



Property Owner's Handbook

Please keep this document in a safe place for future reference.

21 W. Colony Place Suite 110

Durham NC 27705

(919)493-7633 talk/text

www.MLSullivanPropertyManagement.com

ClientCare@MLSullivan.com



Welcome to MLSullivan Property Management

We want to say thank you for the opportunity to manage your property. Your time and consideration is of great value to us. At MLSullivan Property Management, we believe in a teamwork approach with our owners in managing their properties. We also believe that business is about relationships with our clients. We want to get to know you and learn your preferences and goals for the property. If there is anything that can be improved along the way, we want to know and trust that you will communicate with us freely. We believe we take care of people, when we do the rest will take care of itself. We always act with integrity. We always treat people with respect. We know that our results matter. We know that our results affect our clients and customers.

This handbook is designed to familiarize you with our administrative processes so that we can better serve your needs. By knowing about our internal processes, you will come to better understand how we operate and all the matters we handle for you behind the scenes.

All relationships are established by written agreement between you and MLSullivan, companies acquired by MLSullivan and/or agreements established by assignment to us. All terms, conditions and provisions outline in this handbook are subject to change or withdrawal without prior notice. We periodically review our procedures in order to “fine tune” and improve them. You should look solely to your individual Property Management Agreement for actual services rendered. Please be sure to ask your personal Property Manager to clarify any questions or concerns you may have. Each owner and their situation is unique and we want to be sure you are confident in the decisions you are making.

The following index outlines the benefits, services and what you as our customer can expect from MLSullivan Property Management as your choice for residential property management, leasing and sales.

It is with great pleasure that we welcome you to MLSullivan Property Management.

Sincerely,



Michael L. Sullivan, REALTOR® Broker
Broker/Owner | MLSullivan Property Management
Michael@MLSullivan.com

TABLE OF CONTENTS

1. The MLSullivan Difference -What sets us apart?.....	1
2. <u>Frequently Asked Questions</u>	
• How much are the fees?.....	2
• Do you have a discount for multiple properties?.....	2
• How do you process background checks?.....	2
• Where do you advertise my property for rent?.....	3
• How long does it take to lease my property?.....	3
• What lease do you use?.....	3
• When do I have to pay you leasing fees and monthly management fees?.....	3
• Can an owner hold the security deposit?.....	3
• How are rental collections handled?.....	3
• How are evictions handled?.....	4
• How and when do I receive my monthly statement and proceeds?.....	4
• Who handles maintenance requests (both emergency and non-emergency)?.....	4
• How often do you conduct property inspections?	5
• Do you let owners have communication with their tenants.....	5
• If I have a concern, who do I call?.....	6
• If I decide to sell my property, can MLSullivan Property Management help?.....	6
3. <u>Property Owner Expectations</u>	
• Leasing.....	7
• Lease Renewals.....	8
• Rent Collections & Delinquencies.....	8
• Rent Processing & Accounting.....	8
• Laws Regarding Locking Devices.....	9
• Property Maintenance and Repairs.....	9
4. <u>MLSullivan Pet Guarantee</u>.....	10
5. <u>MLSullivan Filter Program</u>	10
6. <u>MLSullivan Eviction Protection Program</u>.....	11
7. <u>Understanding Your Owner’s Statement</u>.....	12
8. <u>Sample Owner’s Statement</u>.....	13
9. <u>The Next Step – Let’s Get You Started!</u>.....	14

The MLSullivan Difference

- We pride ourselves on continued education, having the experience, and knowledge of the industry. We have a unique office culture with unbeatable customer service, communication and work ethic.
- Experience in managing single family and multifamily investments.
- 24-Hour Emergency Maintenance Service - No more after hour or weekend calls for you! Minimize damage to the property and keep a satisfied tenant.
- Rental showings 7 days a week to minimize your vacancies, reaching all the agents in the Triangle and surrounding areas! FREE Rental/sales Market Analysis!
- Quick make-ready process to get your new tenant in as soon as possible.
- Superior Tenant Screening – MLSullivan Property Management screens each applicant to reduce your risks.
- We pay FAST! We provide you clear and concise monthly accounting statements available 24/7 at MLSullivan1.managebuilding.com.
- You receive copies of all maintenance invoices.
- You will have the most qualified residential property management in the United States working for you and our services are tax-deductible, to offset your rental income.

