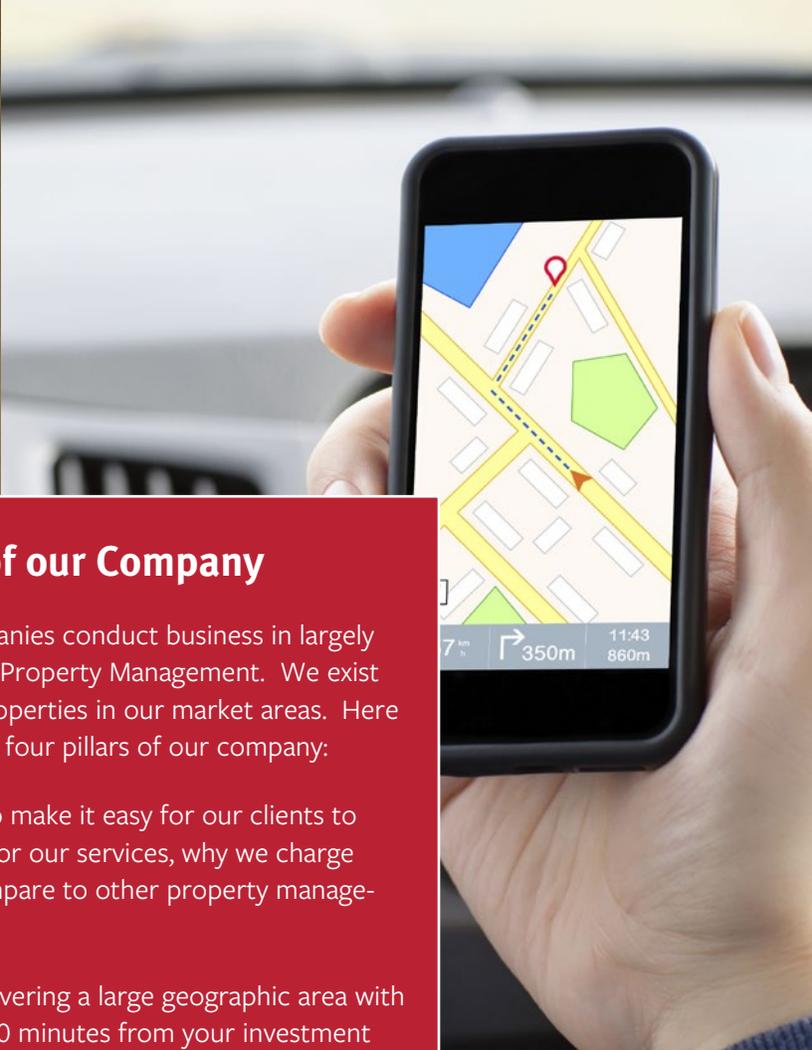




**The finest property
management in Southern
California.**

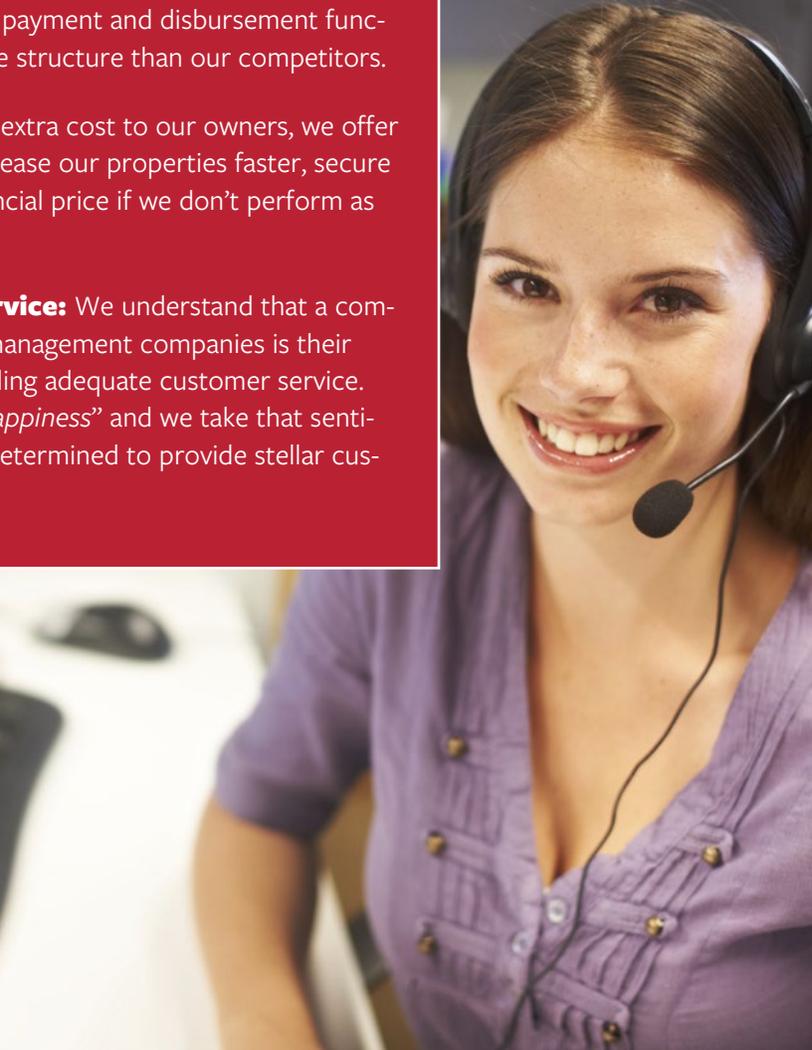
PROGRESSIVE
PROPERTY MANAGEMENT, INC.
Progressively Better



