



PURE PROPERTY MANAGEMENT OF COLORADO

INVESTOR MANUAL



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WELCOME

Thank you for choosing PURE Property Management of Colorado (PURE) to manage your real estate investment. We are aware that you have many choices and we appreciate that you have selected us as your property management company.

PURE works to achieve the highest professionalism in Real Estate and Property Management Services. Therefore, we have prepared the Owner Manual to assist you in maintaining a successful business relationship with our company. We urge you to take the time to review the information enclosed. We feel this will further clarify many of the procedures for our Property Management services. After reading the material, if you have questions or any concerns, contact us immediately, using the company contact information provided in the following pages.

Special note: the information provided in the Investor Manual is subject to change. Landlord/Tenant laws, personnel, policies, and procedures change according to events that take place. PURE works diligently and continually to improve services and personnel training as well as remaining current with all landlord/tenant legislation.

Once again, thank you for choosing PURE as your Property Management Company. We look forward to a successful business relationship.

PURE PROPERTY MANAGEMENT OF COLORADO



OWNER DOCUMENTS

A copy of your management agreement is uploaded to your Owner Portal.

It is important that PURE receive all critical information as we begin management. You may have completed the documents listed below. If not, we need you to fill out and return the following documents.

Owner Information and Property Disclosure

This information enables us to properly set up your account and helps us with our sensible and fair enforcement of the lease agreement.

Electronic Banking Authorization – ACH form

This form enables is to send your funds directly to the bank account of your choice. If you do not wish to have your funds directly deposited into your bank account, please let us know.

W-9

This form is used for tax reporting purposes.

Lead Based Paint Addendum

This form is for all properties build prior to 1978 and requires the property owner to disclose if they have reports or knowledge of lead-based paint in the home. If they have knowledge or reports regarding this status, that must be turned over to PURE for disclosure to tenants.

Broker Addendum

This form details our working relationship.

Radon Addendum

This form discloses Radon Testing and mitigation systems in the property.

PURE PROPERTY MANAGEMENT OF COLORADO

PURE Property Management of Colorado is a residential property management company operating out of Lakewood, Colorado, specializing in full-service residential property management along with residential sales.

Mission Statement

The mission of PURE is to provide quality service in property management in the Lakewood, Golden, Wheat Ridge, Littleton, Arvada, Morrison, Denver and Highlands Ranch communities, demonstrating integrity and professionalism.

PURE Principals

Karen Wood-Davis Managing Broker and Operations Manager oversees all contracts, policies, procedures, and works to educate our personnel to provide excellent service to our clients.

PURE COMMUNICATION

Communication is a key to the success in any relationship and the PURE/Owner relationship is certainly not an exception. We work constantly to improve communications with all of our clients or prospective clients. This includes everyone – owners, tenants, applicants, vendors, buyers, sellers, and the public.

PURE Website

PURE stays current with business technology. The website, www.co.purepm.co, has proven to be a tremendous asset. Here are a few of the benefits for clients on the website:

- Prospective tenants can access our site for information on available rentals and/or fill out an online application.
- Tenants can view their accounting statements and pay rent or other charges electronically.
- Tenants can access important information, such as a work order request, update their contact information or send us an email from the site.
- Owners can obtain forms, view, or print out their monthly statement, view or print out important documents and electronically send additional funds to PURE as needed for unexpected expenses or planned repairs and maintenance.

As management continues, your contact information can change, please update this information via your Owner Portal with any important change when it happens – address, telephone, email, etc.

General Office Information

MANAGEMENT TEAM MEMBERS

Christina Sanchez, Property Manager

Direct 720-575-7299

csanchez@purepm.co

Property Condition/Maintenance, Showings, Applications, Tenant Relations, Invoices

Karen Wood Davis, Broker, Realtor & Operations Manager

Direct 720-575-7298

kwood-davis@purepm.co

Management Agreement, Lease Agreements, New Accounts, Residential Sales
Owner & Tenant Portal(s), Owner Disbursements

Address information		
Mailing Address	2750 S. Wadsworth Blvd., Unit C-208	
	Denver, CO 80227-5437	
Telephone		
Business #	303-985-4670 or 720-575-7298	
Email	denver@purepm.co or kwood-davis@purepm.co	
Website	http://www.co.purepm.co	
Office hours		
	Monday – Friday	By appointment only
	Sunday, Saturday & Holidays	Office closed

OWNER PORTAL

When you set up your online portal, it is a very good idea to choose to have an automatic email sent to you whenever a statement or document is posted.

