

# MERIT

## Rental Property Management



Merit has 3 decades of experience with a primary emphasis on Property Management. Merit's Parent Company is The FirstService Corporation, the largest Residential management company in North America, providing management and other property services to over 1,000,000 residences in New York, New Jersey, Delaware, Maryland, Virginia, Washington D.C., Florida, Illinois, Arizona, Nevada and California.

Because of the diverse expertise of Merit's management and employees, we are able to offer services to investors and Homeowners with any size portfolio. Merit has the resources available to manage any portfolio between one to a thousand units.

Merit Rental Property Management, Inc employs motivated and experienced managers that work within a system of checks and balances to minimize the possibility of errors. Major tasks are segregated among employees and Merit is fully insured and licensed.

Merit's management philosophy stresses cost control and revenue maximization. Scheduling workers in advance minimizes turnaround time on vacant properties, returning them to market quickly. Our leasing agents are experienced sales people – not tour guides. They are trained to qualify the renter and close the transaction. Experienced maintenance personnel keep repair and turnover costs to a minimum. Working quickly and efficiently, our maintenance personnel are experienced with all types of repairs. They are able to diagnose and correct problems on the first inspection.

### **ADVANTAGES OF USING MERIT FOR PROPERTY MANAGEMENT**

As a leader in California for Residential Property Management, MERIT provides the following services for Condominiums, Town homes, Single Family Residences, and Apartments:

- Exceptional customer service
- Innovative marketing and leasing programs
- Market surveys to determine optimum monthly rent
- Maintenance and asset preservation
- Tenant background checks including credit and criminal

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- Monthly deposit of rental collection into homeowner's preferred account
- Prompt eviction service if needed
- On-site exterior and interior inspections
- 24 hour 365 day emergency service
- Supervise licensed and experienced service providers
- Focus on value and appreciation
- Brokerage services if requested for the purchase or sale of real estate
- Coordination between HOA Management and Rental Property Management

Merit is dedicated to providing quality management services to our clients. The following are some of the ways we believe we differentiate ourselves from other management firms.

Merit is an established company with over 600 employees currently overseeing properties throughout California. This existing level of oversight from our Community Association Managers is combined with an additional level of oversight from our Rental Property Management team to protect your asset.

Each investor will have the entire staff to assist in the management of their property, while the size of Merit assures that our clients have coverage through vacations, illness, or the turnover of personnel. Also, Merit is able to provide career paths, benefits and training to our employees in order to minimize turnover and ensure we are able to retain quality managers.

We believe that one of the most valuable services we provide to our clients is the proper and safe handling of the financial affairs of their real estate investment. We employ CPAs to consult on proper accounting treatment of issues and to establish systems to assure that the standards and practices followed are current and fully auditable. The financial statements prepared by Merit for our clients and the internal controls and systems we maintain are often audited by outside accounting firms.

The financial transactions of our clients are managed within a system of checks and balances and strict separation of duties are maintained as required by Generally Accepted Accounting Principles (GAAP). Many management companies do not have the necessary staff or expertise to properly separate and differentiate duties.

Merit has quick access to legal advice that is up to date and expert in the laws and trends affecting managing real estate in California.

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### ❖ MANAGEMENT FEES

- Our standard Management Fee is 8% of the monthly rents collected. This fee applies only if the rent revenue is collected.
- If your home is vacant we will find a qualified tenant. A one-time leasing fee of \$500 includes confirmation of employment, previous landlord reference and credit and criminal background checks.
- A reserve fund is funded for \$250 and is held in the Broker's Trust account to quickly respond to maintenance issues. This fund is for the benefit of the owner and returned to the owner upon termination of the management agreement.
- At the expiration of the lease we will negotiate with the tenant to renew their lease for a fee of \$50 per household.
- A \$250 standard set-up fee is required to establish and complete all documentation for the homeowner's account.

### ❖ ADVERTISING

- A rental listing will be added to the Multiple Listing Service (MLS) exposing the property to thousands of real estate agents.
- Your vacant property will be included in our website located at [www.meritrental.com](http://www.meritrental.com) Our website is optimized weekly to ensure that your listing is at the forefront on each browser when an applicant is searching for rental property.
- Yard signs are placed in strategic locations (where allowed) to attract attention to the property.
- Property flyers with pictures designed and placed in subject property as a reference to reveal property details to proposed tenants.

### ❖ ACCOUNTING

- Complete Cash Flow Statements on a monthly basis using the Yardi Property Management Accounting System.
- Supply monthly rental statements along with direct deposit to your account.