The 4 Pillars of our Company

Most property management companies conduct business in largely the same manner: not Progressive Property Management. We exist to improve the management of properties in our market areas. Here are the founding concepts and the four pillars of our company:

- 1 Transparency:** We strive to make it easy for our clients to understand what we charge for our services, why we charge what we do, and how we compare to other property management companies.
- 2 Economies of Scale:** By covering a large geographic area with a number of local branches 30 minutes from your investment property and centralizing the payment and disbursement functions, we can offer a lower fee structure than our competitors.
- 3 Value Propositions:** At no extra cost to our owners, we offer programs and guarantees to lease our properties faster, secure better tenants and pay a financial price if we don't perform as promised.
- 4 Superlative Customer Service:** We understand that a common complaint of property management companies is their general indifference to providing adequate customer service. Our slogan is "We Manage Happiness" and we take that sentiment very seriously and are determined to provide stellar customer service.



We are truly excited that you have found our company and are interested in our services. We have partnered with some of the best real estate companies in Southern California to offer better pricing, service and programs in property management.

If you ever have any concerns or would just like to contact me, please do so at any time. Thank you for your time.

SCOTT P. BRADY

Scott P. Brady

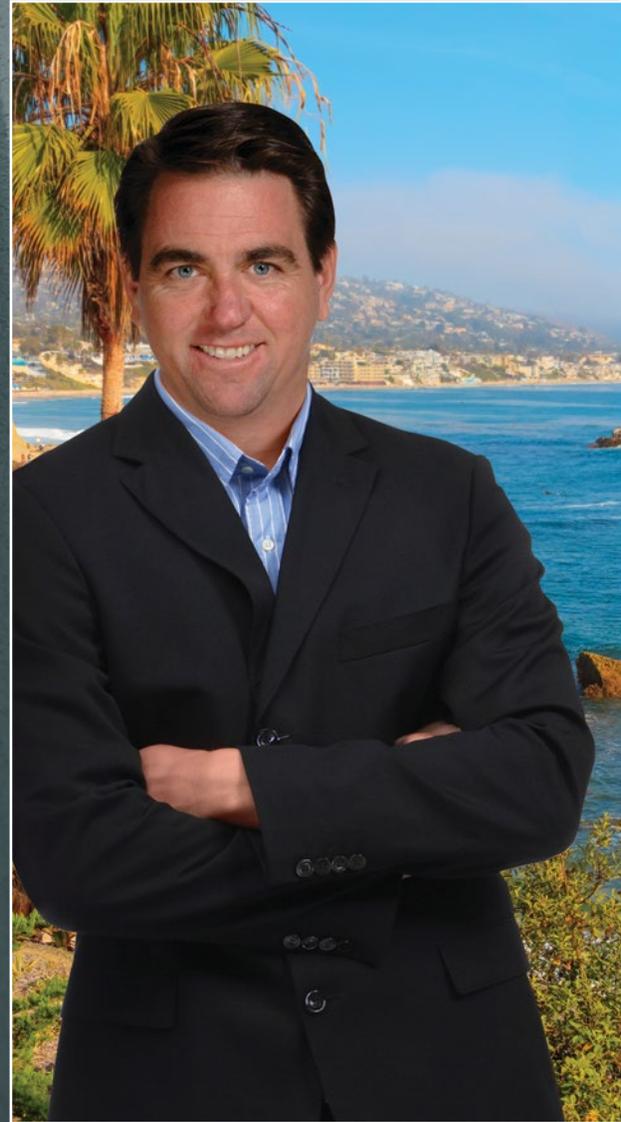
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PROGRESSIVE

