



OWNER MANUAL

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Welcome

Personal Representation, Powerful Resources, Proven Results

Thank you for choosing DuPont Realty & Property Management, DRG, INC., to manage your investment. We are aware that you had many choices and we appreciate that you have selected us as your property management company.

DuPont Realty and Property Management Inc. works to achieve the highest professionalism in Real Estate/Property Management Services. Therefore, we have prepared the DuPont Realty & Property Management Owner Manual to assist you in a successful business relationship with our company. 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 any concerns, contact your management team immediately, using the company contact information provided in the following pages.

DuPont Realty and Property Management Inc. forms have also been included with this manual. There are some to fill out upon receipt unless you have already completed them. There are additional forms to assist you in the future. Completing and using the forms assists DuPont Realty & Property Management in setting up and maintaining an accurate account for you and your investment.

Special note: the information provided in the DuPont Realty and Property Management Inc. Owner Manual is subject to change. Landlord/Tenant laws, personnel, policies, and procedures change accordingly to events that take place. DuPont Realty and Property Management Inc. works diligently and continually to improve services and personnel training as well as remaining current with all landlord/tenant legislation.

Once again, thank you for choosing DuPont Realty & Property Management as your Property Management Company. We look forward to a successful business relationship.

Owner Documents

A copy of your management agreement will be emailed to the email address you provided. Refer to it as needed and keep it with this information for a handy reference.

It is important that DuPont Realty and Property Management Inc. (hereafter referred to DRG, INC.) 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. Please return the appropriate forms with the self-addressed envelope included for your convenience.

Owner Information

This information enables DRG, INC. to set up your account.

Electronic Banking Authorization – ACH form

This form enables DRG, INC. 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.

As your management continues, information can change. We have included several forms for your convenience, along with self-addressed envelopes.

Change of owner information

Notify DRG, INC. of any important change when it happens – address, telephone, fax, email, etc.

Owner Vacation Notice

This is for notifying DRG, INC. when you will be unavailable for more than two weeks so that DRG, INC. is prepared in the event of an emergency.

DuPont Realty & Property Management

DuPont Realty & Property Management is a full service brokerage operating in Pierce County, WA, specializing in full-service property management and residential sales.

DRG, INC. is an abbreviation used in lieu of the full company name, DuPont Realty & Property Management, and will be used throughout the *DRG, INC. Owner Manual*.

DRG, INC. mission statement

The mission of DRG, INC. is to provide quality service in property management and real estate sales in the Greater Puget Sound community, demonstrating integrity and professionalism.

DRG, INC. principals

Penelope Lacy is the owner and managing broker of DuPont Realty & Property Management, as well as Lacey Realty & Property Management, Lakewood Realty & Property Management and University Place Realty & Property Management, respectively in Lacey, Lakewood and University Place, WA. She collectively has over 30 years of experience in the real estate industry. Penelope Lacy provides the guidance and direction of DRG, INC.. She personally oversees all contracts, policies, and procedures, and works to educate her personnel to provide excellent service to their clients.

DRG, INC. Communication

Communication is a key to the success in any relationship and the DRG, INC./Owner relationship is certainly not an exception. We work constantly to improve communications with all of our clients or prospective clients. This includes everyone – owners, tenants, applicants, vendors, buyer, sellers, and the public.

Company communication

On the next page, you will find all general office information such as addresses, telephone numbers, email address, website, and office hours.

DRG, INC. personnel communicate by:

- Telephone
- Email
- Fax
- Written correspondence

DRG, INC. website

DRG, INC. stays current with business technology. The DRG, INC. website, www.realtydupont.com, has proved to be a tremendous asset. Here are a few of the benefits for clients on the DRG, INC. website:

- Prospective tenants can search our site for available rentals and fill out our application.
- Tenants can access important information, such as a work order request, pay bills or contact DRG, INC..
- Owners can obtain forms online.

General office information

DuPont Realty Group General Information		
Address information		
Mailing address	1175 Center Drive, Suite 110	
	DuPont, WA 98327	
Communication		
Business #	253-964-4400	
Fax #	253-964-9261	
Emergency #	253-964-4400 Bob: 253-973-8343 Chelsea: 360-969-2271	
Email	admindupont@thedupontoffice.com	
Website	www.realtydupont.com	
Office Hours		
	Monday – Friday AM	9 AM - 5 PM
	Saturday	By Appointment Only
	Sunday	By Appointment Only
	Holidays	Closed

Teams and contact information

DRG, INC. staff/personnel

We have a complete staff to assist you. DRG, INC. has found that "Teamwork" is effective for servicing resident's needs. Together Everyone Achieves More. There is a convenient chart of the teams and their contact information below.