Our People Make the Difference

We believe that the key to our success is in the personal relationships that we have developed with our clients. It is our intention to get to know your goals, needs and motivation with your investment. We want you to be involved as much or as little as you desire in management decisions. To us, property management is much more than just managing properties. We strive to meet and exceed your expectations.

Management in a Proactive Style

In general, most of us do not like to spend money until we must, but the key to retaining the value of your residential asset is keeping the property in top condition. We manage in a proactive, not reactive style. As properties age, repairs are to be expected. The key is controlling the timing of them. We can help you plan a maintenance program suited to your individual property and assist you in working out a budget to meet those plans so that you can be prepared when replacements are needed at the very worst times. When you plan to spend money on your home, you are in control. Our goal is to keep you informed about the condition of the home, so you may make the best decisions possible. We save you time, money and aggravation.

Frequently Asked Questions

How much are the fees?

- **Leasing Fee:** We offer a different pricing for different levels of service. See the next page for details.
- **Management Fee:** We offer a different pricing for different levels of service. See the next page for details.
- **Renewal Fee:** Our company charges no lease renewal fee. It is to our benefit to keep your tenants in place
- **Annual Inspection Fee:** Our company will conduct annual interior inspections. The cost is \$129 per inspection.
- **Eviction Protection Plan:** \$189 annually if you opt in to the program.
- **We do charge a Home Warranty Coordination Fee of \$25 per work order.**

Do you have a discount for multiple properties?

- YES! We offer multi-property discounts.

How do you process background checks?

- We personally evaluate your applicants. We utilize Rent Screener to review their credit history, criminal background INCLUDING the sexual predator database, national eviction reports, tenant performance reports, public records, small claim judgments and collection referrals.
- After screening is complete, we will provide you a summary and recommended approval, based on our Tenant Criteria and Pet Policy **

Where do you advertise my property for rent?

- We advertise your home in the Multiple Listing Service (MLS). Once the MLS listing is active, it feeds to other public sites such as Zillow, Trulia, Realtor.com and other popular sites.

How long does it take to lease my property?

- MLSullivan will begin marketing your home the moment it becomes rent ready, or as soon as the current residents give us their notice of their intent to move out, we will begin marketing approximately 30 days prior to the tenants vacating. Average rental time will depend on economics, location of property, condition of property, and the rental price indicated by comparable properties recently leased in that area. At present time, average rental time is about 21 days.

What lease do you use?

- We use the North Carolina Association of Realtors Residential Lease, approved by the North Carolina Estate Commission (NCEC) and the National Association of Property Managers (NARPM).

When do I have to pay you leasing fees and monthly management fees?

- Leasing fee is due upon lease signing. Monthly management fees are due when rent is due and our company deducts this amount from the tenant's rent check.

Can an owner hold the security deposit?

- No. Below are a few reasons why:
 - Liability (judges have awarded tenants and fined management companies even though they never held the deposits).
 - At move-out we need to be able to distribute the funds accordingly and must comply with the time frame of 30 days per North Carolina Property Code

How are rental collections handled?

- We do not tolerate the late payment of rent. We are careful to explain this policy to new residents in order to avoid any misunderstanding that might arise later. You can expect that we will make every effort to collect rents when due on the first of the month. Our collection policies are as follows:
 - All rents are due on the first of each month.
 - Any remaining residents who have not remitted their rent by the 5th of the month will be served a Notice to Pay or Quit, which is required prior to eviction proceedings

Do you handle evictions?

- It is very rare that we need evict someone. With our screening process and high standards, most tenants are excellent. However, there are exceptions. Tenants can have unexpected family, work or financial hardships. We know when and how to execute the proper notices and the time frames by which they must be delivered in order to be effective. You are only responsible for minimal court fees. We are here to act in your best interests and get you back on track with a new tenant as soon as possible.
- All Owners are contacted prior to us filing eviction. While it is doubtful than an eviction will be necessary with our qualifying criteria, financial hardships do arise, requiring prompt collections attention.
- All paperwork, (including, but not limited to) copies of the lease, and the Notice to vacate are filed with the appropriate magistrate.
- We will appear in court as your managing agent for the eviction hearing.
- In our local counties, delinquent tenants can usually be evicted in about 3 weeks' time. At MLSullivan we take a firm position in our belief of "No pay, no stay".

