



Property Owner's Handbook

Please keep this document in a safe
Place for future reference.



Welcome to Recar & Associates!

We again want to say thank you for the opportunity to manage your property. At Recar & Associates, we believe in a teamwork approach with our owners in managing their properties. We also believe that business is about relationships with our clients – we will want to get to know you and learn about your preferences and goals for the property. If there is anything that can be improved along the way, we want to know and trust that you will communicate with us freely.

This handbook is designed to familiarize you with our administrative processes so that we can better serve your needs. By knowing about our internal processes, you will come to better understand how we operate and all the matters we handle for you behind the scenes.

All relationships are established by written agreement between you and Recar & Associates, companies acquired by Recar & Associates, and/or agreements established by assignment to us. All terms, conditions and provisions outline in this handbook are subject to change or withdrawal without prior notice – we periodically review our procedures in order to “fine tune” and improve them. You should look solely to your individual Property Management Agreement for actual services rendered.

The following index outlines the benefits, services and what you as our customer can expect from Recar & Associates as your choice for residential property management, leasing, and sales.

It is with great pleasure that we welcome you to Recar & Associates.

Sincerely,

Greg A. Fedro, MPM
Director of Operations

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Part I: The Recar & Associates Difference

- ✓ Our People make the Difference – Personal relationships, experience, and knowledge of the industry
- ✓ Management in a proactive, not reactive, style
- ✓ Experience in managing both single and multifamily investments
- ✓ 24-Hour Emergency Maintenance Service – No more after hours/weekend calls for you!
- ✓ Rental showings 7 Days a Week to minimize your vacancies
- ✓ New tenant orientations with Tenant Handbooks
- ✓ Superior Tenant Screening = reduced risks and less property damage potential
- ✓ Clear and concise monthly accounting statements
- ✓ The most qualified residential property management in the United States
- ✓ Flexible communication methods and informative newsletters
- ✓ FREE Rental / Sales Market Analysis
- ✓ Our services are a tax-deductible expense to offset your rental income
- ✓ We save you time, money and aggravation!



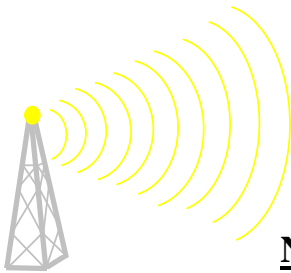
Our People Make the Difference –

We believe that the key to our success is in the personal relationships that we have developed with our customers over the years. It is our intention and goal to get to know our owners' goals, motivation, and style and to allow them to be involved as much or as little as they desire in management decisions. As time passes, we get to know our owners on a personal basis too – we have seen the birth of children, shared in celebration of marriages, and mourned in the death of owners or their families. To us, property management is much more than just managing properties.

Management in a Proactive Style – In general, most of us do not like to spend money until we have to, but the key to retaining the value of your residential asset is keeping the property in top condition. As properties age, repairs can be expected - the key is controlling the timing of them. We can help you plan a preventative maintenance program suited to your individual property and assist you in working out a budget to meet those plans so that you can be prepared when replacements are needed at the very worst times. When you plan to spend money on your home, you are in control!



Experience in Managing Single and Multifamily Investments - No matter whether you have a house, duplex, fourplex, or an entire apartment community, Recar & Associates is your best choice for property management. We have been serving the Austin area since 1987 – over the years, we have developed and refined our systems to handle all types of properties. In addition to our residential accounts, we have also managed small office buildings, strip centers, and community associations.



**24-Hour Emergency Maintenance Service –
No more after hours/weekend calls for you!**

After hours, weekends, and holidays, you can rest assured that we are still “on the clock” to handle maintenance emergencies that arise. When tenants move in, they are given instructions as to what constitutes a true maintenance “emergency” and how to reach us if needed; as a backup, we also provide tenants with a list of contractors who are on-call to respond to our needs.



Rental showings 7 Days a Week - We recognize that every day a property is vacant, there is a day of rent lost. Our REALTOR[®] Associates show properties 7 days a week! We also list your vacancies in the Austin MLS system, making your property available to be shown by Realtors all over Austin – this approach, in combination with our print and electronic media advertisements and drive-by signage, gives your property the greatest exposure possible to prospective renters.



New tenant orientations – Communication is the key to letting people know how you operate and what you expect of them. When our tenants come to pick up keys and pay their first month's rent, they undergo a 20-30 minute orientation that covers rent collection, property condition and maintenance, and their responsibilities as a Recar tenant in the care of their rental home. It's valuable Q&A time that most companies do not invest in their residents!

Superior Tenant Screening – In selecting the right residents for your property, we believe that doing our homework in the beginning saves us many headaches later, minimizing risk and potential property damage. We employ a professional, third-party screening company to verify application information and provide non-biased reports to us for consideration. We evaluate rental & employment history for the last 3 years, verify current income, analyze credit history, and check for criminal records – we have some of the highest leasing criteria standards in the city!



