



GREENTREE REALTY, INC.

We specialize in managing:

- Single-family homes
- Condominiums
- Lofts / Multi-units

Owner Manual

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Welcome

Thank you for choosing Greentree Realty, Inc. (GTR) to manage your investment. We are aware that you had many choices and we appreciate that you have selected us as your property management company.

GTR works to achieve the highest level of professionalism in property management services. Therefore, we have prepared this owner manual to assist you in 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 your property management services. Please contact us immediately if you have any questions, using the company contact information provided in the following pages.

Special note: the information provided in the *GTR Owner Manual* is subject to change. Landlord/tenant laws, personnel, policies, and procedures change from time to time, only to better assist our customers. GTR works diligently and continuously to improve services and personnel training, as well as remain current with all landlord/tenant legislation.

Once again, thank you for choosing GTR as your property management company. We look forward to a successful business relationship!

Greentree Realty, Inc.

Greentree Realty is a property management company operating in Stockbridge. GTR specializes in full-service property management. The company began operating in 2005 and is actively involved in the Atlanta community. GTR is an abbreviation used in lieu of the full company name, Greentree Realty, and will be used throughout the *Owner Manual*.

GTR Mission Statement

Our motto at Greentree Realty is "Helping People Grow through Life's Transitions." At Greentree Realty, it's not just about the sale, it's about creating an experience that makes your transitions as smooth as possible.

Getting Started

Initial Site Visit

A GTR property manager must visit your property before we can provide an accurate rental price or agree to manage. The site visit must include interior access for the property inspection.

Property Inspection

When we have received all keys, we will survey the property. All utilities must be on for this inspection. GTR does this to ensure that we can accept the risk of placing a tenant in the property and that the property is ready to market. When we survey the property, we will:

- Test all electrical circuits
- Verify that all light fixtures work and have light bulbs
- Verify that all appliances are in functioning condition
- Verify that the furnace and air conditioner work
- Verify that all plumbing fixtures are in functioning condition
- Verify that windows are operable
- Look for obvious structural defects
- Verify that the property is in white glove showing condition
- Verify that the property meets GTR requirements for move-in condition

Proposal

Immediately following the initial site visit, GTR will prepare a proposal consisting of a market survey of rents for comparable properties in the area, a draft management agreement, and various intake forms. We will deliver these documents to you by email.

Necessary Work Completion

After the property inspection, GTR will send you a report of our findings. Sometimes the property is ready to market and does not require any repairs. Sometimes extensive repairs are needed. If repairs are needed, we will send you a report with our bid to complete the work. You may choose to have GTR complete the work or you may complete the work with your own vendor(s).

The Management Engagement Begins

We must receive two things to begin the management engagement:

- A signed management agreement
- A key to the property

Marketing the Property

After the property is both safe for tenant occupancy and ready to market, we will take photographs, place a lockbox on the door, and market the property.

Owner Documents

A copy of your management agreement with various intake documents is provided to you along with the GTR *Owner Manual*. Refer to it as needed and use it as a reference. It is important that GTR 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.

- Management agreement
 - Under GA law, we cannot manage your property unless authorized by you to do so in a management agreement.
- Owner information
 - This information enables GTR to set up your account
- Electronic Bank Authorization
 - This form enables GTR to send your funds directly to your bank
- W-9
 - This form enables GTR to send you a Form 1099 for preparation of your taxes.

As management continues, information can change. We have included a copy of our Owner's Manual on our company website for your easy access. We ask that while managing your property we are always aware of any changes to your information, such as address, telephone, fax, email, etc. We also ask that if you are going out of town, or may be unreachable, please notify us ahead of time so that we can be prepared in the event of an emergency.

GTR Communication

Communication is a key to success in any relationship and the GTR/Owner relationship is certainly not an exception. We work constantly to improve communication with all our clients and prospective clients. This includes everyone - owners, tenants, applicants, technicians, buyers, sellers, and the public.

Company Communication

Please keep all GTR contact information such as addresses, telephone numbers, email

addresses, website, and office hours, on hand at all times in case of an emergency.

