



**Property  
Management** INC.

ASSOCIATION • COMMERCIAL • RESIDENTIAL



# OWNER'S MANUAL





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# Making Property Management Manageable<sup>SM</sup>

## Welcome

Thank you for choosing Property Management 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.

PMI works to achieve the highest professionalism in Real Estate/Property Management Services. Therefore, we have prepared the Property Management Inc. 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.

**Special note:** the information provided in the PMI Owner Manual is subject to change. Landlord/Tenant laws, personnel, policies, and procedures change accordingly to events that take place. PMI 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 Property Management Inc. as your Property Management Company. We look forward to a successful business relationship.

## Owner Documents

A copy of your management agreement has been published to your online owner portal. Refer to it as needed and keep it with this information for a handy reference.

## Property Management Inc.

Property Management Inc. (PMI) is a property management company operating in the greater Indianapolis, Indiana area, specializing in full-service property management and residential sales.

### **PMI mission statement**

The mission of PMI is to provide quality service in property management and real estate sales in the Indianapolis community, demonstrating integrity and professionalism.

### **PMI principals**

The owner/principal of PMI Indianapolis is Joseph Atha. He is the broker of PMI.

Joseph Atha  
[Joe@pmiindy.com](mailto:Joe@pmiindy.com)  
317-719-3029

## PMI Communication

Communication is a key to the success in any relationship and the PMI 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**

Below you will find all general office information such as addresses, telephone numbers, email address, website, and office hours.

PMI personnel communicate by:

- Telephone
- Text Message
- Owner Web Portal
- Fax
- Email
- Written correspondence



## PMI Website

PMI stays current with business technology. The PMI website, [www.pmiindy.com](http://www.pmiindy.com), has proved to be a tremendous asset. Here are a few of the benefits for clients on the PMI website:

- Prospective tenants can search our site for available rentals and make application online.
- We can run credit reports and background screening in a matter of minutes after the application is received and make recommendations based on those screenings.
- Tenants can access important information, such as a work order request, or send PMI an email from the site.
- Owners can log onto our website and view their vacant listing and log into the Owner Portal for real-time financial reports and view work orders.

## General Office Information

PMI General Information		
<b>Address information</b>		
Mailing address	<b>15275 Stony Creek Way Ste A</b>	
	<b>Noblesville, In 46060</b>	
<b>Communication</b>		
Business #	<b>317-572-7036</b>	
FAX #	<b>317-813-9388</b>	
Office:	<b><u><a href="mailto:info@pmiindy.com">info@pmiindy.com</a></u></b>	
Maintenance	<b>repairs@pmiindy.com</b>	
Leasing	<b>leasing@pmiindy.com</b>	
Website	<b><u><a href="http://www.pmiindy.com">www.pmiindy.com</a></u></b>	
<b>Office Hours</b>	Monday – Friday AM	<b>9-5 EST</b>
	Sunday	<b>Closed</b>
	Holidays	<b>Closed</b>
<b>Emergencies</b>	<b>317-572-7036</b>	

## 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. PMI 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. Please use the owner portal or email to notify us of any changes.

### Email

PMI encourages all owners to use email or Owner Portal to contact us. It is fast and effective. Please supply us with your email address on all the PMI 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. This helps us identify the importance of your message, and avoids oversights or deletions of messages.



### Owner vacation notice

PMI respectfully requests that owners notify PMI 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 PMI is prepared in the event of an emergency repair or major problem concerning the owner’s property and/or tenant. Please notify us of using the Owner Portal.

## Owner Responsibilities

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

Owner responsibilities are:

- Notify PMI of any ownership change or eminent owner change for the managed property.
- Supply PMI with accurate information so PMI can service the management account properly.
- Review statements monthly and notify PMI of any discrepancies found as soon as possible.
- If using ACH, check statements monthly for accurate or missing deposits and notify PMI 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.
- Review their property insurance yearly and update as needed.
- Exercise responsibility for required maintenance and the safety of their tenants.
- Treat PMI personnel with courtesy and notify PMI principals if there are problems with PMI personnel so they can be resolved quickly.

# The Scope of Property Management

## What is included in PMI Property Management services?

PMI has outlined details on our policies and procedures in future pages of this information. We can only include the basics in this manual. If you have more questions, contact your management team. These are general guidelines and when necessary, policies will change.