- **Management & Sales Team:** DRG, INC. has assigned a management team to your account, consisting of a Property Manager and Assistant Property Manager. They focus on showing your property, processing applications, renting, managing all the many facets of tenancy, and handling the details when the tenant moves.
- **Office Team:** The office team supports all DRG, INC. Personnel and Management. They handle the everyday business of telephones, taking messages, accepting applications, office details, preparing documents, and coordinating with your management team.
- **Sales Team:** DRG, INC. also has a sales team that can assist you with Real Estate, buying or selling. The sales team consists of experienced and licensed Real Estate agents. There is no obligation when you ask for a market analysis for the value of your current property, information for purchasing a new investment property, or available financing.

Team	Position	Name	Phone	Email
Mgmt & Sales	Owner/Property Manager/Sales	Penelope Lacy	(253) 240-1695 (253) 973-7341	penelope@thedupontoffice.com
Sales	Transaction Coordinator	Cole Levy	(253) 240-1695	cole@thedupontoffice.com
	Property Manager/Sales (DuPont)	Bob Allison	(253) 964-4400	bob@thedupontoffice.com
	Property Manager/Sales (Lacey)	Chelsea Martel	(253) 964-4400	chelsea@thedupontoffice.com
Office	Receptionist/Front desk		(253) 964-4400	
Office	Accounting	Rita Bordash	(253) 964-4400	accounting@thedupontoffice.com

Owner communication

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. DRG, INC. needs 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. To assist in communicating any changes to us, we have provided the "Change of Owner Information" form with this manual that is easy to use.

Email

DRG, INC. encourages all owners to use email to contact us. It is fast and effective. It is also where your monthly statements will be sent. Please supply us with your email address on all the DRG, INC. forms. We will enter your email address in our database.

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

Owner vacation notice

DRG, INC. respectfully requests that owners notify DRG, INC. of vacations that are two weeks and over. Another alternative is to inform your Emergency contact listed on the Owner Information Form. The purpose in asking for this information is only so DRG, INC. is prepared in the event of an emergency repair or major problem concerning the owner's property and/or tenant. A convenient Vacation Notification Form is included with this manual.

Owner Responsibilities

A successful business relationship works both ways. DRG, INC. takes their management responsibilities seriously, and requests owners to do the same.

Owner responsibilities are:

- Notify DRG, INC. of any ownership change or eminent owner change for the managed property.
- Supply DRG, INC. with accurate information so DRG, INC. can service the management account properly.
- Review statements monthly and notify DRG, INC. of any discrepancies found as soon as possible.
- If using ACH, check statements monthly for accurate or missing deposits and notify DRG, INC. if there are problems immediately.
- Support Fair Housing Laws and guidelines, as well as all necessary legislation.
- Maintain a current insurance policy for their property.
- Exercise responsibility for required maintenance and the safety of your tenants.
- Treat DRG, INC. personnel with courtesy and notify DRG, INC. principals if there are problems with DRG, INC. personnel so they can be resolved quickly

The Scope of Property Management

What is included in DRG, INC. Property Management services

We want you to know what DRG, INC. does for you as your property management company. Therefore, DRG, INC. has outlined details on our policies and procedures in future pages of this information. There are so many details and aspects of managing property, that we can only include the basics in this manual. If you have more questions, contact your management team.

Again, these are general guidelines and when necessary, policies will change. Please bear in mind that we are unable to do “everything” that is required to service a property under our management fees.

What is not included in DRG, INC. Property Management services

Because DRG, INC. 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). There are also areas licensed real estate agents dare not tread, unless they have obtained the proper licensing or degrees. We ask that you remember this when making a request, and review a paragraph that was included in your Management Agreement:

Owner understands and agrees that normal Property Management does not include providing on-site management services, refinancing, preparing property for sale or refinancing, modernization, fire or major damage restoration, rehabilitation, obtaining or giving income tax, accounting, or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, or attending Homeowner Association meetings.

If you have any questions on what is included or not included in property management, please let us know. We have more information on additional services later in this manual.