Each month a detailed statement will be available via your online portal. We encourage you to read the statement every month, so you are fully informed about your property.

Additional Fees

The amount of all fees may be increased without notice.

Before you are charged for any additional or optional services you are notified.

Fees due to PURE:

Optional Lease renewal fee per your Management Agreement

Optional Maintenance Survey – Pricing varies, please check with PURE for pricing.

\$50 - Black light test

- Charged when we first take on the property and again at every turnover.
- If the vacating tenants had pets, then the vacating tenants are charged for the black light test as a part of their move out.

\$100 - Home warranty repair processing

\$100-300 - Vendor Coordination fee. This fee is assessed to the property owner if PURE personnel are required to go to the property to arrange access for an owner's vendor, appraiser, insurance agent, owner ordered appliance delivery, etc.

Lease Renewals and Rent Increases

Tenant turnover can be expensive, our lease renewal process gives you an opportunity to offer the tenant a lease renewal package and/or notify the tenant of a rent increase 30 days before the current lease expires.

Maintenance Survey

This service is optional – it is a chance to observe the care the tenant is taking of the property, and it gives you an opportunity to see a detailed condition report plus photos and to plan for upgrades and necessary maintenance of your investment property. Additionally, it is an opportunity to find and take care of small repairs before they become big, expensive repairs. If the tenant is doing a good job of caring for the property, you may not want to increase the rent at lease renewal time. If the tenant is doing a poor job of caring for the property, you may want to consider giving them a notice to vacate rather than offering a lease renewal. If an expensive upgrade or repair is in your future, you have time to start putting money aside to help pay for it.

Each January you will receive an email informing you about the survey set up for that year. By responding to that email, we will advise you which month is best to schedule for (based on the lease expiration date). If we receive no response from you regarding the survey, we will schedule the survey for your property. Please respond to the January email if you do not want the survey done.

Preventative Maintenance (PM's)

Property owners will receive an email twice a year - in the Spring and again in the Fall - with a reminder about the seasonal preventative maintenance you approved at the time we opened your account. If, after reviewing that email, you still have questions, or you would like to let us know you do not want one of the optional services please contact our Maintenance Coordinator.

Seasonal PM's can include:

- Sprinkler turn on and off
- Evaporative cooler turn on and off
- Air Conditioning PM
- Furnace (or Boiler) PM
- Gutter Cleaning (once or twice a year)
- Deck PM
- Gas Fireplace PM
- Fireplace Chimney cleaning
- Sewer PM
- Fire Extinguisher

COMPANY POLICIES

It is very important in the field of property management, that PURE follow local, state, and federal legislation and guidelines. Our company takes pride in our industry, and we further implement guidelines and policies of several organizations, such as the National Association of Residential Property Managers, NARPM®, and the National Association of Realtors, NAR®. Additionally, we train all personnel by requiring them to read and follow the Property Management Policy and Procedures Manual and Employee Manual.

Confidentiality Policy

PURE's policy is to safeguard the interests of individuals and the company. PURE staff members will:

- Treat all personal and sensitive organizational information as confidential
- Comply with the law regarding the protection and disclosure of information including personal data
- Not disclose or use personal data without obtaining the prior informed consent of the individual concerned, except in the circumstances outlined below in the section of disclosure or where otherwise permitted by law
- Not gain or attempt to gain access to information staff members of PURE are not authorized to have

All personal information relating to residents, applicants, staff, and owners that is not a matter of public record will be:

- Obtained, held, and processed fairly
- Held for specific purposes and used only for those purposes
- Relevant, accurate and kept up to date
- Corrected if shown to be inaccurate
- Kept no longer than is necessary and destroyed when no longer required (see Recordkeeping policy)
- Protected against loss or disclosure

All commercially sensitive data will be kept and handled confidentially, whether the information has been received formally, informally, or discovered by accident. Broadly this statement covers any personal data about a resident, applicant, staff member or owner.

