



## **Welcome to the RE Solutions XV LLC Owner Handbook!**

### ***We Lease & Manage Your Home Like it is Our Own***

Thank you for choosing RE Solutions XV 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.

RE Solutions XV works to achieve the highest professionalism in Real Estate/Property Management Services. Therefore, we have prepared the RE Solutions XV (RESXV) Owner Handbook 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 us immediately, using the company contact information provided in the following pages.

**Special note:** The information provided in the RESXV Owner Handbook is subject to change. Landlord/Resident laws, personnel, policies, and procedures change according to events that take place. RESXV works diligently and continually to improve services and personnel training as well as remaining current with all landlord/Resident legislation.

### ***Our three Company Principles Are:***

- 1. Work harder for our clients than any other property management company. That means finishing the job every time to the best of our abilities.***
- 2. Communicate effectively with our Owners, prospective Residents, current Residents, and Vendors.***
- 3. Treat our client's rental property as if it were our own.***

Once again, thank you for choosing RE Solutions XV as your Property Management Company. We look forward to a successful business relationship

## **COMPANY INFORMATION**

### **General Advisement to Property Owner**

RE Solutions XV LLC (RESXV) has prepared this Property Owner's Handbook as a guide for property owners and investors to familiarize you with our property management policies, processes, and procedures for management of your property.

We ask that you become familiar with its contents and if you have a question or concern which you believe is not answered, please contact us at 210-756-8588 or [yourfriends@resolutionsxv.com](mailto:yourfriends@resolutionsxv.com) and we will be happy to assist you.

Information relating to Texas law or Federal law is included as a matter of convenience for you and is not intended to be comprehensive nor does it constitute legal advice. You should always seek appropriate legal advice from a qualified legal practitioner before acting or relying on any of the information contained in this Handbook.

### **Accountability**

In property management, accountability is needed from three parties - the Resident, the Owner, and the Property Management Company. The general accountability of each party is as follows...

#### **Resident**

1. Pay the full rent amount on time each month.
2. Do their part in taking good care of the property.
3. Report maintenance issues to the property manager in a timely manner.
4. Move out by the agreed upon termination date and return the property over in the condition it was received less normal wear and tear.

#### **Owner**

1. Price the property correctly per market analysis recommendations.
2. Properly maintain the property & allow maintenance issues to be completed in a timely manner to provide Residents a healthy and safe dwelling.
3. Stay current on mortgage, taxes, insurance, HOA dues, etc.
4. Allow the property manager to effectively manage the property per the management agreement.

#### **Property Management Company**

1. Honestly evaluate your property's condition/value and provide accurate data to assist the Owner in pricing the property correctly.
2. Market and promote your property, then answer as many calls from prospective Residents and show to as many prospective Residents as possible.
3. Thoroughly qualify prospective Residents.
4. Collect all rents and maintain proper accounting and disbursement of funds as required by the Rental Agreement, the Management Agreement, and law.
5. Coordinate maintenance requests with Vendors and Residents to ensure property continues to be a healthy and safe environment.

### **RESXV Property Management**

RE Solutions XV Property Management is a property management company operating in San Antonio, Texas, specializing in full- service property management.

### **RESXV Mission Statement**

The Mission of RESXV is to serve the diverse San Antonio community with a heart of servitude, integrity, transparency, and honesty.

## The RESXV Organization

RESXV is truly an effective team. Each person within our organization is hired to perform a job and was recruited based on experience and talent.

- **Business Development Managers** – Probably the initial member of our team that you spoke with for any length of time was an RESXV BDM. They assist new clients in understanding current rental conditions for pricing evaluations, etc. They initially review the property's condition. The BDM writes up the ad, takes property photos and submits to a coordinator for ad placement.
- **The Leasing Team** – The leasing agents are responsible for answering calls from prospective Residents and setting up appointments. The Leasing Agents are experts in the San Antonio rental market, selling the benefits of leasing your property to prospective Residents.
- **The Property Management Team** – Ensure rental collection, handling maintenance issues, making and receiving hundreds of phone calls/emails a day.
- **Management** – Our Broker and our head Property Manager each have many years of rental and real estate experience. Having been responsible for the leasing of thousands of properties and continual management of hundreds of properties over the years.

## RESXV OWNER DOCUMENTS

It is important that RESXV receives all the critical information as we begin management. Documents are available for you to download at your owner's portal should you need them. Please return the appropriate forms via email to [yourfriends@resolutionsxv.com](mailto:yourfriends@resolutionsxv.com).

## RESXV COMMUNICATION

Communication is a key to the success in any relationship and the RESXV/Owner relationship is certainly no exception. We are constantly communicating with our owners, Residents, prospective Residents, and Vendors.

<b>RESXV Address:</b>	<b>10730 Potranco Rd Suite 122-484, San Antonio, TX 78251</b>
<b>Phone Number:</b>	<b>210-756-8588</b>
<b>Email Address:</b>	<b><u><a href="mailto:yourfriends@resolutionsxv.com">yourfriends@resolutionsxv.com</a></u></b>
<b>Website:</b>	<b><u><a href="http://www.resolutionsxv.com">www.resolutionsxv.com</a></u></b>
<b>Office Hours:</b>	<b>Monday – Friday: 9:00am - 5:00pm; Saturday: By appointment</b>

## Changes in Your Contact Information?

Communication works both ways. We need communication from you as well. It is important that you let us know of any significant changes that can affect your account. RESXV needs to know when you are moving, changing your phone number or email address, or any other important information. Please contact us with any changes like this.

## How to Contact RESXV?

While we certainly welcome your phone call, much of the communication that we need from an Owner will be through an email. By emailing our office a request for information, we can review your request and typically get back to an owner that day or the following business day.

**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.

We ask that owners communicate through a working email account and to routinely review their email account.