How and when do I receive my monthly statements and proceeds?

- On-line lease statements are available 24/7 at MLSullivan1.managebuilding.com.
- MLSullivan provides direct deposit to all our owners. This eliminates any delay with the postal service and will be deposited into your designated account within 48 hours of funds ripening and becoming "good." This is a North Carolina Real Estate Commission requirement
- If you prefer a check mailed to you instead of taking advantage of direct deposit MLSullivan will mail you a check for an additional \$10.00 monthly fee. Please be advised that MLSullivan is not responsible for checks that get lost in the mail. If the check is lost in the mail, it will take a 4-5 business days to process the stop payment and reissue a check.
- We highly recommend direct deposit for your convenience and security.

Who handles maintenance requests (emergency/non-emergency)?

- We take care of all the repairs that are necessary on your property, both large and small.
- If the cost for the repair is over our \$350 cost limit, we will contact you for approval prior to having the work completed. MLSullivan will either send you the invoice for payment or take the cost of the repair out of your rental proceeds.
- We have a 24-hour emergency line for tenants and they can speak with someone immediately. We get details about the incident from the tenant and assist them as much as possible right away. Then, the appropriate vendor is sent out to address the concern. Handling the emergency right away can save the owner a lot in damages.
- Monday through Friday we have a Maintenance Team that dispatches, reviews and follows up on routine work orders.

How often do you conduct property inspections?

- We do periodic inspections to check the property for any needed repairs as well as checking to make sure the tenants are maintaining the property. This depends on which management program you choose.
- We will do a detailed move out inspection once the tenants have completely vacated the premises to determine if the property is returned in the same condition as it was when the tenant moved in, aside from normal wear and tear.
- We provide all tenants with a move-in orientation tour of their new home.
- We do drive by exterior inspections periodically. If the exterior of the property is not being maintained by the tenants, we automatically assume that an interior inspection may also be warranted. We also do interior inspections when reason is reported by a vendor, or if an Owner requests it. If this type of inspection is not covered by agreement cost will be due at scheduling

Do you let owners have communication with their tenants?

- We prefer that our investors have absolutely no communication with their tenants. Below are several reasons why:
 - You are hiring us to have efficiency, structure and more time for you! Tenants must understand we are their point of contact to resolve and questions or concerns.
 - Tenants will go directly to owner and not Management Company for issues, but owner expects Management Company to fix them.
 - Loose creditability with tenants because they communicate directly with the owner and our guidelines are not followed.
 - Rents should be deposited through us directly, so ledger reflects appropriate balances when/if trial is necessary.
 - Correspondence between tenant and owner can be used in court and we will not have all that from owner prior to court. If rent is deposited directly to the owner, we cannot take out maintenance costs related to previous month and then have to try and collect from owner.
 - If rent is not collected by management, then late charges cannot be collected either. If tenant refuses to pay late charges, management can allocate a portion of rent towards late fees and evict based on non-payment of rent. Evictions cannot be made on late fees or utilities alone.

If I have a concern, who do I call?

- Any member of our staff will be glad to assist you with any concern you might have.
- Generally our office manager 919-493-7633 or ClientCare@MLSullivan.com handles day to day operations and can direct you to the right person.

If I decide to sell my property, can MLSullivan help?

- Definitely! We will be glad to assist you with the decision process as well as help you achieve the best-selling price possible. We will work closely with you to make sure you get the quality of service you deserve. If you are referred to us through another Agent, we will ask that you consider using that agent as a professional courtesy. If you choose not to use that Agent, we will notify the Agent that we have been hired by you also as a professional courtesy.

PROPERTY OWNER EXPECTATIONS

What you can expect from MLSullivan Property Management

The purpose of this section is to inform you of the benefits you can expect to receive from MLSullivan Property Management. In establishing a personal relationship with our customers, it is important that each party understands exactly what is expected of each other. Our primary objective is to attain your goals for your rental property.