Company Policies

It is very important in the field of Property Management, that DRG, INC. follow local, state, and federal legislation and guidelines. Our company takes pride in our industry, and we further implement guidelines and policies of several organizations, such as the National Association of Residential Property Managers. Additionally, we train all personnel by requiring them to read and follow the DRG, INC. Property Management Policy and Procedures Manual and DRG, INC. Employee Manual.

Department of real estate requirements

The Washington State Department of Real Estate requires licensing for all persons conducting Property Management and Real Estate Sales in our state. DRG, INC. requires all personnel that are Brokers, Property Managers, and Real Estate Agents to have a Washington State Real Estate license.

Drug-free policy

DRG, INC. has a drug-free policy for all personnel, vendors, and tenants. DRG, INC. incorporates this policy into DRG, INC. rental/lease agreements, tenant, personnel, and vendor documentation.

Legislation

DRG, INC. adheres to the laws and guidelines of federal, state, and local legislation, and incorporates this into all documentation, policies, and procedures. Here are some of the agencies and acts DRG, INC. follows:

- Fair Housing (HUD) - DRG, INC. supports and follows Fair Housing laws and guidelines; Equal Opportunity - DRG, INC. is an Equal Opportunity employer;
- SCRA Act – Serviceman’s Civil Relief Act, which has replaced the Soldiers’ and Sailors’ Act of 1940
- URLTA - Uniform Residential Landlord Tenant Act
- FCRA - Fair Credit Reporting Act
- FTC – Fair Trade Commission
- EPA – Environment Protection Agency

Lead-based paint

Lead-based paint became a major issue in the 1990s that prompted mandatory requirements for residential housing and continues today. DRG, INC. 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 DRG, INC. provides them with the required EPA Pamphlet, *Protect Your Family from Lead in the Home*.

Property owners and/or Property Managers must also notify tenants, in writing, of any scheduled work necessary for lead-based paint on the property. Legislation now provides that owners and managers must use certified vendors to work on lead-based paint.

Mold issues

DRG, INC. 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. Several cases regarding mold have awarded damages to tenants in the millions of dollars.

This is an area of extreme liability and DRG, INC. takes action if a tenant reports mold. DRG, INC. notifies owners as soon as practical of any mold issues so DRG, INC. and/or the property owner can take the proper steps.

Answers Regarding Funds

When you entered into a management agreement, DRG, INC. established an account for you and your property. DRG, INC. recognizes the importance of accurately collecting and disbursing funds. The bookkeeping program used by DRG, INC. is specialized software designed to handle the many facets of property management and accurate record keeping, and complies with the requirements of the Washington State Department of Licensing.

Banking

DRG, INC. holds your account in a trust fund mandated by the state Washington. This account does not earn interest. DRG, INC. accounts for each owner’s funds separately in the trust account and does not co-mingle funds with broker monies, following the Department of Licensing requirements.

Monthly statements

DRG, INC. sends monthly statements to owners. If you have difficulty reading your monthly statement, please contact your management team. We are happy to assist you and answer your questions.

Disbursement of monthly funds

DRG, INC. disburses available funds to owners by the 15th of each month. If this day falls on the weekend, DRG, INC. issues funds on the next business day. DRG, INC. does not disburse funds on weekends and holidays. DRG, INC. does NOT issue owner checks unless there are sufficient funds in the owner's account. It is vital to accurately post rents, pay vendors, and disburse funds for your account. Therefore, it is vital that DRG, INC. adhere to this schedule to ensure servicing every owner's account.

DRG, INC. distributes owner funds via:

- ACH direct deposit – directly disbursed into an owner's bank account; DRG, INC. mails monthly statements after disbursement. A form to start ACH is included with this information.

End of year procedures

At the end of each year, DRG, INC. 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 DRG, INC. with the necessary Social Security/Tax ID information so the 1099 is accurate. DRG, INC. will send the 1099 for the rent by January 31 for the previous tax year. If there is a change in your tax information such as a new trust or address, please notify us with the Owner Change of Information form. If you need another change form, please contact us.

DRG, INC. 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 the DRG, INC. trust account. Owners are responsible for issuing 1099s to any vendor paid through the owner's personal account.

The last statement of the year will reflect "total amounts" for income and expenses that have transpired throughout the year, such as management fees, leasing fees, landscape, utilities, repairs and maintenance, etc. The amounts will not reflect any funds issued through the owners personal account. Owners can submit their last statement to their tax person along with other information for income tax reporting. DRG, INC. does not issue statements to the owner's tax preparers.