## Owner vacation notice

RESXV respectfully requests that Owners notify RESXV of vacations that are 10 days and over. Another alternative is to inform your Emergency contact listed on the management agreement. The purpose in asking for this information is only so RESXV is prepared in the event of an emergency repair or major problem concerning the owner's property and/or Resident.

## OWNER RESPONSIBILITIES

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

Owner responsibilities include:

- Notify RESXV of any ownership change or eminent owner change for the managed property.
- Supply RESXV with accurate information so RESXV can service the management account properly.
- Review online or printed statements monthly and notify RESXV of any discrepancies found as soon as possible.
- Check bank statements monthly for accurate or missing deposits and notify RESXV 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 Residents.
- Keep all mortgages, HOA dues, insurance, taxes and all other payments current related to the rental property.
- Treat RESXV personnel with the same courtesy and respect you are looking for.

## Owner Current on Property Financial Obligations

By signing the RESXV Management Agreement all Owners affirmed that all payments on Property(s) listed above are current on: Homeowner Association and/or Condominium Association and/or Owner Associations fees and assessments, property taxes, property insurance, mortgage payments, vendors payments and any other fees or payments or obligations of any kind associated with the Property.

## Why Do Owners Like You Choose RESXV?

- **EXPERIENCE:** All our team members are licensed real estate agents with two of them having their broker's license. Combined, we have over 22 years of experience.
- **PROFESSIONAL ASSOCIATIONS:** We are members of the National Association of Residential Property Managers, National Association of Realtors and San Antonio Board of Realtors. Our team members are well trained and kept up to date on the latest technology and Landlord/Resident law.
- **TEAM APPROACH:** You are not just hiring one property manager. You have the support of leasing agents, property managers and sales agents.
- **COMPREHENSIVE WALKTHROUGHS:** We have taken literally thousands of photos of properties to document their condition.
- **ACCOUNTING ACCURACY:** So that you receive the rent on- time and receive it accurately.
- **TAX DEDUCTIBLE:** While you spend time with family, relax knowing our services are typically tax deductible.

## **Frequently Asked Questions about the Management Agreement**

### **Why should RESXV be able to adjust the price of my property?**

We will get right to the point on this question. Owners make more money when the price is adjusted. Vacancies are typically the Owner's highest expense in a rental property. You also increase your chances of a great Resident when the price is appropriately adjusted – more prospective Residents viewing your property means more applications. We do not want to adjust the price of your property either, but we do want to rent the property fast and for the most amount of money. You will make more money when we place a quality Resident. A quality Resident will do less wear and tear on a property, will live in your property longer (less vacancy costs) and therefore you will make more money.

### **What is the \$400 for and how will it be used?**

The \$400 reserve amount is there to cover minor repairs that are needed at the property without bothering you as the owner. We need the ability to do our job and that is to manage the issues that can happen at a property. If we do not have the ability to correctly manage your property, you will ultimately be unsatisfied. We have found through many years of doing this, that \$400 will not 'handcuff' us, yet will give us the opportunity to earn your trust. If we have a larger issue, like an HVAC compressor that needs to be replaced or a roof issue, we will contact you. We will then review the situation, and help you make the best decision on how to move forward.

Does anything in life go 100% planned, 100% of the time? Owning a rental property is a risk, we want to control that risk as much as possible. From random acts of nature to regular home maintenance, having a small amount of funds to protect a home is essential.

Basically, anything that needs to be handled at your property we need to have the resources available to help you / have the service performed. This is money we hold for you so that vendors are paid on time. Our experience has shown that when a vendor is paid on time, they perform the work quicker (which will keep the Resident happy), for a good price (which will keep you happy) and will do a good job (which we all like). We need to hold money to make sure they are paid and paid in a timely manner.

### **What if I want you to use my plumber, A/C company, etc.?**

We will welcome and gladly review the names, and numbers of licensed, insured, and bonded vendors that you may recommend. Once we begin active management all vendors used at your property must register with us and meet our vendor qualification standards before being allowed to perform any work or services. All vendors must meet all applicable Federal, State and Municipal qualification requirements. This is a necessary requirement for the protection of your property and for business liability and insurance requirements. Why can using our vendor be better for you? Sheer volume of business. When you give a vendor three jobs per year, you likely will not receive a discount, nor will the loyalty be there to be there on time/perform great work. When you give a vendor hundreds of jobs per year your/our expectations are much higher.

### **Homeowner Associations**

RESXV requests from all Owners the correct current contact information (including name, address, telephone, fax, and e-mail address) for the Condominium Association, or Homeowner Association, or Association Management company, and all current rules and regulations within three (3) business days of effective date of Agreement. This will enable our office the ability to contact the association to obtain information, especially as it pertains to the possible application information needed by the association, so we are able to accurately explain this information to prospective Residents.

### **Disbursement of funds**

In order to manage and operate your property, we ask Owners to provide all documentation, records, and fully completed property information sheet required by RESXV. NO DISTRIBUTION OF FUNDS WILL BE MADE TO ANY OWNER UNLESS AND UNTIL ALL OWNERS HAVE PROVIDED TO RESXV A CURRENT SOCIAL SECURITY NUMBER OR TAX ID NUMBER AND ALL APPLICABLE INTERNAL REVENUE SERVICE FORMS.

We will also need copies of all Service Contracts or Warranties, if any. We will coordinate any repairs with the warranties you provide RESXV. However, RESXV is not responsible, obligated, or liable for payment of any service fees or charges due to a Resident initiated call for service. In such an event the Resident will be billed for the repair.

RESXV will disburse available rental funds to owners electronically as soon as the Resident's payments clear. **Texas law strictly prohibits any payment to an owner unless there are sufficient funds in the Owner's account.** All funds are subject to clearance and will not be available until after clearing the RESXV account. 'Available rental funds' are monies remaining in Owner's account after payment of all charges, recurring monthly expenses, and the maintenance reserve of \$400. In the event Owner does not receive funds by the 19th, then Owner must contact and notify RESXV.

