



Peabody Residential

FAQ





What type of properties do you manage?

We specialize in Single-Family homes, Town Homes and Condominiums.

What type of properties do you not manage?

We don't manage duplex, 4-plex properties or small condominiums with less than 2 bedrooms. We don't manage commercial properties. We don't manage homes with chronic repair issues or conditions that might adversely affect the health or safety of an ordinary tenant. An example would be a home with a rotted 2nd story deck that an owner "can't afford" to properly repair.

Are you licensed?

Yes, We are licensed REALTORS®. We are members of:

- Better Business Bureau
- Northern Virginia Association of REALTORS®
- Virginia Association of REALTORS®
- National Association of REALTORS®
- Northern Virginia Chapter of the National Association of Property Managers
- National Association of Property Managers

What experience and credentials do you offer?

Tino Peabody, President/Broker, RMP© (Residential Management Professional), Broker® (Virginia and Washington, DC)

2016 President of the Northern Virginia Chapter of NARPM

2016 Director of the VA State Chapter of NARPM

2016 Committee Member of VAR (Virginia Association of Realtors) Property Management Council

I began my career in real estate in 2001, as a primary in a real estate partnership revitalizing real estate homes in distress for resale and asset management. After selling my interest in the partnership I began my real estate career as a licensee working with investors and home owners to purchase, revitalize and sell real estate assets to increase their wealth and develop real estate portfolios as part of their investment strategy.

In 2004 I obtained my real estate brokerage license and several real estate designations to continue my education in the real estate industry.

In 2006 I created my own company Peabody Real Estate, LLC. After 4 years as a general broker maintain my own brokerage I began the transformation to of Peabody Real Estate, LLC into Peabody Residential. A foundational property management company with the scope to service all the needs of residential property owners.





Over the last 6 years I have worked tirelessly to incorporate the best business practices of property management companies and my experience into Peabody Real Estate, LLC to make it an award winning company. Today Peabody (Peabody Real Estate, LLC) is a boutique property management company working with clients exclusively through the foundation of property management. We assist home owners with Leasing, Management, Sale and acquisition of homes.

Our goal is to maintain a highly customer oriented company making each and every client the center point of our services. We are a technology and educationally driven company consistently improving our client experience and wealth.

I always welcome any comments or suggestions, please email at Tino@PeabodyResidential.com.

Thank You!

Our Executive Team

- Tino Peabody, Broker VA/DC, RMP©
- Erin Peabody – REALTOR® Division Manager
- Tom Roller, REALTOR® - Broker, Division Manager
- Monica Ryan – Operations Manager

We utilize support staff but exclusively maintain communication with clients through our Executive staff to ensure superior support and customer service.

Owners appreciate the small office atmosphere and personal service we deliver.

What do you do to get my property leased?

Renting homes is a merchandising rather than a selling effort. Many tenants find their homes by scrutinizing online information and pictures, the appearance of properties when they visit them and the ability to work with a reputable Management Company during their tenancy. We also acquire tenants through the Multiple Listing Service, Internet web searches, other Real Estate Rental Specialists, Military Housing Office, relocation networks, relocation companies, government organizations, diplomatic networks, and referrals from satisfied clients.

- WORD OF MOUTH / REFERRALS - We regularly receive referrals from our current and past tenants, friends of our tenants, and from other Broker's agents.
- INTERNET LISTINGS - We have developed a web page, which provides information on rental homes to families that are planning to relocate into the San Antonio area. Our properties are posted online at Libertymgt.net, Mysanantonio.com listings are updated regularly.
- LEASING LOCATORS - We make all of our listings available to all the top internet websites, our Real Estate Rental Specialist Network, websites searched by active duty military, relocation networks and unique real offerings.
- CORRECT PRICING - Even the best properties will not lease quickly if overpriced. We analyze the market to be certain your home is priced according to current market conditions. We will be aggressive on our pricing as well as conservative depending on the current market trends at that time. No matter how we price the property will update and correct pricing as needed to ensure limited to no vacancy.





- **THOROUGH PREPARATION** - The most desirable properties, priced well, will not lease quickly if they are not in top condition. Properties must show well and have "curb appeal". We make sure your property is presented in a clean and attractive condition so that it will catch the attention of a good, qualified tenant.
- **WE SHOW YOUR PROPERTY THROUGH REALTORS®**, - Our area has a strong REALTORS® participation in the rental market. We have created working relationships with over 120 REALTORS® who have identified themselves as Rental Specialists. This professional network helps us show and lease our properties ensuring our tenants have representation and a guide through the leasing process. It is unique to us and has proven through almost unmatched statistics for tenant performance.

What do you do to qualify a tenant after they have made application to rent my property?

This is one of the most important aspects of the successful management of rental property. We look at an applicant's past behavior and assume their future behavior will be the same. An applicant must demonstrate a history of being a good, responsible tenant as well as meeting our financial criteria.

- **APPLICATION** - After a prospective tenant has been shown a property and has expressed a desire to lease it, our Rental Application must be submitted. We require several supporting documents along with the application to help us verify information included on the application. They also must pay an application fee as part of the application.
- **SCREENING** - We utilize our software credit, background, eviction and criminal screening services as well as our own efforts to collect information needed to confirm and process the application.
- **LANDLORD VERIFICATIONS** – We utilize public information, tax records and other research and verification.
- **SCORED RETAIL CREDIT REPORTS** – Tells us the applicant's current and past performance in meeting their financial obligations. It also tells us their monthly debt and shows their previous addresses (which we compare to addresses listed on the application). An applicant must have acceptable credit to qualify.
- **EMPLOYMENT / INCOME VERIFICATIONS** - They verify job title, job status, salary and prospects for continued employment. An applicant needs to earn at least 3 to 4 times the monthly rent in gross income to qualify for rental.
- **EVICTION & CRIMINAL REPORTS** – This additional application screening process helps provide us with criminal background checks. This is a level of scrutiny that most other property management companies do not perform.