GTR staff members communicate by:

- Telephone
- Fax
- Email
- Written Correspondence

Company Website

GTR stays current with business technology. The GTR website has proved to be a tremendous asset. Here are a few of the benefits for clients on the GTR website:

- Prospective tenants can search our website for available rentals; all other online advertising links back to the GTR website.
- Prospective tenants may apply online.
- The majority of tenants pay rent online.
- Tenants may make maintenance requests online.
- Tenant forms, such as notice to vacate forms, are available online.
- Each owner, via email, fax, or U.S. mail, will have access within 24 business hours to the management agreement, current leases, monthly reports, approved work orders, all invoices, receipts for which the owner is billed, and any photographic or written reports once requested by department.

General Office Information

Main Office: 1372 Peachtree St. NW
Atlanta, GA 30309

Local Number: 678-304-6473

Email: info@gtrbrokerage.com

help@gtrbrokerage.com

Emergency Line: 800-355-9002 (Follow the prompt)

Owner Communication

Communication works both ways. It is important that you let us know any significant change that can affect your account. GTR needs to know when you are moving, if you have a problem with your account, if your social security number has changed to a tax ID, or any questions or important information. To assist in communicating any changes

to us, the Change of Owner Information form is available on our website.

Email

GTR encourages all owners to use email to contact us. It is fast and effective. Please supply us with your email address on all of the GTR forms. We will enter your email in our database. **Special note:** When using email, we request that you put the property address in the subject line. This helps us identify the importance of your message and avoids oversights or deletions of messages.

Owner Responsibilities

A successful business relationship must engage both parties. At GTR, we take our management responsibilities seriously and request that owners do the same.

Owner responsibilities are:

- Maintain property in a condition that is marketable and habitable.
- Notify GTR of any ownership change or imminent owner change for the managed property.
- Supply GTR with accurate information so GTR can service the management account properly.
- Review statements monthly and notify GTR of any discrepancies found as soon as possible.
- Review statements monthly for accurate or missing deposits and notify GTR if there are any problems immediately.
- Support Fair Housing Laws and guidelines, as well as all necessary legislation.
- Maintain a current insurance policy for the property.
- Review property insurance yearly and update as needed. Provide proof to GTR.
- Treat GTR personnel with courtesy. Notify the GTR manager if there are problems with GTR personnel so they can be resolved quickly.
- Turn on all utilities for your property.

The Scope of Property Management

What is Included in GTR Property Management Services

We want you to know what GTR does for you as your property management company. Therefore, GTR has outlined our policies in the pages of this manual. There are so many details to managing a property that we can include only the highlights in this manual. If you have more questions, please contact us.

What is Not Included in GTR Property Management Services

Some tasks go beyond the normal scope of property management or require additional fees. The property management fee does not include providing maintenance, on-site management services, property sales, refinancing, preparing property for sale or refinancing, modernization, fire or major damage restoration, rehabilitation, obtaining or giving income tax, accounting, or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, or attending Homeowner Association meetings.

The GTR maintenance department is a separate division. There is a separate charge for all maintenance repairs and work will not be completed unless approved by the property owner except in emergency cases when we cannot reach the property owner in a reasonable amount of time. These cases are evaluated on an individual basis.

If you have any questions on what is or is not included in property management, please let us know. We have more information on additional services later in this manual.

Company Policies

It is very important that professional property managers 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), the National Apartment Association, and the National Association of Realtors (NAR®). Additionally, we train all personnel by requiring them to read and follow the GTR Employee Manual and the GTR Property Management Policy and Procedures Manual.

Drug-free Policy

GTR has a drug-free policy for all personnel, vendors, and tenants. GTR incorporates this policy into GTR rental/lease agreements, tenant and personnel documentation.

Legislation

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

- Fair Housing (HUD) - GTR supports and follows Fair Housing laws and guidelines; the GTR office displays Fair Housing signage.
- Equal Opportunity - GTR is an Equal Opportunity employer; the GTR office displays Equal Opportunity signage.
- 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
- Section 8 is **Not** a protected class, therefore you are **Not** required to rent to them by Law.