Disclosure of personal data outside PURE will only be made with the informed consent of the individual concerned, except where permitted by law. Examples of circumstances where disclosure may be made are:

- To comply with a legal requirement or subpoena
- Where there is a clear health or safety risk or evidence of fraud
- In connection with court proceedings or statutory actions to enforce compliance with tenancy conditions

- The name, address and contact number of a resident to contractors or other agents providing services on PURE's behalf
- The name of a resident or owner and the date of occupancy to gas, electric and water companies and homeowner's associations
- Anonymous bona fide statistical or research purposes, provided it is not possible to identify the individuals to whom the information relates

Any information disclosed must only be necessary for the purpose for which it is disclosed and then only for exactly what is asked.

Personal data can also be disclosed where there is a genuine chance that failure to do so would risk the health or safety of a tenant, employee, contractor or agent of PURE. Such disclosures should be approved by the Broker and a record of this approval kept on file.

The identity of people asking for personal information by phone or in person should always be confirmed before any information is disclosed. Always call back if there is any doubt and insist that a request and response be made in writing.

Real Estate Commission Requirements

The Colorado Real Estate Commission requires licensing for all persons conducting property management in our state. PURE requires all necessary personnel that perform licensed activities to have an active Colorado Real Estate license.

Code of Ethics

PURE follows the Code of Ethics outlined by both NARPM® (National Association of Residential Property Managers) and NAR® (National Association of Realtors®). This is a top priority in conducting business and is required of all PURE personnel.

Legislation

PURE adheres to the laws and guidelines of federal, state, and local legislation, and incorporates this into all documentation, policies, and procedures. Here are some of the agencies and acts PURE follows:

- Fair Housing (HUD) – PURE supports and follows Fair Housing laws and guidelines; the PURE office displays Fair Housing signage
- Equal Opportunity – PURE supports Equal Opportunity both as an employer and property manager.
- SCRA Act – Serviceman's Civil Relief Act, which has replaced the Soldiers' and Sailors' Act of 1940
- URLTA - Uniform Residential Landlord Tenant Act
- FCRA - Fair Credit Reporting Act
- EPA – Environment Protection Agency
- The Warranty of Habitability Law
- The Lofgren Family Carbon Monoxide Safety Act effective July 1, 2009
- ADA - Americans with Disabilities Act

Lead-Based Paint

PURE follows all mandated federal and state guidelines for lead-based paint. All properties built prior to January 1, 1978, require disclosures to all tenants. Tenants sign lead-based paint disclosures prior to renting a property and provides them with the required EPA Pamphlet, *Protect Your Family from Lead in the Home*.

Property owners and/or Property Managers must also notify tenants, in writing, of any scheduled work necessary for lead-based paint on the property.

Mold Issues

PURE regards mold issues as a top priority in property management. Owners should be aware that mold is another leading issue in the property management industry and failure to act if tenants report or discover mold can lead to costly lawsuits.

This is an area of extreme liability and PURE acts if a tenant reports mold. PURE notifies owners as soon as practical of any mold issues so PURE and/or the property owner can take the proper steps.

Carbon Monoxide Detectors, Smoke Detectors & Fire Extinguishers

PURE follows all federal, state, city, county and fire code guidelines for carbon monoxide detectors, smoke detectors and fire extinguishers. PURE will send a vendor to confirm placement, age, working condition of detectors, change batteries, add additional detectors if needed and if property is located a multi-unit building in Denver install a fire extinguisher.

Carbon Monoxide Detectors

- A carbon monoxide detector must be within 15 feet of all bedrooms or areas used for sleeping
- A carbon monoxide detector must be within 25 feet of fuel-fired appliances.
- Existing carbon monoxide detectors must be less than 5-7 years old (depending on manufacturer)
- Additionally PURE and Denver City & County require a carbon monoxide detector on each level.

