

"We take care of your home like it was ours"



Processing Tenant Applications

Tenant screening

Extensive screening is crucial to successful Property Management. Arrico requires all applicants to fill out a detailed application and submit it for processing/approval. A credit check is NOT enough! Our company conducts a careful review of their credit, income, and tenant history or ownership.

Applications are submitted online via Arrico website. All applicants must submit verifiable information on their income to show they can support the property. Rental history or previous home ownership is carefully checked. Cross-referencing all three areas – credit, tenant history, and income - provides the answers to qualify or disqualify prospective applicants. If a pet is allowed on the property, the screening includes the pet (please review the upcoming pet policies).

Arrico staff processes the application and determines the qualification of the applicant(s) based on many factors such as credit score, debt ratio, length of employment, previous rental history and criminal and sexual predator history.

Guarantors

Arrico normally does not accept guarantors. Arrico policy is that the applicants should have the ability to rent on their own merits. However, there are conditions that may warrant taking a on a applicant with a guarantor. If this is the case, Arrico will also screen the guarantor's qualifications.

Pets

If an owner authorizes a pet, Arrico requires a pet application with information regarding the vaccination, health, and temperament of the pet. Arrico does not use the term "pet deposit." By avoiding this terminology, Arrico can use the amount of the entire security deposit when there is animal/pet damage.

Many tenants have or want pets. It is legal for property owners to discriminate against pets. You may wish to do so. However, whether you have or have not decided to allow a pet in your property, the Arrico application has a place for prospective tenants to list pets and how many. It is important NOT to discourage full disclosure on pets while taking an application. If you do allow a pet, Arrico does not place dogs of aggressive nature in a property.

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Arrico recommends to owners that when the property is on the market, pets are “negotiable.” This can solve two problems.

1. First, this encourages prospective applicant to disclose any pets. Then, based on the owner preference on pets, Arrico can automatically notify the applicant that the owner does not allow pets.
2. Second, by listing pets as negotiable, it avoids eliminating an excellent tenant that does care for their pet, has an excellent tenant history, and owns a pet that is suitable to your property.

Service animals

Special note: “Service animals” for handicapped/disabled persons are NOT pets by Federal law, and owners cannot discriminate against handicapped/disabled persons with a service animal. Fair Housing legislation does NOT allow owners or property managers to collect deposits of any kind for service animals.

However, Landlords can still process applicants who are handicapped or disabled on the same criteria as other applicants: income, credit, tenant history, etc. If they fail to qualify in these areas, the landlord/manager can still deny the application, handicapped or not.

Tenant Approval

Arrico may require addition security deposit when determining qualification. Arrico will notify prospective tenant of approval/disapproval and issue an Adverse Action Notice as required.

Lease Renewal

Arrico will determine if lease will be renewed based on tenant payment record AND lease compliance. This determination will be occur automatically 60 days prior to lease end date unless landlord instructs broker in writing to non-renew current lease. If tenant chooses to vacate, broker will make unit ready and continue fulfilling management agreement.

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The Tenant Move In

Rent and security deposits

Arrico does not accept personal checks prior to renting the property and does not allow "payments" on security deposits – we require all funds paid in full prior to renting the property. This eliminates prospective tenants who really do NOT have the necessary funds for renting.

Once approved, all applicants must pay in full, the first month's rent and/or prorated rent, and security deposit, in certified funds. It is Arrico policy to require a security deposit equal to or more than the rent. However, Arrico does not exceed the maximum-security deposit allowed by the Florida landlord/tenant laws.

Rental/lease agreements

Once Arrico receives funds, a thorough rental/lease agreement with the applicant is completed.

All persons 18 and over, including adult children, are required to read and sign all rental/lease agreements. If the accepted applicants are a foreign nationality and cannot read and understand the documentation, they must supply an interpreter of legal age for signing the rental/lease agreements.

Walk-through

A vital part of the rental agreement is a detailed Property and Condition Form reviewed with the tenant, documenting the condition of the property upon move in. Unless extenuating circumstances prevail, the Arrico team completes the walk-through with the tenant before the tenant takes possession of the property and provides a copy to them. The walk-through documents the condition of the property. When the tenant moves out of the property, there is a sound basis for the security deposit refund. Arrico also documents the move in/move out with digital photos.

Tenant handbook

Tenants immediately receive the "Arrico Tenant Handbook." This detailed booklet gives them additional information on how to care for the property, report repairs, maintain the property, make timely payments, how to give proper notice to vacate, leave the property in good condition, and more.

Tenant education and preparation

Taking the time to prepare tenants for their residency is another step toward a successful tenant/landlord relationship. Additional forms that the tenants may need available when needed. Arrico wants both owners and tenants well informed.

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Working with Your Tenants

Collecting rent

Rents are due on the **1st** day of the month and late if not received in the Arrico office by the **5th** of the month.

