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April 5, 2011

Dear Valued Client:

I thought I'd take this opportunity to update you on a couple of issues concerning your rental property in the Fresno area. Also, attached are your reports for March 2011.

Before I get into the real "meat" of this letter let me remind you that we get a lot of calls from Realtors[®], appraisers, and insurance agents alleging to represent you, our owners. Some are legitimate and some are not. They start asking questions about the property and sometimes want access to one or more units. While we will maintain full professionalism, unless we are given permission by you, we will not cooperate nor provide them with any information. Please contact me or Christie with your permission (either by phone or email) if you want us to cooperate with any of these service providers.

In December I wrote to you regarding the new law for Carbon Monoxide detectors. (See my December 2010 letter on our website: www.foxpm.net.) We have been installing them in vacant units (houses, condos and apartments) since late last year as part of the normal "turn" to get the unit ready to re-rent. This must be done for ALL occupied single family houses and individual condos by June 30, 2011. The requirement is for one alarm on each floor of a property (e.g., townhouses and 2-story properties require 2 alarms.) The timeline for apartments (generally 4 units and up) is that they are required prior to the end of 2012. Again, we're installing them now as part of the normal turn process.

We have negotiated with a local maintenance vendor to have the work done in the next 2-3 months so that we are in full compliance with the new law. We will write a letter to each tenant, set up an installation schedule and coordinate the schedule with the tenant and vendor. The total cost to purchase and install these alarms AND coordinate the installation will be \$65 for a single story house/condo and \$105 if 2 units in the same property are required. (The cost for multiple unit locations will be adjusted.) These charges will show up on your Cash Flow report under "Equipment Repair/Maint" with a more detailed description on the Expense Distribution sheet. We'll also keep track of the installation in the tenant's file. Throughout their tenancy they are required to test them and replace the batteries as needed. During a future move-out they will be required to install a new battery in the Carbon Monoxide alarm, same as they are required in smoke alarms, or the batteries will be replaced and the cost deducted from their Security Deposit money.

Another legal development has surfaced. The California legislature is considering a bill that would extend the current time from 3 days to 14 days landlords have to file evictions for tenants not paying rent. This applies to the 3-Days to Pay Rent or Quit notices. Rent is due on the 1st, late if not received by the 5th. Tenants are usually served these notices between the 6th and 12th of each month (depending on the day of the week, etc.) if we have not received their rent. We're then able to begin eviction proceedings 3 business days after they have been served.

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This new law, if enacted, would extend the file time from 3 to 14 days, essentially allowing non-paying tenants an additional eleven business days (which could actually be almost 3 weeks with weekend days and/or holidays included) to avoid paying rent. Because we vet our potential tenants fairly well we don't have a lot of evictions, but this law could impact those we do have. We have been told that this bill (AB 265 (D-Ammiano)), has been "pulled" for consideration now but we fully expect it to come up again. If you disagree with this change please contact your Assemblyperson and let them know.

Once again, I'm forced to let you know that the overall rental market remains VERY slow. Especially hard hit has been the rental condo market. They seem to stay vacant longer than individual houses. Not sure exactly why. They're usually a very good value and usually larger than comparable houses (e.g., 2br/2ba, etc.) and apartments. Having said that, many people still desire houses with yards and garages. Price usually isn't a major factor. If your property is occupied consider yourself lucky. We will continue to do all we can to avoid creating a vacancy and will work with good tenants to keep them. Our standards for approving tenants remains high but we will "bend" a little for those applicants we think have a good chance to succeed as tenants.

We continue to make improvements to our website (www.foxpm.net) and have recently started a Facebook page for properties. Look for us at Fox Property Management. Your feedback and comments are always appreciated.

I again thank you for your business and pledge to continue to manage your property as if it were my own. We are thankful for the confidence you've shown in our company. Please call, write, or email me any questions.

Sincerely,

Terry A. Fox, CPM®
Owner/Broker
terry@foxpm.net

Enclosures

TAF:ck