## Company Policies

It is very important in the field of Property Management, that PMI 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, NARPM, and the National Association of Realtors, NAR®. Additionally, we train all personnel by requiring them to read and follow the PMI Property Management Policy and Procedures Manual.

## Department of Real Estate Requirements

The Indiana Department of Real Estate requires licensing for all persons conducting Property Management and Real Estate Sales in our state. PMI requires all personnel that are Brokers, Property Managers, and Real Estate Agents to have an Indiana Real Estate license.

## Code of Ethics

PMI follows the Code of Ethics outlined by both NARPM and NAR®, and CAI. PMI considers this a top priority in conducting business and is required of all PMI personnel.

## Drug-Free Policy

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



## Legislation

PMI 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 PMI follows:

- Fair Housing (HUD) - PMI supports and follows Fair Housing laws and guidelines; the PMI office displays Fair Housing signage
- Equal Opportunity - PMI is an Equal Opportunity employer; the PMI office displays Equal Opportunity signage.
- 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. PMI 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 PMI provides them with the required EPA Pamphlet, *Protect Your Family from Lead in the Home* PMI then forwards the





required disclosure to owners for signature.

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**

PMI 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 PMI takes action if a tenant reports mold. PMI notifies owners as soon as practical of any mold issues so PMI and/or the property owner can take the proper steps.

## Answers Regarding Funds

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

### Banking

PMI maintains a trust accounts as per Indiana's state requirements. There is a Rents Trust Account where all moneys are deposited and paid out. All rents and owner contributions are also deposited in the Rents Trust Account. All payments to vendors for maintenance and repairs, eviction expenses, management fees, returned deposits and owner draws come from the Rents Trust Account.



### Monthly Statements

You will have access through your Owner Portal to view real-time and monthly reports.

### Disbursement of Monthly Funds

PMI disburses available funds to owners on the **10<sup>th</sup>** of each month. If this day falls on the weekend, PMI issues funds on the next business day. PMI does not disburse funds on weekends and holidays. PMI does NOT issue owner checks or ACH payments 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 PMI adhere to this schedule to ensure servicing every owner's account. It is recommended that you maintain a contingency fund in your Rents Account to cover any unexpected repairs or maintenance.

PMI distributes owner funds in two ways:

- Company check disbursed directly to the owner.
- Most commonly using ACH direct deposit – directly disbursed into an owner's bank account; PMI 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, PMI 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 PMI with a W9 with the necessary Social Security/Tax ID information so the 1099 is accurate. PMI 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 W9 change form, please contact us.

PMI 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 PMI 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 professional along with other information for income tax reporting. PMI does not issue statements to the owner's tax preparers.

## Renting Your Property

### Preparing To Rent The Property

When you have a vacancy, our goal is to attract the best possible, pre-qualified tenant for property. To do that:

- We conduct a move-out evaluation of your property and determine if repairs or maintenance are required.
- We run a competitive market analysis report to make sure your rents are priced right for the market.
- We enter your property into our comprehensive marketing program including syndication to the top rental websites in your market as well as on to our own website as a featured rental.

## Advertising/Marketing

### Internet/Website

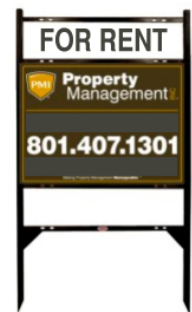
PMI has found that the Internet and the PMI website, [www.pmiindy.com](http://www.pmiindy.com) receives tremendous exposure, as well as using Craig's List and syndicating to Hot Pads, Zillow, Trulia and many other for rental websites.

### Signage

PMI displays "For Rent" signs prominently if desired, and each sign has contact information including our website URL. On our PMI Website, prospective tenants can immediately access the property information and showings 24 hours a day. They can even complete a credit application only.

### Showings and Applications

The PMI property managers conduct showings for each vacant unit. We arrange showing times for your property in advance and appointments by contacting the PMI office directly. When prospective tenants see the property, the management team answers questions and distributes applications. Online applications are available on the PMI website.



## Processing Tenant Applications

### Tenant Screening

Thorough screening is crucial to successful Property Management. PMI requires all applicants to fill out a detailed application online from your website 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 to verify the income so we know they can afford the rent. 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.