Arrico recognizes many things can happen concerning rent; rent can really be lost “in the mail”; employers can delay the tenant’s paycheck, there are real tenant emergencies, and more. Therefore, we make a serious effort to determine why the tenant is having a problem. Arrico informs the owner when there is a rent collection issue.

Notice to pay or quit

If Arrico does not receive rent by the due date, Arrico prepares and delivers a timely notice to pay or quit, as the law allows. Arrico makes every effort to post notices properly should legal action be required. If Arrico determines the tenant is not going to pay the rent during the notice to pay or quit period, or shortly thereafter, we contact the property owner and work out a plan of action.

Other notices

There are other notices that may be involved with tenants, such as a notice to maintain landscape, to enter the property, perform survey/inspections, regarding an illegal pet, illegal tenants, etc. These tenant violations may be in the form of a letter or a legal Notice. Often, these notices are simply to correct minor tenant problems and most tenants comply. However, if necessary, Arrico contacts the owner with the information to discuss the situation.

Tenant problems

Arrico has years of experience handling the myriad of tenant difficulties that can occur. The Arrico policy is to obtain good tenants, eliminating many tenant problems. However, even good tenants have problems. Arrico treats each problem with common sense approach, follows landlord/tenant law, and uses the appropriate documentation. If the situation is serious, Arrico contacts the owner, and works to find a solution for the problem.

Legal action

Although Arrico works diligently to avoid the necessity to begin an action, such as an unlawful detainer or eviction proceeding, it can happen. In the event any legal action is required, Arrico will contact the owner prior to taking action, discuss what is needed, and obtain owner authorization.

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Maintenance

Preventative maintenance

The best approach to maintenance is "preventative maintenance," and this is the Arrico policy.

First, Arrico has already started with educating the tenant by:

- Completing a detailed Arrico Rental Agreement which outlines tenant maintenance requirements
- Completing a move-in property review documenting the condition of the property before the tenant takes possession
- Supplying tenants with the "Arrico Tenant Handbook," which provides additional instructions on the care of the property and how to report maintenance

We want the tenant to know from the beginning of their tenancy that the Arrico/landlord expectations are to "care for the property." This approach can prevent costly maintenance.

Next, we use "preventative maintenance" techniques when work is required and utilize competent contractors. Often the minor expenditures save the most money such as doorstops, new filters, checking appliances, testing smoke alarms, adjusting doors, window latches, deadbolts, and more. Many small repair items can prevent maintenance that is more expensive.

Consider the cost of repairs like holes behind doors, clogged heaters and air-conditioners, appliance problems, dry rot, safety issue and more. Then of course, there are the major issues in a home such as the roof, the exterior condition of the building, carpeting, interior, and exterior paint, etc. When left to deteriorate, it usually means the owner will have to spend more in the future.

It is equally important to keep up with maintenance while the tenant occupies the property. Often people think no news is good news; this can be just the opposite. Instead, "delayed news can become very bad news."

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This is why, in our tenant instructions, we require them to report maintenance. For example, what is worse than finding out dry rot could have been prevented or discoloration of the linoleum if the tenant had reported the leaking toilet in the bathroom? Avoiding major maintenance costs are certainly more favorable in such cases. The Arrico management teams contact owners regarding maintenance above the **\$300** maximum that is listed in the Arrico Management contract, unless the situation is an emergency.

Emergencies/Disaster

When an emergency and/or disaster strikes, Arrico has policies in place for the property and tenants. Arrico notifies the property owner as soon as practical. The nature of the emergency and/or disaster determines the action needed by Arrico.

There are times when a property manager must "act" in order to prevent great financial risk to the owner. For example, when a property is flooding, action is necessary, particularly if the property owner is not immediately available. Arrico will dispatch the appropriate vendors to prevent further damage to the property then notify the owner of repair requirements.

When the Tenant Vacates

Notice to vacate

When there is a notice to vacate, the move out procedures with tenants are as critical as when Arrico moves in a tenant. The preparation for this really began when the tenant moved in with a detailed rental agreement, maintenance addendum, walk-through, and *Arrico Tenant Handbook*. All of these documents gave instructions to the tenant on how to move out.

Communication with owners and tenants

Arrico notifies the owner giving details on how they will proceed with the tenant and re-renting the property. Arrico immediately places the property on the market to rent unless the owner notifies Arrico to take other measures.

Arrico also responds to the tenant notice with detailed instructions and forms explaining the steps to complete a successful move. Rent is required until the end of the notice unless otherwise stated in the rental/lease agreement.

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Tenant move out

Arrico conducts a walk-through shortly after the tenant vacates similar to the one performed when the tenant moved into the property. Arrico records any maintenance required and discloses a list of damages to the vacating tenant within the timeframe prescribed by Florida Landlord/Tenant Law. Digital photographs are taken when the tenant move out to document the condition of the property and support any deductions from the security deposit.