PROPERTY MANAGEMENT, INC.

Progressively Better



Top 10 Reasons to Call Progressive Property Management, Inc.



1. Comparing Companies is a great way to start, and we won't ask for an email.

Take a few minutes to compare 8 property management companies in your area. We dare to compare ourselves to other companies providing the same services.

2. Progressive Pricing means no "surprises."

We charge as little as 4% of the monthly collected rent as our fee. Your rate depends on the type of property and the amount of the monthly lease. Regardless, there are no hidden fees or surprise costs and we are paid only when we receive the monthly payment.



Transparency



3. Anywhere in SoCal in 30 Minutes.

We only manage properties that are within 30 minutes of our branch offices. Although we manage properties all over Southern California, we will be at your property in a half-hour or less.

4. Superlative Customer Service.

We try to set the standard in customer service for property management. Don't take our word for it, go to our website, and you will find the link to Yelp and you can see what our clients say about us. It doesn't cost more to work with the best.



5. Keep It Legal.

If the tenants do not pay as agreed, or violate the terms of the lease, we will follow the letter of the law to have terms complied with; or have the tenant evicted. We keep abreast of the law to protect our owners.





6. Six Guarantees (No Extra Fees)

It is one thing to promise to perform, and another to guarantee it. We offer a 6-performance guarantees so that if we don't perform as promised, we pay a price.

7. Extensive Marketing.

We will use the best marketing tools in your area to secure the best tenant. That may include the MLS, Rently.com, Craigslist or Rent.com, but the cost is included in our agreement.

8. We Use Technology & Tools to Improve.

We embrace technology that improves the quality of our service, communication with our clients and the overall experience of our owners and tenants. We implement those tools that make us more efficient, productive and better connected to our clients.

6 Guarantees

SIX PERFORMANCE GUARANTEES

1. BETTER TENANT GUARANTEE

If we must evict a tenant placed by us, we pay the legal fees. We stand behind the tenants we recommend to occupy your property, and for a 1% monthly fee, we stand behind that recommendation.

2. PAYMENT GUARANTEE

If the tenant does not pay their rent as agreed, you don't pay us our management fee. We are only paid when you are.

3. SERVICE GUARANTEE

If we don't mail or wire your monthly proceeds within 5 business days of receipt of rent, we will waive that month's management fee.

4. FEE GUARANTEE

If you can find a lower fee to manage your property in writing, we will match it. As long as the other firm does not charge fees in addition to their base percentage, we guarantee to match it.

5. RESPONSE GUARANTEE

If an owner or tenant calls, texts or emails us, we will respond within 24 hours, or we will waive that month's management fee.

6. SATISFACTION GUARANTEE

If you are not satisfied with our service, you can cancel our contract at any time with 60-day notice.





9. Sierra Maintenance Services.

Our in-house maintenance team is on hand to for basic repair services so we can prioritize our jobs and guarantee our work. We only charge by the hour, have no time minimums and our costs are lower than other maintenance companies.



Currently Sierra offers the following services:

gardening, landscaping, handyman work, painting and carpet cleaning. All of our work is guaranteed and if you or your tenant is not satisfied, we will make it right. You are not obligated to use Sierra, but here are a few programs that you may want to consider for your investment property:

■ Preventative Maintenance Program

For \$50 our handyman will visit your property and conduct a thorough maintenance walk-thru with your tenant. We may be able to catch a small issue before it becomes a major expense, and conduct some routine maintenance that tenants typically neglect.