We believe that by familiarizing you with our administrative process of how we lease and manage your rental property, we can avoid surprises that could occur later. It is important that you realize that we will move forward with our administrative property management process as outlined herein unless you otherwise direct us in writing. Please review the following services that are automatically provided and instituted by MLSullivan Property Management.

Leasing

- We will place our attractive “For Lease” yard sign at your property (if allowed by the HOA), during the last 30-45 days of occupancy. If your home is already vacant and ready for occupancy, we will list it immediately
- You can expect that we will list your property in the Triangle Multiple Listing Service and utilize various advertisement methods to maximize your exposure to potential renters and/or other Triangle Region REALTORS.
- All rental applications will be subjected to:
 - A credit report on each adult applicant over 18 years of age.
 - A national search for any criminal offenses and record of previous evictions
 - A verification of applicant’s employment history, income and rental history.
- You can count on us to lease your property at or above the current market rent. We will not lease your property at a lower amount without first obtaining your permission.
- We will either approve or disapprove applications based on the above written criteria and in accordance with local and federal Fair Housing Laws. We must comply with the above terms and make decisions for approval or non-approval based solely on the Tenant Leasing Criteria.
 - A minimum 625 credit score
 - 55% or lower debt to income ratio as provided by our TransUnion Partner
 - No evictions on record. No collections on record and no charge offs on record.
- Once the application is approved, we complete the Lease Agreement, secure deposits, rent that is due and give the tenants possession of the home.
- A copy of the Lease is available, once all parties have properly executed it at MLSullivan1.managebuilding.com
- Tenants will complete a move-in inventory and condition form to document the condition of the property when they take possession. We have photo documentation of the property before they move in and take photos when they vacate. We review all of this before determining the amount of their deposit to be returned to them.

Lease Renewals

- You can expect that we will attempt to renew the residents' lease at least 60 days prior to the expiration of their Lease Agreement; tenants are required to give a 60-day move out notice, so we must get them terms well in advance of that time.
- You can expect that we will offer a renewal rate based upon the current market rates, with consideration being given to the tenants' performance, longevity care of the property and the costs involved if the property were to become vacant (marketing and make ready maintenance). We will not renew the lease at a lower rate without speaking with you.
- We will automatically renew the residents lease Agreement, or re-rent the property to new residents, **unless we have written directive** from you not to renew the lease or re-rent the property at least ninety days prior to the expiration of the current lease.

Rent Collections & Delinquencies

- We are careful to explain our delinquency policy to new tenants to avoid misunderstandings that might arise later. While we understand that circumstantial situations arise, we are firm in our policy and will notify you of any situations that could possibly cause a delay in your monthly disbursement. We have the following collection schedule:
 - All rents are due on the 1st of each month.
 - All residents who have not paid by the 5rd of each month receive a notice of our intent to file eviction, via US mail and email. This notice is required, prior to filing with the courts. We also try and reach them by phone and text to verify a payment date.
 - Any remaining residents who have not remitted their rents by the 15th of the month will be have eviction filed in the appropriate court. All Owners are contacted prior to us filing an eviction.

Rent Processing & Accounting

- You can log into your owner portal at MLSullivan1.managebuilding.com to view all financial information related to your property.
- You can expect to receive a 1099 statement for your tax purposes of reporting taxable income.
- Rents are disbursed according to North Carolina Real Estate Commission guidelines.
 - Rents paid by money order or certified funds - next business day.
 - Rent paid by EFT (electronic funds transfer) - 5 business days post payment.
 - Rent paid by credit card - next business day.
 - Rents paid by personal in state checks - 3 to 5 business days.

Laws Regarding Locking Devices

North Carolina law does not require locks to be changed between tenants unless there is good cause. Good cause might be:

- Domestic violence by a previous tenant.
- A property crime against a previous tenant.
- Eviction or abandonment by a previous tenant.

Property Maintenance & Repairs

At MLSullivan Property Management, we believe that rental homes must be properly maintained in order to preserve the value of the property and to maintain a positive relationship with the residents. North Carolina safety, fitness and habitability laws also require landlords to comply with certain basic maintenance and repair items.

