

## **THE OWNER GUIDEBOOK**

The Property Management Agreement (“Agreement”) is a contract created by and between “You” the Owner of a Rental Property (“Property”) Total Property Solutions, LLC ( “US”).

### **FAIR HOUSING**

Total Property Solutions adheres to all fair housing law at all times. Rental properties under our management are available to any qualified applicant without regard to race, color, religion, national origin, familial status, sex, or disability. The local jurisdiction in which your property is located may have established additional protected classes in addition to these seven federally mandated groups. Disabled tenants may have special needs that require modifications to the property or accommodations from the landlord. Such tenants must be afforded the same opportunity to obtain and use rental housing able bodied renters enjoy. Typical accommodations are exceptions for service or companion animals, ramps or railings, or special parking arrangements.

### **RENTAL LAWS**

Many jurisdictions have specific laws and requirements concerning rental properties with which you must comply. Total Property Solutions will monitor these laws and advise you of your specific responsibilities. You are responsible for complying with these responsibilities.

### **FEES**

As compensation for services provided, you will pay Total Property Solutions, LLC for the management of the Property as outlined in your agreement a percentage of rent received, due upon receipt. Should the Property be vacant while managed by us as outlined in your Agreement, you agree to pay a flat fee of \$50 per month to Total Property Solutions, LLC.

### **ACCESS TO PROPERTY INFORMATION AND OWNER DISBURSEMENTS**

You have access to activity related to your property through the website [Totalpropertysolutionsva.com](http://Totalpropertysolutionsva.com). Upon commencement of your agreement, you will receive instructions as to how you may establish secure access to this information. Rental proceeds less any actual or anticipated expenses for the month will be forwarded to you through a direct deposit typically within 2 business days of receipt of cleared funds from the Property tenant.

Each January Total Property Solutions will generate an annual statement for you. These statements detail income and expenses broken down by category for ease of tax reporting. Additionally, an IRS form 1099 is provided with total income information for the Property.

### **DOCUMENTATION**

You should provide Total Property Solutions with all documents related to the property such as condo and homeowner association regulations and contact information. It is also helpful if you can provide any maintenance history , instruction manuals and information on active warranties.

### **KEYS**

You should provide Total Property Solutions with a complete set of keys to all locks on the Property, as well as any pass codes for alarms or other systems. For security reasons, we will typically re-key all exterior locks at the beginning of each tenancy. This is an expense for which you are responsible.

**LEAD PAINT**

If your Property was built prior to 1978, there exists the possibility that lead based paint could have been used. The Environmental Protection Agency has mandated that properties built prior to 1978 receive special treatment to prevent lead poisoning. Most important is disclosure to tenants of the potential hazard by delivering to them an EPA booklet and a disclosure providing information about any know lead hazards. Additionally, anyone doing work on a target property which could disturb lead based paint has to be certified by the EPA.

**PROPERTY INSPECITONS**

Total Property Solutions will inspect your property at the beginning and end of each Lease and periodically in between. These inspections are done to monitor the condition of the Property, tenant upkeep and treatment of the Property and to identify any areas that would require maintenance or repair to prevent damage or loss to the Property. Detailed documentation of these inspections, supporting photographs, and any recommendations are then uploaded to our website where you may securely access them at any time.

**OWNER ACCOUNT**

You will establish and maintain a reserve account with Total Property Solutions with a minimum balance of \$300.00 plus sufficient funds to pay any bills that are typically due for the property over a one month period. These funds will be used to pay expenses associated with the Property which cannot be paid through normal rental cash flow. With the exception of emergencies, we will not incur any expenses in excess of \$300.00 without your prior approval.

**TERMINATION**

Your agreement will typically be in place for 1 year and continue thereafter until either party provides 30 days written notice of intent to terminate. Typically within 15 days prior to the termination of the agreement, Total Property Solutions will generate a final accounting of all financial activity on the Property. You would then be responsible to pay any fees that you owe prior to the termination date. Should Total Property Solutions owe you funds, these will be forwarded to you typically within 2 business days after the termination of the Agreement and settlement of all accounts on your property.

**THE LEASE**

The lease is a contract between you and a tenant. Total Property Solutions is not a party to the lease. All leases shall conform to the legal requirements of the jurisdiction in which the Property is located.

**QUALIFYING TENANTS**

Total Property Solutions will screen every potential tenant who submits a rental application for the Property. Once we have compiled a full screening package, including: supporting documentation, rental, income, employment, credit and criminal histories, we will submit the package and a recommendation for your approval. While screening is no guarantee of performance, our stringent qualifying criteria dramatically reduce the likelihood of tenant default.

