

Hello [REDACTED],

Thank you for considering Red Door Property Management to manage your property at [REDACTED] Street. As previously discussed, in order to maximize the marketability of your property, our team has conducted a Market Readiness Assessment (MRA) of your property.

To assist with the decision-making process, we have broken the recommendations into four groupings:

- 1) Items that **need** to be completed prior to marketing the property.
- 2) Items that **need** to be completed prior to a tenant moving into the property.
- 3) Items that are **strongly recommended** as they will increase the marketability of the property, ensure ongoing resident satisfaction and/or are items that should be attended to, so as to prevent further property deterioration.
- 4) Items that are also **recommended** as they would further enhance resident satisfaction and/or maintain the condition of your property in the long run.

***Please note that in order to have a tenant successfully placed at your property we will need to have all the items in section one and two attended to.*** If you choose to take the lead on taking care of these items yourself, please advise us of the anticipated completion date.

We have also included the inspection videos below for your reference and will share, to your owner's portal, a link to the detailed written inspection report with supporting images.

Interior -----<https://youtu.be/Yh8iSUDHpx8?si=l9EM8o4RkF-xjKSM>

Exterior-----[https://youtu.be/04LqhQGWXHI?si=lyQQWV3yvrby\\_qu3](https://youtu.be/04LqhQGWXHI?si=lyQQWV3yvrby_qu3)

I. **Need** to be completed prior to marketing the property

<u>Description of work</u>	<u>Estimated Cost</u>
<b>Exterior Doors</b> <ul style="list-style-type: none"><li>Rekey all exteriors locks to be alike if not done recently and provide 4 keys to property.<ul style="list-style-type: none"><li>For up to 4 locks. \$32 for each addt'l lock</li></ul></li></ul> <b>NOTE:</b> <b>Currently we have no keys to the property.</b> If property is not rekeyed, we need to have, at least, 4 keys for each exterior lock at property so that we have 2 for tenant and 2 for RD.	\$179
<b>Garage</b> <ul style="list-style-type: none"><li>Purchase and program 2 garage door remotes</li></ul>	\$145
<b>Total due from Owner</b>	<b>\$324</b>

II. **Need** to be completed prior to a new tenant taking occupancy of property

<u>Description of work</u>	<u>Estimated Cost</u>
<b>Garage</b> <ul style="list-style-type: none"> <li>Purchase and program 2 garage door remotes</li> </ul>	\$145
<b>Windows</b> <ul style="list-style-type: none"> <li>Replace with standard mini blinds:               <ul style="list-style-type: none"> <li>Living room (1); as broken</li> <li>Dining room (1); as broken</li> <li>Bedroom #2 (1); as broken</li> <li>Bedroom #3 (1); as broken</li> </ul> </li> <li>Patio door vertical blinds:               <ul style="list-style-type: none"> <li>Replace slats (7)</li> </ul> </li> </ul>	\$275
<b>Painting</b> <p><b>Option 1</b></p> <ul style="list-style-type: none"> <li>Full house clean and paint – only the walls, baseboards and doors that have damage (<i>Approximately 90% of house affected</i>)</li> </ul> <p><b>Option 2</b></p> <ul style="list-style-type: none"> <li>Full house repair and paint – all walls and trim               <ul style="list-style-type: none"> <li>See section IV</li> <li><b>NOTE:</b> Any cost over and above the cost for option I will be owner responsibility</li> </ul> </li> </ul>	<p>TBD</p> <p>N/A</p>
<b>General Maintenance</b> <ul style="list-style-type: none"> <li>Install smoke detector. <i>NOTE: Smoke detector is in kitchen drawer, needs 9v battery.</i></li> <li>Install towel bar in bathroom #1, bathroom #2, and bathroom #3</li> </ul>	\$165
<b>Cleaning</b> <ul style="list-style-type: none"> <li>Cleaning with specific attention to:               <ul style="list-style-type: none"> <li>Kitchen – Under Cabinet Microwave Oven filters.</li> </ul> </li> <li>Touch up cleaning, if necessary, shortly prior to new tenant moving in.               <ul style="list-style-type: none"> <li>The necessity will be influenced by factors such as foot traffic,</li> </ul> </li> </ul>	\$175

environmental conditions, and other related issues during marketing process and determined by the findings of move-in inspection which takes place 2-5 days prior to new tenant taking occupancy.	
<b>Total due from Owner</b>	<b>\$760 + TBD</b>