Smoke Detectors

- Per NFPA 72 A Smoke detector must be installed on every level and in every bedroom of the home
- Existing smoke detectors must be less than 10 years old

Fire Extinguisher

- Is only required in Denver multi-units (condos, townhomes)
- Must be professionally inspected once a year
- Rechargeable fire extinguishers are recommended. When maintenance is needed on an extinguisher the vendor will handle it on the inspection service call, replacement may require a second service call
- If your property is not located in Denver, contact PURE if you want a fire extinguisher installed and professionally inspected as it may reduce your insurance premium

ANSWERS REGARDING FUNDS

When you entered into a management agreement, PURE established an owner operating reserve escrow account for you and your property. PURE recognizes the importance of accurately collecting and disbursing funds. The bookkeeping program used by PURE is specialized software designed to handle the many facets of property management in addition to accurate record keeping. PURE's bookkeeping program complies with the requirements of the Colorado Real Estate Commission.

Banking

PURE holds your account in a trust fund. PURE accounts for each owner's funds separately in the trust account and does not co-mingle funds with broker monies, following the Colorado Real Estate Commission requirements.

Monthly Statements

PURE provides monthly statements to owners. If you have difficulty accessing your monthly statement in the portal, please contact us. We are happy to assist you and answer your questions.

Disbursement Of Funds

PURE disburses available funds to owners on the **15th** of each month. If this day falls on the weekend, PURE issues funds on the next business day. PURE does not disburse funds on weekends or holidays. PURE does NOT issue owner checks or ACH transactions unless there are sufficient funds in the owner's account.

PURE distributes owner funds in two ways:

- ACH direct deposit – directly disbursed into an owner's bank account.
- Company checks disbursed directly to the owner.
- Real-time, detailed accounting available any time through your portal

When You Need to Send Funds

You may need to provide PURE with funds; you have a few options for sending funds.

- Mail a check or money order
- Make a contribution through your Owner Portal, funds would be withdrawn from the checking account on file.

End of Year Procedures

At the end of each year, PURE is required to file 1099's for income received over \$600. Please note that this amount is for "total income received," and not the yearly total of owner disbursements. The Internal Revenue Service dictates the "total income received" requirement. Please note that security deposits of current tenants are not included in this amount, however, income from any charges to the security deposit of past tenants is included.

It is necessary that you supply PURE with Social Security/Tax ID accurate information. PURE will send the 1099 to the IRS by January 31 for the previous tax year. If there is a change in your tax information such as a new trust or address, please notify us.

PURE also issues 1099s for disbursements to vendors for work over \$600.00. Therefore, owners do not have to issue 1099s for work completed and paid through the PURE trust account. Owners are responsible for issuing 1099s to any vendor paid through the owner's personal bank account.

The December statement will reflect year to date amounts for income and expenses that have transpired throughout the year, such as management fees, leasing fees, landscape, utilities, repairs, and maintenance, etc. The amounts will not reflect any funds issued through the owner's personal account. Owners can submit their last statement to their tax person along with other information for income tax reporting. PURE does not issue statements to the owner's tax preparers.

RENTING YOUR PROPERTY

Preparing to Rent the Property

When prospective tenants view your vacancy, PURE wants the property to look its best and compete with area rentals. The management team will contact you to discuss the details of your vacant property and any necessary maintenance.

Setting the Rent

Supply and demand determine the rent amount. If there are multiple rentals available in the same area as your property, it is necessary to be very competitive. If very few are offered for rent in the same area, it can make it easier to rent the property. Markets change and PURE advises owners on the current rental market.

How Long Will the Property be Vacant?

This is the most asked question PURE receives from owners. Unfortunately, there is no way to predict how long a property will remain on the market, even in the best market conditions. However, we work diligently to rent the property as quickly as possible. What is important to remember is that the most important objective is to find a quality tenant.

PURE, or any other property management company, can rent properties quickly if they do not have standards for obtaining good tenancy. However, bad tenants will only create more expense and another unwanted vacancy; therefore, waiting for the right tenant is worth the additional time it can take to rent the property.

ADVERTISING/MARKETING

Internet and Website

At no additional cost to you we incorporate information and pictures of your rental on our web site www.co.purepm.co.

Advertising

Per our management agreement you are paying the cost of the advertising. PURE has found that internet advertising is the most cost-effective way to advertise your available rental property. Unfortunately, we will be forced to cancel advertising your rental property if we do not have enough funds in your owner operating reserve account.

Signage

If the homeowner's association will allow it, we place a "For Rent" sign with advertising brochures in the yard of your rental home. If a yard sign is not allowed, we will use a window sign.