If accepted, the applicant's in-processing includes a lease, lease signing, collecting pro-rated rent, and providing the tenants with a copy of any association documents needed for disclosure and instruction on rules and regulations associated with the property and community.

What is the Duration of the Lease?

All leases are in writing and normally cover a period of one or two years. Longer leases are approved after discussion with the property owner. With the owner's approval, during slower rental periods, we accept leases for less than one year in order to have the lease expire during a more active rental period. On occasion we may elect to place a tenant on a month to month or 6 month rental lease to





accommodate sale of the property by the owner, a tenant's pending departure, or moving the property into a more active rental period.

How do you make sure the tenant is taking good care of my property?

First, careful tenant selection protects your property from being rented to unqualified people. During the lease term, we may have occasion to enter the property for repair or maintenance reasons and will use that opportunity to examine the property.

In addition, we will generally schedule a 6-9 month annual property survey walk-through to see how the tenants are maintaining the property. We make sure the air filter is being changed, that the smoke alarms have batteries and that there are no unreported problems at the property.

We will also schedule a renewal survey when the tenant renews the lease. This protects both you and your property. The right for us to make routine inspections of the property is part of the lease agreement.

What do you do if they are not taking care of my property as they should?

We give them an opportunity to correct the situation, and usually they will. If a problem persists, we will make a decision based on that specific situation.

What happens if the tenant does not pay their rent?

If payment has not been made by the day after the rent is due, we send a late notice. We also send another late notice on the 6th - 7th day of the month. On the 10th of the month we order a sheriff delivery of a notice of non-compliance (eviction notice). Whether or not we eventually have to proceed with a formal eviction depends on the specific circumstances. It is usually financially better, for all involved, if a solution can be worked out. If the tenant has experienced a one-time event which caused them a financial hardship, and we have had no previous problems with them, we will normally give them a chance to catch up, if there is reason to believe they can do so. If the tenant has demonstrated an ongoing pattern of late payments, broken promises and/or evasiveness, eviction is usually the best course of action.

Each case is unique, and we make our decisions based on what is best for you and the property in the long run. We always proceed with the legal notices required for eviction regardless of any other factors. We will simply postpone the actual filing of the eviction if the tenant is showing favorable effort toward resolution. Evictions can be a simple matter or more complex depending on the tenant cooperation. We retain an attorney to issue non-compliance notices and coordinate the eviction process to ensure it is done correctly and with proper professional representation on the Landlords behalf.

How informed will I be about what happens with my property?

We believe that you hire a property manager to manage the property for you, not to assist you in managing it yourself. We offer a turnkey style of property management service which is most appreciated by those property owners who prefer to be "out of the loop" on all but the most important matters related to the management and leasing of the property. We don't pester you with small details, questions, information or "updates" about your





property or tenants, except for those matters which will have a significant impact on your monthly cash flow. Instead, we simply take care of the things you have entrusted us to handle on your behalf.

We do however provide you an email notice for each maintenance dispatches to help account for expenses for the property during the month and also to inform you if there may a repair we will need your authorization to complete over our authorized amount.

What if I want to be informed to a greater degree than you have just outlined?

For some property owners, our system is not a good match, and we understand that. We are very up front about the fact that we do not want you to hire us if you expect to be involved in minor details or decisions related to the management and leasing of your property. We simply have not designed our systems and procedures to accommodate that level of involvement by owners.

Under your system of property management, how informed then will I be about what's going on with my property?

Our general rule of thumb is this; if something has happened, or is about to happen, that will disrupt your ordinary monthly cash proceeds by more than \$500 per repair not total invoice; we will get your approval to complete the repair. An example would be that we receive a 30-day notice from your tenant, and therefore a turnover, along with related expenses, is pending and we want you to be informed and prepared for it. Another example would be that your A/C unit has failed during the middle of a hot summer; we have determined that the 12 year old compressor needs replacing and have initiated the work to replace it. We will call to let you know what has happened and the expected financial impact on the following month's statement.

Aside from any special considerations unique to you or your property, our rule of thumb is this: If something may cause a potential interruption in your ordinary cash flow (loss of tenant or major repair), we will let you know about it right away. Otherwise non-emergency items will be notated in your monthly statements. Of course, we encourage you to contact us anytime you have a question or wish to discuss something. If you are a worrisome owner that wants to be informed of every little thing, our style of management is probably not for you.

How do you handle maintenance requests?

Tenants are required to submit all non-emergency maintenance repairs though their online account. For emergencies, they may call us or have rotational staff schedule and also utilize a 24 hour answering service that will contact us after hours. After receiving a repair request, we will contact the tenant and ask them questions in order to help us determine the exact nature of the problem before sending a service technician. We make sure it is not something the tenant can fix themselves (ex: reset button on the disposal, tripped breaker etc.) before your money is spent on a service call. After determining that it is a legitimate problem, we will send the appropriate service vendor to make the repair. We tell our tenants that we are able to handle most repair requests within 1 to 3 working days, and, in fact, are usually able to do so. Comfort items such as air conditioning, no hot water or heat, receive highest priority and are usually attended to the same or next business day.





Do you use the cheapest maintenance people you can find?

We do not! They are competitive in price, competency and reliability. We have access to "all-around" maintenance technicians who are skilled in a wide range of home repairs including air-conditioning, light plumbing and electrical. We save our owners money by using general technicians for the majority of multi-trade and make-ready tasks. Another benefit of using these technicians is the opportunity for checking out the general condition of the property - something that a single trade vendor will not do for you.