RESXV IS NOT OBLIGATED TO CONFIRM RECEIPT OF FUNDS BY OWNER.

The distribution of Owner funds is subject to Agreement and Handbook and shall proceed first to fees, commissions, charges, costs, and reimbursements due; second to all other operating expenses, costs, charges, and disbursements payable from Owner funds held by RESXV; third Owner Reserve; lastly any remaining balance to Owner.

**RESXV may withhold the last month's rent of a rental agreement in the Owner Reserve upon termination of the rental agreement. Said funds will be used to prepare property for the market, after all repairs remaining funds will be returned to the owner within 30 days.**

### Monthly statements

All daily bookkeeping transactions are available 24 hours a day, 7 days a week for you to view online on our owner's portal. The link can be found on our website at [www.resolutionsxv.com](http://www.resolutionsxv.com) While online, you can print a statement from our site. You will need to use the main email address that you provided to receive a statement. If you have difficulty reading your monthly statement or logging into the program, please contact your property manager. We are happy to assist you and answer your questions.

### End of year procedures

At the end of each year, RESXV 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 RESXV with the necessary Social Security/Tax ID information so the 1099 is accurate. **RESXV will send the 1099 for the rent by January 31 for the previous tax year.** With that said, please update our office with an address change by January 7 so we can update our records and ensure the timely delivery of the 1099. 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 change form, please contact us.

RESXV 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 RESXV 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 owner's personal account. Owners can submit their last statement to their tax person along with other information for income tax reporting. RESXV does not issue statements to the Owner's tax preparers directly.

## Remove Property from “For Sale” Market

Once RESXV has an approved application, we will communicate with the owner/listing agent to remove the property from the Sale market. If the owner wants to market the property on the Sale market, we ask that you contact us before you place the property on the market, social media, etc. to ensure that you follow the management and lease agreements.

### Why can I not keep my property on the “For Sale” market once a Resident is located?

As an Owner you expect the Resident to pay their rent on time, to take care of the property, and to report maintenance issues in a timely manner for the full term of the rental agreement. Likewise, the Resident expects to live in the property with quiet uninterrupted enjoyment for the full term of the rental agreement without the constant disruption that always accompanies the marketing, showing, and selling of a property.

## Marketing Rental Properties

In most cases, RE Solutions XV markets rental properties upon Residents vacating the property and the property is completely empty and ready for showings. Our experience has found that properties being shown with residents still in the property may sit on the market longer than usual. Prospective residents may not look past the clutter of current resident’s personal items, moving boxes, etc. or not know what the property will look like after all the furnishings have been removed. We have also seen unhappy residents stay during showings to point out all the negative areas of the home, owner, and management company. Once a resident moves out, RE Solutions XV will inspect the property and immediately place the property on the market if it is show ready. RE Solutions XV staff will determine the condition of “show ready”.

## Forward All Owner Mail

Owner agrees to forward all mail to Owner’s primary address and not have mail delivered to the rental property. Owner shall not hold Resident or RESXV responsible nor liable for lost or missing mail; nor shall Resident or RESXV have any obligation or responsibility to secure or forward such Owner mail.

## Cleaning of Property Prior to Resident Move-In (“Rental Ready Condition”)

1. Owner agrees to have the property and lawn in a clean “Show Ready Condition” during the initial leasing period.
2. Carpets are to be professionally steam cleaned before a Resident takes possession of the property. Per our lease, the Resident must professionally steam the carpet upon their move out. This will keep your property’s carpet in a better condition than not having the carpets professionally cleaned after every move out.
3. The property must be in 100% clean condition and the property must be placed in “Rental Ready Condition” prior to the Resident taking possession.

## Advertising & Marketing (Can I market and advertise the property on my own?)

Please check with us first! Like you, RESXV is committed to locating a quality Resident for your property quickly. But please refrain from placing any advertising in our name for public viewing – we must meet specific Texas law requirements and Realtor guidelines for all advertisement. With the amount of advertising we do, most owners find it more than they expected, but if there is an advertising source you wish for us to use (such as a company newsletter, church bulletin, etc.), please contact us. Also, if you do have a prospective Resident contact you with regards to your property, please email us their name and phone number. It is important that we receive this contact information in writing, so we have a record of when we received this information.

## Home Warranties

Owner hereby acknowledges and agrees that it is Owner’s sole and exclusive responsibility to provide to RESXV, in digital form via electronic mail or otherwise, full and complete written documentation and information for any warranty items or warranty programs for the Property or any elements of the Property or any mechanical items at the Property within three (3) business days of start of this Agreement. Owner further acknowledges and agrees that RESXV shall have no obligation, no responsibility, and no liability for

any costs, expenses, charges, or fees regarding any warranted item in or of Property should the Owner fail to provide to RESXV full and complete written documentation and information as herein required.

Owner shall, within three (3) business from Effective Date to notify such warranty program or warranty company and secure written confirmation that RESXV is fully authorized to act on behalf of Owner to make claim, or order, or demand for service from such warranty program or warranty company.

RESXV is not responsible, nor liable, for any cost, fees, charges, expense, or payments of any kind for any services, repairs, or work on Property ordered by Resident or any person associated with Resident. The Resident will be billed for said items and that all financial obligation or liability for the aforesaid, to the extent that cannot be recovered from the Resident, shall be the Owner's sole and exclusive responsibility, and any actions necessary for collection are the sole responsibility and liability of the Owner.

In the event said warranty program, or vendor selected by warranty program, cannot provide and complete maintenance or repair within three (3) calendar days of service request, then Owner hereby acknowledges, agrees, and authorizes without exclusion or exception, RESXV at RESXV's option, to secure any other vendor as RESXV deems necessary to complete such maintenance or repair. RESXV is not responsible, nor liable, for any cost, fees, charges, expense or payments of any kind for any services, repairs, or work on Property.

