



National Association of Residential Property Managers

TRGHouses,LLC/KCC,LLC

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Contemplating renting your home? Have you recently acquired an investment residential property? The first decision you must make is whether to manage the property yourself or turn it over to a professional management team.

To help you in making that decision, we have prepared these guidelines to help you understand all that goes into managing a rental property and how our team will manage your property.

TRGHouses,LLC/KCC,LLC has 20 years experience providing full service real estate & property management services. Our commitment to quality ensures your properties are well maintained and our clients receive the maximum return for their investments.

Benefits of Using TRGHouses,LLC/KCC,LLC

- TRGHouses,LLC/KCC,LLC provides a high quality resident screening process that results in higher quality residents
- TRGHouses,LLC/KCC,LLC provides greater resident retention through time-tested resident retention policy
- TRGHouses, LLC/KCC, LLC will write and execute leases, addendums (pool, pet deposits, lead based paint, etc.), and lease extensions
- TRGHouses,LLC/KCC,LLC experiences shorter vacancy cycles. We will:
 - Prepare your property for rent
 - Help you determine the best rent rate using market analysis
 - Effectively market your property
- TRGHouses,LLC/KCC,LLC uses Appfolio Property Management Software that is a one-stop shop for property management from processing applications, to collection of rents, to processing maintenance requests, and evictions.



- TRGHouses,LLC/KCC,LLC has a proven rent and security deposit collection process
 - Ability to process online payments through tenant portal
 - Allows owner freedom to reside away from their property
 - Provides a buffer between owner & tenant
 - Allows owner to receive funds faster through electronic processing
- TRG/KCC manages maintenance issues in a more cost effectively way leveraging ongoing relationships with frequently used vendors
- TRG/KCC manages terminating leases & evictions on behalf of the owner
- TRG/KCC manages Inspections & oversees safety of your property
- TRG/KCC provides owner freedom to reside away from their investment
- TRG/KCC reduces owner's stress by not having to deal with maintenance issues in the middle of the night or following up with residents regarding rent
- TRG/KCC frees up owner's time to focus on family, friends, and other money making opportunities



Property Management Guidelines

Responsible residents are valuable assets to both of us. A satisfied tenant can bring us referral business and will be more inclined to care for your property as if it was their own. *As the owner of the property it is best that you avoid direct communication with the resident and refer inquiries to our office.* We maintain a diplomatic relationship, between you and your tenant, through personal contact.

Advertising

- Your home will be advertised to over 200 syndicated web sites including our North Texas Real Estate information systems to over 16,000 agents.
- Rental signs are placed visible to traffic on your property as many residents find their homes by inspecting the neighborhoods where they desire to live.
- TGPM has a referral program that residents, agents, other real estate companies, and rental agencies use to refer us their friends, families, clients and colleagues.

Signage

To minimize vacancy cycles a "For Lease" sign will be placed on your rental property forty five(45) days prior to the property's availability date or, in the case of a new property, on the date the unit first comes under our management. Signs are placed in the yard where they are highly visible to traffic.

Showing the Property

Prior to showing a property our agent pre-qualifies prospective residents and then makes recommendations based on the resident's needs, availability of inventory, rental history, etc. After pre-qualifying the resident, in our office or over the telephone, one of our sales associates or leasing agents will schedule an appointment and show them the properties that meets the resident's needs.

Application and Screening

Once a prospective resident expresses a desire to lease a property, each resident over 18 years of age will be required to complete our Lease Application and Addendum forms and each submit a \$45 non-refundable processing fee (this covers the cost of processing the credit history and background check).

To secure the property during the approval process, residents can provide an application deposit equal to one month's rent.

Screening Of Applicants Includes:

- Obtaining Credit Report
- Employment Verification
- Bank Verification and References



- Resident Rental History Verification

Applicants that meet our screening criteria you as the owner will be presented with the information and have the final decision on approving or denying the applicants.

Once Applicants are Approved:

- We will notify applicants of their approval
- We will confirm their move-in date in accordance to property availability
- We will provide detailed information regarding the lease & lease execution, identify rents or pro-rated rents and collect them prior to move-in, and send the resident their Resident Portal information through our Appfolio Management System
- We will send the Residential Lease and Addendums to be electronically signed by the residents
- We will send new residents our Resident Information Letter regarding check-in/checkout procedures, how to pay their rent, maintain lawns, process maintenance requests and emergency repairs, securing utilities prior to move-in, etc.
- We require that all tenants provide confirmation that the utilities have been turned on in their name prior to releasing any keys, remotes, etc.
- We require residents to provide rental insurance coverage (as applicable)
- We schedule a New Resident Orientation with the resident to answer any questions the resident may have about the property or lease and to turn over keys and garage door openers
- We provide a Property Condition Form for the resident to complete and return to us within seven (7) days. Any items requiring immediate attention will be repaired at the property owner's expense. This same Property Condition Form is the basis and guide for the resident's move-out inspection. Any defects not noted on the list are brought to the attention of the resident and our staff determines whether the defect is a result of normal wear and tear or negligence. The cost to repair any damage caused by negligence is deducted from the resident's security deposit.

