

Owner's Manual



Norman Investments, LLC
PROPERTY MANAGEMENT



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Thank you for choosing Norman Investments, LLC Property Management (herein after referred to as NIPM) to manage your investment property. We work hard to achieve the highest professionalism in Property Management and Leasing Services. Therefore, we have prepared this Property Owner Manual to assist you in a successful business relationship. We urge you to take the time to review the information enclosed. We feel this will further clarify many of the procedures for our Property Management services. After reading the material, if you have questions or concerns, please contact us immediately at (804) 339-6529 or Email us at benita@normaninvestments.com

Special note: The information provided in the NIPM Owner's Manual is subject to change. Landlord/Tenant laws, policies, and procedures change accordingly to events that take place. Once again, thank you for choosing NIPM as your Property Management Company. We look forward to a successful business relationship!

Owner Documents - A copy of your management agreement is included with the Owner's Manual. Refer to it as needed and keep it with this information for a handy reference.

It is important that NIPM 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.:

- 1) Electronic Banking Authorization – ACH form- This form enables NIPM to send your funds directly to your bank. If you do not wish to start ACH at this time, you can use this form in the future.
- 2) Insurance Authorization- This form requests the insurance company issue a copy of your property insurance to NIPM and that they name us as “additional insured and certificate holder” on your Policy. Please send this directly to the insurance company and forward a copy of your request to NIPM.
- 3) W-9- We need this information for tax purposes prior to establishing your account.
- 4) Lead Based Paint- If your home was built prior to 1978, and you have not completed the form we will provide it to you and it must be returned ASAP.

You may contact us by Telephone, Fax, Email, and Written correspondence.

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Company Communication - Communication is the key to a successful relationship and the NIPM/Owner relationship is certainly not an exception. We work constantly to improve communications with all of our clients, tenants and vendors.

Communication works both ways. We need communication from you, the owner. It is important that you let us know of any significant change that can affect your account. We need 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 other important information.

NIPM encourages all owners to use email to contact us. It is fast, effective, and provides written documentation for our records. We will respond to your email in most cases on the same day, or within 24 hours (excluding holidays).

Special note: When using email, we request that you put the "property address" in the subject line. With the problems of spam, worms, viruses, and more in the Internet world, this helps us identify the importance of your message, and avoids oversights or deletions of messages.

Norman Investments, LLC Property Management stays current with business technology. For this reason, we have invested many resources in our websites, as more and more renters are using the web to search for their new home. Here are a few of the benefits for clients on our website:

- * EVERYTHING now be done on our NIPM website
- Prospective tenants can search our site for available rentals.
- Tenants can download forms and documents.
- Tenants can fill out applications, request maintenance, and also pay rent

Our Staff:

- Management Contact - we have licensed manager that can focus on showing your property, processing applications, renting, managing all the many facets of tenancy, and handling the details when the tenant moves.

Owner Responsibilities –

- Notify NIPM of any ownership change or eminent owner change for the managed property.
- ♣ Supply NIPM with accurate information so we can service the management account properly.
- ♣ Review statements monthly and notify us of any discrepancies found as soon as possible.
- ♣ If using ACH, check statements monthly for accurate or missing deposits and notify NIPM if there are problems immediately.
- ♣ Support Fair Housing Laws and guidelines a link is available on our website under Services.
- ♣ Maintain a current insurance policy for their property.
- ♣ Review their property insurance yearly and update as needed.
- ♣ Review the VLTA (Virginia Landlord Tenant Act) a link is available on our website under Services.

What is not included in Norman Investments, LLC Property Management services - Because NIPM provides owners with full service, it can be easy to request something that we cannot perform. Some tasks go beyond the normal scope of property management or require additional fees/services (see below).

Owner understands and agrees that normal Property Management does not include providing on-site management services, refinancing, fire or major damage restoration, rehabilitation, obtaining or giving income tax or legal advice, representation before public agencies (unless an Unlawful Detainer), debt collection, counseling, or attending Homeowner Association meetings (if applicable).

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

Mold issues – NIPM regards mold issues as a top priority in property management. Owners should be aware that mold is another leading issue in the property management industry and failure to act if tenants report or discover mold can lead to costly lawsuits. This is an area of extreme liability and NIPM takes action if a tenant reports mold. NIPM notifies owners as soon as practical of any mold issues so NIPM and/or the property owner can take the proper steps.

Banking - NIPM holds Security deposits for renters in a separate Non-Bearing Escrow acct.

Monthly statements - You can expect to receive a monthly, computerized report showing all income and expenses of your rental property on or before the 15th of each month, tenants checks **MUST** clear bank before owner's checks are written or ACH transfer.

End of year procedures - At the end of each year, NIPM is required to file 1099's for income received 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. Please note that security deposits are not included in this amount.

