



*Real Estate Management Services*

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## Profile of Capital Management

### *Mission Statement*

Our mission statement is clear, precise and simple.

To earn our clients business by exceeding their expectations through integrity, diligence, professionalism, technology and communication. In addition, provide them with solutions to not only meet their needs but to exceed them.



## Profile of Capital Management

### *Organizational Structure*

We recognize that our success is a direct measure of the results we've achieved for our clients, so Capital Management is committed to giving you our client unsurpassed service. Our goal is to listen and understand your needs and provide you with the service and solutions to exceed those needs. While our strength comes from old world standards, we utilize the best of modern technology to effectively manage without losing the human touch.

Since we don't own the assets we manage, we must work harder than our competitors to win and retain business. Responsive client service is the foundation that enables Capital Management to deliver market leading performance.



## Summary of Services

Today, property management means just that - a comprehensive range of services which, when combined, enable us to manage your property for you effectively and efficiently.

Capital Management provides single family, multi-family and commercial residential real estate solutions for owners and investors with a broad scope of services including acquisition, disposition, rehabilitation and property management services tailored to meet the individual project needs.

Since we tailor our services to the clients or projects specific needs, our services vary. But on average the following is a summary of the services Capital Management offers.

- Maintain tenant relations by providing pro-active management presence.
- Work with owner to secure new tenants.
- Take all reasonable steps to collect and enforce the collection of all payments and other charges due to owner from tenants, in accordance with the terms of their lease documents.
- Handle all tenants' requests on behalf of the owner while using reasonable effort to assure compliance by tenants with all provision of their lease.
- Negotiate lease renewal terms.
- Perform site inspections as required but at least once per week.
- Coordinate with tenants and or owner when special events are held at the building to ensure proper execution of event.
- Within the limitation of owner approved budget, see that the physical facilities, personal property and grounds are at all times, well maintained, kept in good order and repair, and in proper state of cleanliness.
- In emergencies, make repairs immediately which are necessary for the prevention and safety of the property, or to avoid the suspension of any essential service to the property, or to avoid danger to life or property, or to comply with federal, state, or local law.
- Supervise all personnel required for the operations, maintenance and management of the property.

## Summary of Services

- Coordinate with owner, architect and contractors during and post construction.
- Pay all operating expenses and other authorized expenses of the property including, but not limited to, any mortgages or deeds of the trust which may encumber the property,
- property insurance payments, real estate tax payments, and/or property association dues and assessments.
- Maintain records and enforce any guarantees or warranties that may concern owners personal property included within the property.
- Establish and maintain, on behalf of the owner, a non – interest bearing operating account and, if necessary, an interest bearing reserve account.
- Establish and maintain an accounting and management reporting system that will duly account for all transactions relating to the property and from which manager shall provide to owner a report of the property’s operations for the preceding month.
- Prepare an annual budget including projections of capital expenditure for the forthcoming fiscal year. As part of the budget submission, manager shall include a 12 – month preventive maintenance schedule.



## Tenant Relations.

It's Capital Management's belief that meeting the needs of the tenants and exceeding the expectations of our clients is the essence of commercial management. To facilitate this we have developed a proactive Tenant Relations Program that has translated into a greater number of tenant renewals, improved cash flow due to increased tenancy ratios, reduced tenant improvement costs and many times, higher rental rates.

Our Tenant Relation Program includes:

- Tenant Survey
- Tenant Meetings
- Tenant Events
- Tenant Move – In Programs
- Timely Renewal Contract
- Lease Administration

Our effective communication system through the Tenant Relation Program has allowed us a “hands – on” approach which in turn translate to a well maintained property.



## Property Maintenance

During the initial 90 days of our contract, we prepare a management plan which includes an analysis of the on – site personnel (if required). Conclusions and recommendations based upon our analysis of costs versus benefits, as well as meeting requirements that the building owners may have regarding business philosophy and liability issues.



Typically, our experience with larger buildings would dictate subcontracting elevator maintenance, janitorial services, trash removal, water treatment, security and fire safety systems. These services would be augmented with in – commercial porter and cleaning services, HVAC periodic maintenance and low – to – mid level HVAC maintenance.

### ***Biding:***

For jobs over the amount specified in the Management Agreement, two bids will be obtained. Typically, for capital expenditures, tenant improvements, or major repairs, three bids are obtained. Generally HVAC construction is performed by the building service contractor for consistency of operations.