Do you hold some of my money for repairs? How much?

We require a \$500 reserve per property in your account so that there are always funds to pay the vendors quickly. We also require you deposit to us through your online account all funds needed to complete repairs if we do not have enough funds available in your account to pay for the entire invoice. We always will work with you pay the contractor directly via any method of payment they accept to help you control your cash flow from the property.

How do I know you won't spend my money on large repairs without my approval?

This is the greatest fear of most new owners. We promise in writing not to do that. Ordinary maintenance and repairs of less than \$500 are paid out of your account, and you will see this in your monthly statement. If we think a repair might exceed \$500 and if we are unable to reach you, we may initiate repair work even if it is higher than \$500 as stated in the management agreement; for the following cases: (1) the health or safety of a tenant is an issue; (2) the property will incur damage if immediate action is not taken, (3) In instances where there is only one option to consider. We will not leave a tenant waiting in 90+-degree heat without A/C or without hot water, or a leaking roof while we try to contact you for permission to do the obvious.

Sometimes an owner will complain that we spent \$585 (for example) when it was not an emergency. The simple explanation for this is that the company that went to the property charged a \$85 service call (for example) to go out to the property whether they fixed anything or not. Therefore, instead of having the owner incur a \$85 service call just for us to get an estimate and then having to send the company back out to do the repair and the owner having to incur another \$85 service call, the owner saved \$85 by having the repair done the first time.

We always tell the maintenance companies to alert us if the repair is going to be over \$500 or a specific amount depending the type of service dispatch. Sometimes the maintenance company may think that the repair will not go over \$500, but after they get working on the repair, they find that there is more to fix than they could see before they started the job. It would not make good sense and it could be a safety issue if the company had to leave an air conditioner or dishwasher, etc. torn apart while we waited for your permission to ok the additional \$50.00 (for example) and then the maintenance company could charge another trip charge on top of the extra money for the repairs. This would not be in your (the owners) best interest.

Peabody passes any discounts or coupons that contractors offer to the owner.





My brother-in-law is fairly handy; will you use him to perform repairs?

No, we only use our qualified vendors. We are not able for liability reasons to use your friends or relatives to perform work on your home unless they are in fact licensed vendors (see below).

What if I want you to use my plumber, A/C Company, etc.?

We will be happy to invite them to join our vendor list if they are qualified and insured, but we cannot promise that a specific vendor will be dispatched to your home for certain repairs. We already have a stable of very qualified and reasonably priced vendors that we have used for many years. If a company you prefer wants to be added to our vendor list, they can contact us and we will interview them and let them know what documentation and references we need. However, we cannot guarantee that your favorite company will be sent on all service calls to your property. Our concern is always to resolve repair problems in the timeliest way possible with the best available vendor at the time. We cannot keep track of a pre-established roster of which vendors are assigned to certain properties - it would be very cumbersome and inefficient and would not achieve the best service to you, the tenant, or your property.

Our professional reputation, with both tenants and owners, is largely, if not entirely, determined by how well we handle maintenance. Therefore, we follow a practice that is most likely to insure the best possible response and resolution to problems.

I want you to use a Home Warranty for all covered repairs, is that ok?

We prefer that the owners do not use a Home Warranty Company to make repairs at their rental property.

There is a HUGE problem in the home warranty industry, and the public is becoming savvy to it.

Try searching Google with the name of your favorite home warranty company and the word `complaints' or `fraud'. You will be amazed. Find out how many people feel like they got burned, turned down wrongfully, or got seriously bad service. Furthermore, feel free to visit www.my3cents.com for even more examples of this currently growing problem; *THERE ARE MANY OTHERS.....*

Warranties are typically purchased by home sellers or their real estate agents to avoid lawsuits if something breaks in the first year. Not to be confused with a builder's warranty, a so-called home warranty -- Actually a service contract -- is typically purchased for existing homes, especially homes sold by real estate agents. These service contracts generally cost \$400 to \$600 for a year-long basic-coverage plan that includes items like ceiling fans, water heaters and furnaces.

The contracts come with loopholes. You need to carefully read your service agreement to determine what is and what isn't covered. Coverage for plumbing, for example, typically ends at your home's foundation, so leaks or breakages beyond that would be your responsibility. "Pre-existing" problems typically aren't covered, nor are breakdowns that result from poor maintenance or improper installation. The contract also may require that a system be upgraded to current building code standards -- at the homeowner's expense -- before they agree to consider repairs. People who have had problems with the home warranty companies say that the more expensive the repair or replacement, the more likely home warranty companies are to invoke these exclusion clauses.





You don't have control over who does the work. The home warranty provider contracts with local service companies to perform the actual inspections and repairs. You don't get to choose, and scheduling repairs can sometimes be a trial. The service technician may also try to sell you unneeded services.

We have had hundreds of problems with home warranties.

Tenants have more rights now than they ever have had in the past and Judges are normally on the side of the tenants and if repairs are not made timely, owners can find themselves on the wrong side of the legal system. It is hard enough to try to use a home warranty on the home that you live in. It is not cost effective or practical to use a home warranty on a rental property.

We will not use any existing Home Warranty Company for "first responder" service calls to the property, under any circumstance. Covered items that need replacing will be run through the Home Warranty Company only after an initial determination is made that replacement may be necessary.

So when might a home warranty make sense?

If you are trying to sell a house, a home warranty can give buyers some peace of mind and may reduce the chances of your being sued should an appliance or system break down after the sale. We can discuss this if you choose to have us help you sell the property and benefits at that time as they relate to marketing the property for sale.