Pet Management

As the property owner you determine whether or not pets are permitted in the property. It is our job to enforce this determination. Please note that 95% of all residents have pets. Properties that allow pets are required to pay a non-refundable pet fee of \$350.00-\$500.00 for each pet. This is used to clean and exterminate the residence and landscape upon the resident's departure. Because certain breeds of large dogs are considered to be dangerous, residents who have large dogs are also required to carry liability insurance as a means of protecting you and our company. Residents are held liable for any damage caused by pets.

Rental Period

Our leases are signed online through the program called Dotloop. Leases typically are written for a one year period. With owner approval, longer lease and shorter lease terms (including month-to-month options) are allowed to ensure lease expiration dates occur in more active rental periods. Lease terms are approved by owner prior to signing.



Rental Increases/Lease Renewals

Responsible residents are valuable assets to us and our clients. Our commitment is to do all we can to retain our valued residents. As such, 60 days prior to the lease expiration date we will perform a market analysis considering the market, neighborhood conditions, property condition and take into consideration your resident's rental history, etc. We will share this information with you and discuss with you potential rent increases and lease renewals. Once a lease is renewed, it cannot be changed, so it is very important for you to communicate with us in writing any changes you'd like to make during the new lease term.

Breaking the Lease

Occasionally a resident's employer requires them to transfer to another city. In this case the resident may terminate his lease by furnishing written evidence of his transfer and providing written notice at least forty-five (45) days prior to vacating the house. In this case the resident will bear all expenses associated with re-letting (marketing expenses, etc.) and pays the rent until the home is rented again. The resident then may be released from their obligation.

A military clause permits military personnel to terminate the lease when they present proof of a transfer outside the Dallas metropolitan area. They are required to provide forty-five (45) days written notice prior to vacating the house. If orders are not available, a letter signed by their commanding officer will suffice.

Eviction Procedures

On average it takes at least sixty (60) days to evict a resident, and hopefully this will not happen with your property. If the eviction is especially touchy OR for a reason that does not include non-payment of rent, the service of a licensed attorney may be required to represent you. (If this happens the attorney's fees will be billed to your property. Keep in mind that the cost of evictions not only include lost rent and fees, you will also incur minimum \$500.00 in legal expenses and possibly even a larger sum for repairs.

TRG/KCC Eviction Process

When a resident has not paid their rent by the fifth (5th) day of the month eviction proceedings begin. Our process is as follows:

- Automatic emails are sent to residents immediately when we have not received payment notifying them of non-payment
- We then provide the residents with a 4 day Notice Vacate letter giving them an opportunity to pay the rent and all late fees.
- If residents still fail to pay within 10 days we file an Eviction Case with the court system
- The residents are sent a Forcible Entry and Detainer Notice (FE&D) from the court demanding they appear during court proceedings.
- TRG/KCC will appear in court as your representative and will make a claim for all monies due.
- During court we will be asking the court for a Writ of Possession or simply a Writ. The Writ process requires us to hire a crew to set a resident's belongings at street-side or in storage during inclement weather. When you have monetary damages as a result of this process a judgment is issued by the court. We file the judgment in the applicable.



Abandoned Properties

If a resident has abandoned your premises for 5 consecutive days while in default, household and personal items left behind by the resident will be considered abandoned property and will be disposed of by our staff. Any further claims on the abandoned property must be handled by the court.

Inspection of Property

We must give the resident at least a twenty-four (24) advance notice in writing to inspect the property. In an emergency, however, the lease agreement permits us to inspect or make repairs to the property at all reasonable hours. Remember, we cannot dictate how the resident keeps the interior of the house.

We do perform drive-by inspections of the property to ensure the yard and exterior are being cared for. In the event the exterior is being neglected we call the tenant for a walk through and interior inspection of the property. We send a notice to the resident asking them to cure any noted deficiency. On more serious violations we will inform you of the problem and recommend what corrective action should be taken.

Locks & Rekeying

Texas law requires all security devices operated by key, card, or combination to be rekeyed by the owner at the owner's expense, within seven (7) days of a new resident moving into a rental property. It also states that each door to the exterior of the property from the living area meet specific requirements regarding locks. Simply stated, when inside the residence, a person with a key must not be able to gain entrance. Also, sliding doors must be equipped with pin locks and "Charlie Bars." Also, a "peep" hole/door viewer must be installed on all exterior doors, unless the door has see-through glass.