Renting Your Property

Preparing to rent the property

When prospective tenants view your vacancy, DRG, INC. wants the property to look its best and compete with area rentals. A property maintenance report and rental market survey is completed. The DRG, INC. management 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 DRG, INC. advises owners on the "current rental market."

How long will the property be vacant?

This is the most commonly asked question DRG, INC. receives 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, DRG, INC. works diligently to rent the property as quickly as possible. What is important to remember is that the most important objective is to have “a quality tenant.”

DRG, INC., or any other property management company, can rent properties “quickly” if they do not have standards for obtaining good tenancy. However, bad tenants will only create more expense and another unwanted vacancy; therefore, waiting for the “right tenant” is worth the additional time it can take to rent the property.

Advertising/Marketing

Internet/website

DRG, INC. has found that the Internet and the DRG, INC. website, www.realtydupont.com receives tremendous exposure, as well as using AHRN, Military By Owner. DRG, INC. takes full advantage of this medium to reduce advertising costs and gain more exposure for your property.

Signage

DRG, INC. displays “For Rent” signs prominently, and each sign features a full color laminated flyer. The flyer has a QR Code that can be scanned with a smartphone or tablet in order to be taken to the website for information. Signs also promote calls.

Showings and applications

The DRG, INC. property managers conduct showings for each vacant unit. We arrange showing times for your property in advance through our voice messaging system, and appointments by contacting the DRG, INC. office directly. When prospective tenants see the property, the management team answers questions and distributes applications. Applications are available in the DRG, INC. office, at the property showings, and on the DRG, INC. website.

Processing Tenant Applications

Tenant screening

Thorough screening is crucial to successful Property Management. DRG, INC. requires all applicants to fill out a detailed application and submit it for processing/approval. A credit check is NOT enough! Our company conducts a careful review of their credit, income, and tenant history or ownership.

All applicants must submit verifiable information on their income to show they can support the property. Rental history or previous home ownership is carefully checked. Cross-referencing all three areas – credit, tenant history, and income - provides the answers to qualify or disqualify prospective applicants. If a pet is allowed on the property, the screening includes the pet (please review the upcoming pet policies).

Co-signers

DRG, INC. normally does not accept cosigners. DRG, INC. policy is that the applicants should have the ability to rent on their own merits. However, there are sometimes conditions that may warrant taking a cosigner on a property. If this is the case, DRG, INC. will notify the owner, discuss the reasons, and obtain owner authorization.

Pets

If an owner authorizes a pet, DRG, INC. requires an additional pet deposit for any approved pets occupying the property. The deposit will vary depending on the type of pet and breed. Pet deposits are fully refundable as long as there is no damage done to the property.

Many tenants have or want pets. It is legal for property owners to discriminate against pets. You may wish to do so. However, whether you have or have not decided to allow a pet in your property, the DRG, INC. application has a place for prospective tenants to list pets and how many. It is important NOT to discourage full disclosure on pets while taking an application. If you do allow a pet, DRG, INC. does not place inappropriate pets in a property.

DRG, INC. recommends to owners that when the property is on the market, that pets are “negotiable.” This can solve two problems.

1. First, this encourages prospective applicant to disclose any pets. Then, based on the owner preference on pets, DRG, INC. can automatically notify the applicant that the owner does not allow pets.
2. Second, 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.

Service animals

Special note: “Service animals” for handicapped/disabled persons are NOT pets by Federal law, and owners cannot discriminate against handicapped/disabled persons with a service animal. Fair Housing legislation does NOT allow owners or property managers to collect deposits of any kind for service animals.

However, Landlords can still process applicants who are handicapped or disabled on the same criteria as other applicants: income, credit, and tenant history. If they fail to qualify in these areas, the landlord/manager can still deny the application, handicapped or not.

The Tenant Move In

Rent and security deposits

DRG, INC. does not accept personal checks prior to renting the property and does not allow “payments” on security deposits – we require all funds paid in full prior to renting the property. This eliminates prospective tenants who really do NOT have the necessary funds for renting.

Once approved, all applicants must pay in full, the first month’s rent, and a security deposit. It is normally DRG, INC. policy to require a lower security deposit than the rent. However, DRG, INC. does not exceed the maximum-security deposit allowed by the Washington State landlord/tenant laws. This keeps from any confusion that the “security deposit” can be used as last month’s rent.