Showings, Electronic Lockbox

We want your vacant available rental property to be seen by as many potential tenants as possible. To do that we have implemented a way to show your available rental home when our leasing agent

is not available, including times when the leasing agent may be sick, busy with other showings, evenings or even on weekends or holidays. The Tenant Turner system is like the Realtor lockbox system that homeowners have approved for use on their homes for decades. This has been a wonderful tool, with many available rental homes renting within days instead of weeks.

There is no cost to you the property owner, PURE simply pays the cost of these secure lockboxes, as a benefit to our owners. This is a secure lockbox system, which requires the viewing tenant to have a good and valid credit card along with their name and phone number. Your home is safeguarded when a valid credit card is required before the potential tenant is issued a "Limited one-time code" to enter. Any time a code is issued, we are instantly notified via cell phone plus by email.

PROCESSING TENANT APPLICATIONS

Tenant Screening

Thorough screening is crucial to successful Property Management. PURE 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, criminal history and tenant history or property ownership.

All applicants must submit verifiable information on their income to show they can support the monthly rental payment and other charges for the property. Rental history or previous home ownership is carefully checked. Cross-referencing all these areas – credit, tenant history, criminal history, and income - provides the answers to qualify or disqualify prospective applicants.

Cosigners

PURE in most situations does not accept cosigners. Our policy is that the applicants should have the ability to rent on their own merits. However, there are sometimes conditions that may warrant a cosigner. If this is the case, PURE will notify the owner, discuss the reasons, and obtain owner authorization prior to proceeding.

Pets

If an owner authorizes a pet, PURE increases the amount of the security deposit. We do not use the term "pet deposit." All money will be collected as security deposit; this gives PURE the legal right to apply the entire security deposit to any damage including damage from animals.

Assistance/Emotional Support/Companion/Emotional Support/Companion Animals

Animals that fall into any of these categories are NOT pets by Federal law, and owners cannot discriminate against a person with an emotional support animal, companion animal or assistance animal. Fair Housing legislation does NOT allow owners or property managers to collect additional rent or deposits of any kind for assistance animals.

However, PURE will still process applicants who are handicapped or disabled with the same criteria as other applicants: income, credit, and tenant history.

Make Ready Information

Once we have a signed lease, the property needs to be “made ready” for the new tenant to move in. It is a good idea to make your decisions quickly regarding turnover work, vacant properties cost you money.

You may want to check with your insurance agent to confirm the property is covered while vacant if the improvement process will take more than 30 days.

Standard Make Ready required at each turnover:

- Re-key locks so that all work with one key (including front, back and garage people door).
- Repair/replace all broken/missing doorstops.
- Repair/replace all switch plate/outlet covers as needed.
- Repair/replace broken/missing smoke detectors & batteries - Per NFPA 72 A Smoke detector must be installed on every level and in every bedroom of the home
- Replace missing/mismatched/burned out light bulbs.
- Check batteries and replace if needed in carbon monoxide detector(s), if applicable, we will have them installed.
- Check all downspouts and make sure diverters are installed correctly and as needed.
- Confirm storm doors, handles & latches are in good working order
- Replace all cracked or broken window glass, confirm windows will open and have screens. Confirm all windows in unit will lock
- Kitchen and bathroom(s) sinks, tubs, showers, toilets, and laundry hookups all have hot and cold running water. All plumbing has been checked for leaks and repaired as needed. Sewer lines have no blockages, all drains work properly. Standard showerheads are in place and working properly.
- Caulking has been checked and replaced as needed.
- Shower/tub enclosures have been inspected and potential water leakage problems solved.
- Trash or debris including furniture have been removed from the property, inside and out.
- Cleaning
- Lawn care & snow removal, if applicable

Tenant charges (funds will be deducted from security deposit and deposited into your account):

- Cleaning
- Carpet cleaning
- Damages
- Yard care
- Black light test is charged to the tenant if they had a pet. If they did not have a pet, the black light test is still completed but paid for by the property owner. (see page 9 for fees)

After the final security deposit accounting has been completed the funds for the cost of the tenant charges will be transferred to your owner escrow account.

PURE will authorize the above work a few days after tenant move out.

We will hold funds in your owner escrow account to cover these costs.