### ❖ RENTAL PAYMENTS

- Rent is due on the first day of the month. If rent is not paid by the 5th day of the month the door will be posted with a 3 day pay or quit notice on the morning of the sixth. Merit has established relationships with attorneys to quickly resolve tenant delinquency issues.
- Our evictions are processed timely and renters not paying will be evicted as soon as possible.

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### ❖ **SCREENING TENANTS**

- Each tenant must fill out an application and must provide employment and other applicable information, which is verified to help ensure that we rent to quality residents.
- Previous landlords will be contacted to ensure that they can afford the home they would like to rent and that their rent was paid on a timely basis.
- All tenants will be screened using First Advantage Safe Rent. This system simultaneously tracks eviction, tenant and credit and criminal history for anyone moving from any part of the United States.

### ❖ **INSPECTIONS**

- The home is inspected and photos are placed in the file before each tenant takes possession of the home and upon move out.
- Each home is inspected semi-annually or upon evidence that the tenants may be in violation of their lease. Photos are taken at each inspection to document the results of the inspection.
- Tenants are required to complete the Move-In Move-Out form upon move in to subject property. Executed form will then be forwarded to the homeowner for review and signatures. Upon completion of lease term, the same exercise will be practiced at move out to confirm condition of property to both tenant and homeowner.

### ❖ **REPAIRS & MAINTENANCE**

- Repairs are completed on a timely basis as the tenant or homeowner requests them. We will notify the owner of the property in advance of any repair that exceeds \$250.
- A 10% charge will be added to major repairs and replacements that require bids, scheduling of contractors, and/or contractor oversight and inspections.

### ❖ **PETS**

- Most families have pets. Your home will be marketed to a much larger group if you do not exclude pet owners as potential residents.
- A pet deposit of \$300 will be collected. If the pet deposit is not sufficient to offset damage caused by the pet the security deposit will be retained to make up the difference. Should the security deposit not be adequate the tenant is personally liable for the costs of all damages the pet may have caused.

### ❖ **UTILITIES**

- Tenants pay for water, power, gas, and trash disposal. The owner will pay taxes, mortgages, HOA dues, landscaping, pool service and sewer.

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### ❖ HOAs & TENANTS

- Copies of HOA rules and regulations will be provided to each tenant at move-in.
- The owner is responsible for the payment of HOA dues and is responsible for the actions of their tenants with respect to HOA rules and regulations. Fines, if any, will be assessed by the HOA against the owner. Our lease stipulates that these fines are to be paid by the tenant.

### ❖ DEPOSITS

- Should the tenant change their mind prior to signing the deposit is retained. Should they not qualify an amount is retained to cover the cost of the credit check.
- Tenants forfeit deposits for breaking a lease or causing damage. Should a tenant cause more damage than the security deposit can cover, the account will be sent to a collection agency for collection. There are no up front costs for using these services.

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## AUTOMATIC PAYMENT PROGRAM AND AGREEMENT

**Complete this form, attach your voided check or copy of voided check and return to:**

Merit Rental Property Management  
1 Polaris Way, Suite 200  
Aliso Viejo, CA 92656

### Homeowner Information

Name: \_\_\_\_\_

Property Address: \_\_\_\_\_  
Street City/State Zip Code

Mailing Address (if different): \_\_\_\_\_

Home Telephone: ( ) \_\_\_\_\_ Work Telephone: ( ) \_\_\_\_\_

Email Address: \_\_\_\_\_

### Financial Institution Information

Please Credit My (please check one):

[ ] Checking Account (attached a voided check)

[ ] Savings Account (attached a savings deposit slip)

Name (as shown on the checking or savings account): \_\_\_\_\_

Institution Name: \_\_\_\_\_ Bank Account #: \_\_\_\_\_

Address: \_\_\_\_\_  
Street City/State Zip Code

Telephone Number: ( ) \_\_\_\_\_

I hereby authorize Merit Rental Property Management and the financial institution designated on this application to credit the account I have specified for payment of distributions due me. I understand that the financial institution or Merit Rental Property Management can terminate this contract, and I can withdraw from the play by giving 30 days written notice.

Signature: \_\_\_\_\_ Date Signed: \_\_\_\_\_

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### OWNER / PROPERTY INFORMATION

Please fill out thoroughly! Details help!