After assessment of the tenant move out, Arrico advises owners of any tenant damages or any maintenance required to re-rent the property.

Normal Wear and Tear vs. Damage

Normal wear and tear - Even the most conscientious tenant will cause some minor damage over the course of a rental agreement. This minimal damage is typically referred to as "normal wear and tear." This can include small scratches on the walls or paint, worn or slightly stained carpeting, broken hinges, or other insignificant damage.

While you may not appreciate having to repaint your property after each tenant moves out, normal wear and tear usually makes this necessary. And a few scuffs on the wall or the odd nail hole does not constitute damage, and you will not be able to charge your tenants for this paint job if that is the extent of the damage.

Damage - Actual damage to a property goes beyond normal wear and tear. For example, instead of small scuffs on the walls or a few nail holes, large holes in the wall would definitely be considered damage.

If the carpet is completely stained, ripped, or otherwise ruined, this can be construed as damage. Pet stains can also be referred to as an actual damage, particularly if you do not allow pets on your rental property. In this case, since you have not received a pet deposit to cover this damage, the security deposit can be used to repair the damage and restore the property to its original condition.

Excessive amounts of garbage, furniture, or personal items that a tenant has left behind may also be considered damage. In this case, since you will need to spend time cleaning the property or paying to have the furniture removed, you will be able to use the security deposit to cover these costs.



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Examples of "Tenant Damage" versus "Normal Wear And Tear"

Normal Wear and Tear

Normal costs of turning over a dwelling after a tenant vacates may not be included on a Notice to Impose Claim of Security Deposit for tenant damages. The costs an owner incurs for the basic cleaning and repairing of such items necessary to make a unit ready for occupancy by the next tenant are part of the costs of doing business. The following is a list of items typically attributable to routine use or "normal wear and tear".

Interior walls, floors and ceiling

- Fading, peeling, or cracked paint
- Slightly torn or faded wallpaper
- Small chips in plaster
- Nail holes, pin holes, or cracks in wall
- Scuffs or small marks in paint
- Door sticking from humidity
- Cracked window pane from faulty foundation or building settling
- Floors needing coat of varnish
- Moderate dirt or spotting on carpet
- Carpet faded or worn thin from walking
- Loose or cracked grouting and bathroom tiles
- Dirty or faded lamp or window shades

Plumbing, Kitchen & Bath

- Loose or cracked grouting and bathroom tiles
- Garbage disposal that stops working because motor dies
- Laminate top separated from countertop base
- Worn or scratched enamel in old bathtubs, sinks, or toilets
- Rusty shower rod
- Partially clogged sinks caused by aging pipes

Exterior

- Dead spots in lawn due to pests
- Trees need trimming
- Exterior requires pressure wash to remove stains, wasp nests and other debris

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Tenant Damage

Tenant damages usually require more work or extensive repair, and at greater cost than “normal wear and tear”, and are often the result of a tenant’s abuse or negligence that is above and beyond normal wear and tear.

Interior walls, floors and ceiling

- Gaping holes in walls or plaster
- Drawings, crayon markings, or painting that owner did not approve
- Holes in walls caused by doorknobs
- Seriously damaged or ruined wallpaper
- Chipped or gouged wood floors
- Doors kicked in or ripped off hinges
- Broken windows
- Broken or Missing fixtures
- Holes in ceiling from removed fixtures
- Odor and/or stains from pet urine or feces
- Holes, stained, burns or removed carpet or linoleum
- Large items left behind requiring specialized removal

Plumbing, Kitchen & Bath

- Garbage disposal broken due to foreign (nails, screws, coins and utensils) objects
- Toilet won't flush properly because it's stopped up with a diaper
- Broken or missing faucets and drain stoppers
- Missing or smashed bathroom tiles
- Grime-coated bathtub and toilet
- Missing blinds or shades
- Missing window screens

Exterior

- Lawn not mowed or edge (depending on language in lease agreement)
- Trash pile in yard, outdoor furniture left on patio
- Excessive oil, grease or fuel stains on driveway or sidewalks
- Dead lawn, trees or shrubs due to lack of care or watering
- Personal, hobby or items requiring removal from sheds or storage buildings
- Large items left behind requiring specialized removal

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Security deposit refunds

Proper handling of the security deposit refund is crucial. Any tenant deductions are determined in a timely manner, and a security deposit transmittal is prepared in accordance with state laws. Owners receive a copy of the transmittal with their monthly statement, showing any deductions and monies refunded.

Collections

If collecting funds for damages is required, Arrico recommends you to refer the matter to a qualified consumer collection service. Arrico management will supply the owner with the necessary documentation needed to collect the debt owed but will not submit the debt for collection due to current debt collection regulations.

Additional Services

The following are "additional services" offered by Arrico to each property owner. They are not included in the fees for managing and/or leasing the property.