It is necessary that you supply NIPM with the necessary Social Security/Tax ID information so the 1099 is accurate. NIPM will send the 1099 for the rent by January 31 for the previous tax year. If there is a change or you need another change of information form, please contact us by the end of the year. After 1099 is sent, you will have 30 days to review.

NIPM also issues 1099s for disbursements to vendors for work over \$600.00. Therefore, owners do not have to issue 1099s for work completed and paid through our banking 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 vacancy, NIPM wants the property to look its best so it can compete with other area rentals. A property maintenance report and rental market analysis is completed. Our team will contact you to discuss the details of your vacant property and any necessary maintenance.

Setting the rent - Supply and demand determines 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 can make it easier to rent the property. Markets change and advises owners on the "current rental market." We will not lease your property at a lower amount than agreed upon, without your permission.

How long will the property be vacant? - This is the most commonly asked question we receive 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, NIPM works diligently to rent the property as quickly as possible.

Advertising/Marketing - NIPM has found that the Internet and our website receive tremendous exposure as well as the Multiple Listing Service.

Signage - We will place a professional, attractive "For Rent" yard sign on your property at least two weeks prior to any known vacancy, or immediately if you have just listed your rental home with us. Each sign carries the phone number and website address. Signs promote calls. The caller can immediately access the property information on the web 24 hours a day.

Showings and applications - The Property Manager will schedule showings of your property to all prospective renters until your rental home is leased. We also arrange showing times on weekends. When prospective tenants see the property, the management team answers questions and distributes applications. Applications are available at the property showings, and on our website.

Processing Tenant Applications - Thorough screening is crucial to successful Property Management. NIPM requires all applicants to fill out a detailed application and submit it for processing/approval. All rental applicants will be subjected to:

- 1) Contact current and previous landlord(s) to verify rental period and payment history.
- 2) Contact employer to verify employment history or provide last two current paystubs.
- 3) Self-employed applicants must provide their most recent tax return.
- 4) Applicant's gross monthly income must be two-three (2-3) times the amount of the monthly rent.
- 5) NIPM does a credit check, criminal and back ground check. If unacceptable information is found, application will be declined.

Cosigners - We normally do not accept cosigners. Our policy is that the applicants should have the ability to rent on their own merits. However, some conditions may warrant taking a cosigner/guarantor on a property.

Guarantor- If tenant falls short of lease requirements, a lease guarantor could help. A rental agreement is most often made between two parties: the landlord and the tenant or tenants. However, in some cases, a lease guarantor acts as a third party to help provide security for the landlord in terms of the rental agreement. The guarantor on the lease agrees to pay the rent if the tenant can't. Some landlords accept guarantors on a case by case situation, not all are accepted.

Pets – Many tenants have or want pets. It is legal for property owners to discriminate against pets. You may wish to do so. By listing pets as negotiable, it avoids eliminating an excellent tenant that does care for their pet, has an excellent tenant history, and owns a pet that is suitable to your property.

If an owner authorizes a pet, NIPM takes a pet policy/application and restricts certain types and breeds.

Pit Bulls, Chow, Rottweilers, Sharpel, Akita, Doberman, Mastiff, Presa Canario, Ovcharka, Fila Brasileiro, Cane Corso, Beauceron, Wolf Hybrids or a mix of any of these breeds or weight less than 25 lb.

NOTE: "Service animals" (SA) for handicapped/disabled persons are NOT pets by Federal law, and owners cannot discriminate against handicapped/disabled persons with a service animal. Emotional Support Animals (ESA) also fall under Fair Housing. However, documentation is required from their physician. Fair Housing legislation does NOT allow owners or property managers to collect deposits of any kind for service animals/emotional support animals.

Lease Agreement - A thorough lease agreement will be prepared and signed by the Landlord and Tenant. NIPM ***will not sign the lease agreement with the tenant the lease is between the owner/landlord and tenant.*** All necessary addendums are included with this documentation. All persons 18 and over, including adult children, are required to read and sign all lease agreements. If the accepted applicants are a foreign nationality and cannot read and understand the documentation, they must supply their own interpreter of legal age for signing the lease agreements.

The Tenant Move-In - Rent and security deposits - NIPM does not accept personal checks for Security Deposits. All applicants must pay the first month in full at the time of the move in inspection.

Tenant handbook - Tenants immediately receive the "Tenant Handbook." This detailed booklet gives them additional information on how to care for the property, report repairs, maintain the property, make timely payments, how to give proper notice to vacate, leave the property in good condition, and more. Visit: www.normaninvestments.com click on the Application tab to view a copy of NIPM handbook. Taking the time to prepare tenants for their residency is another step toward a successful tenant/landlord relationship. An acknowledgement statement is included.

Collecting rent - Rents are due on the 1st and late on the 5th of the month. Norman Investments, LLC does not tolerate the delinquent payment of rents. We are careful to explain this policy to new residents in order to avoid and misunderstandings that might arise later. Our rent collections and delinquencies policies are as follows:

- 1) We will make every effort to collect rents timely when due (1st of the month).
- 2) We will Hand Deliver and by Mail a Pay or Quit Notice (sample attached).
- 3) If no response we will turn delinquent residents over for an eviction to be filed with your approval, we do charge an hourly rate of \$25.00 for non-management duties. Please refer to your Management Agreement.