Lead-based Paint

Lead-based paint became a major issue in the 1990s that prompted mandatory requirements for residential housing and continues today. GTR follows all mandated federal and state guidelines for lead-based paint. All properties constructed prior to January 1, 1978, require disclosures to all tenants and owners. Tenants sign lead-based paint disclosures prior to renting a property and GTR provides them with the required EPA Pamphlet, *Protect Your Family from Lead in the Home*.

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

Answers Regarding Funds

GTR recognizes the importance of accurately collecting and disbursing funds. The bookkeeping program used by GTR is specialized software designed to handle the many facets of property management and accurate record keeping and complies with the requirements of the Georgia Real Estate Commission.

Money Flow During the Lease Cycle

The first month's rent is paid out to GTR as a tenant procurement fee. For the remainder of the lease, GTR receives 8% of the rent or \$75.00 a month, whichever is greater, as a monthly management fee.

Disbursement of Monthly Funds

GTR disburses available funds to owners on the 15th and 20th of each month. If these dates fall on a weekend or bank holiday, GTR issues funds on the next business day.

GTR distributes owner funds by Automated Clearing House (ACH) direct deposit. Payments by ACH take five to seven business days to post in our owners' bank accounts.

Monthly Statements

Between the 15th and 30th day of each month, GTR will email monthly reports and paid

invoices, if any, to each owner. If you have difficulty reading your monthly statement, please contact us. If there are no funds to disburse, owners will not receive a statement.

End of Year Procedures

At the end of each year, GTR is required to file 1099s for owner clients who receive income 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. Security deposits are not included in this amount.

You will need to supply GTR with your tax ID number (Social Security Number or EIN) so we can issue you a 1099. We include a W9 form with your management agreement for this purpose. GTR will send you 1099 by January 31 for the previous tax year. If there is a change in your tax information such as a changed address or a change in the entity that holds title to the property, please notify us with the Owner Change of Information form.

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

Renting Your Property

Preparing to Rent the Property

When prospective tenants view your property, GTR wants the property to look its best and be able to compete with area rentals. A property maintenance report and rental market survey are completed. The GTR management team will contact you to discuss the details of your property and any necessary maintenance.

Setting the Rent

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

How Long Will the Property be Vacant?

This is the most commonly asked question GTR 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, GTR works diligently to rent the property as quickly as

possible. Bear in mind that the most important objective is to obtain a high-quality tenant. It is hard to overstate the high cost of a low-quality tenant.

Marketing

Internet Marketing

GTR prides itself on effective internet marketing. Each rental property has a page on our website, www.gtrbrokerage.com. The GTR website has rich information on each property with photos, videos, maps, property description, and instructions about how to request a showing appointment and how to apply.

In addition to our own website, GTR markets properties on a variety of paid and free websites. GTR marketing staff are on the internet every day and pay close attention to which rental home websites attract the most visitors. GTR markets our rental homes on the most-visited websites. Trends in internet advertising change rapidly and our selection of marketing websites changes with the market.

Print Media

GTR has found that internet advertising is far more cost-effective than print media advertising. We do not recommend print advertising.

Showings and Applications

The GTR controls showings for each unit. Tenants contact us by email and telephone. We arrange showing times for your property in advance.

GTR has a very easy-to-use online rental application.

We are prepared to execute leases with approved tenants very quickly by fax and email. Using the internet, we have leased properties sight-unseen to qualified out-of-state tenants many times.

Processing Tenant Applications

Tenant Screening

Thorough screening is crucial for successful property management. GTR requires all applicants to fill out a detailed application and submit it for processing and approval.

- For each tenant, we examine the following:
- Credit report
- Nationwide criminal background report
- Nationwide report of previous evictions

- Employment
- Income
- Rental history

All applicants must submit verifiable information on their income to show that they can support the rent payment. Rental history or previous home ownership is carefully checked. The credit report, criminal background report, rental history, and proof of income together provide the criteria to qualify or disqualify prospective applicants. If a pet is allowed on the property, the screening includes the pet.