III. **Strongly Recommended** - Will increase Marketability and Resident Satisfaction

<u>Description of work</u>	<u>Estimated Cost</u>
<b>Windows</b> <ul style="list-style-type: none"> <li>Replace blinds: <ul style="list-style-type: none"> <li>Stairwell Window (1): as missing</li> </ul> </li> </ul>	\$50
<b>General Maintenance</b> <ul style="list-style-type: none"> <li>Final punch Two hours for maintenance tech to conduct detailed inspection of the property once market readiness project is completed (appliances, plumbing, electrical, HVAC, etc.).  Any concerns identified during this final walkthrough will be communicated with a follow-up estimate for repairs, if necessary.  During this final assessment, basic repairs such as the following will be completed, at no additional cost: <ul style="list-style-type: none"> <li>Replacing any missing / blown light bulbs</li> <li>Verify that all breakers are on in the breaker panel</li> <li>Test all unused receptacles to ensure they have power</li> <li>Replacing any damaged / missing receptacle or light switch covers <ul style="list-style-type: none"> <li>Any other minor adjustments / repairs that can be included in the 2 hour window without material cost; i.e.: replacing a fallen out screen</li> </ul> </li> </ul> </li> </ul>	\$195
<b>HVAC Clean &amp; Check Service</b> (Heating and Cooling)  Posted records show last service on 10/26/2023.  <b>NOTE:</b> It is recommended that HVAC system be service seasonally (twice per year) to optimize performance, maximize life-expectancy and reduce the risk of costly unplanned service calls.  Inclusive of: <ul style="list-style-type: none"> <li>Capture Model and Serial Number of unit</li> <li>Clean burners, flame sensor, condenser coil (if access to water is available)</li> </ul>	\$109

<ul style="list-style-type: none"> <li>• Amp records of all motors as well as the corresponding limit</li> <li>• Capacitor MFD reading</li> <li>• Static pressure on ductwork</li> <li>• Gas Pressure reading to appliance</li> <li>• Carbon Monoxide Test Ignitor</li> <li>• Maintenance will include installing a filter, if a replacement one is available onsite, or a 1" filter if one is required.</li> </ul>	
<b>Total due from Owner</b>	<b>\$354</b>

IV. Recommended - Property Repairs, Improvements and/or Preventative Maintenance that will further enhance resident satisfaction and/or maintain the condition of your property in the long run.

<u>Description of work</u>	<u>Estimated Cost</u>
<b>Painting</b>  <b>Option 2</b> <ul style="list-style-type: none"> <li>• Full house repair and paint – all walls <ul style="list-style-type: none"> <li>○ <b>NOTE:</b> If owner chose this option the amount of option 1 (in section I) will be applied to the tenant security deposit. Owner will only be responsible for the amount over the cost of option 1</li> </ul> </li> </ul>	TBD  (less cost of the partial paint in Section I, which will be applied to the tenant security deposit)
<b>Recurring Preventative Maintenance</b> <ul style="list-style-type: none"> <li>• HVAC semi-annual service</li> <li>• Gutter cleaning 2x's per year (two story – 1 hr min)</li> <li>• Hot water heater flush</li> <li>• Dryer vent cleaning – 1x per year</li> <li>• Sump pump clean and test</li> <li>• Perimeter pest control (per treatment)</li> </ul>	\$109 \$195/hr \$125 \$125 \$125 \$169
<b>Total due from Owner</b>	<b>TBD</b>

Please feel free to call or email with any questions. Have a great day.

Kind Regards,

### **Disclaimer**

This is not a home inspection. This visual assessment of the property is based on the readily accessible areas on the date of our visit. It is not a guarantee that every issue or defect will be identified. Latent or hidden defects, or those that are not visible during our assessment, may exist. This assessment does not include an evaluation of future performance or maintenance needs of the property or its components. It is not an anticipation of future issues. Property owners should anticipate and budget for ongoing maintenance and potential repairs.