### **How many keys, remotes, etc. does RESXV need? When?**

We need at least one house key, preferably two garage door remotes, community amenity keys, etc. to the property prior to advertising property. (Note: if you or a Resident currently resides in the property at the time of leasing, please provide one front door key. Upon you or your current Resident's move out, please provide the rest of the keys, remotes, etc.).

### **Utilities**

All utilities will remain in the owner's name until the first Resident moves in. Upon lease completion, the utilities will revert into RESXV's name and the owner will be responsible for all charges until a new Resident is found. As is allowed by law and unless otherwise agreed to in writing by Owner and RESXV, Resident's shall be required to pay for all other services i.e. telephone service, cable television service, internet service, electric service, water service and all other utilities while living in the property.

### **Compensation**

#### **What are some of the items included in the Leasing Fee?**

- Running comparable and compare/review for an accurate rental price.
- Calling/emailing vendors to help place property in "Show Ready Condition".
- Emailing estimates from vendors to Owners.
- Hiring vendors to repair and clean the property to place in "Show Ready Condition".
- Pay vendors from Owner escrow the agreed amount.
- Writing up the advertisements and taking advertising photos.
- Place ads on multiple websites, signs, MLS, Facebook, etc.
- The cost of the ads themselves.
- The cost of answering phones 7 days a week.
- The cost of showing properties 7 days a week (gas, time). A property is shown on average to 8 different prospective Residents during the leasing period.
- Receiving, running, reviewing prospective Resident applications.
- Following up on a prospective Resident's employer, current landlord, etc.
- Meeting with and reviewing with the Resident the lease and answering their questions.
- Many other small items all performed to ensure a quality Resident.



## What is included in the Management Fee?

- Attending to daily telephone, email, and fax inquiries.
- Rent collection.
- Organizing keys for viewings, inspections, and repair vendors.
- Attending payment of various property expenses.
- Collection of late rent through various legal means.
- Lease enforcement with Residents.
- Hand deliveries of notices to Residents, as necessary.
- Attending correspondence.
- Organizing maintenance repairs and quotes.
- Administering rent through our trust account.
- Electronic funds transfer to your account.
- Filing evictions if necessary.
- Attending court evictions if necessary.
- Preparing monthly statements for property owners.
- Preparing annual year end income & expense statements and IRS 1099 Forms.
- Organizing utilities to be turned on and off when required.
- Regular follow up with maintenance contractors.
- Processing notices to vacate or to renew a lease term.
- Liaison with insurance companies, when authorized.
- Conducting move-in/move-out inspections.
- Maintaining a professional office overhead with the latest in technology and property management tools.

## Fees NOT CHARGED to Owners

**No Owner Charge for Direct Deposit** - Owner will not be charged to directly deposit monthly rent into an Owner's bank account.

**No Management Fee During Vacancy** – We hate vacancies! We want you to know that we are doing all we can to locate the right Residents for your property and therefore we do not charge a fee while your property is vacant.

**No Lease Renewal Fee** - Unlike most property management companies, we do not charge property Owners to renew an existing lease.

## Why does RESXV retain Late Fees?

Yes, RESXV retains late fees. We take the payment of rent very seriously. A Resident paying the rent late will have immediate and swift action. This swift action costs money, but not to you, the Owner.

1. Our leases are specifically written so that the Resident's rent is due on the 1st so that our owners are consistently paid on time.
2. If we do not receive the rent on time, the Resident will be contacted via phone and/or email regarding their rent. If no action is taken by the Resident to pay after our contact, the Resident will receive a Termination of Rights of Occupancy notice.
  - a. As per Texas law, this is the first action a property manager/owner must take prior to evicting. The termination of right of occupancy gives the Resident written notice that rent must be paid in 3 business days or further action will be taken.
3. If the Resident has still not paid after the notice has expired, our office will follow up with the Owner and typically ask the Owner for the direction he or she would like to go. If RESXV is unable to reach the Owner or the Owner does not decide, RESXV does reserve the right to decide for the Owner.
4. RE Solutions XV LLC spends so much money in advertising, and we answer calls/show properties 7 days a week, we typically acquire good Residents who pay on time. If they do not, we are swift and professional in action to collect the rent.

## RESXV Takes Over Management

Our experience shows that most of the time when Owners want us to take over management from another management company it is usually because of a breakdown in communication, services, or other issues. RESXV will strive to repair those problems, improve the business relationship, and effectively manage the property. For that reason, RESXV takes over management of your vacant property; there is no set-up fee charge. If you are asking RESXV to take over management of your Resident occupied property, then a set-up fee of \$200.00 is charged to you the Owner and is to be paid upon execution of the management agreement. This fee will cover:

1. Initial contact with Resident to review their residency.
2. A walkthrough of the property.
3. Reviewing of the lease by the Broker and Property Manager.
4. Assisting in the initial maintenance requests.
5. Setting up the accounting.
6. Finalize the transfer of the security deposit from the Owner / former management company to RESXV.

## Pre-Leasing Process

### Execution of the Management Agreement / Setting Up Your Account

When you enter into a Management Agreement, RESXV establishes an account for you and your property. RESXV recognizes the importance of accurately collecting and disbursing funds. The accounting program used by RESXV is universally recognized and rated specialized software. It is designed to handle the many facets of property management and accurate record keeping and complies with the requirements of the state of Texas.

### Banking

RESXV holds your account in a trust fund mandated by the state of Texas. RESXV accounts for each owner's funds separately in the trust account and does not commingle funds with broker monies, following state law requirements. Texas law requires that all accounts maintain a positive balance, so RESXV in

turn requires each property owner to be responsible to fund all expenditures in advance of their invoice becoming due. To better enable RESXV to pay expenditures as they become due, owner's accounts have a required 'minimum balance' or maintenance reserve. Owners can replenish these funds via the owner's portal (portal located on our website). When an owner is unable to fund an expenditure which RESXV is required to pay, RESXV will occasionally pay using company funds and assess a 10% of invoice total for negative balance fee to the Owner's account. This will not be charged to the owner before without discussion with the property owner beforehand.

