>After hours emergencies</i></b>	(239) 223-2116 Option 5 Or text (239) 691-0810	repairs@royalpalmpm.com



## Adding a Property Manager as Additional Insured on the Owner's Insurance Policy

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One of the most important reasons landlords hire a property manager is to help limit exposure to and manage the inherent risk of owning rental property.

Often, questions arise as to why it's important to add the property manager as Additional Insured on the Homeowner's or Property Owner's insurance policy.

Some of the key questions are addressed below.

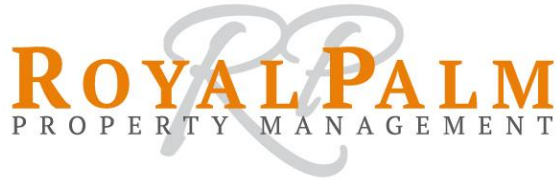
### **Why should I list my Property Manager as Additional Insured on my Insurance Policy?**

Experienced and well-informed management firms are increasingly requiring the property owner to add the Property Management Company as Additional Insured on the owner policy. While often overlooked out of convenience or misinformation, it is a very important element of an overall risk management strategy not only for the property management company but also for the property owner.

### **What does "Additional Insured" mean?**

The Additional Insured verbiage on a homeowner's policy simply means that the coverage is extended not only to the owner of the property but also to the listed agent or Management Company. Some insurance agents and property managers will confuse "Additional Insured" with "Additional Interest". They sound similar but are vastly different. "Additional Interest" does not extend coverage but will simply notify the property manager of policy renewals, cancellations, or policy changes. Another common misconception is that the Additional Insured verbiage will provide the property management firm with a financial interest in the property. Unlike a mortgage holder, the property management company does not have, or want, a financial interest in the property but nevertheless has a very insurable interest from a premises liability standpoint such as personal injury on the premises.

### **Why is adding the Property Manager as Additional Insured important to the property owner?**



When a property manager is hired they take on almost all of the responsibilities as if they were the homeowner. As such, if something were to go wrong, such as personal injury, the Property Manager is often the target, in place of the owner, of any resultant litigation.

For this reason, almost all reputable property management firms have a strong indemnification and hold harmless clauses as part of their management agreement. If the management company is properly listed as Additional Insured, the coverage will automatically be extended to both parties as needed.

In the worst of cases, if a major litigation claim takes place, it is likely that both the Property Manager and Owner would be named as co-defendants. Having the owner policy extended to both, would create a unified defense, with one insurance company defending both, streamlining the defense process and significantly reducing total legal expenses for all for which the owner (or the insurance company) is ultimately responsible.

### **Why is the Additional Insured endorsement on the owner's policy important to the Management Company?**

Most Property Management firms carry General Liability Insurance as well as Professional Liability insurance which will offer protection from a financial loss caused by a mistake or wrongful act by the Management Firm. However, these policies don't provide protection against matters concerning the home itself. This leaves the property manager vulnerable to claims regarding someone injuring themselves at the property, burglary, fire, water leaks, etc. When coverage is effectively extended to the Property Manager through the Additional Insured endorsement, the problem is solved.

Without the Additional Insured endorsement, the management company could be left to fend for itself and then seek reimbursement from the owner directly (or their insurance) for any losses under the indemnification clause. Needless to say, this alternative would be exponentially more expensive and time consuming for all.

### **Are Insurance Companies willing to add the property manager to the owner's policy as Additional Insured?**

Most of the larger insurance companies understand that doing so is in their customer's best interest and will add the property management firm upon request for little or no additional cost. However, some of the smaller or specialized companies view adding a third party to the policy as taking on additional risk and refuse to do so. While there may be some merit to their viewpoint, it can be argued that using a professional management company will reduce overall risk and that since the owner is indemnifying the management company, they would eventually be faced with a payout on behalf of



their customer. Accordingly, their total cost of a payout could be significantly reduced if they are in control of the claim from the beginning.

**Helpful Tips for Setting Up Insurance For Your Rental Property:**

- Make sure that your Insurance Agent understands that you are requesting the Property Management Firm be added as “Additional Insured”, not merely “Additional Interest”.
- Ask if there is an additional charge for the “Additional Insured” endorsement. If there is, you may want to shop around but remember that the overall cost-effectiveness of your policy may still be better even with an additional fee.
- Ask your Insurance Agent if there are any other products their companies offer that may be useful to you, i.e., lost rent protection, upgraded commercial policy, etc.
- If your property management company is contending that an Additional Insured endorsement on your policy is not important, carefully question their rationale and be sure you’ve contemplated the risk.

If we can answer any further questions please contact Royal Palm Property Management at 239 223 2116 Ext 101.

Disclaimer: Royal Palm Property Management is not an attorney and this is not legal advice. It is always recommended that you seek the advice of a local attorney to learn more about real estate laws and how they can impact you and your property.



## Conclusion

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We hope you have found the Royal Palm Property Management Owner's Manual informative and useful. Please inform your Property Manager if you feel there is other information RPPM can provide, so we can include it in the future. Again, we want to thank you for choosing Royal Palm Property Management to manage your investment and we look forward to a successful management relationship.