■ Annual Carpet Cleaning Program

For 30 cents a square foot our cleaners use our truck mounted unit to bring the carpeting in your property back to its best form. Without an annual cleaning, and tenants are not inclined to clean your carpet professionally, the carpet may deteriorate prematurely, and you may end up installing new carpet.





10. When You Call, Get Happy.

Managing a property can be an aggravating experience. Enjoy the fruits of your labor and let us handle the tenants, toilets and troubles of investment properties. Sit back, relax, and call Progressive Property Management, Inc.

Owner Reports

Owners rightfully demand accurate accounting and clear understanding of our financial reporting. We use Appfolio for our residential property management software. It provides robust reporting and a portal owners can access in order to create their own reports.

We follow a traditional cycle of cash basis accounting. All rents and income collected during an operating month are deposited into a trust account. As income is collected, and funds cleared by the banks, we guarantee to mail or wire our

owner's monthly proceeds quickly and our owners typically receive their funds by the 15th of the month if the tenant has paid as agreed. Statements are then mailed and owner disbursements made by direct deposit into each owner's account or sent by check.

▼ *Each owner will also be given login instructions for the Appfolio software so that at anytime, anywhere, our owners may access the accounting for their property and download their own customizable reports.*



There is no such thing as too much accurate information when it comes to property management.

Our owners receive three reports each month and two at year end:

Monthly

- **Owner Statement** — This is a snapshot of that month’s income and expenses. We include a copy of every invoice paid for that month as well.
- **Year to Date Cash Flow Statement** — This gives our owners a quick reference for all inflows and outflows of cash to date.
- **Tenant Unpaid Charges Report** — In the unfortunate event a tenant is in arrears, this report gives a detailed accounting of these amounts.

Year End

- **Year End Property Statement & Profit and Loss Report** — Sent at the end of January of each year, this is a summary of all income and expenses for each property.
- **Year End 1099 Statement** — As required by the IRS, we must send a statement of all income received for each property and report that income to the IRS and send this form to the owner.

Property management company information

Owner information

Easily identify bills paid and associated with each property – no surprises.

Statement period

YourName Property Management

53 Castilian Way Drive
Santa Barbara, CA 93102

Period: 01 Sep 2011-30 Sep 2011

Owner Statement

Jonathan and Carolina Diaz

9578 Vista Road
Miami, FL 33132

Properties

Mission Street - 23 W.
Mission St
Santa Barbara, CA 93109

Complete description of each bill

Date	Payee / Payer	Check #	Description	Income	Expense	Balance
			Beginning Cash Balance as of 09/01/2011			250.00
09/01/2011	William Reynolds		Rent - Rent	3,350.00		3,600.00
09/03/2011	YourName Property Management	7366	Commissions Paid - Commissions Paid for 09/2011		335.00	3,265.00
09/07/2011	Mike Berthold	7367	Light Fixtures		125.67	3,139.33
09/14/2011	City of San Diego	7368	Property Tax		211.67	2,927.66
09/25/2011	Jonathan and Carolina Diaz	7381	Owner Distribution - Owner payment for 09/2011	2,677.66		250.00
			Ending Cash Balance			250.00
Total				3,350.00	3,350.00	

Property Cash Summary

Required Reserves	250.00
Prepaid Rent for Future Rent	0.00
Reminder of current balance due	0.00

FAQs

(Frequently Asked Questions)



Allowing a third party to manage your investment property may create some anxiety and questions. Here are some questions that are frequently asked of us by new clients.

Of course if you have questions that are not addressed below, please feel free to contact us at (714) 528-3100.

Q: Who actually markets my property?

A: Depending on the type of property and the area, we will use the most effective marketing tools at our disposal. That may mean the MLS where we offer a commission to the agent who brings a qualified tenant, a third party who requires a fee to be paid or Craigslist; we will recommend the marketing that will bring the best tenant at the lowest cost.

Q: Who pays for the marketing?

A: There is no cost to the owner for the marketing of the property. We pay for signage, MLS, and various internet services. If you agree, you may pay another agent who brings a tenant through a “fee” service such as the MLS.

Q: What does it cost to put my property up for lease?

A: It costs nothing. We are paid a percentage of the monthly lease payment once we have secured a tenant.

Q: Who determines how much to ask for the rent?