My home has a pool. How do you handle the maintenance?

We CANNOT manage your home with a pool and / or spa, but we will be happy to suggest other companies who may be able to manage your property.

When do you send owner's funds and statements?

Frequently, I get asked why owners have to wait so long to get their rent proceeds when rent is due on the 1st of the month. I think that it is a good question and I would like to take a moment to answer it! Yes, our lease agreement states that the rent is due on the 1st of the month.

Payments take up to 5 business days to clear and then we have accounting to complete associated with your property and expenses for the current and previous month. This take us a few days so we commit to sending out funds to you on the 10th of the month or the following business day if the rent is received on time. If the rent is paid late we will follow up with you on the expected date to schedule the direct deposit to you.

We create and post the monthly statement for your property the date we issue our disbursements.

We process statements and rent proceeds between the 7th and 10th of each month. You should receive your statement and rent proceeds will be issued no later than the 10th or following business day providing the property is occupied and the rent has been paid on time.

Disbursements are made by ACH direct deposit into the owners' accounts and statements are posted normally the same day.





When we send out the ACH payments the banks take two to five business days to process the payments. Payments to Owners who had late rents (received after 5th) and before the 15th are processed between the 18th and 22nd of the month. Late payments received after the 15th of the month are processed the following month.

If you have not received your statement and rental proceeds by the 10th of the month or the following business day, please email us at Info@PeabodyResidential.com. We will happily follow up with you and provide you a status update on the rent collection and answer any additional questions you may have.

Can you put the money directly into my checking account?

Yes! We only send funds via ACH direct deposit. You can provide us your bank information for deposit through your online account and update it as it changes without delay to ensure we have the correct bank information for the deposit.

What bills will you take care of getting paid for me, related to my rental property?

We will pay final utility bills, interim utility bills, service contract bills, repair bills, and all other invoices associated with the leasing and management of the property. We do require that owners pay their mortgage, taxes, insurance and HOA bills directly.

Owners pay bills associated with ownership of the property and we pay bills associated with the management of the property.

There must be sufficient cash flow from the property to cover such expenses, and sometimes we must set up an additional reserve fund for this purpose, which will allow us to make prompt payment for you without waiting for the rent to arrive.

What will I receive with my monthly statement each month?

Statements includes all income and expenses for the accounting periods. We request that any unpaid balance be brought current immediately.

What is your Monthly Management Fee?

Our management fee is a percent of the monthly rent depending on the size, location, and number of properties. There is no monthly fee if the property is vacant.

What is the Leasing Fee?

In order to have our managements competitive in the rental market our leasing fee is 100% of the first month's rent for new tenants. We pay a portion of that leasing fee to a cooperating Broker that rents the property.

We list our rental properties in the Multiple Listing Service, which is accessed by several thousand real estate agents. This greatly helps minimize the vacancy time of your property on the rental market.





Are your fees negotiable?

Our fees are very competitive, and therefore are not negotiable. We realize you can find a cheaper property manager, but price should not be the determining factor in deciding whom you hire to manage your property. The ultimate cost of using a property manager is determined by many things other than the fee we charge, namely, the efficiency and manner in which we handle problems. We feel that our services, our systems, and the experience and expertise we offer are a very great value at the fee structure we have established.

Are there administrative fees or other service charges?

There is a \$200 start-up fee. We do not charge owners for any technology costs like Ach direct deposit fees, tenant direct deposit fees, online statement publishing and the start-up covers the actual costs of our technology for 12 months and then we absorb then after that.

We do not charge clients for long distance calls or mileage. The only other expenses you should incur would be for services which fall outside the normal scope of our Management Agreement and for duplication of services.

Here are some examples that fall outside of normal management service:

- Example (1). When we coordinate a repair over \$2,000. This will normally require us to obtain multiple estimates, coordinate approval of the estimate along with payment for the contractor, coordination and additional follow up with the tenant and the contractor, confirmation of the work being completed and any issues that may arise from quality control with the tenant experience, collection of the final invoice and confirmation of the work completion to include before and after pictures.
- Example (2). Insurance claims. We have to coordinate with the insurance company and normally work with their contract which includes many of the additional steps in Example 1.
- Example (3). Mold remediation or building compliance. These are both immediate issues that need to be resolved and done with significant work to ensure full compliance with the law. They require specific licenses to complete the work and then follow up confirmation of full remediation or compliance.

Owners often ask us to do things that are outside our normal management services, and we try to accommodate our owners whenever possible.

Can Peabody Residential help me sell my property?

Yes! We have a clause in our agreement that provides us the ability to help you sell your home if you choose to work with us. We have an excellent track record of selling home in less time than the industry average, for more than the industry average, can help with all repairs and contract term requirements to make the process smooth and easy for you, an extensive marketing network and campaign, and can coordinate the entire sale without you having to be present during any of it including settlement. We make selling your home or asset an easy process.

We only sell homes for our contract clients! This ensures we focus 100% on our clients.





Is the management agreement a standard, widely used form?

No. We use a contract that includes standard terms from our association locally and provide by the state along with additional terms to ensure we can comprehensively service your property. It is an elective contract with a 60 day cancellation at any time and we maintain our Service Guarantee throughout the time we work with you.

Who holds the tenant's security deposit?

If you are currently holding your current tenant's deposit, you should send it to us at the time we take over management of the property. Any new deposits that we receive are held in our deposit trust account.

How much security deposit do you charge the tenant?

We stay within the norms allowed by the state or jurisdiction the property is located in. The maximum total deposit we can hold is equal to 2 months of rent. We normally hold the equivalent of 1 month of rent and may increase it depending on the tenant application and pets that will be associated with the lease.