### **Revised Contract Clauses**

#### **Estimates and Unforeseen Conditions**

**Red Door Property Management** provides initial cost and time estimates based on the information available at the time of the agreement. These estimates may be subject to change due to unforeseen conditions or factors not reasonably detectable at the time of the initial assessment.

Should such conditions arise, **Red Door Property Management** will provide written notice to the Owner outlining the reason for the change and a revised estimate. Examples of unforeseen conditions include, but are not limited to, issues revealed after demolition such as structural, electrical, or plumbing problems, or the need for leveling and squaring. Any additional work and associated costs required to remedy these conditions will be added to the total project cost.

#### **Workmanship and Warranties**

All work performed by **Red Door Property Management** shall be completed in a good and **workmanlike manner** in accordance with standard industry practices. All materials are guaranteed to be as specified, and any manufacturer's warranty will apply.

**Red Door Property Management is not liable for manufacturer defects in parts or materials, nor for the labor costs to remove and reinstall replacement parts that are defective due to manufacturer failure.** Any additional labor required to reinstall a defective part may be billed to the client.

#### **Changes and Amendments**

Any alteration, addition, or deviation from the specifications in this agreement that results in extra costs will be executed only upon **written authorization** from the Owner. These changes will be documented as an extra charge above the original estimate.

This agreement is contingent upon unforeseen events such as strikes, accidents, or delays beyond our control. In the event of such a delay, **Red Door Property Management** will provide the Owner with written notice and a revised timeline.

#### **Important Note Regarding Scope and Conditions**

This estimate covers only the items explicitly listed within the scope of work. This scope and pricing **do not include** remediation or repair of any underlying conditions that are not currently visible (e.g., inside walls, beneath floors, or above ceilings).

The Owner understands and agrees that should any of the following be encountered during the project, they will be considered **out-of-scope** items and will require a separate agreement or be the full responsibility of the Owner to address:

- Water damage or mold.
- Pest infestations or damage.
- Hidden electrical or plumbing failures.
- Structural deficiencies or code violations.

**Red Door Property Management** will immediately halt work in the affected area and notify the Owner if a major unforeseen issue is discovered. The Owner will be solely responsible for deciding the necessary course of action and bearing all associated costs and schedule impacts.

#### **Acknowledgement of Owner-Managed Scope and Risk**

In the event the **Owner** has elected to assume the lead role in managing and overseeing the execution of this unit turn project, the **Owner** fully assumes the risks associated with this management role, including all liability and responsibility for:

1. **Undiscovered Defects:** Any pre-existing, non-visible conditions, structural deficiencies, or code compliance issues that are discovered during the course of the work.
2. **Scheduling and Coordination:** The timely coordination of all trades, materials, and necessary inspections to keep the project on track.
3. **Cost Overruns:** Any additional costs arising from the discovery of unforeseen issues or from delays caused by Owner-managed coordination failures.

**Red Door Property Management's** responsibility is limited solely to the quality of the specific, defined tasks detailed in our scope of work. We explicitly **disclaim any responsibility** for costs, delays, or damages resulting from conditions or issues outside of that specific scope, particularly those managed or coordinated by the Owner.

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### **Late Fee Policy**

All payments are due on or before the due date specified on the invoice. Any payment not received within thirty (30) days of the due date will incur a late fee of one hundred ninety-five dollars (\$195.00).

In addition to the late fee, any unpaid balance will accrue a monthly finance charge of two percent (2%), which is an annual percentage rate of twenty-four percent (24%), until the balance is paid in full.

The client is responsible for all costs of collection, including, but not limited to, **reasonable attorney's fees and court costs.**

**Owner Acknowledgment and Assumption of Risk**

The undersigned **Owner** confirms that they have received, read, and fully understand the terms of the **Project Disclaimer** and the limitations on the scope of work.

The Owner has had an opportunity to ask any and all questions and agrees that they are proceeding with this project with full knowledge and acceptance of the risks associated with an owner-led project, including the potential for unforeseen conditions, additional costs, and schedule changes.

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