Standard Make Ready Work plus Improvements

The following improvements are optional and are offered as options to improve the quality of tenant applications, decrease the number of advertising days, increase monthly rental amount, increase time tenant stays in property, and improve the value of your investment property.

Basic Improvements:

- New carpet (may be required if existing carpet has been contaminated by pets or has reached the end of usable life)
- Interior paint (may be required if interior has not been repainted within last 5 years)
- Window blinds (may be required if yellowed or not functioning properly)

Recommended Improvements:

- Windows
- Lawn watering (sprinkler) systems
- Landscaping
- Central air conditioning
- Bathroom remodel
- Kitchen remodel

If you want PURE to coordinate improvement process:

Depending on the extent of the improvement process, PURE may agree to coordinate and oversee the process at no additional charge to the owner. All agreed on work must be paid prior to approving the jobs with funds being deposited in your PURE owner operating reserve account prior to the start of the job. Improvements that would fall under this section would be flooring replacement, paint, window coverings and general maintenance.

- PURE can, in most situations under this section, supply two bids. Additional bids may require a fee and may need to be obtained and coordinated by the property owner.

If the improvement process is extensive PURE and the property owner may mutually agree upon a fee to PURE for PURE to coordinate and oversee the improvement process. Improvements that would fall under this situation would be major remodeling projects, capital improvements, extensive landscaping, major plumbing or electrical improvements, refurbishments, fire or flood damaged properties, supervision of insurance claims, mold remediation, etc.

If you want to coordinate the improvement process:

PURE will complete any tenant charge items at move out. The owner will be given access to the property. PURE will not advertise the property for rent until the improvement process has been completed and the property has been cleaned. After the improvement process has been completed PURE will have the property re-keyed by an PURE approved vendor along with testing/replacing smoke and CO detectors as needed.

Warranties

If appliances or other items in the rental home are under warranty, please provide us with the appropriate information.

Utilities

Before we have a signed lease agreement, the water, sewer, gas and electric bills will remain in your name and be mailed to you.

Gas and Electric: Once the lease is signed, we will contact Xcel Energy to notify them we are now managing the property. The tenant will be instructed to put service in their name as of the first day of the lease. The tenant will fill out and sign Xcel Energy's 3rd Party Notification form. Xcel Energy will notify us if the service is going to be disconnected. We may pay the bill in colder

months and bill the tenant for reimbursement. We do this to prevent the possibility of service being terminated in the winter resulting in frozen pipes and water damage.

Water and Sewer: Once the lease is signed, the water/sewer bill(s) will remain in your name and will be billed to our office. We do this in order to make sure the bill is paid on time and to avoid discontinuance of service and possible pipe damage or a lien against the property. We will pay the bills out of your account and require the tenant pay the water/sewer charges to PURE with the next month's rental payment. This means that (on your monthly owner statement) it will show you paying the water/sewer bill, with the reimbursement showing up the following month. Please be assured we will bill the tenant and require them to reimburse you for the water/sewer bill.

If you would like us to pay the utility bills while the property is vacant and we are advertising it for rent, you will need to supply us with adequate owner operating reserve funds.

Frequently Asked Questions

What services are included in the management fee?

- Accounting
 - Rent collection
 - Invoice payment
 - Online Owner Portal
 - Utility payment (tracking water bill to prevent lien against property)
 - Monthly statements
 - Verifying and confirming vendor insurance information
- Tenant Management
 - Create, establish, maintain and terminate tenancies with tenants
 - Coordinate and mediate maintenance requests
 - Execute and enforce lease agreement
 - Collect, account for and disperse security deposit
 - Mediate disputes
 - Billing, collection and overseeing eviction
- Rental Unit Management
 - Lawn and exterior maintenance not covered in lease agreement
 - Routine interior maintenance – coordinating repairs required to maintain habitability
 - Coordinating minor painting, carpet replacement, vinyl flooring replacement and window covering installation.

What services are included in the leasing fee?

- Placing sign on property
- Advertising property on www.co.purepm.co
- Showing property, processing rental applications, verifying references, running credit reports, criminal reports, eviction reports
- Creating and signing lease, collecting security deposit and first month's rent in certified funds, giving keys to new tenant
- Completing detailed Move In Property Condition report after vacating tenant moves out and before new tenant moves in
- Coordinating and confirming completion of all make ready cleaning and repairs

It's rented! When can I expect to start receiving my owner proceeds check?

