



1409 W. Academy St. Fuquay Varina, NC 27526

Office: 919-324-3829

www.Encore-PM.com

OWNER/LANDLORD HANDBOOK

ISSUE 4

DISCLAIMER: This Landlord Handbook is provided for informational purposes only and does not constitute a portion of your Property Management Agreement. Please review your Property Management Agreement carefully, familiarize yourself with its contents and do not hesitate to contact us with any questions or any additional information you may require. The intention of this Landlord Handbook is to help clarify our office policies and procedures and provide general information.

Table of Contents

Welcome Letter	3
General Information	4
Contact Information, Physical Address, Company Website.....	4
Advertising and Sign Policy.....	5
Application Procedure and Requirements to Rent... ..	5
Occupancy Policies... ..	5
Move In/ Move Out Procedures	6
Deposit Return... ..	6
Property Maintenance Information.....	7
Monthly Statements and Payment Procedures.....	8
Late Payments	8
Payment Agreement for Non-Sufficient Funds (NSF) and Partial Payment Information	9
Emergency Procedures	10
Thinking about buying a home.....	10

Welcome Letter

Dear New Landlord,

As your new property management team, we would like to welcome you to Encore Properties and look forward to being of great service to you. We have prepared this Owner/Landlord Handbook to help you understand our policies and procedures.

Please take a moment to look through this packet, it will give you the basic information you will need to better serve your tenants and to know how our office operates. If you still have questions, please don't hesitate to give us a call. We will be happy to answer any questions or clarify any concerns.

Our goal is to provide you with exceptional customer service and be available to you if you have any questions or concerns.

Sincerely,

The Management Team at Encore Properties

Office: 919-324-3829

www.Encore-PM.com

1409 W. Academy St.

Fuquay Varina, NC, 27526

Properties@Encore-NC.com

General Information:

Contact Information, Location & Mailing Address, Company Website

Encore Properties

Kelly Sauls, Owner and Broker

Phone: 919-324-3829

Direct Line: 919-324-3829 ex: 101

Email: Properties@Encore-NC.com

Direct Email: Kelly@Encore-NC.com

Location/Mailing Address

1409 W. Academy

Fuquay Varina, NC 27526

Website

www.Encore-PM.com

Office Hours

Encore Properties is available Monday thru Friday from 9:00am to 5:00pm with the exception of weekends and holidays. You can email us anytime at Properties@Encore-NC.com.

Advertising and Signs Policy

Encore Properties will generally advertise your property on various online websites including our website, the local MLS, AHRN, Apartments.com, Zillow and Zumper. For a more detailed list you may contact the property manager. Please refer to the section titled Compensation for more information about leasing fees, management fee, and eviction fees.

Due to the possibility of squatters, the expense, and difficulty of getting the squatter out of your property, we do not recommend placing a for rent sign in the yard. However, if you would like to request a sign to be placed in the yard we are happy to take care of that for you.

Application Procedure and Requirements to Rent

Prospective tenants may apply online through our property management database service. Encore Properties has basic requirements that an applicant needs to meet before they are accepted. We require them to have a gross income at least two and a half (2.5) times the monthly rent, no felonies within the last 5 years, and no evictions within the last 5 years.

Applicants will have their credit run, a criminal background run, and a rental history check completed. They must submit pay stubs or an offer letter as proof of income.

If the applicant meets the above criteria, we will contact you via email or any other approved method to notify you of the final approval and lease signing.

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Occupancy Policies

All tenants or prospective tenants over the age of 18 must be screened for application purposes. All tenants over the age of 18 must appear on the lease and all children under the age of 18 must be disclosed to Encore Properties upon lease signing. Any person or persons remaining on the property more than 7 nights in 1 month are considered to be a tenant and need to be added to the lease. Any violation of this policy may subject the tenants to be evicted from the premises for breach of lease terms.