### Pets – Should you allow them?

RE Solutions XV, LLC, recommends no more than two pets per household at 25 lbs. or less to be permitted. Owners can opt to allow larger pets if they choose too. Additionally, owners may request to not allow pets in their property, however, your property is likely to stay on the market longer as over 87% of Residents have a pet of some kind.

Most property insurance companies do not allow certain breeds, either purebred or mixed. Therefore, dogs fully or partially of the following breeds will be rejected: **American Pit bulls, Rottweilers, Akitas, Cane Corsos, Presa Canarios, Bull Mastiffs, Staffordshire Terriers, Dobermans, German Shepherds, Boxers, Malamutes, Huskies, Dalmatians, Chow Chows, Fila Brasileiros, Wolf hybrids and any combination of these.** This list is not all inclusive.

Residents will be evicted for misrepresenting any of the above-mentioned pets, as well as for being in possession of any poisonous, dangerous, endangered species or otherwise illegal pet. Pet policies are strictly enforced, and any breach will be grounds for termination of lease agreement at the Resident's expense. We require a picture of each pet that will be on the property to be submitted with application to <https://resolutionsxv.com/petscreening>

Additional Pet Restrictions:

***No Aquariums larger than 20 Gallons allowed without owner approval.***

***No ferrets, reptiles or rodents of any kind are permitted as pets without owner approval. All birds must be confined in cages and not allowed to reside outside their cage.***

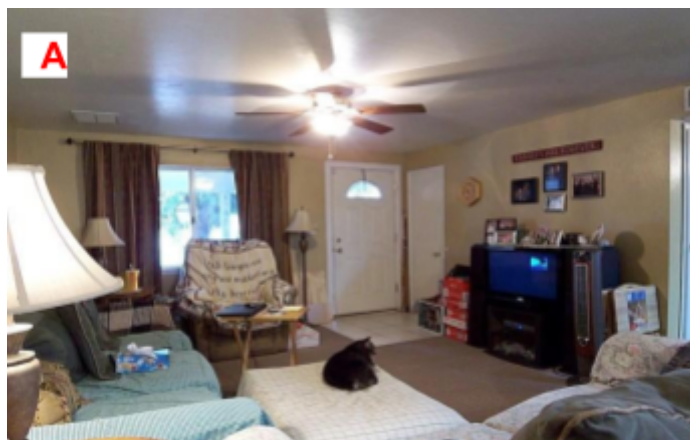
Choosing not to accept pets will greatly reduce the number of possible Residents. RE Solutions XV, LLC does not charge Residents a pet deposit but charges a monthly pet fee that goes to the company. In turn, we provide the owner additional coverage above and beyond the security deposit for pet related damages under our Pet Guarantee (see Guarantees below).

### How quickly will you lease my rental property?

The million-dollar question! We can never say with certainty how long it will take to lease a rental home. There are far too many variables that come into play including location, season, price, applicant quality and just being in the right place at the right time. This is a numbers game, and to win, you must have as many potential Residents looking at your home as possible. They cannot look at it if they do not know it is there, and advertising is the only way to let them know what you have for them. Although vacancies are unsettling, we follow our proven processes until we find the right Resident for your real estate investment.

### RESXV's Opinion of "Showing Ready"

Imagine you are a prospective Resident. **Which property would you rent, A or B?**



They are the same home. Photo B is in "Showing Ready" condition. Photo A, while not in bad condition, obviously does not show nearly as well. What are some of the differences?

1. Walls were freshly painted.
2. Carpets professionally steam cleaned.
3. Reduction in the amount of furniture – making the room feel bigger.
4. The property was professionally cleaned.

This room now looks fantastic, not to mention this is the first room a Resident would see as they walk in the door. Show the Resident you care about them - by having it cleaned, and in the best condition possible. The Resident will pay you back both in the way they treat your home and in paying you the rent on time.

## Repairing/Cleaning and Prepping the Property for “Showing Condition”

RESXV reserves the right to place advertising on a property until the property is in “Showing Condition.” RESXV’s goals are the following (If these are not your goals, we may not be the right firm for you.):

1. **Rent the property quickly**, every day your property is vacant we all are losing money.
2. **Rent the property for the most amount of \$\$ possible**. A few dollars will go a long way to improve the property.
3. **Most importantly, rent the property to the best qualified Resident**. Good Residents have the most choices as everyone offers to lease to them. Why would a good Resident rent a bad property? They will not, but a bad Resident will rent a bad property because that is all they are offered.

## Obtaining Estimates

Once we begin active management all vendors used at your property must register with us and meet our vendor qualification standards before being allowed to perform any work or services. All vendors must meet all applicable Federal, State and Municipal qualification requirements. This is a necessary requirement for the protection of your property and for business liability and insurance requirements.

At no charge to you as a part of our management services, RESXV will obtain estimates from up to 2 licensed professional vendors for any requested maintenance issues at your property, over \$1000.00. We will not get several estimates for work under this amount.

Our goal is to obtain for you with a fair quote from a licensed professional vendor with an established record of performing quality work. We will not seek a quote from a vendor not capable of performing the work, or one that is at an unrealistic price – whether that price is unrealistically high or unrealistically low. Our experience with low-ball price vendors is that their phone either stops working because they didn’t have money to pay their bill, or their workmanship was poor, and we didn’t use them again. Good work, at a fair price from people you feel comfortable having in your property.

## LOCATING A QUALITY RESIDENT

### Advertising & Marketing

#### Internet

The Internet is a great source in locating quality Residents. We advertise on over multiple websites to maximize exposure. We have found the more exposure of our listings on the internet, the more calls we receive, the more showings we have and faster we locate a great Resident for more money.

#### Social Media

We post an ad on Facebook, Instagram, and other social media sites. All this to ask our followers to forward our listing to a potential Resident for your property. More views = more showings = less vacancy costs for RESXV clients.