- PURE does not consider the property rented until we have payment in certified funds for the security deposit and a signed lease. We will not cancel the advertising or stop marketing the property until we have a signed lease.
- PURE will approve an applicant that meets the terms we are marketing for and applicant requirements (as detailed on our website under Tenant FAQ's). PURE will update you on the approved applicant status.
- The 50% leasing fee and the 10% management fee will be deducted from the first rental payment. Outstanding invoices for advertising and maintenance will be paid from the first rental payment. Sometimes not everything can be paid from the rent collected for the first month. If that happens, we will pay invoices the following month. You may not receive a full owner proceeds check until the 3rd or 4th month, depending on your turnover expenses.

THE TENANT MOVE IN

Rental/Lease Agreements/Security Deposits/Rent

Once an application file has been approved by PURE we will offer the approved applicants a lease along with other related leasing documents (Lead Based Paint Disclosure, 3rd Party Xcel Energy form, HOA rules and regs, etc.). PURE requires the lease to be signed and the deposit to be paid immediately upon application approval. PURE requires that the security deposit be paid in certified funds, the first rental payment will also be due via certified funds when the tenant receives keys to the property. PURE does not allow payments on security deposits or rent. This eliminates prospective tenants who really do not have the necessary funds for renting.

Written Move In Condition Report

A vital part of the Lease Agreement is a detailed written Move in Condition Report (which is an Addendum to the Lease Agreement). The report is filled out immediately prior to tenant move-in to document the condition of the property. PURE takes photos of the interior property (inside and out) as supporting documentation to the Move in Condition Report. The photos are not supplied to the tenant, PURE retains those for our records. The tenant receives a copy of the Move in Condition Report when they pick up keys. The tenant has 48 hours to notify PURE in writing of any discrepancies. The Move in Condition Report is a sound basis for determining the security deposit refund and/or charges after tenant move out.

Tenant Manual

The Tenant Manual is also an addendum to the lease agreement and is available via our website. This detailed manual gives the tenant 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. You can view the Tenant Manual on our website.

WORKING WITH YOUR TENANTS

Collecting Rent

Rents are due on or before the first day of the month. Rent is late on the 2nd of the month. PURE offers no grace periods.

PURE offers the tenant many ways to make timely rental payments. Rental payments can be paid via the Tenant Portal, mailed, or personally delivered to our office during normal business hours or placed in an after-hours drop box.

Demand for Payment of Rent or Possession

If PURE does not receive rent by the due date, PURE prepares and delivers a Demand for Payment of Rent or Possession notice, as the law allows. PURE makes every effort to post notices properly on the 2nd day of each month. If PURE determines the tenant is not going to pay the rent during the notice to pay or quit period, or shortly thereafter, the property owner is notified by PURE.

Other Notices

There are other notices that may be involved with tenants. PURE serves notices as situations warrant, such as a notice to clean up the landscape, a notice to enter the property, a notice to

perform survey/inspections, a notice regarding any non-authorized pet, non-authorized tenants, etc. These tenant violations may be in the form of a letter or a legal compliance notice. Often, these notices are simply to correct minor tenant problems and most tenants comply. However, if legal action is necessary, PURE contacts the owner and provides necessary information to discuss the situation.

Tenant Issues

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

Our company policy is to take a “what if” approach. PURE documents tenant problems in the event that it becomes a legal problem. One of the reasons you hired a property manager is for peace of mind. This is what PURE recognizes and works to prevent legal issues from arising.

Legal Action

Although PURE 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, PURE will contact the owner prior to taking action, discuss what is needed, and obtain owner authorization.

MAINTENANCE

Proactive Maintenance

PURE believes the best approach to maintenance is “preventative maintenance”. We want the tenant to know from the beginning of their tenancy that the expectations are to “care for the property.” This approach can reduce costly maintenance.

We use “proactive 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 vents/filters or furnaces and air-conditioners, appliance problems, 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 maintenance news can become very bad news.”

This is why, in our tenant instructions, we require them to report maintenance. For example, what is worse than finding out damage 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 PURE staff contacts owners regarding maintenance above the \$500 minimum that is listed in the PURE Property Management contract, unless the situation is an emergency.