A: We will recommend an asking price for your property, and use our marketing skills, real estate experience and a rental analysis to determine a price. Ultimately though, the rental market itself decides the monthly rent with the interest and offers from prospective tenants.

Q: What is typically involved in preparing a property to be rented?

A: Tenants expect all major systems to be operating condition, all health and safety issues to be addressed, and the property to be ‘move-in’ ready. This may include painting, carpet cleaning, interior cleaning and minor repairs.

Q: How are the tenants selected?

A: We use our “Better Tenant System” which uses a screening process that analyzes credit, income, rental history and most importantly, we listen to their “story”.

Q: Is there a cost to process the tenant’s application and draw up the lease?

A: We typically charge the prospective tenant \$25 to run a criminal background check, full credit report and rental history report. There is no additional cost to our owner.

Q: Who pays for repairs and maintenance during the tenant’s stay?

A: The owner typically pays for all maintenance and repairs. For any repairs under \$350, we pay these immediately. Any repairs over this amount must be approved by you and we must obtain a minimum of two bids.

Q: Are management fees deductible on my tax returns?

A: Check with your tax expert, but generally our fee is tax deductible.

The Payment Process

Unless stated differently in the tenant’s lease contract, all rent is due on the 1st of each month and considered late if not received by the 5th of the month. If the 5th falls on a holiday or Sunday, then payment is considered late on the next business day.

Tenants are able to make their rental payments via personal check, Cashiers Check, Money Order or Electronic Funds Transfer

(EFT). Please note that any payment made via EFT is held for 3 business days until funds have cleared. These payments are NOT considered late if the funds clear after the 5th of the month. Monthly accounting for each property is processed in the order payment is received and funds are cleared. As the owner, you have the option of receiving your proceeds in any of the following ways:

TYPE	TIME	COST
Check	Pick up in office when ready	FREE
Check	Mailed to preferred address	FREE
ACH Transfer Bank of America Accounts	3 day wire transfer 5pm PT cutoff time	FREE
ACH Transfer Bank of America Accounts	Next day wire transfer 5pm PT cutoff time	\$10.00
ACH Transfer Bank of America Accounts	Same day wire transfer 2pm PT cutoff time	\$20.00
ACH Transfer Non-Bank of America Accounts	3 day wire transfer 5pm PT cutoff time	\$3.00
ACH Transfer Non-Bank of America Accounts	Next day transfer 5pm PT cutoff time	\$10.00
ACH Transfer Non-Bank of America Accounts	Same day transfer 2pm PT cutoff time	\$25.00

For example:

Tenant Sends Via EFT Rent.....April 4th
 Funds Cleared by Bank.....April 8th
 Funds Sent Via ACH to Owner.....April 9th
 Funds Cleared to Owner.....April 12th

We will make every effort to have your accounting processed in a timely fashion and funds distributed to you no later that the 15th of the month. Please understand that occasionally circumstances arise where proceeds may be delayed. You have the option to change your disbursement method at any time allowing you try the best payment method for you. If you do not select an option listed above, Progressive Property Management will choose the least expensive method to get your proceeds to you. With our Service Guarantee, if we don’t mail or wire your monthly proceeds within 5 business days of the receipt of good funds, we will waive that month’s management fee.

Better Tenant System

After 20 years owning real estate, income property and management businesses, we have made the following discovery: better tenants make more satisfied owners. Let's face it, better tenants also mean less aggravation for us as well, the management company. To find and keep these tenants, we have developed and utilize the "**The Better Tenant System**". Here are the five principles of this system:

1. Throw a Wide Net — Our real estate expertise allows us to use all marketing channels available, both conventional and cutting edge, to attract the greatest number of potential tenants.

2. Consider Credible Credit — It is not uncommon for tenants to have less than perfect credit, and that is permissible. However, there are red flags and it takes an expert to decipher acceptable credit for your next tenant.

3. Find Positive Cash Flow — Some tenants will have easy to verify income while others may not be able to "show" their cash flows, but by using common sense screening, we are better able to determine the capacity of a tenant to pay their rent.

4. What's The Story? — No matter how much money a tenant has in the bank, or how seemingly stable their income, once they are in your property it is difficult and expensive to remove them. We take the time to find out their story and why they are seeking to lease your property.