#### Our website

The RESXV website, [www.resolutionsxv.com](http://www.resolutionsxv.com) is updated daily and receives tremendous exposure. Our site, which features a mapping system on our “Properties for Rent” page allows potential Residents an easy search in finding their next rental. Potential Residents can apply to rent your property right on our website, download an application and other documents, and pay the application fee. We have made our site user friendly and with our contact information throughout the site.

## MLS

The source of most agent leads comes from the Multiple Listing Service (MLS). Listing your property here allows us exposure to over 9000 local real estate agents and relocation experts. We enter into this database all of the important information about your property to encourage agents to show your property.

## Signage

RESXV displays "For Lease" signs prominently where permitted.

## The Resident Application Process

### Resident screening

Thorough screening is crucial to successful Property Management. RESXV requires all applicants to fill out a detailed application and submit it for processing/approval. A credit check is NOT enough! Our company conducts a careful review of a Resident's background. RESXV has pioneered several risk management techniques. You can count on a closely supervised and consistent screening process with RESXV. **Owners are not permitted to perform their own application process on a property that RESXV is managing, leasing, etc., no exceptions.** Per Federal law any party running the credit score of another may not release this information to a 3rd party.

1. Credit Check
2. Criminal Background Check
3. Evictions Check
4. Landlord Verification
5. Employment Verification

**For complete details and application guidelines, please review our Resident Screening Criteria on our website [www.resolutionsxv.com](http://www.resolutionsxv.com)**

## Lease Signing and "Rental Ready Condition"

### Prepared Leases

We use mandated Texas state lease agreements Owners are not permitted to use their own lease at any time, no exceptions.

### Resident Handbook

Residents immediately receive the "RESXV Resident Handbook." This detailed booklet gives them additional information on how to care for the property, report repairs, maintain the property, make timely payments, how to give proper notice to vacate, leave the property in good condition, and more.

### Cleaning/Repairs - Prior to Move In

**The cleaning of the property is one of the three most important things an Owner can do to ensure a successful year with a Resident.** How clean the property is the day the Resident moves in will dictate to the Resident how much you, the Owner, care about the Resident. Delivering an unclean property to a Resident can lead to an exceptionally long year and Residents are much more likely to submit more maintenance requests.

Again, if they feel you the Owner do not care about delivering a clean property to them, they may not care about trying to save you money in repairs or even take care of the property themselves. With this said, RESXV wants you to have quality Residents paying on time and taking good care of your property. So please understand if we must have your property cleaned prior to move-in – it will help make the next year run much more smoothly and protect your home.

## **Pre-Occupancy Review**

### **Walkthrough of the Property**

A vital part of the tenancy is extensive photos taken and a detailed report taken before each tenancy, documenting the condition of the property before they move in. Unless extenuating circumstances prevail, the RESXV team completes the documentation before the Resident takes possession of the property. Then once the Resident moves out of the property, there is a sound basis for the security deposit refund or claim.

### **Locks**

At RESXV we pride ourselves in following all of Texas state guidelines and laws. Locks will be changed at the Owner's expense before the new Resident's take occupancy and every time a new lease is about to begin as per Texas state Law.

### **Security Deposits and Claims on Deposits**

RESXV shall hold funds in an escrow account separate from RESXV's operating accounts. All funds shall be held exclusively by RESXV and not held by the Owner.

Once approved, all applicants must pay in full, the first month's rent, and a security deposit, in certified funds. In the event a prospective Resident places a good faith or holding deposit with RESXV and fails to take possession, per the Management Agreement RESXV will deduct partial funds from applicant minus management fees and pay to the owner.

### **Evictions**

At RESXV we make every effort to secure qualified Residents who will take care of your property and pay the full rent on time every month. Sometimes even the best Resident, especially in today's tough economic climate, can suffer a traumatic change in their financial circumstances such as the loss of employment or serious injury or illness of a family member or child. We will do our best to resolve matters with the Resident in the most expedient and cost-effective manner possible. Unfortunately, an eviction may be necessary, and in that case the RESXV will sign and serve in notices which are required or appropriate; commence and prosecute actions to evict Residents with Owner authorization in either Owner or RESXV's name as RESXV shall deem appropriate; recover possession of the Property in Owner's or RESXV's name as RESXV shall deem appropriate; recover rents and sums due; and when expedient, settle, compromise, and release claims, actions and suits and/or reinstate tenancies.

Owner also understands that any court costs or filing fees will be charged to the resident and placed on the resident ledger, but Owner may have to incur these costs until funds are received from the resident.

## **WORKING WITH RESIDENTS**

### **Collecting rent**

RESXV takes the payment of rent very seriously. Paying the rent on time is expected. Rent payments from Residents are due on the first day of the month and is late if received by the 2nd at midnight.

RESXV recognizes that many things can happen when it concerns rent. Although rare, an employer can delay the Resident's paycheck, there are real Resident emergencies, and more. Therefore, we make a serious effort to determine why the Resident is having a problem and to assist in helping the Resident figure out a different payment option. So long as the Resident stays current on the rent. RESXV has found that being professional and courteous but still stern is the best policy to collect rent.

## **Other notices**

There are other notices that may be involved with Residents. RESXV serves notices as situations warrant, such as a notice to mow the lawn, an HOA violation, a notice to enter the property, a notice regarding an unauthorized pet, unauthorized Residents, etc. These Resident violations may be in the form of a letter or a legal Notice. Often, these notices are simply to correct minor Resident problems and most Residents comply. However, if necessary, RESXV will contact the Owner with information to discuss a specific situation.

## **Bugs/Inside Pest Control**

If during the first 30 days of the rental agreement the Resident contacts RESXV of a 'bug problem' or inside pest control issue, RESXV will have the property treated at the Owner's expense. An initial pest treatment of the property is required and charged to the owner. After that, residents moving out of the property may be charged for pest treatments if initially found during the move out inspection.