### Cosigners

PMI normally does not accept guarantors. PMI 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 or guarantor on a property. If this is the case, PMI will notify the owner, discuss the reasons, and obtain owner authorization. We disclose to the guarantor that they are equally responsible for the terms of the lease.

### Pets

If an owner authorizes a pet, PMI increases the deposit even more. Although the PMI policy is to increase the security deposit, the amount cannot exceed Indiana landlord/tenant law.

PMI offers a pet guarantee. Any pet damage caused by an approved pet, and PMI will cover the costs to repair the pet damage, up to \$2000. To offset this cost, we charge tenants a \$200 non-refundable pet fee upon approval of their pet, and the execution of a pet addendum to their lease. PMI splits all pet fees 50/50 with our owners.

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 PMI 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, PMI does not place inappropriate pets in a property.

PMI 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, PMI 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 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, disabled or not.

## The Tenant Move In

### Rent And Security Deposits

PMI does accept certified funds 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 high security deposit, in certified funds. It is normally PMI policy to require a higher security deposit than the rent. However, PMI does not exceed the maximum-security deposit allowed by the Indiana landlord/tenant laws.

### Rental/Lease Agreements

Once PMI receives funds, a thorough rental/lease agreement with the applicant is completed. All persons 18 and over, including adult children, are required to read and sign all rental/lease agreements and make application. 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 walk-through documenting the condition of the property when they move in. Unless extenuating circumstances prevail, the PMI team completes the walk-through with the tenant before the tenant takes possession of the property. Photos are taken of any damage to the property.

When the tenant moves out of the property, there is a sound basis for the security deposit refund. PMI also documents the move in with digital photos.





## Utilities

### PMI Utility Policies

#### Purpose of Utility Policy

To keep utility costs as low as possible for our property owners, and ensuring that tenants are paying for their utility consumption while allowing a simple and efficient way to lease and move tenants into a property quickly.

#### PMI Lease Utility Options

We offer two forms of utility service to tenants on our leases. They are both designed to allow tenants to pay for their utilities in the way they wish to pay.

- Tenant Maintained Utility Program
- PMI Maintained Utility Program

The intent of both programs is to ensure a tenant is paying for the utilities they consume, and only for the utilities they consume.

#### Tenant Maintained Utility Program

Under this program, the tenant places all meters for utilities in their name, Including:

- Water
- Sewer
- Gas
- Electric
- Trash service
- Internet or Cable

Tenant is required to place all of these utilities in their name prior to move in. They are only required to place utilities that are a SINGLE meter for their own consumption.

#### PMI Maintained Utility Program

Under this Program, PMI maintains the utilities under our name. A standard budget utility charge is set up for the tenant based on standard consumption rates. An audit is conducted bi-annually to ensure that the budget amount is enough to cover the total utility charges. This program only applies to core utilities of Water, Sewer, Gas, Electric, and Trash Services. Some advantages of this program include:

- Quick move in – Tenants can pay an up front utility reimbursement cost and move in right away without the need to contact multiple providers.
- No additional security deposit for tenants allows for a lower move in cost.
- Utilities can not be turned off for non-payment without PMI's knowledge.

#### Utilities During Vacancy

During vacancy, we turn on all core utilities in the PM name. This allows us to thoroughly test and inspect the property, ensuring functionality of the major systems, and helps prevent damage from frozen pipes,

condensation, and other various climate damage, as well as makes the leasing and turnover process quicker.

### **Shared Meters and Multi-unit Utilities**

A shared meter makes billing a tenant for their specific usage of a utility nearly impossible. In the case of a shared meter, the cost of that utility will be paid by the property owner, and it is expected that the rent amount reflects the cost of this utility. This will typically apply to:

- Water meters on duplexes.
- Apartment units – typically water meters
- Shared electric meters on conversions

Our Goal is to work with property owners to set rent amounts that are inclusive of shared meter utility costs.

### **Utility Deposits**

Most utility companies require a deposit to begin services. When we contact the utility provider, we will need funds in the owner's account to make this deposit. PMI does not advance funds to the owner for deposits. The times we typically need a deposit to be placed are:

- Property Onboarding
- Tenant Turnover – 30 days prior to the move out date

### **Final Bills**

At the end of a contract, or when a property is sold, it typically takes about 30 days to get a final bill for a property.