Pets

If an owner authorizes a pet, GTR requires an additional security deposit. GTR does not use the term “pet deposit”. By avoiding this terminology, GTR can use the amount of the entire security deposit if there is pet damage.

Many tenants have or want pets, the owner has the right not to accept pets. However, whether you have or have not decided to allow a pet in your property, the GTR application has a place for prospective tenants to list pets and how many. It is important to encourage full disclosure on pets while evaluating an application.

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

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

Service Animals

Service animals for handicapped 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, and rental history. If they fail to qualify in these areas, the landlord/manager can still deny the application, handicapped or not.

The Tenant Move-In

Rent and Security Deposits

GTR requires payment of first month's rent and security deposit in certified funds. Tenants must pay a full month's rent and a security deposit, usually equal to one month's rent, prior to taking possession of the property.

Lease

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

Move-in Inspection

Locks must be changed by GTR prior to tenant move-in. A vital part of the rental agreement is a detailed move-in inspection performed with the tenant, documenting the condition of the property when they move in.

The move-in inspection documents the condition of the property. When the tenant moves out of the property, there is a sound basis for the security deposit refund.

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 are available on the GTR website. GTR wants both owners and tenants to be well informed.

Working With Your Tenants

Collecting Rent

Rent is due on the first day of the month and late if received on or after the 5th day of the month.

When Rent is Not Paid

If GTR does not receive rent by the due date, GTR prepares and delivers a demand letter. The demand letter notifies the tenant that their rent is delinquent and asks them to pay in full within three business days.

If GTR receives the rent prior to issuing owner funds, GTR does not contact the owner unless the GTR management team determines there is an ongoing rent issue.

If the rent is not paid by the specified date, a dispossessory charge of \$450 must be

approved and paid for by the property owner. We will then file a dispossessory warrant at the county courthouse. Very few of our dispossessory warrants result in a physical eviction. However, the dispossessory warrant is an effective tool to let tenants know that the rent must be paid. In most cases, the tenants simply get current with their account and the dispossessory warrant is dismissed. In the rare event that a tenant does have to be evicted, prompt filing of the dispossessory warrant minimizes the time an owner has to carry a non-paying tenant.

Evictions

If an eviction is necessary, GTR handles every part of the process. We will file all necessary documents, monitor legal proceedings, attend court if necessary, hire a crew to perform a set-out by the county Marshall, and prepare the property to be marketed to a new tenant. Professional and correct legal action by a property manager both reduces the owner's expense in an eviction and avoids the risk of a lawsuit for wrongful eviction.

Notices of Violation

GTR 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 an illegal pet, illegal tenants, etc. These tenant violations may be in the form of a letter or a legal notice form. Often, these notices are simply to correct minor tenant problems and most tenants comply. However, if necessary, GTR contacts the owner with the information to discuss the situation.

Tenant Problems

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

Maintenance

Preventive Maintenance

The best approach to maintenance is preventive maintenance, and this is the GTR policy.

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

- Completing a detailed lease which outlines tenant responsibilities regarding maintenance as well as owner obligations

- Completing a move-in ready inspection documenting the condition of the property before the tenant takes possession

We want the tenant to know from the beginning of their tenancy how GTR expects them to care for the property. This approach can prevent costly maintenance.

Next, we use preventive maintenance techniques when work is required and utilize competent contractors. Often minor expenditures save the most money such as door stops, 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.

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.

Emergencies

When an emergency occurs, GTR has policies in place for the property and tenants. GTR notifies the property owner as soon as practical. The nature of the emergency determines the action needed by GTR.

Reserve Fund

In order to give you an even better experience working with Greentree Realty Inc. managing your property, a Reserve Fund will be placed on your account. Funds will be used to make emergency repairs and cover any incidentals that may occur. This will allow us to better serve our tenants and stops us from contacting you at 2:00 A.M. Our goal at Greentree Realty is to protect your investment and tenant retention. Don't worry you don't have to send us a dime. The Reserve Fund will be deducted directly from rent totaling a \$400.00 Reserve Fund per-unit. GTR will provide the owner a detailed accounting of the Reserve Fund, which will be located on the monthly statement sent when rental funds have been disbursed.