## **Resident issues**

RESXV has experience of handling the myriad of Resident difficulties that can occur. The RESXV policy is to obtain good Residents through extensive marketing and showings of the property, eliminating many Resident problems. However, even good Residents have problems. RESXV treats each problem with a commonsense approach, follows landlord/Resident law, and uses the appropriate documentation. If the situation is serious, RESXV contacts the Owner, and works to find a solution for the issue.

## **Owner / Resident – Separation**

By signing the RESXV Management Agreement all Owners authorize and agree to allow RESXV to enforce terms of rental agreement and further acknowledges and agrees not to interfere with RESXV's efforts to enforce terms of rental agreement, nor in any way instruct/ advise Resident to breach or not fulfill any provision of the rental agreement. We understand some owners have the urge to speak to Residents. Why is this a dangerous situation for owner? Because of the additional liability imposed on RESXV (and the Owner).

Please understand the risk that an Owner is taking by contacting and/or communicating with a Resident. Example: An Owner permits the Resident to pay the rent late on continuous basis. The Owner then decides that the Resident must now start paying rent according to the lease, on time, etc. If the Resident now ignores those requests to pay on time and an eviction is now necessary, a judge may decide that precedence was set and allow the Resident to stay and pay the rent at an altered time.

## **Legal Action**

Although RESXV works diligently to avoid the necessity to begin an action, such as an eviction proceeding, it can happen. In the event any legal action is required, RESXV will contact the owner prior to acting, discuss what is needed, and obtain Owner authorization.

## **MAINTENANCE**

### **Life Expectancy**

As a landlord, you are going to be responsible for the normal wear and tear that occurs at your rental property. When you are calculating how much you will need to spend and when you'll need to spend it knowing the average lifespan of items becomes incredibly useful. One fact that many first-time landlords neglect to consider is the rule of useful life. If an item has exceeded its useful life expectancy, odds are you will not be able to hold the Resident responsible for the repair.

Many courts will rule in favor of the Resident in these situations. If that happens, you are out the cost of the repairs and potentially triple the amount charged to the Resident for wrongfully withholding from their deposit. This is where RE Solutions XV LLC comes in.

Let us discuss what **useful life span** means. It means: “**the amount of time during which an item is considered good enough to use.**” All items in the property have a useful life expectancy. Carpet, paint, and appliances all wear down over time with normal usage. And with a rental property, the standard number of years can be decreased given the increased number of occupants coming and going. This means, if an item in the property has exceeded its useful life expectancy, charging the Resident for the repairs may not be an option.

**Carpet has a lifespan of 5-10 years** based on the carpet type and location in the property. For example, if the carpet is in a high traffic area, the life expectancy of said carpet has already decreased. **A landlord/investor can expect to replace the carpets every 5-7 years** if they are professionally cleaned and maintained by the Resident. A Resident cannot be charged for normal wear & tear on carpet. However, if the property manager deems carpet to be damaged by the Resident (excessive stains, pet urine, etc.); the Resident can only be charged a prorated amount depending on the carpet's age. Most new landlords do not replace the carpet prior to leasing a property. To provide the Residents the best looking and well-maintained property; we require owners to have the carpets professionally cleaned prior to a Resident moving in. If the carpet is already over its life expectancy; a Resident will not be charged for damages equal to the condition of the carpet upon move-in.

**Wood floors may have a life expectancy of 100 years**, but this does not mean that they will not get scratched, discolored or worn. Owners may need to have the wood floors treated (i.e. sanded and stained) if the flooring is showing a considerable amount of wear and tear.

**Laminate, vinyl, and linoleum flooring have a life expectancy of 15-25 years** depending on the quality of materials used. Laminate is susceptible to swelling up around the edges if it gets excessively wet. This also may become an item that cannot be charged to the Resident depending on the condition of the floor prior to tenancy.

**Tile has a lifespan of 75-100 years.** The main concern with tile is the grout becoming dirty, cracking, or separating. Like the other styles of flooring, Residents may only be charged for damages that do not exceed the condition of the property before tenancy. We do recommend that tile floors and grout be professionally cleaned and sealed prior to the property being leased.

**Paint inside of the rental property is usually prorated over a 3-year lifespan.** There might be small nail holes after a Resident moves out, or perhaps furniture will leave scuff marks on the walls. These are not damages for which we can charge the Resident's security deposit. These are normal wear and tear items which the owner is responsible for repairing. In these instances, you may want to paint or at least touch up the walls more frequently. However, we recommend a complete fresh coat of paint every three years. If the paint is already over its life expectancy or walls are scuffed or worn upon Resident move in; Resident cannot/will not be charged for any painting. RE Solutions XV LLC strongly recommends that owners get the complete property painted with our standard color and sheen to make spot painting easier during the turnover process.

**Appliances that you provide in your rental property lifespans run between 6-10 years.** This obviously changes depending on how often the Residents are using them. Some appliances will need to be replaced sooner and some may last considerably longer.

**Water heaters usually have a lifespan of 8-15 years** (this lifespan can vary based on whether the property has a water softener). **HVAC units can last up to 15 years** before they need replacement, especially when they are well-maintained. We recommend you have water heaters and HVAC systems serviced annually and inspected as part of your preventative maintenance plan. This will save you money and allow you to keep your systems working efficiently for longer periods.



## **We do recommend the following ongoing and preventative maintenance suggestions:**

- All Flooring be professionally cleaned or replaced if deemed so by RE Solutions XV LLC.
- Tile and grout to be professionally cleaned and sealed prior to tenancy.
- Completely paint the property with RE Solutions XV LLC's standardized color for uniformity and ease of spot painting during turnovers.
- Water heater and HVAC systems serviced and inspected twice a year to mitigate costly repairs in the future.

## **Preventative Maintenance**

The best approach to maintenance is "preventative maintenance," and this is the RESXV policy.