- Final bills are due to be paid by property owners upon submission of the utility bill
- Final draws will not be paid until all utility bills are processed.
- Funds to pay a final bill by be automatically withdrawn from the owner's attached bank account.

### **Utilities Required to be kept in an owner's name by the utility company**

Some municipalities require utilities to be kept in an owner's name. In this case, the property owner should set the mailing address to PMI Indianapolis, and we will process, pay, and recover the costs of those utility bills for you.

### **Turning on Services / Onboarding**

During property onboarding, and occasionally at turnover, utility companies will require someone to meet them at the property to turn services on. This is typically dispatched as a maintenance request, and billed as a trip charge to the home. A typical trip charge is invoiced from our vendor at \$79.

## **Maintenance**

### **Maintenance, Repairs, and work orders Rules and Policies**

#### **Purpose and Intent of PMI's maintenance program**

We have a simple way of thinking about property maintenance: We want to provide a Safe and Functional home for everyone, while keeping maintenance costs within budgets. To achieve this, our lease has been carefully crafted to provide quality housing and a fast and efficient tenant experience.

- All properties we lease are leased in AS-IS condition. Unless we specifically state it in a lease,

there are no warranties or guarantees on cosmetic repairs.

- Safety and functionality repairs will generally be repaired, unless a specific system or fixture is removed from the property.

### **Tenant responsibility**

As a tenant, you have a responsibility to keep a clean and safe living environment. Some examples of what a tenant is responsible for are:

- Keeping a clean and sanitary home
- Dispose of all garbage in the appropriate receptacles, and maintain a garbage removal service
- Change the furnace filters every 90 days when they are sent to your home
- Replace or supply any missing or burnt out light bulbs
- Replace or supply any necessary batteries for locks, smoke alarms, etc.
- Maintain appropriate salt levels in a water softener
- Keep the home warm to prevent any frozen water pipes
- Exterminate for bugs or rodents (after 30 days)

All of these services should be contracted for outside of the PMI work order system, and do not need to be reported to the landlord.

### **Landlord responsibility**

As a landlord, we have a responsibility to provide a safe and functional home to our Tenants. The landlord will pay for repairs that are not caused by tenant negligence for:

- Furnaces, air conditioners, and HVAC components
- Water heaters
- Water penetration from structural defects (roof leak)
- Reasonable repairs to make items function as they should within the home
- Plumbing systems and sewer systems
- Appliance repair on appliances that are included in the lease
- Chimney cleaning

### **Violations**

If a violation is received in our office, we will open a work order for the violation to be corrected and bill the tenant if the violation clearly meets a tenant responsibility as stated in this policy or the lease. Some of these violations may include:

- Mowing – If a grass height violation is received, we will send a vendor to mow and charge the invoice to you. Once a violation is received, you no longer have the option to mow the lawn yourself, as you have violated the weekly mowing requirement in your lease.
- Trash or Rubbish – Tenants are expected to keep their homes and yards clean and sanitary.

### **Method to Request repairs**

We have several methods to request maintenance repairs included in your tenant benefits packet. These include:

- Call our 24 Hour maintenance hotline at 317-719-3029
- Submit the work order on [www.pmiindy.com](http://www.pmiindy.com) by logging into the maintenance portal.
- You can follow up on existing work orders by emailing [repairs@pmiindy.com](mailto:repairs@pmiindy.com)

**Extermination of pests**

It is our responsibility as a landlord to deliver you a home free of bugs, rodents, and pests when you move in. If you experience any problems with these pests in the first 30 days of moving in, open a work order with PMI and we will treat for these pests. After 30 days, it is your responsibility as a tenant to keep your home sanitary and clean so bugs and rodents stay away. After the first 30 days:

- All bugs that can infest a home, including roaches, bedbugs, etc. are a tenant's responsibility to treat for. If a work order is opened for extermination, we will cancel the work order and refer you to Terminix.
- Mice and rodents are expected to be treated by tenants, if they become a problem during the tenancy.
- Work orders that are opened for extermination of pests will follow the policy for maintenance completed at tenants request, and billed to the tenant appropriately.
- Multi-family homes of 3 or more units will not be responsible for pests, they can open a work order and the landlord will provide extermination services.