Referrals

Do you know someone who is looking for management services in the Tampa Bay Area? If so, then notify your management team. Arrico values their client business and believes in rewarding referrals from clients. You will receive a **FREE** month of Management Fees if we manage their home!

Annual survey/inspection

Arrico maintains properties as part of their property management services. This survey goes beyond overseeing normal maintenance. We perform this survey/inspection to check the property thoroughly each year in order to perform necessary or preventative maintenance.

Supervision of extraordinary maintenance

Arrico charges a **fee** for supervising work requiring extraordinary maintenance and the definition of extraordinary maintenance is as follows:

Arrico defines extraordinary maintenance as rehabilitation work that exceeds \$500 insurance claims, and major systems replacements. (Examples are roof replacement, major tree work, exterior painting, vandalism, insurance claims, etc.)

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The Arrico policy is to consult licensed contractors for bids and solutions. Then Arrico contacts the property owner for authorization and/or decision regarding the maintenance.

Eviction protection plan

Many owners worry about the financial burden of evicting a tenant and paying the legal fees. The Arrico Eviction Protection Plan is available to you for **\$9.95 per month**. Our screening process reduces this possibility, but evictions can happen. Should this occur, this plan covers the cost of **evictions for nonpayment of rent**. Your management agreement includes this information.

Construction/Rehab Project Management

Real Estate Services

The Arrico Sales Division is available to assist you in buying more investment property or selling your property when ready, including those requiring 1031 exchanges.

A free market analysis is available at any time with no obligation. Please contact your property management team or one of our sales team listed to provide you with the information or services you need.

Cancellation of Management

It is the goal of Arrico to satisfy your management needs and engage in a successful business relationship, but all things do change over time. Sometimes owners sell properties, return to live in the property again and even let it go back to the bank. If this happens, the Arrico cancellation policy is to resolve your account in a professional, timely, and pleasant manner.

Please review the following policies for cancellation.

Written notice

- The Arrico management agreement accepts a **thirty (30) day** written notice by either party, but this excludes the minimum management period. Please refer to your management contract.
- The Arrico policy is to give cancellation of management by US Mail, or email, or fax.
- If an owner sends a cancellation of management by US mail, Arrico must receive the notice within **10** business days of the date of the notice.
- NOTE: Arrico reserves the right to cancel immediately if owner requires us to perform illegal, unethical, or immoral practices.

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Notice to current tenants

- Arrico will notify current tenants the date Arrico will no longer manage the property and that Arrico forwards all security deposits to the owner.
- It is the owner’s responsibility to advise tenants where to make future rental payments and work requests after the notice period.
- It is the owner’s responsibility to accurately account and disperse security deposit according to Florida law.

Distribution of documents

- Arrico will supply current tenant documentation to the owner.
- If the owner has employed new management, it is the owner’s responsibility to instruct them to pick up documents, keys, and any other necessary materials at the Arrico office.

Final distribution of funds

- Arrico will distribute funds, including security deposits, and final statements to the owner within **30** days of the terminating date of management, as agreed in the management contract
- Arrico will issue a 1099 for funds collected during the current tax year when the tax year ends.

Conclusion

We hope you have found the *Arrico Owner Manual* informative and useful. If so, please inform your management team. If you feel there is any other information Arrico can provide, let us know so we can include it in the future. A reminder – do not forget to fill out the necessary Arrico forms and use the others when needed in the future. Call Arrico at any time when you need any forms.

Again, we want to thank you for your business and we look forward to a successful management relationship.



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Owner Change of Information

Owner Name		
Date of change		
Change of address	<input type="checkbox"/>	List new address below
Emergency contact change	<input type="checkbox"/>	New contact:
Change of home #	<input type="checkbox"/>	New home #:
Change of home fax #	<input type="checkbox"/>	New fax #
Change of mobile #	<input type="checkbox"/>	New mobile #
Change of cellular #	<input type="checkbox"/>	New cellular number
E-mail address	<input type="checkbox"/>	New email address:
Social security # changes to tax ID	<input type="checkbox"/>	New tax ID #
New trust for 1099	<input type="checkbox"/>	Name of trust
Insurance company change	<input type="checkbox"/>	New insurance co.
Insurance company for property	<input type="checkbox"/>	New insurance co. add
Insurance policy number	<input type="checkbox"/>	New policy #
Insurance agent name	<input type="checkbox"/>	New ins. Agent name
Insurance agent's telephone	<input type="checkbox"/>	New ins. Business #
Mortgage company change	<input type="checkbox"/>	New mortgage company
Mortgage policy # change	<input type="checkbox"/>	New policy #
Mortgage address change	<input type="checkbox"/>	New mortgage address
Mortgage company business #	<input type="checkbox"/>	New mortgage co. #
Please list any other significant change		

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