**RENTAL PAYMENTS**

Rent is normally due on the first day of each month. Unless otherwise agreed, tenant shall pay rent directly to Total Property Solutions. After deducting any fees and expenses that we are obligated to pay related to the Property the balance will be transferred to your bank account typically within 2 business days. Should late fees be incurred under the terms of the Lease, these late fees would also be yours.

## **SECURITY DEPOSITS**

Unless otherwise agreed, a security deposit equal to at least one month's rent must be submitted in certified funds prior to the tenant taking possession of your property. In certain cases more deposit may be required based on the tenant's qualifications or other circumstances. Deposits are held in escrow by Total Property Solutions for the duration of the Lease and returned to the tenant at the end of the Lease in accordance with all requirements of the Jurisdiction.

A security deposit is taken to protect you against damages to the property beyond normal wear and tear. Damages, both physical and monetary, are deducted from deposit money after the final properly inspection is completed, repairs to be assessed against the deposit are completed, and any outstanding balances due from the tenant are calculated. If damages exceed the deposit amount, we will prioritize the amounts due and apply available funds accordingly. The former tenant is notified of the shortfall and asked to remit the balance due. If they fail to do so, you can direct us to seek judgment for the unpaid balance and engage attorneys and/or collection entities to seek payment. You would be responsible for advancing any attorney and collection fees.

## **INSURANCE**

The typical Lease stipulates that tenants insure their personal property. Unless otherwise agreed, Total Property Solutions will require documentation of this insurance at the beginning of the Lease. You as owner should also have insurance on the Property in place and will provide a copy of the policy to us. You should also consider the addition of "rental loss coverage" to your landlord/tenant policy.

## **PETS**

You are not obligated to allow pets in the Property. If you do allow pets, additional security deposits may be requested up to the limit allowed by the Jurisdiction.

Under Fair Housing law, service animals needed by people with disabilities are not subject to pet restrictions, nor can you adjust rents or deposits for the animal.

## **LEASE VIOLATIONS**

When we become aware of violations of the Lease by the tenant, including failure to pay rent, We will initiate appropriate actions to correct these violations.

## **NOTICES**

As your agent, Total Property Solutions has the authority to issue notices on your behalf.

## **MILITARY/DIPLOMATIC CLAUSE**

Tenants who are members of the U.S. Armed forces or the Diplomatic Core do require special treatment in their Leases concerning their ability to terminate the lease if they receive orders meeting certain distance and time criteria as specified in the Servicemembers Civil Relief Act.

## **EARLY TERMINATION**

For various reasons, tenants who are not subject to the Servicemembers Civil Relief Act will ask to terminate the Lease early. Most Leases do not contain a clause to allow a tenant to unilaterally cancel a lease. When this situation occurs, we will work with the tenant to find a replacement to take over the existing Lease, but until a replacement is found, the tenant remains responsible for all terms of the Lease.

## **THE LEGAL PROCESS**

When a tenant violates the lease, we first send the required notices to the tenant to notify them of the violation and give them time to correct it. Should they fail to correct the violation, we may determine that legal action is the next course at which time we would provide their information to an attorney and the case may proceed to court. You would be responsible for these legal costs but may be reimbursable by the tenant.

## **MAINTENANCE**

Total Property Solutions places the highest emphasis the proper maintenance of your Property. Through regular and thorough property inspections, we seek to identify and correct any minor problems before they become expensive repairs. Seasonal checklists addressing relevant items to be checked or changed are also provided to the tenant and used during inspections.

## **REPAIRS**

The tenant is encouraged to report any maintenance issues or failures to us at the earliest possible time. Non-emergency issues can be reported directly to us during normal business hours or at any time on our website. We will also have an on-call technician for emergencies. Work orders are completed by maintenance personnel or independent contractors at our discretion. Bills for completed work orders will be forwarded to us. Should your account have sufficient funds we will pay these bills. Should a bill exceed the funds on hand, we will forward a request to you for sufficient funds to pay the bill. You will promptly forward those funds to us. Total Property Solutions cannot extend funds to pay any bills on your behalf.

## **NORMAL WEAR AND TEAR**

The difference between normal wear and tear and tenant damage is a bit subjective. When living in a home, one would expect occasional scratches, scuff marks, nail holes, loose knobs and traffic wear on the carpets. This is normal deterioration one would expect from a person using things as they were intended with normal care. Damage generally occurs when something is misused or abused. For the purposes of your lease, a tenant making an alteration to the property or painting it a different color without approval is also consider damage as expense would be incurred to return it to its pre-rental condition.

As a general rule, after a year's occupancy if a painter can touch-up a room with little more than a brush in a half an hour or a handyman can address all items in an hour or two it is normal wear and tear. If the house must be completely repainted, items are damaged beyond repair or missing, or a contractor must be hired to make repairs, it is excessive damage.