**Lawn care and Landscaping**

There are two different lawn care programs you can be on. If the landlord takes care of the Lawn and Landscaping, then all maintenance mentioned in the following bullets will be completed by the landlord. If you are on the Tenant maintained Lawn and Landscaping, all exterior maintenance repairs are to be completed by the tenant, or contracted by the tenant to have completed, including:

- Mowing the Lawn at least once per week
- Keeping flower beds and garden areas free of weeds and neatly maintained
- Trimming around objects and edging sidewalks and driveways
- Removing and disposing of any tree limbs that may fall less than 2 inches in diameter
- Keeping trees and bushes trimmed away from the siding, roof, and perimeter of the home
- Cleaning gutters to function appropriately

**Plumbing and Sewer maintenance**

Plumbing systems are important to maintain for the health and well-being of our tenants. Plumbing repairs are completed by licensed plumbers or handyman services.

- Repairs for minor leaks and sewage backup should be opened by tenants
- If sewer line backup is caused by the tenant, then the cost to hydrojet and open up the sewer line will be a tenant responsibility.
- Garbage disposals are a common maintenance request. There are two troubleshooting items required to complete before a tech is dispatched:
  - Push the red reset button on the bottom of the unit
  - Use an allen wrench to manually turn the blades back and forth to resolve a minor jam
- If a vendor is dispatched and either of these troubleshooting steps resolve the issue, or if there is debris in the garbage disposal such as rocks or seeds placed there by the tenant, then the charges for this service call will be billed to the tenant.
- Toilets that are clogged are also a common maintenance call. If a vendor is dispatched, and plunging resolves the issue, charges are always billed back to the tenant.

**Break-in's, Doors Windows and Screens**



A break in is always an unfortunate event. It is difficult to assign responsibility as sometimes a break in is due to a tenant dispute with an individual, and sometimes it is due to a random act by a criminal. Because of this, we assign all damage to DOORS, WINDOWS, AND SCREENS as a tenant responsibility to repair, or cause to have repaired. Any work orders completed for these categories would be billed back to the tenant.

### **Locks and Keys, Lockouts**

All lock changes and key changes must be completed by the Landlord. Submit a maintenance request for all lockout and rekey requests. Tenants are responsible for all rekey and lock change charges due to their actions or requests.

At property onboarding, or during the first tenant turnover, PMI will install our standard locking system on the doors. This locking system is comprised of Kwikset SmartKey locks, including a keypad deadbolt and passage knob on the primary entrance, and a deadbolt and passage knob on the other doors. Garage doors generally get a locking knob instead of a deadbolt.

### **Trip Charges**

Upon successful submission of a maintenance request, one of our vendors will reach out to you to schedule your repair. It is important you keep these appointments. In the case that a tenant fails to keep an appointment with a vendor, and the vendor submits an invoice for a missed service call, such charges are the responsibility of the tenant.

### **Tenant Negligence**

What is tenant Negligence? It simply means that a maintenance repair was required due to an action, or lack of a needed action, by the tenant. All maintenance costs that are deemed by PMI to be a tenant caused condition will be repaired and the invoice will be submitted to the tenant to be paid along with their next rent payment. Some examples of tenant caused conditions may include:

- Flushing inappropriate materials
- Accidentally breaking things, such as a window or door
- Gravel in a garbage disposal from cleaning a small fish tank

### **Expectations on speed of repairs**

We work hard to resolve Tenant maintenance requests quickly and professionally after submission. We have guidelines on what to expect after you submit a maintenance repair request:

- Once you submit a work order, the vendor will reach out to schedule the repair through the meld system, or by phone, within 3 business days.
- The standard to complete minor repairs is 10 business days.
- Some larger repairs may take longer than this to complete. All repairs are expected to be completed within 30 days, regardless of size of project.
- It is important to monitor your email and MELD account for updates on your maintenance request.

### **Dispatch maximums and DNE amounts**

PMI will commonly dispatch work orders with a "DNE" pre-approval, meaning if the vendor can complete that repair within the DNE amount, they are authorized to take action and complete the repair. This saves our property owners money by eliminating costly trip charges by vendors.