When the Tenant Vacates

Communication with Owners and Tenants

Eighty-five days prior to the expiration of a lease, GTR notifies the owner in writing that the tenant's lease renewal is coming up. GTR provides an annual inspection report, photos, and a statement of the tenant's rental payments for the past 90 days. This helps owners determine the condition of their property and whether they would like to renew or not. GTR then asks for the owner's instructions: Shall we invite the tenant to renew

for another year, or give the tenant notice that the lease will not be renewed? If we do not hear from the owner within two weeks, we assume the owner wishes us to renew the current tenant if possible.

Seventy-five days prior to the expiration of a lease, GTR invites the tenant to renew if the tenant's account is in good standing.

If neither the tenant nor the landlord gives notice of termination 30 days prior to the expiration of the lease, the lease will automatically renew at a 3% rental increase. If GTR receives no instruction to the contrary from the owner, the tenant will be allowed to renew.

Notice to Vacate

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

Tenant Move-Out

GTR conducts a walk-through similar to the one performed when the tenant moved into the property. GTR records any maintenance required and discloses a list of damages to the vacating tenant. Digital photographs are taken when the tenant moves out to document the condition of the property and support any deductions from the security deposit.

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

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 Georgia law. Owners receive a copy of the transmittal with their monthly statement, showing any deductions and monies refunded. Any refunds must be returned to the tenant within 30 days of the expiration of the lease or tenant vacation.

Additional Services

The following are additional services offered by GTR to each property owner. They are not included in the fees for managing the property.

Annual Inspection

GTR maintains properties as part of their property management services. This inspection goes beyond overseeing normal maintenance. A GTR inspector performs this inspection, and the purpose is to check the property thoroughly each year in order to perform necessary or preventative maintenance. The charge for this inspection is \$75 and will only be completed if there is a lease renewal.

Real Estate Sales

GTR specializes in property management and working with Buyers and Sellers.

Cancellation of Agreement

It is the goal of GTR to satisfy your management needs and engage in a successful business relationship, but all things do change over time. Owners sell properties; people give notices; etc.. When this happens, the GTR cancellation policy is to resolve your account in a professional, timely, and pleasant manner. Please review the following policies for cancellation.

Written Notice

- The GTR management contract accepts a 30-day written notice by either party, if the property is tenanted, and a 5 days' notice if the property is vacant.
- Your written notice must include your signature. You may convey this to us by U.S. postal mail, fax, or a scanned document by email attachment.

Notice to Current Tenants

- GTR will notify current tenants of the date GTR will no longer manage the property.
- GTR 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.

Distribution of Documents

- GTR will supply current tenant documentation to the owner.
- If the owner has employed new management, GTR will forward documents, keys, and any other necessary materials to the new management upon request by the owner.

Final Distribution of Funds

- GTR 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.

- GTR will issue a 1099 for funds collected during the current tax year when the tax year ends.

Conclusion

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

Thank you for your business. We appreciate it very much.



GREENTREE REALTY, INC.

Management Fees

- Tenant Procurement Fee: First Full Month's Rent
- Ongoing Monthly Management Fee: 8% of the Rent (Minimum \$75)
- Tenant Inheritance Fee: 50% of One Month's Rent (Only charged when Greentree Realty inherits a tenant. Procurement Fee will NOT apply)
- Renewal fee (when a tenant remains longer than 12 months): 50% of One Month's Rent
- Reserve Fund: \$400.00 (deducted from rent)

Tenant Screening

- Credit report
- National criminal background
- Prior evictions
- Rental history
- Income and employment verification

State-of-Art Internet Marketing

- Each property has a page on our website photos, description and driving directions
- Rental properties are marketed on a variety of free and paid websites
- Rental applications are taken online
- Leases may be executed via email and fax

Owner Payments and Statements

- Owners are paid by direct deposit
- Owner funds are disbursed on the 15th business day of each month
- Invoices, receipts and owner reports are available via email by request
- Owners receive a 1099 at year-end for tax preparation

Repairs and Maintenance

- Greentree's maintenance division can handle most repair issues your property may require