- MLSullivan will not dispatch a repair to your property in excess of \$350 (per item) without first obtaining your approval. NOTE: This excludes emergencies and repairs that are required by law (i.e. major electrical or plumbing repairs that affect the health or safety of the tenant or property); we will always try to contact prior to dispatching any work of this nature that occurs during the normal business hours.
- If your property is vacant, we will institute minor maintenance and repair items (\$350 or less per item) necessary to improve the property's appearance to prospective renters. Examples would include lawn service, carpet cleaning, maid service, pool service, utilities, etc. If any of these repairs were due to the former tenant, you can expect that we will deduct those expenses from their deposit. We will routinely contact you prior to the vacancy if more substantial work will be needed, so that we can get your approval on any bids and secure any needed funds prior to dispatch.

MLSullivan Pet Guarantee

A common concern for our owners is pets in the property. We understand the importance of protecting your investment. However, a large majority of tenants will have some type of pet. Marketing your home as “No Pets Allowed” significantly reduces the opportunities to find a tenant. To minimize the risk to our owners, we have high standards and screening for any pet to qualify for the home. You can always restrict size, type (maybe allow dogs, but no cats), and have the final approval. Please keep in mind, service animals are not classified as a “pet”. We screen the service animal to ensure the applicant has proper documentation. An application cannot be denied due to a service animal, its size, type, or breed.

To further protect our owner’s interests, we have a Pet Guarantee. MLSullivan Property Management, will guarantee damages up to \$1,000.00, resulting from an authorized pet(s). This guarantee excludes normal wear and tear damages resulting from a service animal. The MLSullivan Pet Guarantee will be enforced upon depletion of the tenant’s security deposit. Any collection or claim under this program will be the sole responsibility of MLSullivan Property Management.

With this guarantee, you are protected for above and beyond what an average pet deposit will cover. We are then able to keep pet deposits more reasonable for applicants, which can give your home a preference in the market, minimizing your vacancy.

MLSullivan Filter Program

One of the largest expenses to any landlord is the heating and air conditioning unit. In addition to the cost of the actual repairs, tenants are upset and let’s all agree, North Carolina is HOT in the summer and cold in the winter. The staff at MLSullivan Property Management always work to get the issue resolved in both a cost efficient and timely manner. Sometimes the units breakdown due to age or just routine maintenance that is needed.

Our leases have always included policies that require tenants to change the filters on a regular basis. We know the regular changing of the filters not only reduces the tenants heating and cooling bills, but extends the life of the units thereby reduces maintenance and replacement cost to you the property owner. While the policy instructing the tenants to regularly change the filters are in place, the reality is, we have tenants that fail to do so on a routine basis. We have found most of these tenants are good tenants that try to maintain the property but filters are not routinely on their minds, "out of sight, out of mind."

Our office has found a solution. We offer a filter delivery service to owners who elect to use our Premium Pricing Solution.

MLSullivan Eviction Protection Program

MLSullivan Property Management is pleased to offer you our Eviction Protection Program which has been developed in response to concerns over the rising cost of processing evictions.

As we all know, evictions can and do happen to any landlord no matter how well the tenant has been screened. Even families that are well qualified when they move in can encounter serious life-changing situations such as loss of employment, divorce, or death in the family and in many cases, this leads to financial instability. When a family does not pay rent, and does not vacate the property, our only recourse is to take legal action.

Under the Eviction Protection Program, MLSullivan Property Management will pay all court costs and filing fees in connection with a summary ejectment against your tenant. This protection covers your cost of sending our attorney, when required, and a representative from our office to all cases at the magistrate level. Cases that are appealed to superior court are not covered under this program.

Generally, evictions are the result of non-payment of rent, but can also be initiated by other violations of the rental agreement such as unauthorized roommates or unauthorized pets. The law requires an attorney (or you personally) to appear for these cases. Our Eviction Protection Program also protects you from these types of evictions!

The annual fee of \$189 per unit will cover the cost of almost all general evictions. This fee will be billed to your January statement each year, and your eviction coverage goes into effect immediately. (If you start management services with MLSullivan Property Management after January 1st, you will be assessed a pro-rated amount based on the month you begin working with MLSullivan Property Management). If you have an existing resident who was not placed in your property by our company, the plan goes into effect after six months of management fees having been paid.