- DNE amounts are customizable by owner, and can be as low as \$250 or as high as \$2000.
- DNE amounts do not mean that the invoice will always be that amount. We communicate with our vendors often and have a set price list for most repairs.

### **Vendor Requirements**

Choosing the correct vendors to complete work on an owner's property is very important. Occasionally, a property owner has a vendor they request we use to complete a repair. During vacancy, our owners have the option to use any vendor they choose, and to complete any repairs they wish themselves, or to have PMI manage the repairs and project. During a tenancy, we require only PMI approved and registered vendors complete work on the property. Any owner referrals for vendors are accepted as long as they meet our criteria:

- Provide proof of insurance
- Sign a vendor agreement
- Waive workers compensation requirements
- Licensed if the work being completed required a license.

### **Emergencies and Disasters**

When an emergency and/or disaster strikes, PMI has policies in place for the property and tenants. PMI notifies the property owner as soon as practical. The nature of the emergency and/or disaster determines the action needed by PMI. 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. Keeping a clean and sanitary home

- Emergency Work orders Are dispatched immediately without prior contact with an owner.
- A notification is sent immediately to the owner stating the nature of the work request.

## **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 PMI moves in a tenant. The preparation for this really began when the tenant moved in with a detailed rental agreement, Move-In Checklist and walk-through. All of these documents gave instructions to the tenant on how to move out.

### **Communication With Owners And Tenants**

PMI notifies the owner in writing on how they will proceed with the tenant and re-renting the property. PMI immediately places the property on the market to rent unless the owner notifies PMI to take other measures.

PMI also responds to the tenant notice with a move-out check list 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**

PMI conducts a walk-through similar to the one performed when the tenant moved into the property. PMI records any maintenance required and discloses a list of damages to the vacating tenant. Photographs are taken when the tenant move out to document the condition of the property and support any deductions from the security deposit. After assessment of the tenant move out, PMI 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, PMI will refer the matter to a qualified consumer collection service at the instruction and authorization of the owner. PMI management does not include recovering tenant damages, but leaves this to companies with expertise in debt collection. PMI will supply consumer collection companies with the necessary documentation needed.

## Additional Services

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

### Referrals

Do you know someone who is looking for management services in the Indianapolis area? If so, then notify your management team. PMI values their client business and believes in rewarding referrals from clients.

### Annual Survey/Inspection

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

### Supervision of Extraordinary Maintenance

PMI charges a percentage or fee for supervising work requiring extraordinary maintenance and the definition of extraordinary maintenance is as follows:

*PMI defines extraordinary maintenance as rehabilitation work that exceeds \$500.00, insurance claims, and major systems replacements. (Examples are roof replacement, major tree work, exterior painting, vandalism, insurance claims, etc.)*

The PMI policy is to consult licensed contractors for bids and solutions. Then PMI contacts the property owner for authorization and/or decision regarding the maintenance.

### Safe Renter Program

Many owners worry about the financial burden of evicting a tenant and paying the legal fees. The PMI Safe Renter Program is available to you for \$10-\$25/unit per month. Our screening process reduces this possibility, but evictions can happen. Should this occur, this plan covers the cost of attorney fees and court costs. If you are interested, ask your management team for more information.

### Real Estate Services

The PMI 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.



## Cancellation of Management

It is the goal of PMI 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 PMI cancellation policy is to resolve your account in a professional, timely, and pleasant manner.

Please review the following policies for cancellation.

### Written Notice

- The PMI management contract accepts a 30 days written notice by either party. Please refer to your management contract.
- The PMI policy is to give cancellation of management by US Mail or email.
- If an owner sends a cancellation of management by US mail, PMI must receive the notice within 5 business days of the date of the notice.
- PMI does accept fax cancellations.



### Notice To Current Tenants

- PMI will notify current tenants the date PMI will no longer manage the property and that PMI 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

- PMI 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 PMI office.

### Final Distribution of Funds

- PMI will distribute funds, including security deposits, and final statements to the owner within 30 days of the terminating date of management, as agreed in the management contract
- PMI will issue a 1099 for funds collected during the current tax year when the tax year ends.

## Conclusion

We hope you have found the PMI Owner Manual informative and useful. If there is anything we can do to improve the Manual, please let us know.

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