What should I do if the tenant calls or emails me?

Responsible tenants are valuable assets to both of us. A satisfied tenant can bring us referral business and will be more inclined to care for your property as if it was their own. As the owner of the property, it is best that you avoid direct communication with the tenant and refer all inquiries to our office. We maintain a diplomatic relationship, between you and your tenant, through personal contact and in the form of our Property Survey Reports and announcements. We also send you announcements newsletter you advised of changes in the housing market, problems we are encountering, changes in laws that affect rental housing, etc.

Can I go by and view my property?

Yes. In fact, we recommend owners view their property at least once every year or two years. Owners should give Peabody Residential at least a four to five day notice, so we can make arrangements with the tenants. Often the trip to view your property is tax deductible! Please check with your tax preparer.

How soon can Peabody Residential start managing my property?

We can start the process immediately. Contact us so we can find out more about you and your property and see if we would be a good match for your wants and expectations. Please contact us if you have other questions or wish to discuss letting us handle your property.





Property Management - Our Policies

Referrals

When an owner sends a management referral to us we consider it to be one of the greatest compliments we can receive.

One of the greatest compliments that we can receive is for one of our Owners to refer a friend, colleague or family member. We are happy to provide you one month free of management services as part of our happiness guarantee. We truly appreciate your referrals and you will have the satisfaction of knowing that Peabody Residential will take good care of your friend or family member.

The good news is that if a New Owner is referred to us, we are pleased to offer the New Owner one free month of management fees. Please be sure that you or the person you refer informs us of the referral.

Security Deposits

The security deposit is equal to one month's rent as a standard and may increase to one and half of one month's rent if needed and is collected when the lease is executed. If the rental application is approved, the deposit is retained by us in an Interest bearing account until the tenant departs from the property. Interest accrued on the deposit will be retained by our firm. Within 45 days after departure, the deposit is returned to the tenant if all provisions of the lease agreement have been met. Payment for damage to the property, due to neglect by the tenant, is deducted from the security deposit and credited to your account. Any deductions from a deposit must be supported by copies of bills for the expenditure, or otherwise authorized in the Lease Agreement.

Rental Payments

Rent payments are due on the first day of each month. If a tenant moves into a property during the middle of the month, rent for the month will be prorated, and the rent for the ensuing months will be due on the first.

Rental Increases / Lease Renewals

Unless we receive specific written instructions from you at least 61 days prior to a lease expiration date, rent increases (if any) and lease renewals will be solely at our discretion.

When making the decision on whether or not to increase rents, we consider market conditions, neighborhood conditions, tenant payment history, length of occupancy, property condition, time of year and anticipated expiration date of any renewal.

There are times after the tenants initial lease agreement, where the tenants needs to stay on a month-to-month lease agreement or renew their lease agreement for a shorter period of time because of pending job transfers, purchasing a property, financial reasons, etc. Unless the owner is moving back into the property or putting the property on the market for sale we will allow shorter period. .Once a lease is signed, it cannot be changed, so it is very important for you to notify us well in advance of your desire to make any changes.





Rental Rates

Prior to placing a property on the rental market or renewing a lease, we review the market and determine the most economical and profitable rental rate that can be charged.

After a property has been exposed to the market for two weeks without renting, we look into the possibility that the asking rent is too high. We will consider lowering the rent so that the property will not sit vacant.

We may, if necessary, offer a prospective tenant some "free" rent as an incentive to rent the property. We have found this to be very beneficial in obtaining tenants in a "slow" rental market.

Breaking the Lease

A lease normally contains only one provision by which a tenant can terminate his or her lease without penalty.

A Military Clause permits military personnel to terminate the lease when they present proof of a transfer outside the Washington, DC metropolitan area. They are required to provide thirty days written notice prior to vacating the house. If orders are not available, a letter signed by their Commanding Officer will suffice.

Occasionally, a tenant's civilian employer requires them to transfer to another city. In this case, the tenant may terminate their lease by following the EARLY TERMINATION procedures in their lease agreement.

The tenant will bear all expenses normally experienced with re-leasing, and pays the rent until the property is re-rented, tenants may be released from their obligations upon successful completion of the early termination and paying all associated fees involved in the re-leasing of the property.

Tenant Purchasing a Home

When tenants purchase a home prior to their lease expiration, they fall into the same category as a tenant who breaks their lease, and all rules pertaining to breaking a lease apply.

Carbon Monoxide Detectors

Carbon Monoxide is an odorless, colorless gas that kills many people every year. If your property has gas heat, gas water heater, or a gas stove, we recommend that you install Carbon Monoxide Detectors in your property. We believe state law will soon mandate carbon monoxide detectors in rental properties. All detectors should be installed in accordance with their instructions.

Communications

Good communication between us is essential for a successful relationship. A conversation through your online account is preferred for quick communications. The Conversations are responded to same day prior to close of business if received before 3:00pm. Email is the preferred for complex communication





that may include documents, significant writing or multiple follow up and cross communication with multiple parties. We will respond to emails the same day or prior to close of business the following day. You can send us a conversation or update one through your online account main page under the conversations section. You can email us at Info@PeabodyResidential.com, fax us at 703-991-4000 or call us at 703-436-6964 ext. 101. Also we have a great deal of information on our website at www.PeabodyResidential.com (Please be aware that some of our phones record phone calls.)

Decorator Paint in Home

Although the decorator paint colors you used in your bedroom, bath or living room is enjoyable and pleasing to you that is not necessarily true for the prospective tenants.

We consistently find that having even one wall that is maroon or green or one bedroom that is blue or pink can greatly increase the time it takes to rent the property each time it comes available. We strongly recommend that all walls and ceilings be painted an off white. We use Dover White semi-gloss paint on the walls, so that it is easy to do a touch-up when necessary.