#### \*Required information

<u>Owner</u>	<u>Property</u>
*Owner Name(s): _____	*Property Address: _____
*Mailing Address: _____	Builder Name: _____ Yr Built: _____
_____	Homeowner Warranty Co: _____
*Contact Numbers: Home _____	Rent Ready: _____
Cell _____	Rent Amount: _____
Email _____	Date Available: _____
	Work Needed: _____
	_____
<u>Received from Owner:</u>	Appliances/ _____
<input type="checkbox"/> Signed Management Agreement	Items Needed: _____
<input type="checkbox"/> Automatic Deposit Form	HOA Name: _____
<input type="checkbox"/> Copy of voided check	Management Co: _____
<input type="checkbox"/> Certificate of homeowners insurance	Phone #: _____
<input type="checkbox"/> Set up fee	
<input type="checkbox"/> Reserve fee	
<input type="checkbox"/> Common area keys/remotes	
<input type="checkbox"/> Garage keys	
<input type="checkbox"/> Home entry keys	
<input type="checkbox"/> Mailbox keys	
<input type="checkbox"/> Pedestrian gate keys	
<input type="checkbox"/> HOA Rules & Regulations	

#### MLS Data

\*Type of Rental (circle one): House Condo Townhouse High Rise Condo Duplex Triplex Four-plex  
\*Sq. Ft. \_\_\_\_\_ # of Bdrms \_\_\_\_\_ # Full Baths \_\_\_\_\_ # 1/2 Baths \_\_\_\_\_ #3/4 Baths \_\_\_\_\_ # of Stories \_\_\_\_\_

<input type="checkbox"/> Air conditioning	<input type="checkbox"/> Garage (# of cars) _____	<input type="checkbox"/> Clubhouse	<input type="checkbox"/> Recreational facility
<input type="checkbox"/> Central heat	<input type="checkbox"/> Balcony/Deck/Patio	<input type="checkbox"/> Community pool	<input type="checkbox"/> RV access/parking
<input type="checkbox"/> Fireplace	<input type="checkbox"/> Enclosed yard	<input type="checkbox"/> Community spa	<input type="checkbox"/> Senior community
<input type="checkbox"/> High/Vaulted ceiling	<input type="checkbox"/> Private pool	<input type="checkbox"/> Fitness center	<input type="checkbox"/> Storage space
<input type="checkbox"/> Hardwood floor	<input type="checkbox"/> Private spa	<input type="checkbox"/> Gated property	<input type="checkbox"/> Tennis courts
<input type="checkbox"/> Tile floor	<input type="checkbox"/> View	<input type="checkbox"/> Golf course	<input type="checkbox"/> Elevator
<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Dryer (gas or elec)	<input type="checkbox"/> Breakfast nook	<input type="checkbox"/> Master BR
<input type="checkbox"/> Granite counters	<input type="checkbox"/> Washer	<input type="checkbox"/> Dining room	<input type="checkbox"/> Main floor BR
<input type="checkbox"/> Microwave	<input type="checkbox"/> Laundry inside	<input type="checkbox"/> Family room	<input type="checkbox"/> Office
<input type="checkbox"/> Refrigerator	<input type="checkbox"/> Kitchen island	<input type="checkbox"/> Living room	<input type="checkbox"/> Rec/Bonus room
<input type="checkbox"/> Stove (gas or elec)	<input type="checkbox"/> Walk in pantry	<input type="checkbox"/> Loft	<input type="checkbox"/> Walk in closets
<input type="checkbox"/> Stainless steel	<input type="checkbox"/> Furnished	<input type="checkbox"/> Pets allowed	<input type="checkbox"/> Smokers allowed

\*Electric company: \_\_\_\_\_

Alarm company & phone#: \_\_\_\_\_

\*Gas company: \_\_\_\_\_

Landscape company & phone#: \_\_\_\_\_

\*Water company: \_\_\_\_\_

Pool service company & phone#: \_\_\_\_\_

\*School District: \_\_\_\_\_ Elementary: \_\_\_\_\_ Jr: \_\_\_\_\_ High School: \_\_\_\_\_

\*Garage code#: \_\_\_\_\_

\*Gate code#: \_\_\_\_\_

\*Mailbox#: \_\_\_\_\_

\*Parking space#: \_\_\_\_\_

Notes: \_\_\_\_\_

## Request for Taxpayer Identification Number and Certification

**Give form to the  
requester. Do not  
send to the IRS.**

<b>Print or type See Specific Instructions on page 2.</b>	Name (as shown on your income tax return)	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ ..... <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
	List account number(s) here (optional)	

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number
or
Employer identification number

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶
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### General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

#### Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,