Understanding Our Pricing

<u>Service</u>	<u>Premium</u>	<u>Full</u>	<u>Essential</u>	<u>Tenant Finder</u>
Monthly management fee	11.90%	9.90%	8.90%	n/a
Tenant Placement	299	499	599	One month's rent plus 799 due at signing
Initial Property Review	X	X	X	X
In person property showing	X	X	X	X
Lock box service	X	X	X	X
Zillow Marketing	X	X	X	X
Marketing sign service	X	X	X	X
Tenant Screening	X	X	X	X
Initial Property Inspection	X	X	X	
Multiple Listing Marketing	X	X	X	
Web site marketing	X	X	X	
Video marketing	X			
Tenant Screening Consult	X	X	X	x
Rent Collection	X	X	X	
Tenant move-in orientation	X	X	X	x
Maintenance billed at cost and at flat admin fee	5%	8%	12%	
Tenant Replacement Guaranty 60 days	X	X	X	
Tenant Management	X	X	X	
Move in Move Out Management	X	X	X	
Move Out Inspection with photo report to owner	X	X		
Move Out Inspection without photo report to owner			X	
Utility Transfer Coordination	X	X		
Monthly furnace filter delivery	x			
Furnace Filter Monthly Reminder Email	X	X	X	
Premium Marketing Photos	X	X	X	
24/7 Portal Access	X	X	X	
Exterior Inspection every four to six weeks	X	X	99 per visit*	
2 x per year inside inspection/wellness check	X	X	129 per visit*	
Year End Statements Mailed	X	X		
1099 Statements Mailed	X	X	X	
2 x HVAC Service coordination no mark up	X			
2 x per year gutter cleaning no mark up	X			
Pre-Move In deep clean		X	X	
Pre-Move In Deep Clean no mark up	x			
1 x per year exterior pressure washing no mark up	x			
1 x per year exterior window washing no mark up	x			
* Agreed to at management				



Signed _____/Date _____ Plan _____ Exterior Visits _____

Signed _____/Date _____ Plan _____ Interior Visits _____

Eviction Protection \$189 per year

Pet Damage Guaranty

MLSullivan 21 W. Colony Place Suite 110 Durham, NC 27705 ♦ 919-493-7633 talk/text

Understanding our online statement

Summary by property

	17 Georgetown Ct Durham 27705	All properties
Beginning cash balance	\$0.00	\$0.00
+ Additions to cash		
Income	1,050.00	1,050.00
Owner contributions	0.00	0.00
Other additions	0.00	0.00
– Subtractions from cash		
Expenses	588.70	588.70
Owner draws	461.30	461.30
Other subtractions	0.00	0.00
Ending cash balance	\$0.00	\$0.00
– Adjustments		
Property reserve	0.00	0.00
Available for payment	\$0.00	\$0.00

Income statement

	17 Georgetown Ct Durham 27705	All properties
Income		
Rent Income	1,050.00	1,050.00
Total income	\$1,050.00	\$1,050.00
Expense		
17 Georgetown Ct. Mortgage Payment	511.70	511.70
Association Fees	77.00	77.00
Total expenses	\$588.70	\$588.70
Net income	\$461.30	\$461.30

Any information contained within this handbook may be changed without notice.

THE NEXT STEP – LET’S GET YOU STARTED!

We send out our management agreement to your email through DocuSign. You can fill it out electronically, initial, and sign in one easy step. No printing, signing, scanning, etc. Your property manager will then get you all set up and we will be here for you!

Useful things to have ready:

- Who do you want as an emergency point of contact (name/address/email/phone)?
- What bank account/routing number do you want funds sent to?
- What tax ID or Social Security Number will be used to claim your rental income at the end of the year?
- Is your home in an HOA community? Need us to pay your dues from your rental proceeds? (name of HOA, account number, phone number)
- Do you have a Home Warranty (policy number, contact number)?

If you are unsure, please do not hesitate to ask us for assistance!