Move In/Move Out Procedure

Move In: The property condition will be verified by the Property Manager at least 48 hours prior to move in. The condition with photos will be uploaded to your owner portal at www.Encore-PM.com. Upon lease signing the tenant will do a walk through within 5 days of move in and will provide a move in inspection form of their own. If there is anything in their walk through that we did not note that needs any maintenance we will follow the maintenance policy as stated in the section Property Maintenance Information.

Move out: Tenants must give written notice to vacate at least 30 calendar days before they intend to turn in keys. When we receive the 30 day notice to vacate we will notify you by email or by any other approved method. The notice will also be uploaded to your owner portal. Tenants will be held financially responsible for the remainder of the 30 days or, if they are in a lease, the remaining time frame on the lease.

Deposit Return

When a tenant turns in keys, we have 30 days to either return their deposit or send a detailed letter stating why they have not received a deposit, what fees they may owe, and/or why their deposit was reduced. That letter must be accompanied by any invoices for repairs or other services that were needed to get the unit back to the condition in which they took possession. The monies that have been held are used to pay the vendors that did the repairs or go to you for reimbursement for the repairs.

Property Maintenance Information

According to North Carolina State law, landlords must keep their buildings sound. Stairways, floors and roofs needs to be in good repair; electrical, heating and plumbing should operate safely and properly; the property should have hot and cold running water; and be free from any pest infestation before any new tenants move in.

In addition to the North Carolina state standards, Encore Properties requires owners to keep the units in reasonably good cosmetic condition. If something in the unit breaks or falls into disrepair due to normal wear and tear, we expect our owners to fix those issues. A basic rule of thumb is; if it was working when the tenant rented the home, then the repair should be made.

It is important to review the North Carolina Standards in which a Landlord is required to follow. As your Property Manager, we will act in accordance with those laws. See link.

<https://www.ncdoj.gov/getattachment/838e3756-843f-4dbb-b5c5-49cb71209f3a/landlord-tenant-booklet-rev-June-2018.pdf.aspx>

Tenants are urged to communicate all maintenance requests via the online portal. Our normal procedure is that if the repair will be less than the pre-approved amount set forth in the Property Management Agreement, we will proceed with the repair and deduct your rents the following month. If the amount is higher than the pre-approved amount, we will call to make the necessary arrangements with you.

Encore Properties has a group of vendors that we prefer to work with. We know their work ethic and are confident they will produce a result that is consistent with our expectations. Unless the issue is a habitability issue the owner has 30 days to complete the necessary repairs. Examples of habitability issues are running water, heat, and a safe environment. While air conditioning is not considered a habitability issue, we understand that the summers in this area are very hot and do our best to get any work orders regarding air conditioning taken care of in a timely manner. If you have a home warranty or have vendors that you would prefer that we work with for your property, just let us know.

Monthly Statements and Payment Procedures

Rent is due on the 1st of each month. The tenant has until the 11:59 PM on the 5th of the month to pay their rent without incurring a late fee. At 12:00 am a 5% late fees will be assessed to the tenants account. Owner statements and payments are prepared on the 10th of each month, or the following business day. You will receive your payment by direct deposit through your owner portal. The reason for waiting until the 10th of each month is to ensure the payments have cleared the tenants' bank accounts. By law, we must wait until the monies have cleared before we can send any payments to you. Different banking institutions take different amounts of time

to clear funds. It can take anywhere from 2 to 14 days depending on the bank and their policies, as well as the method of payment (ex. Checks, cashier's checks, money orders, etc.). The fact a bank may or may not be local is another deciding factor in processing time frames. Encore Properties understands our owners rely on those funds and send out our owner payments on the 10th of each month or on the following business day if the 10th falls on a weekend or a holiday. If the payment from the tenant does not clear it is the owners' responsibility to return the monies dispersed by Encore Properties. Please note that once Encore Properties sends funds to your account on the 10th, it may take 2 to 5 business days to show as a credit your bank account.