Per Colorado law property owners are responsible for payment of bed bug removal services.

Appliances

Per to the Warranty of Habitability all appliances in the unit must be repaired or replaced. You may want to consider having an older appliance removed at your cost prior to showing the property for rent. PURE does not fully cycle appliances during maintenance surveys or move in or move out condition reports. PURE vendors will deliver new appliances and enter the home using a lockbox. If an owner purchases new appliances from stores such as Lowe's or Home Depot, be advised that they will not enter vacant properties or use a lockbox. The property owner must make arrangements to meet the delivery person at the property. There is an additional charge (see page 9) to the property owner if someone from PURE is to be at the property to meet the delivery person.

Emergencies/Disaster

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

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.

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 PURE moves in a tenant. The preparation for this began when the tenant moved in with a detailed Lease Agreement, Move In Condition Report, and the Tenant Manual. All of these documents gave instructions to the tenant on how to move out. When a notice to vacate is received, PURE provides detailed move out instructions to the vacating tenant. Visit our website to view the Move Out Planning Checklist.

Communication with Owners and Tenants

PURE will keep the owner updated from the time Notice to Vacate is rec'd through the tenant move out process and turnover. Owner and tenants will receive emails with detailed information outlining this process as soon as Notice to Vacate is received.

Tenant Move Out

PURE prepares a Move Out Condition Report similar to the one performed when the tenant moved into the property to document the condition of the property and support any deductions from the security deposit. PURE records any maintenance required and discloses a list of damages to the vacating tenant.

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

Security Deposit Accounting

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 Colorado Revised Statutes 1973, section 38-12-101, the Colorado Real Estate Commission Rule E-1 and E-16 and the Commission Position on Advance Rentals and Security Deposits. Owners receive a copy of the security deposit accounting statement uploaded into their portal, showing any deductions and monies refunded.

Collections

PURE will report payment histories of tenants in the Property to collection agencies and directly to credit bureaus. If, at any time, a previous tenant starts making payments to PURE or a collection agency the funds will be deposited into your owner escrow account. After management service stop PURE will deduct 25% management fee from the funds collected.

CANCELLATION OF MANAGEMENT

The goal of PURE is to satisfy your management needs and engage in a successful business relationship, but all things do change over time. Owners sell properties; people give notice. If this happens, the PURE cancellation policy is to help resolve your account in a professional, timely, and pleasant manner.

Please review the following policies for cancellation.

Written Notice

- The Management Agreement allows for a 30-day written notice by either party, excluding the minimum management period.
 - PURE may be due the management fees until the end of the current Lease Agreement. Please refer to your Management Agreement and the current Lease Agreement dates.
- The PURE policy is to give cancellation of management by US Mail or email.
- PURE accepts cancellation of management by US Mail or email.
- The PURE management contract accepts a 30-day written notice by either party, excluding the minimum management period. Please refer to your management contract.

Notice to Current Tenants

- PURE will notify current tenants of the date PURE will no longer manage the property and that the security deposit will be transferred to the property owner.
- It is the owner's responsibility to advise tenants where to make future rental payments and work requests after the notice period.

Distribution of Documents

- PURE 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 PURE office.

Final Distribution of Funds

- PURE 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.
- PURE will issue an IRS form 1099 for funds collected during the current tax year when the tax year ends.

Foreclosure

PURE will not manage rental properties in foreclosure. As soon as we are aware the property is in foreclosure PURE will freeze all owner related funds to the property and will not make any further disbursements to you. You will have 30 days to correct and make all obligations current. Should you fail to stop the foreclosure process PURE will release the tenants from their rental agreement and all future rental payments. Additionally, PURE will refund the security deposit to the tenant and deduct from any owner funds on hand all amounts due to the company, vendors or the tenant including but not limited to any refund to the tenant of prorated rents or expenses and all management fees and other fees as described in the management agreement.

CONCLUSION

We hope you have found the Owner Manual informative and useful. If you feel there is any other information we can provide, let us know so we can include it in the future. Contact us 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.

Referrals

Do you know someone who is looking for management services in the Metro area? If so, let us know. We value our client's business and believe in rewarding referrals from clients.