You deserve the most qualified management. In order to provide the best available service to our clients and to maintain our unsurpassed reputation within the residential property management profession, MLSullivan Property Management set out to seek the best property management training in the industry. Through our membership with the National Association of Residential Property Managers, we are committed to ongoing education for our associates in the current trends of our profession and changes in the laws that affect the properties we manage.

Our services are a tax deduction - The choice is easy – you can do the work yourself (collecting rent, dispatching maintenance, handling the accounting, researching the housing laws, worrying about if, when and how to file eviction, getting calls 24/365 from tenants), for which your time is not deductible; OR you can leave it all to us, enjoy more free time, and deduct the cost of our services from your taxes.

Thank you!

MLSULLIVAN™

21 W. Colony Rd. Suite 110

Durham NC 27705

www.MLSullivan.com

919-493-7633

Dear Owners,

To minimize stress in between tenants, we are sending you information about the Revert to Owner (RTO) Service Programs offered by Duke Energy and Dominion Gas. We feel that these worthwhile programs and should be arranged so there will be no lapse of service when a tenant moves out and in preparation for an incoming tenant.

Thank you,



Michael L. Sullivan, REALTOR/Broker

919-493-7633 office/text

919-869-1503 fax

www.MLSULLIVAN.com



Duke Energy
9700 David Taylor Dr.
Charlotte, NC 28262
www.duke-energy.com

Subject: Revert to Owner (RTO) Service Program Application

Dear Sir or Madam:

Thank you for your interest in our Revert to Owner Service Program. This convenient program directs Duke Energy to switch the electric service account(s) automatically for your rental property(s) into your company's name when residents move out.

If you would like to participate, please review the enclosed program provision, complete the authorization form and return it via email, fax or mail as noted. We will process your request within seven working days after receiving the form.

More Convenience for Revert To Owner Participants

Whether you own or manage one rental property or hundreds, our free *Online Property Manager Service* can help save you time. It is designed just for property managers and enables you to:

- Confirm whether a tenant has applied to have electric service put into his/her name
- Confirm if the tenant has met all requirements and the request for service has been scheduled
- Confirm if a tenant has requested a disconnection of electric service
- Request disconnection of the electric service if the account is in the RTO account name
- Place an order to connect electric service in the property manager's name if power is off
- Receive an email notification when a tenant requests a disconnection or a connection for electric service

To learn more about this service visit our website at www.duke-energy.com/property-managers

If you have additional questions about the Revert to Owner Service Program, please call us at 1-800-777-9898. We are available to assist you 24 hours every day.

At Duke Energy, we appreciate your business and the opportunity to serve you

Sincerely,
Duke Energy Customer Service
DECS:jmy

Enclosure



Duke Energy
9700 David Taylor Dr.
Charlotte, NC 28262
www.duke-energy.com

Revert to Owner Service Program Provisions

1. When a resident requests disconnection of a rental property, service will not be disconnected. Instead, Duke Energy will read the meter and automatically set up the account in the name shown on the RTO Application with the following exceptions:
 - The service will not be automatically transferred into the RTO account name if service to a resident has been disconnected for nonpayment of bill or violation of Duke Energy Carolina's Service Regulations.
 - If an inspection is required by local government if changes are made to the electrical wiring in the facility or tampering with Duke Energy Carolinas' equipment.
2. In order to participate in the Revert to Owner Service Program, the owner or property manager will identify the service address as shown on Duke Energy Carolinas' records. Thereafter, the owner or property manager must notify Duke Energy of accounts to be added or deleted from the Revert to Owner Service by submitting a list of revisions, additions or deletions to the list due to sale of the property or any other reason. The RTO participant is responsible for all usage incurred at any location in the RTO account name until the Company receives notice to remove the account from the RTO Program and disconnects the service to the location
3. Residential accounts established in the owner's or property manager's name will be set up on the same residential service rate schedule as the previous resident.
4. Non-residential accounts established in the owner's or property manager's name will be set up on the applicable general service rate schedule.
5. Revert to Owner Service will apply to all electric service agreements on the designated account, (e.g., multiple meters, outdoor lighting, etc.)
6. Accounts used solely for services such as outdoor lighting and common facilities that are not leased to tenants are not eligible for the RTO Program and should not be included on the list of participating accounts.
7. Failure to pay any bills while service is in the name of the property owner or manager may result in transfer of the outstanding balance to another account, disconnection of service and / or removal from this Program.
8. If satisfactory payment history is not maintained, accounts will be removed from RTO. It takes a minimum of one year to establish a satisfactory payment record. Once satisfactory payment history is established, you may reapply for the program.
9. When an account is removed from RTO, it is no longer accessible on the Property Manager Portal.