Because of our superior tenant screening process, most “rent jumping” tenants (the ones who don't pay rent, damage properties and move out in the middle of the night) prefer to apply directly to property owners who don't have the resources that we do and won't find out until it's too late. We hope this hasn't happened to you! Don't make a \$10,000.00 mistake! If you haven't signed up with Recar & Associates, what are you waiting for? Call us right now at 512) 345-9886...

Clear and concise monthly accounting statements –



At Recar & Associates, we use the top property management software in the industry. Our property owners receive a detailed monthly statement showing all financial activity; statements are mailed out between the 10th and the 15th of the month. Our accounting system also allows us to make recurring monthly payments for our owners, such as homeowners association payments. Our easy-to-read statements make tax preparation easier, too.



National Association of Residential Property Managers

Most Qualified Management – In order to provide the best available service to our clients and to maintain our unsurpassed reputation within the residential property management profession, Recar & Associates set out a number of years ago to seek the best property management training within the industry. Through our membership with the National Association of Residential Property Managers, we are committed to ongoing education for our managers in the current trends of our profession and changes in the laws that affect the properties we manage.

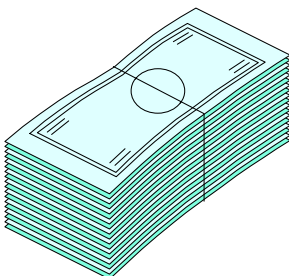
In 1998, Recar & Associates earned the NARPM designation of Certified Residential Management Company (CRMC), an honor held by fewer than 25 companies nationwide.

Flexible Communication and Informative Newsletters –

With the majority of our clients living out of the state and/or country, we use a variety of means to stay in touch; we love email when it comes to communicating with owners residing in time zones opposite ours. We also publish timely newsletters to keep our owners informed about marketplace trends, extreme weather conditions, investment tips, and value retention that affects their residential investments.



FREE Rental / Sales Market Analysis – Aside from tenant screening, market analysis reports are the most important benefit an owner can gain from using a professional property management firm. Using the Multiple Listing Service (MLS), we know what homes comparable to yours have been leasing and selling for, how long it took to rent them, when they rented...right down to the exact subdivision. You can't get that kind of accuracy from the newspaper! The more accurate the information, the more accurately we can price your listing...this maximizes your rent and minimizes your vacancy time. In a nutshell, we'll save you money! We also run new market comps when it comes time to renew your leases. In a market as dynamic as Austin, staying on top of the current market is essential.



Our services are a tax deductible – The choice is simple – you can do the work yourself (collecting rent, dispatching maintenance, handling the accounting, researching the housing laws), for which your time is not deductible; OR you can leave it all to us, enjoy more free time, and deduct the cost of our services from your taxes.



“REAL ESTATE WITH A PERSONAL TOUCH”

At Recar & Associates, we are wholly committed to providing the most effective property management services available. Between our property management team, our experience totals more than 25 years. We believe that the relationships we build with our property owners make the “Recar difference”.



Greg A. Fedro, MPM
Director of Operations

As Director of Operations, Greg Fedro brings a wealth of experience to the clients of Recar & Associates, Realtors. Greg holds the Master Property Manager (MPM) designation from the National Association of Residential Property Managers (NARPM). He was the NARPM National Certification Committee Chair 2001-2003/2006, is a past President of the NARPM Austin Area Chapter, and served on the National NARPM Board of Directors 2005-2006. Greg has a Bachelor of Science degree in Hotel & Restaurant Management, and an Associate in Arts degree in Business, both adding to the company’s philosophy about personal relationships in business practice. Greg managed multi-family communities for five years before coming to Recar & Associates in 1994. As Director of Operations, Greg’s role is in company marketing and acquisitions, hiring & training, and overall quality control. Greg is a licensed REALTOR[®] and a member of the Austin Board of Realtors and the Women’s Council of Realtors. Greg enjoys travel, boating, is a certified Hatha yoga instructor, and a Licensed Massage Therapist.

“Meet your Property Management Representative...”

Your Client Services Manager is solely designated to communicating (calls, email, meetings) with our managed clients to keep them informed of matters, especially those regarding expenses or liability. They are responsible for contacting Owners for maintenance approvals, lease renewal discussions (as needed), makeready decisions and/or approvals, and to convey marketing suggestions made by our agents when properties are vacant. The CSMs also reviews all maintenance invoices to be paid, and review all client accounting statements before they're sent to cross-check accuracy. They are your primary point of contact about your property matters – you always know who to call!



Stephanie Hill
Client Services Manager

Stephanie Hill has over eight years of residential property management experience and also worked in commercial (mall) management. Stephanie works with the investor Landlords in our North geographic portfolio. She is upbeat and detail-oriented, personable, and very professional in her decision making process. Stephanie enjoys spending time with her family, dancing, and cooking.



Tracy DeLaughter
Client Services Manager

Tracy DeLaughter has worked in customer service positions since 1997, with most of her experience administering business center operations and customer support. Tracy joined Recar & Associates in 2006 and was quickly promoted to CSM. She is very organized and is a good project manager, making her very effective in our operation when it comes to coordinating and managing her portfolio. Tracy enjoys spending time with her daughter, listening to music, and doing jigsaw puzzles.