When no locking devices presently exist on exterior doors and windows, the owner is responsible for the entire expense to have locks installed according to code. When locking devices are already installed and a resident desires additional locking devices, the cost will be borne by the resident. Any rekeying of existing locks after the initial rekeying will be at the resident's expense.

Key Control

We maintain strict control of all keys. All keys issued to residents or repairmen are documented. As a minimum, we need three sets of keys to the property. Two sets are provided the resident and one set is maintained in our office.

Smoke Alarms

Texas law requires all rental units to contain at least one smoke detector/alarm per floor. If your property does not currently meet this standard, it must be brought into compliance prior to occupancy by the resident. You are required to have a smoke detector in each bedroom.

Utilities

Unless otherwise stated in the Residential Property Leasing and Management Agreement or restricted by property limitations, all utilities used on the premises are paid for by the resident. New residents are required to notify the appropriate utility companies to have service turned on in their name and provide our office with their utility account information.



Maintenance

Owners

To keep you informed of the status and condition of your property and help keep repair expenses at a minimum, periodic inspections will be made to your property and a detailed report will be sent to you with our recommendations.

Because we realize it can be rather upsetting when you receive an unexpected bill from us for repairs made to your property, we suggest owners to deposit \$500 into a reserve account specifically for maintenance needs. When a repair exceeds the reserve the owner is contacted for permission to make the necessary repairs. On major repairs (exceeding \$500) we will typically obtain at least two bids from reliable contractors for your consideration. We ask that you provide us with a decision in a timely manner (within 48 hours). (If we cannot reach you within 48 hours of a repair requiring authorization we will reach out to your emergency contact for permission.)

Upon approval of major repairs we ask that you make an electronic "Owner Contribution" for the estimated amount due to the contractor through the Appfolio Owner Portal (Major repairs will not begin until this funding is received.)

Our policy is to use reliable contractors that do a professional job at a reasonable cost and have used several of our contractors for several years providing us with very competitive pricing.

While a home is unoccupied, periodic inspections are made to see that lawns and yards are maintained, the property is presentable, and that no vandalism has occurred. During periods of vacancy, our staff cannot accomplish the task of watering the lawn and shrubs. This is physically impossible for us to do. If this service is desired, we will assist in contracting for the service at your expense. When we have extensive repairs or painting to do, we will ask the assigned contractor to assist in watering.

Tenants

Our Residential Lease requires residents to notify our office in writing of their maintenance need by submitting all maintenance requests through our Appfolio system they have the ability to submit maintenance requests through their Tenant portal 24/7. This process instantly notifies our team of emergency and general maintenance needs.

Appraisal District

Please be sure to change your mailing address with your County Appraisal District. We will then forward any notices we receive. We also suggest that owners converting a personal residence into a rental home remove the homestead exemption they have. This will avoid a potential conflict with subsequent notices of underpaid real estate taxes. For a small additional fee that can be negotiated separately, one of our agents can represent you at Appraisal District (AD) valuations on changes in property values. Remember, it is the AD value that determines your annual real estate taxes due.



Insurance

Please advise your insurance company that the property will be a rental unit. Insure that you have adequate property and liability insurance coverage. Texas insurance regulations require that any existing homeowner policy be cancelled. In order to protect your investment the amount of insurance should equal the replacement cost of the property.

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

We also recommend a Physical Loss Form (PLF) 148 which extends your named peril policy (Fire and Extended Coverage) to an all risk policy (with limitations) and some form of personal liability coverage. The Residential Property Leasing and Management Agreement requires the owner to carry insurance adequate to protect all parties.

We urge each owner to obtain liability insurance coverage. Many homeowner policies allow you to extend the liability coverage from that policy to your investment/rental properties for a small additional premium. We must be provided copies of such coverage no later than thirty (30) days after signing the Residential Property Leasing and Management Agreement. Also, please be sure to name TGPM as "additional insured" on your policy. (There is never any extra cost to you for this.)

In 1998, a new type of insurance policy was approved by the State Board of Insurance. The new policy, a Residential Dwelling Policy (RDP), includes liability insurance but removes some water coverage. To satisfy yourself that you have adequate coverage we recommend you contact your insurance agent for specific details.

Trumbull Group,LLC/KCC,LLC Property Management Fees

Our principal income from this service is based on a percentage of the rents collected. The following is a schedule of our management fees.

<u>If you own:</u>	<u>The fee will be:</u>
1 to 4 properties	10% (or a minimum of \$125 per month when rented.)
5 to 10 properties	9%
10 properties +	8%