Rental/lease agreements

Once DRG, INC. receives funds, a thorough rental/lease agreement with the applicant is completed. The DRG, INC. Move-In Condition Report and all necessary addendums are included with this documentation.

All persons 18 and over, including adult children, are required to read and sign all rental/lease agreements. If the accepted applicants are a foreign nationality and cannot read and understand the documentation, they must supply an interpreter of legal age for signing the rental/lease agreements.

Walk-through

A vital part of the rental agreement is a detailed Move-In Inspection Report performed by the tenant, documenting the condition of the property when they move in

The walk-through documents the condition of the property. When the tenant moves out of the property, there is a sound basis for the security deposit refund.

Tenant handbook

Tenants immediately receive the “*DRG, INC. 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.

Tenant education and preparation

Taking the time to prepare tenants for their residency is another step toward a successful tenant/landlord relationship. Additional forms that the tenants may need are included with the “*DRG, INC. Tenant Handbook*.” DRG, INC. wants both owners and tenants well informed

Working with Your Tenants

Collecting rent

Rents are due on the 1st day of the month and late if not received in the DRG, INC. office by the 5th of the month.

DRG, INC. 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 is having a problem. If DRG, INC. receives the rent prior to issuing owner funds, DRG, INC. does not contact the owner unless the DRG, INC. management team determines there is an ongoing rent issue.

Notice to pay or quit

If DRG, INC. does not receive rent by the due date, DRG, INC. prepares and delivers a timely notice to pay or quit, as the law allows. DRG, INC. makes every effort to mail and post notices properly should legal action be required. If DRG, INC. determines the tenant is not going to pay the rent during the notice to pay or quit period, or shortly thereafter, DRG, INC. contacts the property owner and works out a plan of action.

Other notices

There are other notices that may be involved with tenants. DRG, INC. 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. However, if necessary, DRG, INC. contacts the owner with the information to discuss the situation.

Tenant problems

DRG, INC. has years of experience handling the myriad of tenant difficulties that can occur. The DRG, INC. policy is to obtain good tenants, eliminating many tenant problems. However, even good tenants have problems. DRG, INC. treats each problem with a common sense approach, follows landlord/tenant law, and uses the appropriate documentation. If the situation is serious, DRG, INC. contacts the owner, and works to find a solution for the problem.

Our company policy is to take a “what if” approach. DRG, INC. documents tenant problems in the event that it becomes a legal problem. One of the reasons you hired a property manager is for “peace of mind.” This is what DRG, INC. recognizes and works to prevent legal issues from arising.

Legal action

Although DRG, INC. works diligently to avoid the necessity to begin an action, such as an unlawful detainer or eviction proceeding, it can happen. In the event any legal action is required, DRG, INC. will contact the owner prior to taking action, discuss what is needed, and obtain owner authorization.

Maintenance

Preventative maintenance

The best approach to maintenance is “preventative maintenance,” and this is the DRG, INC. policy.

First, DRG, INC. has already started with educating the tenant by:

- Completing a detailed DRG, INC. Rental Agreement, which includes Move-In Inspection Report that outlines what are tenant responsibilities regarding maintenance as well as owner obligations
- Completing a walk-through documenting the condition of the property before the tenant takes possession
- Supplying tenants with the “*DRG, INC. Tenant Handbook*,” which provides additional instructions on the care of the property and how to report maintenance

We want the tenant to know from the beginning of their tenancy that the DRG, INC./landlord expectations are to “care for the property.” This approach can prevent costly maintenance.

Next, we use “preventative maintenance” techniques when work is required and utilize competent contractors. Often the 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.

Consider the cost of repairs like holes behind doors, clogged heaters and air-conditioners, appliance problems, dry rot, safety issue and more. Then of course, there are the major issues in a home such as the roof, the exterior condition of the building, carpeting, interior, and exterior paint, etc. When left to deteriorate, it usually means the owner will have to spend more in the future. 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 maintenance. 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.

The DRG, INC. management teams contact owners regarding maintenance above the **\$300.00** minimum that is listed in the DRG, INC. Management contract, unless the situation is an emergency.

Emergencies/Disaster

When an emergency and/or disaster strikes, DRG, INC. has policies in place for the property and tenants. DRG, INC. notifies the property owner as soon as practical. The nature of the emergency and/or disaster determines the action needed by DRG, INC..