PART III - FREQUENTLY ASKED QUESTIONS

1. How long does it take to lease my property?
2. How are rental collections handled?
3. How quickly does Recar & Associates process the monthly owner statements?
4. How often are property inspections conducted?
5. Who handles calls when the office is closed?
6. If I have a concern, who do I call?
7. If I decide to sell my property, can Recar & Associates help?

1. How long does it take to lease my property?

At Recar & Associates, we begin marketing your rental home the moment it becomes rent ready, or as soon as the current residents give us their 30-day notice of their intent to move out. Average rental time will depend on local economics, location of property, condition of property, and the rental price indicated by comparable properties recently leased in the same area. At present time, average rental time is about 45 days.

In addition to our attractive yard signs, we also advertise our rental listings in the Austin Multiple Listing Service, AustinHomeSearch.com; Realtor.com; the Recar & Associates website, craigslist.com, and various print media that we feel are effective means of getting the word out about our availability.

2. How are rental collections handled?

Our collection policies are as follows:

- All rents are due on the 1st of each month.
- All residents who have not paid by the 4th of each month receive our first notice, a friendly reminder that we haven't received their rent. We also attempt to reach them by phone.
- Any remaining residents who have not remitted their rents by the 9th of the month will be served a Notice to Vacate, which is required prior to commencing with the eviction process. All owners are contacted prior to us filing an eviction.

While it is doubtful that an eviction will ever be necessary with a tenant qualified by our company, occasionally financial hardships do arise requiring our prompt collections attention.

Should it be necessary to file an eviction, or if you have a tenant who needs to be evicted when you sign on with our company, we then perform the following steps:

- All paperwork, (including, but not limited to) copies of the lease, and the Notice to Vacate are filed with the appropriate Justice of the Peace.
- We will appear in court as your managing agent for the eviction hearing.

In our local counties, delinquent tenants can usually be evicted in about 3 weeks time. At Recar & Associates, we take a firm position in our belief of "No pay, no stay".

3. How quickly does Recar & Associates process the monthly owner statement?

After rents are collected, all maintenance vendors are paid and any recurring charges deducted. Copies of any invoices are then made and attached to the statement. Disbursement checks are signed and the Property Manager performs a final review of the statement prior to mailing.

Our owner can expect their monthly statement and disbursements to be mailed between the 10th and 15th of the same month in which the rent was collected. Owners electing ACH deposits (funds wired directly to their accounts) are processed first and will still receive a statement mailed to them.

4. How often are property inspections conducted?

- Upon receiving a moveout notice from a departing tenant, we perform a “pre-moveout inspection” in order to determine what repairs/remodeling will be needed, if bids will need to be collected, and owner approvals secured. When the tenant moves out, we’re ready to move forward and keep vacancy to a minimum.
- When the residents move out of your property, we do a detailed inspection known as the “moveout” inspection. The moveout inspection is done to ensure that the residents returned the home back to us in the same condition as when they first rented it (aside from “normal wear and tear”). If damages are found or if the property is not left clean, we will hire contractors to correct the situation and deduct those charges from the tenant deposit; we do not charge our owners for the additional time spent coordinating tenant moveout maintenance.
- Another inspection is performed after makeready work prior to the tenants moving in so that we can confirm that all work was completed, that the unit is indeed “ready” for the new tenants, and so we can be familiar with the property’s condition when reviewing the new tenant’s Move In Condition Form.
- We inspect the exterior of our properties on a periodic drive-by basis. If the exterior of a property is not being maintained by the tenants, we automatically assume that an interior inspection may also be warranted. We will also do interior inspections when reason is reported by a vendor, or if an owner requests it in advance time of renewal.

5. Who handles maintenance emergencies when the office is closed?

Our property managers take turns being “ON CALL” to handle true maintenance emergencies. Our voice mail system details out to tenants those situations that constitute an “emergency”; this reduces unnecessary overtime charges to our owners, but still provides remedy when property damage might occur. When tenants leave a message in the voice mail, the system will record their message and page the manager on call. Many times, we solve problems or reduce the “emergency” status of the problem right over the phone, thus avoiding what might have been an additional expense to our owners.

6. If I have a concern, who do I call?

Owners have one person who acts as their conduit for all questions pertaining to their property or accounting – the Client Services Manager. Based upon the location of your property; we divide our portfolios according to geographic regions so that our managers see your property more frequently when driving by another property in the same area. Those field managers report back to our office personnel so that we can effectively communicate what they see to you, or take needed action should we need to send notices to the tenants for corrective action. The Director of Operations is also always available to you if there is a concern about the quality of service you are receiving, but property-specific inquiries should always be directed to the Client Services Manager.

7. If I decide to sell my property, can Recar & Associates help?

Definitely! All agents at Recar & Associates are fully licensed Realtors who can assist with the decisions and help you achieve the best selling price possible. By staying involved in the transition and “keeping it in the family”, Recar & Associates management will work closely with the agent and make sure that you are given the quality of service you deserve as a Recar & Associates property owner client. If you came to us as a referral from another sales agent, we will ask that you consider using that agent as a professional courtesy...we have built a strong referral base because of our loyalty to those referring agents.