Late Payments

As stated earlier rent payments are due on the 1st of each month, but have until 11:59 PM to pay their rent. On the 6th of each month the monies received are entered into our system and then late fees are assessed to accounts showing a balanced owed. The standard late fee is 5% of the monthly rent due. Encore Properties will keep the late fee as reimbursement for collections attempts if rent is paid before the 10th of the month. If the rent is paid after the 10th of the month, then all late fees will go to Landlord. The property management team will attempt to notify the tenant and find out the reason they have not paid and when we can expect payment. We will then notify the owner by phone and email if we were able to get in contact with the tenant and what they said, if anything. Based upon the information that we have we will ask you how you would like to proceed. There are a few options that you will be able to discuss with your property manager. Some of these options include:

1. Working to collect full rent
2. Making a payment arrangement with your tenant
3. Serving 10 day Notice to Pay or Quit

Payment Agreement for NSF and Partial Payments

Partial Payments

In the event that a tenant does not pay their full rent or if the payment comes back a Non-sufficient funds, we would like to know how you would like us to proceed.

When a tenant has not paid their rent and we have decided to proceed with an eviction, partial payments can become an issue. Once the eviction procedure has begun, Encore Properties is no longer able to accept payment without your permissions due to the following reasons:

1. Accepting any payment can void the paperwork that has been filed with the court
2. Accepting any payment can void the notices that we have posted and mailed to the tenant
3. You would be responsible to pay the additional fees for filing the court papers again

NSF Payments

When a tenant does not have enough money in their account the bank then charges a non-sufficient funds (NSF) fee. By the time we receive the NSF notice, the funds may have already been sent to you. The bank will automatically deduct the NSF amount from our trust account. By law, within 24 hours, Encore Properties must place our company funds into the trust account to prevent co-mingling of funds with other owners. We can wait to send your monthly owner draw and statement until the funds have cleared the tenants' bank, which can be up to 14 business days. If you agree to return to Encore Properties any funds that are paid to you that have been returned as NSF by the tenants' bank we will send your owner draw and monthly statements on the 10th of the month. If you choose not to agree, all owner draws and monthly statements will be held until the rent payments have cleared.

Emergency Procedures

Maintenance Emergency Procedures:

- If the tenant experiences an emergency situation, they have been instructed to follow the steps outlined below. As a note, if the problem occurs in the middle of the night or on the weekend it is very unlikely we will be able to dispatch a contractor to the property until the next business day. The tenants are encouraged to try to contain the emergency as best as possible with our causing further damage to the property.
 - The specific definition of a maintenance emergency is: an issue that is dangerous, hazardous, or if not addressed immediately could cause damage to the property or your personal well-being (e.g., flooding, no heat in the winter, or a gas leak).
 - An emergency is **not** an annoying sound, air conditioning failure, appliance malfunction, drain stoppage and the like, while inconvenient, these are not considered emergencies and will be handled by our office on the following business day.
 - Although an A/C issue is not technically defined as an emergency, we do understand how hot the summers are here in North Carolina. We will try and do our best to get this resolved as soon as possible.

- If the situations occurs during normal business hours, call our office, then follow-up with a work order request.
- If the situation occurs after business hours, call our main office line and listen for directions on how to reach our emergency extension.
- Water related emergencies: If water is running onto the floors from any appliance, fixture, or pipe, they are instructed to close the shut-off valve for the appliance/ fixture or shut off the main valve to the property.

*Revisions of this documents will be emailed to the email address we have on file with the revisions notated next to the section they are revising. You may also view the section of your tenant portal.

*FOR MORE INFORMATION REGARDING LANDLORD/TENANTS LAW IN NORTH CAROLINA, PLEASE VISIT: <https://www.ncdoj.gov/getattachment/838e3756-843f-4dbb-b5c5-49cb71209f3a/landlord-tenant-booklet-rev-June-2018.pdf.aspx>

Thinking about selling or buying another home? Encore Properties *also assists homeowners in their search for a new or pre-owned home. Please call the office at 919-324-3829 and ask to speak with a Broker or Sales Agent.*