The internal practices for expenditure of funds are controlled by the limitations set forth in the Management Agreement, as well as the Owner – Approved Budget. The Owner Approved Budget is used as a guideline for expenses. For those items not included in the scope of the budget, the Property Manager proposes recommendations to the owner for final approval. Even though an expense is in the Approved Budget, if the amount exceeds the Management Agreement limit, a secondary approval is sought prior to the expense being incurred.



## Implementation Plan

### Transition Goals and Objectives:

Our goal is to ensure that the property is brought on-line timely and with accuracy, so as not to adversely affect the tenants. Utilizing our “Startup Checklist”, we will contact the existing management company with your approval, to ensure that all files, records, tenant and other important information are transferred for proper record keeping.

Upon notification that we have been selected as your manager, if needed, we are prepared to begin immediately. However, we would recommend a fifteen day overlap with the current manager, at no cost, to ensure a smooth transition. During this period, we would begin implementation of the following transitional checklist:

#### ***Transaction Checklist:***

##### Property Manager Responsibilities

- Create facts sheets including map
- Obtain copies of all leases including pending
- Standard lease forms and check insurance clause(s)
- Verify how to name additional insured(s)
- Any tenant improvements in progress (build plans)
- Certificates of occupancy
- Obtain all service/vendor contracts
- Obtain all insurance policies, record coverage on:
  - Fire
  - Liability
  - Bonds
  - Worker’s Comp
  - Plate Glass
  - Umbrella
  - Garage Liability
- Obtain architectural plans
- CC&R documents
- Obtain site plans, plot plans, floor plans, brochures, and other marketing information
- Arrange for keys for project
- Pending litigations if any
- Maintenance manuals and status on maintenance
- Budget(s)
- Alarm system codes (common area, elevators, etc.)
- Tenant checklist including telephone numbers and emergency contacts
- Disclosure letters regarding hazardous materials
- Management agreement

## **Implementation Plan**

### **Transition Goals and Objectives:**

- Notify the following service contractor by letter
  - Electric                      Fire Monitor
  - Water                         Refuse
  - Telephone                  SMUD
  - Elevator                     PG&E
  - Laundry                     Exterminator
  - Landscape                 Sewer
  - HVAC                         Janitorial
- Notify answering service in writing

### **Lease Administration Responsibilities**

- Complete lease abstract
- Set- up accounts receivable system
- Obtain listing of security deposits
- Obtain a current status and aging of receivables
- Tenant insurance
- Letter to tenants

### **Accounting Responsibilities**

- Assign accounting number
- Open bank accounts and request deposit materials
- Obtain last tax bill, legal description, assessor's parcel number, binds, and amounts applied to parcel
- Set up mortgage payments schedule
- Set up accounts payables system
- Set up vendor list
- Set up general ledger
- Set up project binder
- Set up accounting files
- Notify insurance company to amend fidelity coverage.



## Value Added Services

As a compliment to our comprehensive line of property management services, Capital Management has developed a complete line of value added services for our clients.

- Consulting Services: Review Financial Reports for Completeness and Accuracy.
- Human Resources: Provide background checks and determine eligibility
- Building Evaluation
- Investment Sales and Acquisitions: Orchestrate the sale and or merger of real property
- Lease Audit Services
- Leasing: Lease only option on Residential Commercial or industrial Properties.
- On-Site Leasing: Establish an on-site staffed office to accommodate space leasing.
- On-Site Sales Office: Establish an on-site staffed office to handle sales.
- Asset Review(s)
- Premises Liability
- Vendor Review: Analyzing contracts and vendor services for maximum profitability
- Rental Preparation: Determine what needs to be done in order to make the unit inhabitable.

### On-Site Training:

- Fair Housing Issues
- ADA Issues
- Customer Service / Resident Retention
- Software systems training (i.e. Yardi / Rent Roll / MS Office)



## Value Added Services

### *Construction Management:*

- **Needs Assessment:** Evaluating the scope of the project, determining the range of professional services needed to complete the project and recommending and reviewing qualified vendors.
- **Contracting with vendors:** reviewing the scope of work and hiring the most qualified value conscience contractors and sub-contractors for the project.
- **Construction Coordinator:** Working as a liaison between the General Contractor, Architect and tenants
- **On-Site Representation:** Coordinating and conducting periodic meetings to review progress, work schedules and resolve conflicts so the project stays on time and with-in budget.
- **Communication:** Constant communication is the key to success in any project. We continuously in contact with all parties involved to make sure the project stays on track.