Duke Energy
9700 David Taylor Dr.
Charlotte, NC 28262
www.duke-energy.com

Revert to Owner Service Program Authorization Form

I request to participate in the Duke Energy Revert to Owner (RTO) Service Program that is available to owners or property managers who wish to maintain electric service at their properties between residents without having the service disconnected. The following information should be used to establish accounts between residents:

Legal Name of Owner/Property Manager : _____

Complex Name(s) _____

Mailing Address _____

Federal Tax ID _____ or Social Security # _____

Contact Name _____ Contact Phone _____

Please contact me to add the free *Online Property Manager Service*

Email Address: _____

I acknowledge that I have read and understand the provisions of the program as outlined below

Authorized Scanned Signature _____ Title _____ Date _____

The Legal Name of the Company is the RTO account name.

Please return this form and your property address listing complete with complex name(s) and individual street addresses by email, fax or mail as follows:

By Email:

rto/pmp@duke-energy.com

Subject : Revert to Owner Service Program

By Fax:

1-800-640-5991

ATTN: Revert to Owner Service Program

By Mail:

Duke Energy

ATTN: Revert to Owner Service Program DT02V

9700 David Taylor Drive

Charlotte, N.C. 28262-2363



Revert-to-Landlord Agreement

1. Landlord concedes that he/she/it owns or manages the Property described on Exhibit A and leases it to a tenant who utilizes Dominion Energy North Carolina's natural gas utility service.
2. Landlord does not want the Property to be left without gas utility services after the tenant leaves. Therefore, in the event that the tenant requests to have Dominion Energy North Carolina disconnect his/her gas service to the Property, the natural gas services will be transferred to an account automatically created in Landlord's name (the "Reversion Account") without interruption. The transfer of services will become effective on the date that tenant's disconnect request is scheduled to become effective (the "Reversion Date").

Exceptions:

- a. The service will not be automatically transferred into your name if service to a resident has been disconnected for nonpayment of bill or violation of Dominion Energy North Carolina's service regulations.
 - b. An inspection may be required by local government if changes are made to the gas piping at the facility.
3. Landlord shall be responsible for payment for all natural gas services provided to the Property after the Reversion Date until Dominion Energy North Carolina receives notice to transfer or disconnect services.
 4. Failure to pay bills in a timely manner for service provided to an account in the landlord's name may result in disconnection of service and/or termination of this Agreement.
 5. Any bills that remain unpaid after 25 days from Dominion Energy North Carolina's final bill will be transferred to the Landlord's permanent account, if one exists. Reversion Account bills will be sent to Landlord at the address on record with Dominion Energy North Carolina.
 6. This Agreement shall remain in effect until the earlier of: (a) **Dominion Energy North Carolina's receipt of notice that the property has been sold or is no longer being managed by Landlord**, (b) **notification of termination is received**; and (c) **failure to maintain an adequate payment record as described above**. Voluntary termination of this Agreement by Landlord/Property Manager shall be made by submitting a request in writing to Dominion Energy North Carolina by fax (843-746-0442), or mailing a request to: PO Box 1398, Gastonia, NC 28053. Dominion Energy North Carolina will process cancelation within twenty days of receipt of request and confirm cancelation to Landlord. Failure to process within twenty days will not be deemed a breach of this Agreement.
 7. This Agreement shall be effective on _____.

Landlord: Provide full legal name of Company or Individual Name (if Individual Property Owner):

Landlord Billing Address: _____

Landlord Federal Tax Id (if business): _____

Name(s) of Authorized Contacts and Phone Numbers: _____

Email Address: _____

I acknowledge that I have read and understand the provisions of the program as outlined above and agree to the terms stated therein and am authorized to execute this Agreement on behalf of the Landlord.

Signature, Name, and Title of Authorized Representative: _____