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.

When the Tenant Vacates

Notice to vacate

When there is a notice to vacate, the move out procedures with tenants are as critical as when DRG, INC. moves in a tenant. The preparation for this really began when the tenant moved in with a detailed rental agreement, Move-In Inspection Report, walk-through, and *DRG, INC. Tenant Handbook*. All of these documents gave instructions to the tenant on how to move out.

Communication with owners and tenants

DRG, INC. notifies the owner via email or phone call giving details on how they will proceed with the tenant and re-renting the property. DRG, INC. immediately places the property on the market to rent unless the owner notifies DRG, INC. to take other measures.

DRG, INC. also responds to the tenant notice with a Move-Out Packet detailing the steps to complete a successful move. Rent is required until the end of the notice unless otherwise stated in the rental/lease agreement.

Tenant move out

DRG, INC. conducts a walk-through similar to the one performed when the tenant moved into the property. DRG, INC. records any maintenance required and discloses a list of damages to the vacating tenant. Digital photographs are taken when the tenant moves out to document the condition of the property and support any deductions from the security deposit.

After assessment of the tenant move out, DRG, INC. 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. Owners receive a copy of the transmittal with their monthly statement, showing any deductions and monies refunded.

Collections

If collecting damages is required, DRG, INC. will refer the matter to a qualified consumer collection service at the instruction and authorization of the owner. DRG, INC. management does not include recovering tenant damages, but leaves this to companies with expertise in debt collection. DRG, INC. will supply consumer collection companies with the necessary documentation needed.

Additional Services

The following are “additional services” offered by DRG, INC. to each property owner. They are not included in the fees for managing and/or leasing the property.

Real Estate services

The DRG, INC. Sales Division is available to assist you in buying more investment property or selling your property when ready, including those requiring 1031 exchanges.

A free market analysis is available at any time with no obligation. Please contact your property management team or one of our sales team listed to provide you with the information or services you need.

Referrals

Do you know someone who is looking to buy or sell real estate or is in the market for property management services in the Puget Sound area? If so, then notify your management team. DRG, INC. values their client business and believes in rewarding referrals from clients.

Annual survey/inspection

DRG, INC. maintains properties as part of their property management services. This survey goes beyond overseeing normal maintenance. Your management team performs this survey/inspection, and the purpose is to check the property thoroughly each year in order to perform necessary or preventative maintenance.

Cancellation of Management

It is the goal of DRG, INC. to satisfy your management needs and engage in a successful business relationship, but all things do change over time. Owners sell properties; people give notices. If this happens, the DRG, INC. cancellation policy is to resolve your account in a professional, timely, and pleasant manner.

Please review the following policies for cancellation.

Written notice

- The DRG, INC. management contract accepts a 30-day written notice by either party, but this excludes the minimum management period. Please refer to your management contract.
- The DRG, INC. policy is to give cancellation of management by US Mail.
- If an owner sends a cancellation of management by US mail, DRG, INC. must receive the notice within 30-day business days of the date of the notice.
- DRG, INC. does not accept cancellation of management by email due to lack of signatures.
- DRG, INC. does accept fax cancellations.

Notice to current tenants

- DRG, INC. will notify current tenants the date DRG, INC. will no longer manage the property and that DRG, INC. forwards all security deposits to the owner.
- It is the owner's responsibility to advise tenants where to make future rental payments and work requests after the notice period.

Distribution of documents

- DRG, INC. will supply current tenant documentation to the owner.
- If the owner has employed new management, it is the owner's responsibility to instruct them to pick up documents, keys, and any other necessary materials at the DRG, INC. office.

Final distribution of funds

- DRG, INC. will distribute funds, including security deposits, and final statements to the owner within 15 days of the terminating date of management, as agreed in the management contract
- DRG, INC. will issue a 1099 for funds collected during the current tax year when the tax year ends.

Conclusion

We hope you have found the *DRG, INC. Owner Manual* informative and useful. If so, please inform your management team. If you feel there is any other information DRG, INC. can provide, let us know so we can include it in the future. A reminder – do not forget to fill out the necessary DRG, INC. forms and use the others when needed in the future. Call DRG, INC. at any time when you need any forms.

Again, we want to thank you for your business and we look forward to a successful management relationship.



DuPont Realty Group, Inc.

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