We also find that prospective tenant will include in their application that walls be painted as part of the lease agreement. We will agree to painting rooms and areas of the home a neutral color if it secures a tenant for the property.

Equal Housing Opportunity

Peabody Residential is committed to the Equal Housing Opportunity Laws, and we do not discriminate against anyone on the basis of Race, Color, Religion, Sex, Handicap, Familial Status, National Origin or Age.

Eviction Procedures

Eviction procedures are initiated against the tenants if they have not paid their rent by the 10th day of the month. The provisions of an eviction notice can vary, so we retain an attorney to draft and send out all notices past the 8th of the month, work with the sheriff to deliver notices and file the proper documentation with the courts and represent you in the eviction process. We work as a support to the attorney to ensure all responsibilities are met by the Landlord to complete the process. We will if needed negotiate in court or with the attorney to secure possession of the property as soon as possible.

Inspection of Property

We are not licensed inspectors and our surveyors are not licensed inspectors. We only perform or have performed visual surveys of the properties to assess the general condition of the property. A licensed inspector does a very detailed inspection, including checking the function of the plumbing systems, heating and cooling systems and more. Generally a licensed inspection is done when a buyer purchases a property and cost anywhere from \$350 - \$500.

Our surveyors charge \$100- \$125 to conduct a survey. We normally perform an initial 6-9 month survey to see how the tenants are maintaining the property. Also we do a renewal survey when the tenants are renewing their lease agreement. This helps to ensure the property is being maintained by the tenants. We





send notice to the tenant asking them to cure any noted deficiencies that are their responsibility. On more serious violations, we will inform you of the problem and recommend what corrective action should be taken. Also when our maintenance personnel do repairs, they are instructed to report anything that is out of the ordinary.

Anytime you desire us to perform an additional property survey, the fee is \$100.

Insurance

You must advise your insurance company that the property will be a rental unit, and Virginia insurance regulations require that any existing Homeowner policy be canceled. You will need to take out 'Fire and Extended Coverage' and also notify your agent the property will be a Rental Property. In order to protect your investment the amount of insurance should equal the replacement cost of the property.

Also, be certain that you have adequate Property and Liability Insurance coverage.

The Property Leasing and Management Agreement requires the owner to carry insurance adequate to protect all parties.

IF YOUR RENTAL PROPERTY IS VACANT BEYOND 60 DAYS, REQUEST THAT YOUR INSURANCE AGENT ADD A VACANCY CLAUSE TO YOUR POLICY. WITHOUT THIS CLAUSE YOUR INSURANCE IS INVALID.

Have your agent name Peabody Residential as an additional insured, or property manager in your liability policy. We need this proof of insurance in our files. We must be provided copies proving coverage no later than thirty (30) days after signing the Property Leasing and Management Agreement.

What is 'Additional Insured'?

The First and best line of protection an owner has in the event of a lawsuit brought on by a tenant being injured on the property by faulty wiring or a faulty appliance or anything else is to carry adequate insurance. Additional insured is a person or organization not automatically included as an insured under an insurance policy, but for whom insured status is arranged, usually by endorsement.

A property owner's reason for providing additional insured status to others may be a desire to protect the other party because of a close relationship with that party (e.g., employees) or to comply with a contractual agreement requiring the named insured to do so (e.g., Property Management Agreement or others working in behalf of the owner).

The Property Management Agreements requires the owners to name the property management company as additional insured because the management company does not hold title to the rental property that they are managing and cannot acquire general liability insurance on property that they don't own to cover the management company. Ordinarily there is no extra premium charge to the property owner to add the management company as additional insured.





Key Control

We maintain strict control of all keys. The keys for each property are locked in a locked cabinet. All keys issued to tenants, staff or company representatives are documented. We need at least 1 full set of keys for each property to maintain at our office.

Property Management - Maintenance

Maintenance and Repairs

The actual maintenance expenses for the home are the responsibility of the homeowner. Every effort is made to control maintenance costs while maintaining the integrity and value of the property. While the property is occupied, the tenants are required to notify our office of any problems. If the estimated cost to repair exceeds the maximum that is allowed in the Management Agreement, the owner is contacted for permission to make the necessary repairs. (Except as included in the agreement)

We realize it can be rather upsetting when you receive an unexpected bill from us for repairs made to your property; however, some repairs are urgent and must be corrected immediately. Emergency repairs are made in accordance with our Management Agreement. Normally, the tenants pay a portion of the repair expense but if, in our opinion, the expense was due to their negligence, the tenant will be billed and become liable for the entire amount. We do not do bids or estimates on repairs under \$500.00. We normally, on any major repair, obtain at least two bids from reliable contractors. The bids will be sent to you to review and approve in writing. Due to the fact that the bids take time to be completed and in order to eliminate further delay, we ask that you make a timely decision or provide our staff with firm guidance. You will be asked to forward a check for the cost of the repair before the work is started.

It is our policy to use only reliable contractors that do professional work at a reasonable cost. We have used most of the contractors for several years and have found their prices very competitive.

Billing for repairs will be made directly to our company. We then bill only that amount to the owner's account. As tenants are billed and reimbursements are received, the owner's account will be credited with the amount of reimbursement. This will appear on the statement. We require owners to deposit \$500.00 for a maintenance reserve upon signing the Management Agreement. A copy of any bills will accompany your statement explaining the type of work/repair accomplished on the property.

