
MANAGING YOUR HOME

This is to clarify some commonly asked questions and issues that arise about being a landlord. By signing this letter, you are subscribing to our practices and philosophies as described. The two most important things we can do for you is the careful screening of tenants... and to properly prepare your home for marketing and ongoing maintenance. How do we prepare your property?

PREPARING YOUR HOME

CLEANING: Your home should be immaculately cleaned including the removal of hard water build-up in all water areas. All light fixtures should be cleaned and the refrigerator should be moved to clean the floor underneath. All cabinets, drawers, windows and screens, baseboards, and walls should be sparkling clean. We have a complete checklist of tasks that our cleaning vendors must perform. Clean means spotless. We prefer to coordinate the preparation to spare us all from the awkward circumstance in which you have prepared the home and it does not meet the standards of The Nordstrom Group, Inc. These same standards will be expected from your tenants. Consider these initial expenses as a business start-up cost.

CARPETS: Carpets must be cleaned professionally with a truck mounted system. A rented steam cleaner from the supermarket will impart too much soap and water into the carpets, creating more muck than they remove. If your carpet is in poor condition, dated or unusual in color, it should be replaced.

PAINT: The house should be as neutral as possible. It may be necessary to repaint rooms that offer limited color schemes. At a minimum, walls and baseboards will need to be touched up with paint. If the paint is old, it is not always possible to do this. We have also found that in some newer homes, contractors have mixed paint brands and colors together to produce a paint that is impossible to match.

NEUTRALITY: Light, neutral colors throughout the house are the best choices for rentals. Older homes that are dated with unpopular colors, countertops, appliances, and window coverings usually require longer marketing times and for lower rents.

PEST CONTROL: The house should be sprayed for bugs between tenancies. After the tenant has moved in, pest control is the tenants' responsibility. The exception would be unusual pests such as packrats, bees and hornets nests and the like which generally would present themselves to the exterior of the house.

LANDSCAPING: The yard should be weed-free, pruned and tidy. A timed irrigation system should be provided to help maintain your landscape. It will not guarantee your landscape. Power outages, equipment failure, weather, and root eating insects can create problems for all yards. Discuss with one of our agents whether a periodic landscaper would be recommended for your particular property.

KEYS: Properties should be keyed to one key. Again this should be considered a business start-up expense. Make sure we have a mailbox key, its mailbox number, a pool key and working garage door openers. Garages that have handle locks should also have a key. Houses may be re-keyed between tenancies at our option.

SWIMMING POOLS: Talk to your insurance agent about extra liability insurance. DIVING BOARDS AND SLIDES MUST BE REMOVED. Be prepared to fence the pool to separate it from the house.

ON-GOING MAINTENANCE: It is our mission to respond to maintenance calls quickly. This corresponds with landlord/tenant laws, respect for your tenant and, as importantly, to the integrity of your property. We use licensed, bonded and insured vendors almost exclusively. The Nordstrom Group, Inc. does not receive any profit in any form from maintenance, repairs or replacements to your home. We believe that to do so is a conflict of interest. Replacements are "like for like". Our management agreement authorizes The Nordstrom Group, Inc. to make routine expenditures as described in our management agreement, excepting essential components and services which must be made immediately, notwithstanding the cost. Emergency repairs will not be "put out for bid". The few dollars you might possibly save by the bidding process could quickly be consumed in rent credits and hotel bills while the bids are gathered. Some landlords wish to perform their own maintenance or have one of their friends perform all maintenance requests. We will try to honor those requests whenever practicable. Unreasonable delays are not practicable.

OVER -->

SCREENING TENANTS

VERIFICATIONS: We verify credit, employment, income, and prior landlord references and run criminal background checks. We involve you in the selection of tenants. However, we will use our best judgment if we cannot reach you for any reason within 24 hours. It is very important that you inform us when you change work, cell and/or home phone numbers or will be on vacation.

PETS: By establishing a "no pet" policy, you will be eliminating a large percentage of the market. Generally, if a pet is over a year old, well-trained and a part of the family, expected damage is minimal to non-existent. Damages are the tenants' responsibility to remedy. Additional pet deposits are recommended. Assistive animals cannot be denied.

FEDERAL HOUSING LAWS: We comply with Federal Housing Laws which prohibit discrimination against race, creed, religion, sex, handicap, assistive animals, familial status or national origin. Please do not ask us violate these laws. Violations carry fines up to \$100,000.

RISKS: No matter how careful we are, there is a certain risk that landlords take to be in the rental business. The Nordstrom Group, Inc. cannot guarantee tenancies. We have an excellent track record in choosing tenants. This is not to say that we do not have tenants who break leases. One thing certain in life is change. People buy homes, get transferred, lose their jobs, divorce, get sick and even die. Most tenants who break their leases honor their lease payments until the house is re-rented.

AUTHORITIES: Our management agreement empowers us to sign, renew and terminate leases on your behalf. Your signature is not required on the rental agreement.

SECURITY DEPOSITS: Currently, our security deposits are set at a rate that equals one month's rent plus \$245. This may change due to market conditions and special circumstances. The security deposit may not be used as last month's rent. Arizona residential landlord/tenant laws limit the amount that a landlord can charge as any combination of deposits to 1 ½ times the rent amount. Ours are slightly less than legal rates to be competitive in the marketplace.

EVICCTIONS: Evictions can be accomplished generally within 30 days of non-payment. A lawyer is required to appear in court on your behalf. They will charge \$175 for the appearance. Other expenses will be the process server, usually about \$50.

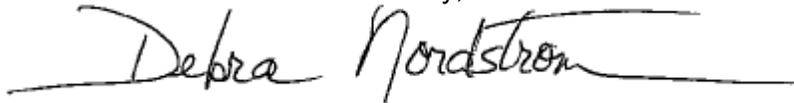
LANDLORD/TENANT LAWS: For reference, these may be accessed on the internet at

<http://www.azsos.gov/>

This does not cover every possible happenstance. This is intended to cover the most commonly asked questions. If you have any concerns or questions, please feel free to contact me. You may also want to consult with an attorney on any legal or tax implications of being a landlord.

It is a privilege to be of service to you.

Sincerely,



The Nordstrom Group, Inc.
Debra Nordstrom, Broker

Owner

Date

Owner

Date