5. Keep to the Contract — Too many owners bend the rules and allow tenants to pay late, or not at all. We are paid to enforce the contract and terms the tenants have agreed to, and will do so to the very letter of the law. A better management experience starts with a better tenant: depend on us to find that tenant using this system.

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5-Step Certification



It takes 5 Steps to make a great first impression on a prospective tenant.

Properties that are prepared for rent rather than just thrown on the market, rent faster and for more money than properties that are not. With our **5-Step Certification Plan**, your rental is thoroughly prepared for lease.

Here are the steps to a better rental property:

- 1. Market Evaluation** — We review the current marketing conditions and perform a full market analysis to position your property effectively in the marketplace.
- 2. Property Assessment** — We conduct a thorough assessment of your rental and make recommendations for making the property more marketable.
- 3. Clean & Show** — We coordinate with the utilities to make the transition to a new tenant seamless and easy.
- 4. Vendor Coordination** — We have multiple bids made on any work to be performed and monitor the work that is done.
- 5. Quality Inspection** — Prior to the property going on the market, we will conduct a final quality inspection and address any items not completed to our standards.

Life of an Eviction

In the unlikely event that a tenant must be evicted we will hire a professional law firm to expedite the removal of the tenant. Here is an overview of that process:



EVICITION CHECKLIST

1. 5th of the month — if rent has not been received then rent reminder is sent via e-mail and/or call tenant.
2. 6th of the month — if rent has still not been received then mail and post “Eviction Notice” letter.
3. 7th of the month — rent has not been received then mail and post “Three Day Notice to Pay Rent or Surrender Possession” with “Declaration of Service Notice To Resident”.
4. Contact Duringer Law Group and provide deposit of \$744* to start “Unlawful Detainer Action”.
5. Tenant is sent “Unlawful Detainer Action Notice” from Duringer Law Group.
6. If tenant does NOT contest “Unlawful Detainer Action” then a “Writ of Possession” is issued.
7. If tenant contests “Unlawful Detainer Action” then Duringer will notify Progressive Property Management with court date and time.
8. Court Hearing — Progressive Property Management will accompany Duringer Law Group representative. Owner may attend if desired but not required. A “Writ of Possession” is issued at this hearing.
9. A “lock out” date will be provided by the local law enforcement authority and enforced. Actual date of “lock out” will depend on contested/uncontested “Unlawful Detainer Action”. Progressive Property Management will be on site at the “lock out” and supervise the re-keying once the tenant is removed or it is confirmed that they have already moved out.
10. A summary of damages caused will be assessed and provided to Owner. Owner can receive a judgement for damages against tenant security deposit and/or through additional court action with the assistance of Duringer Law Group. Additional retainer fees paid to Duringer Law Group may be required.

**Actual cost of eviction may vary and amount provided is only an initial deposit and estimate of total fees required.*



EVICTON FAST TRACK TIME CHART

TENANT FAILS TO COMPLY WITH NOTICE OF TERMINATION (EITHER 3 OR 30/60 DAY NOTICE)



PROGRESSIVE PROPERTY MANAGEMENT CONTACTS THE DURINGER LAW GROUP



FILING AND SERVICE OF THE SUMMONS AND COMPLAINT
0 – 1 DAYS



UNCONTESTED

Tenant fails to Respond to Complaint

Attorney Files Request for Default
6 – 10 DAYS

Court Issues Default Judgement
6 – 14 DAYS

Writ of Possession Obtained
6 – 14 DAYS

Sheriff Serves Tenant With Final Notice
8 – 15 DAYS

Sheriff Evicts Tenant
14 – 21 DAYS

Estimated Time of an Uncontested Case: 14 – 21 Days

CONTESTED

Tenant Responds to Complaint

Attorney Files Memo to Set Trial
6 - 10 DAYS

Trial
18 – 25 DAYS

Writ of Possession Obtained
19 – 26 DAYS

Sheriff Serves Tenant With Final Notice
20 – 30 DAYS

Sheriff Evicts Tenant
26 – 35 DAYS

Estimated Time of a Contested Case: 14 – 21 Days

We have six locations covering Southern California.

Central Orange County
(714) 528-3100

San Diego County
(619) 518-7895

Beach Cities Orange County
(949) 344-1860

Long Beach
(562) 458-4017

Riverside County
(951) 956-6979

Southeast Los Angeles
(562) 489-6376

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