Maintenance Charges & Late Charges

When a tenant owes a maintenance or late charge, our policy is to withhold from their regular monthly rent payment any amount that is owed. Tenant's failure to pay the lease payment prior to 12:00 p.m. on the 3rd day of each month requires them to pay the late fee, as stated in their lease, which is collected at the same time as the monthly payment. If the tenant fails to include the late fees with their rental payment, your income for the month will be short because our procedure is to credit all payments to non-rent charges first, including late charges. The court system only permits us to evict for nonpayment of rent. Because of this eviction restriction, we must collect any delinquencies first which causes the unpaid amount to be for rent only. Hopefully, you will receive the balance of your income in the next monthly collection cycle.





No Smoking

Smoking is not allowed inside the property. We will rent to tenants who smoke, but we require them and their guests to smoke outside. We make this very clear to them; they are required to sign that they fully understand this at the time of their application. It is also part of the lease agreement.

Occupants

Everyone adult who lives in the property must be named on the Lease Agreement. It is our Policy that a guest staying with the tenant longer than 21 days is no longer considered to be a guest but a roommate, therefore, if the person is Eighteen (18) years of age or older, he/she must fill out and submit our Rental Application for approval by Peabody Residential. Tenant(s) must abide by the decision of Peabody Residential, whether another person or persons can be added to the Rental/Lease Agreement. Failure to do so may result in termination of their lease.

Pest Control

Owners have an obligation to provide a residence that is relatively free of pests upon occupancy. If not, the owner is responsible for treatment(s) during the first 30 days after the tenant's original possession date. The owner is responsible for maintaining the residence in a reasonable rodent-proof condition and rectifying any condition that would allow squirrels, birds, etc. to enter and nest. Infestations of mice, squirrels, vermin, and or poisonous insects need to be taken seriously, as they can cause damage to a property and can be a health risk to people. Infestations of this type are treated at the owner's expense. This does not release the tenant from their obligation to keep the property in a clean and sanitary condition so as not to promote the attraction of rodents and or pests.

Pet Control

No pets may be kept on the property without Peabody Residential's written authorization. Pets include birds and fish in aquariums larger than ten gallons. Our properties have restrictions on number, size and type of pets. Due to the fact that 70%+ of today's renters have pets, our policy is to consider pets on a case by case basis.

We may require a pet deposit for each pet, however we do not as a standard as we account for all damage from the security deposit. Of course, tenants are liable for any damage caused by pets. Unauthorized pets found on a property can result in eviction and or a penalty.

We are extremely careful when selecting tenants who wish to bring pets with them.

Not allowing pets may double the time it takes to rent your property. If you do not allow pets, please let us know as we only manage properties that allow pets.

Re-Keying and Security Devices

We rekey every property when a new tenant begins their lease.





We recommend that for the safety and security of your tenants and their families the following is done:

- Keyless deadbolts. Install a keyless deadbolt on every exterior door, including a door from a garage into the dwelling. A keyless deadbolt is not necessary on sliding glass doors or on doors that open from a garage to the outside.
- Keyed deadbolts. Install a keyed dead bolt or a keyed door knob lock on at least one exterior door. You don't need a keyed lock on all exterior doors. You need a keyed lock on only one exterior door which is normally used for entry. That lock can be either a keyed deadbolt or a keyed door knob lock. Obviously, a keyed dead bolt is far superior to a keyed door knob lock because of its one-inch bolt.
- Door-viewers. Install a door-viewer (peephole) in the front exterior door.
- Pin locks on sliding glass doors. Ensure a sliding door pin lock on each sliding glass door is present.
- Security bars or door-handle latches on sliding glass doors. Install either a security bar (sometimes called a "Charlie bar") or a door-handle latch that works, on each sliding glass door. You have a choice of one or the other.
- Window latches. You must have a window latch on each window. It can be the original latch or an after-market type.
- French doors. All French doors should have must have a threshold bolt and upper door jamb bolt (with a 3/4" throw) on one door. The other door should have a keyless deadbolt and either a keyed deadbolt or keyed doorknob lock.
- Automatic door closers. You should have an automatic door closer on each hinged door that opens to the exterior of the property. Door closers on sliding glass doors are not required. We highly recommend them for safety and liability reasons. Spring-loaded door hinge pins seem to be the best and most aesthetic type of automatic door closers.
- Window screens. Window screens are recommended and all present at the property need to be hole and tear free.
- Rekeying at turnover. At each tenant turnover we rekey all keyed deadbolts and keyed doorknob locks on exterior doors if the doors can be opened from the outside by a key. We require owners to use our locksmith. Our locksmith re-keys the property to our key system and makes sure the locks and smoke alarms are up to code.
- Quick repair. You must quickly repair or replace a security device that you or your employees at any time discover is missing or not working--even if the tenant has not asked you to do so.
- Prompt response. We will promptly respond to legitimate tenant requests for rekeying, repairing, installing or replacing--preferably within three days after receiving the tenant's request, but no later than seven days.

Smoke Alarms

All rental units including apartments, duplexes, condos, and single-family homes must have smoke detectors as required by local and state laws. We recommend a smoke detector outside each bedroom, on each level in the hallway, and outside of each kitchen. We also recommend that a carbon monoxide detector be placed outside the utility room or where a gas appliance is located and in the living room where gas fireplaces are located. Unless otherwise recommended by the manufacturer's published instructions, single- and multiple-stations smoke alarms shall be replaced when they fail to respond to operability tests, but shall not remain in service longer than 10 years from the date of manufacture.





Utilities

Unless otherwise stated in the Property Leasing and Management Agreement or restricted by property limitations, all utilities used on the premises are paid for by the tenant.

New tenants are advised to notify the appropriate utility companies to have service turned on in their name.