NOTE: NIPM recognizes that many things can happen where it concerns rent; rent can really be lost "in the mail"; employers can delay the tenant's paycheck, there are real tenant emergencies, and more. Therefore, we make a serious effort to determine why the tenant has not paid the rent.

Other notices - There are other notices that may be involved with tenants. NIPM 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.

When your property becomes vacant, we will take necessary actions to improve the property's showability to prospective renters. This means faster lease ups and less vacancy for you. Examples would include lawn service; carpet cleaning, house cleaner service, pool service, utilities and painting when necessary. In the event that any of these repairs were due to the former rental residents' tenancy, we will spend all of their security deposit first to put your property back into its pre-rented condition.

Emergencies/Disaster - When an emergency and/or disaster strikes, NIPM has policies in place for the property and tenants. NIPM notifies the property owner as soon as practical. There are times when a property manager must "act" in order to prevent great financial risk to the owner. For example, when a property is flooding, action is necessary, particularly if the property owner is not immediately available.

Tenant Vacates - Notice to vacate - The preparation for this really began when the tenant moved in with a detailed rental agreement and our Tenant Handbook, which gave instructions to the tenant on how to move out.

Tenant move out - NIPM conducts a walk-through. We record any maintenance required and disclose a list of damages to the vacating tenant. Manager documents the condition of the property that supports any deductions from the security deposit. After assessments of the tenant move out, NIPM 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 state laws. Virginia Law requires security deposits be returned within 45 days. If we intend to make a deduction from the deposit, so this will allow us to get the items done and charge the tenant for the actual expenses. Once we determine the deductions, we must notify the tenant by certified mail, and they are given 15 days from the date of the receipt of the letter to dispute the charges. Tenants often dispute, and we cannot disburse the money to the owner until the dispute has been resolved. It is usually best to allow us to try to negotiate with the tenant. In the event of a dispute, we will notify you of the dispute and discuss possible solutions.

Collections - If collecting damages is required, NIPM will refer the matter to a qualified consumer collection service at the instruction and authorization of the owner. NIPM will supply consumer collection companies with documentation.

Tenant problems – Norman Investments, LLC Property Managements policy is to obtain good tenants, eliminating many tenant problems. However, even good tenants have problems. NIPM treats each problem with common sense approach, follows landlord/tenant law, and uses the appropriate documentation. If the situation turns serious, NIPM contacts the owner, and works to find a solution for the problem.

Legal action - Although NIPM works diligently to avoid the necessity to begin an eviction proceeding, it can happen. In the event any legal action is required, NIPM will contact the owner prior to taking action, discuss what is needed, and obtain owner authorization.

Lease Renewals - We strive to get our tenants to renew their leases, 60 or 90 days prior to the expiration of their lease agreement. We will try to renew the tenant's lease for another year at the same rate or at a slightly higher amount of rent should they go to a month to month basis. We will renew the resident's lease agreement, or re-rent the property to new residents, unless we have a 90-day written directive from you not to renew the lease or re-rent the property. Renewal fee is \$150.00 due upon signing of Lease renewal.

We will also conduct a property inspection, correct any maintenance problems the tenants may have, and will contact you in the event of necessary repairs.

Property Inspections - We will conduct a "Move-In" inspection prior to new residents moving into the property. We will also conduct other drive by periodic inspections, or if we determine that checking out the property is warranted. When the residents move out of your property, a Move-Out inspection and thoroughly documents the condition of the property, according to your management agreement.

Preventative Maintenance – Our policy and the best approach to maintenance is "preventative maintenance." First, we supply tenants with the "Tenant Handbook," which provides instructions on the care of the property and how to report maintenance. Next, we use "preventative maintenance" techniques when work is required and utilize competent contractors. Often minor expenditures save the most money such as doorstops, 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." This is why, in our tenant instructions, we require them to report problems. For example, what is worse than finding out dry rot could have been prevented or discoloration of the linoleum if the tenant had reported the leaking toilet in the bathroom? Avoiding major maintenance costs are certainly more favorable in such cases. Rental homes must be properly maintained in order to preserve the value of the property and maintain a positive relationship with the residents.

NIPM will contact owners regarding maintenance above the agreed upon amount that is listed in your Management agreement, unless the situation is an emergency. Sometimes when a maintenance person is at the home to give an estimate, they find they can complete the repairs right then and they will call us. If we cannot reach you but we feel the work is necessary we will authorize the repair and let you know this at the earliest convenient time. We do check pricing and we do always look out for your best interest in the decision-making process. When the amount is going to be less than \$100, our vendors do not call for approval, they just do it. In this case, we will send a copy of the invoice with your monthly statement.