During periods of vacancy, utilities will be placed in the company's name, and the resulting usage will be charged to the owner's account. Having the electricity on greatly enhances the showing of your property when darkness arrives early in the evening and during hot weather.

Vacancy

While a property is unoccupied, periodic inspections are made to see that lawns and yards are maintained, the property is presentable, and that no vandalism has occurred.

During periods of vacancy, it is physically impossible for our staff to accomplish the task of watering the lawn and shrubs. If this service is needed, we will assist in contracting for the service at your expense.

When we have extensive repairs or painting to do, we will ask the assigned contractor to assist in watering.

Showing the Property

Before properties are shown, prospective tenants are advised of available properties and specifics of each. Information given generally includes the type of unit, the number of rooms, rental rate, security deposit, and other information to help ensure the property fits their criteria.

An agent will pre-qualify the applicant by determining the family size and composition, rental history, current rent and desired date of move-in. This process is completed in the office or over the telephone and then, if the customer is still interested, one of our network agents will show them your property.

Wear & Tear

We expect an interior paint to last 3-4 years and carpet to last 6-7 years. If a tenant moves into a property that is freshly painted, moves out after one year and we have to repaint, the tenant is charged 2/3-3/4 of the cost to paint. If the tenant moves out after 3-4 years and we have to paint, the full cost is charged to the owner.

Carpet replacement is pro-rated over a 6-7 year period. If a tenant moves out after 3 years and we have to replace the carpet, the tenant is charged 58% (based on 8 years) of the cost to replace the carpet.

If we have a garbage disposal fixed that was clogged by the tenant, the owner will be reimbursed, by the tenant, for the repair bill. If the garbage disposal has rusted through, the owner pays the whole expense. We make every attempt to be fair to both owners and tenants.





The Courts & Judges are not sympathetic to owners who want to charge tenants wear & tear repairs.

Yard Maintenance

The tenant is responsible for yard maintenance which includes maintain the grass and shrubs. Owners are responsible for trimming limbs and trees.

Grass must not be higher than 6 inches.

The area around the driveway, sidewalks, curbs and gutters are considered to be part of the yard and need to be kept free of weeds, grass, and leaves. For security reasons, hedges and bushes should be trimmed so they do not to block the view from windows.

Property Review/Report

Updating and replacement review on an ongoing basis is an integral part of maintaining the value of the property. Outdated carpet, counter tops and light fixtures can significantly reduce the value of the property and cause unwanted delays in occupancy.

WE DO NOT INDEMNIFY YOU AGAINST ANY LOSS OR EXPENSE DUE TO VACANCY (for any reason), UNPAID TENANT CHARGES, TENANT DAMAGES, ATTORNEY'S FEES IN THE PURSUIT OF A TENANT, OR THE COST OF MAKE-READY.

Peabody Residential is committed to maintaining at least minimum property standards for all properties under our management. Maintaining these standards will protect our owner's investments and enhance the living environment for our tenants. It is important that all parties involved with a property maintain compliance with these standards to ensure a successful rental experience.

Exterior Standards

- Structural - Property is to be structurally sound, providing the tenant with a safe living environment.
- Roofs and Gutters - Roofs must be free of leaks and in good repair. Gutters are to be clean and free flowing.
- Landscaping, Trees, Miscellaneous Appearance - Landscaping is to be well maintained and at all times provide a neat appearance, including mowing and watering of lawns, trimming shrubs and flowers, and pruning of trees as may be required from time to time. All personal property, trash receptacles, and disabled cars are to remain out of sight. All debris is to be removed no less than monthly.
- Doors and Locks - All exterior doors are to be in sound condition, securable, and weather tight. All locks are to be re-keyed between occupancies. Also all locks must be operational at all times and be in compliance with the State Security Devices Statutes.
- Paint/Siding and trim paint is to remain free of peeling paint. Any homes built prior to 1978 must have a Lead Paint Addendum signed by the owner on file with Peabody Residential.
- Windows and Locks - All window glass must not be broken or cracked. All windows and window locks must be operational.





- Exterior Lighting - Exterior lighting is to be provided on perimeter areas where hazards may exist. All burned out bulbs are to be replaced immediately.
- Garages and Outbuildings - Garages and outbuildings may be used for storage, but must remain free of waste and debris.

Interior Standards

- Heating System - All Properties are to be equipped with an adequate heating system meeting local building codes at the time of installation and be in good repair at all times. Defects are to be repaired immediately.
- Electrical System - Entire electrical system is to remain in good repair and meet local building codes at the time of installation. Any exposed wiring, defective outlets, switches, fixtures, or hazards of any kind are to be repaired immediately.
- Plumbing System - All Properties must be supplied with hot and cold running water. Plumbing fixtures are to remain free of leaks and be operational. Water heaters should be set no warmer than 120 degrees and be equipped with a pressure relief valve and appropriate drain plumbing in the event of a high pressure water release.
- Appliances - All appliances on the premises supplied by the property owner are to be maintained in good working order. Defective appliances are to be repaired / replaced immediately. (Unless otherwise stated in the lease agreement)
- Smoke Detectors - Properties are to be equipped with a minimum of 1 smoke detector per floor, and 1 smoke detector outside of the bedroom(s). The smoke detector must meet current local, state, and federal standards. Any defects in equipment must be repaired / replaced immediately.
- Floor Coverings - All flooring materials are to be clean and maintained in good condition at all times. Flooring, including carpet, vinyl, and wood is to remain free of rips, tears, and gouges. We require that the owners have the carpets professionally cleaned before the tenants move in and we require that the tenants have the carpets professionally cleaned when they move out.
- General Premises - are to be clean and free of debris at all times. Property is to be turned over to incoming tenants with the highest standard of cleanliness at all times.