1. Completing a move in walkthrough documenting the condition of the property before the Resident takes possession.
2. Completing a detailed Rental Agreement, which includes a thorough outline of what are Resident responsibilities regarding maintenance as well as owner obligations.
3. Supplying Residents with the "*RESXV Resident Handbook*," which provides additional instructions on the care of the property and how to report maintenance issues.

We want the Resident to know from the beginning of their tenancy that the RESXV/Owner expectations are to "care for the property." This approach can prevent costly maintenance. Next, we use "preventative maintenance" techniques when work is required and utilize competent contractors. Often the minor expenditures save the most money such as doorstops, new filters, checking appliances, testing smoke alarms, adjusting doors, window latches, deadbolts, caulking, grouting and more. Many small repair items can prevent maintenance that is more expensive.

Consider the cost of repairs like holes behind doors, clogged heaters and air-conditioners, appliance problems, dry rot, safety issues and more. Then of course, there are the major issues in a home such as the roof, the exterior condition of the building, carpeting, interior, and exterior paint, etc. When left to deteriorate, it usually means the owner will have to spend more in the future.

It is equally important to keep up with maintenance while the Resident occupies the property. Often people think no news is good news; this can be just the opposite. Instead, "delayed news can become very bad news." Therefore, in our Resident instructions, we require them to report maintenance. For example, what is worse than finding out dry rot could have been prevented or discoloration of the linoleum if the Resident had reported the leaking toilet in the bathroom? Avoiding major maintenance costs are certainly more favorable in such cases.

## **Regular Maintenance**

- **Major Repair or Maintenance (over \$400) During Tenancy** – RESXV will notify you via e-mail and obtain your prior approval on all expenditures (non-Emergency) over \$400.00 for any one item. This over \$400 limit applies to any one item and is not cumulative or applicable to multiple items of repair or maintenance occurring within a calendar month. Once RESXV has sent notification to you via e-mail, you will need to provide approval in writing to RESXV via electronic mail within 72 hours. If you do not respond via e-mail within the 72-hour time period, then you hereby authorize RESXV to proceed with such repair or maintenance as RESXV deems necessary. This notification process is not required for monthly or recurring operations charges you have already authorized.
- **Minor Repair or Maintenance (\$400 or less) During Tenancy** - RESXV is not required to obtain your prior approval on any expenditures of \$400.00 or less for any one item. This \$400 or less limit applies to any one item and is not cumulative or applicable to multiple items of repair or maintenance occurring within a calendar month. Funds to pay for such repairs will be withheld from the rent proceeds distribution or from any rents received but not yet distributed to Owner.

## Emergency Repairs

Emergency repairs are those necessary to protect the Property, or other property from damage, prevent injury to persons, avoid suspension of necessary services, avoid penalties, fines, or suspension of services to residents called for in a lease or rental agreement or by law. Examples of emergencies include but are not limited to electrical system (system shorts, sparking, shock hazard, or defective components),

HVAC system for air conditioning (cooling), heating, refrigerator, range/oven, plumbing, water supply, water leak, pest infestation, and mold/mildew. Prior notification to Owner and/or prior approval from Owner is not required for expenditures over \$400 to resolve emergency repairs. RESXV will notify Owner in writing in a timely manner in the event of any emergency repair.

## Landscaping and Lawn Services and Other Outdoor Maintenance Items

The Owner is responsible and liable for all repair, replacement, maintenance, upkeep, and irrigation of lawn and landscaping during any period of property vacancy. Residents are responsible and liable for all repair, replacement, maintenance, upkeep, and irrigation of lawn and landscaping during any period of occupancy.

### **The Owner is responsible for the following items with regards to lawn care / landscaping:**

1. Tree trimming.
2. Irrigation system maintenance and repair unless required by current Resident damage or abuse.
3. Any additional water usage due to sod replacement that is not the current Resident's fault.

### **Resident is responsible for the following items with regards to lawn care / landscaping:**

1. Regular, appropriate irrigation of lawn and landscaping.
2. Water usage due to sod replacement due to Resident's failure to maintain the lawn.
3. Providing written notification of any degrading or damage of lawn and landscaping.
4. Mowing, edging, and trimming of lawn.

**Note:** The Owner is advised to have professional fertilization / pest control performed during property vacancy if applicable. The Property Manager will advise the property Owner if they recommend these services to be accomplished at that time. RESXV is not responsible nor liable for any lawn care or landscaping and the Owner hereby acknowledges and agrees that all lawn care or landscaping is the responsibility and liability of the Owner and/or Resident as established by the rental agreement.

The Owner is responsible for the following items with regards to outdoor maintenance items:

1. Cleaning of gutters.
2. Exterior home painting and pressure washing to exterior walls.

## Pool / Spa / Hot Tub Services

Owner is responsible and liable for all repair, replacement, maintenance, and upkeep of pool/spa/hot tub and pool/spa/hot tub equipment during any period of property vacancy. Owner is responsible and liable for all maintenance, and upkeep of pool/spa/hot tub and pool/spa/hot tub equipment as may be required by terms of rental agreement during any period of occupancy of property by Resident. Owner hereby authorizes RESXV to order at Owner's expense, subject to maintenance limits, all repair, replacement, maintenance, and upkeep of pool/spa/hot tub and pool/spa/hot tub equipment as is necessary in RESXV's sole and exclusive discretion.

The Owner is responsible for the following items with regards to pool/spa/hot tub care:

1. Pool/spa/hot tub cracks and other damage to the pool/spa/hot tub / pool/spa/hot tub equipment unless damage is due to Resident's abuse or neglect.
2. Pool/spa/hot tub equipment unless damage is due to Resident's abuse or neglect.
3. Child proof gates (if applicable) unless damage is due to Resident's abuse or neglect.
4. Solar powered pool equipment (if applicable) unless damage is due to Resident's abuse or neglect.

5. Pool/spa/hot tub heating equipment (if applicable) unless damage is due to Resident's abuse or neglect.
6. Pool/spa/hot tub screen (if applicable) unless damage is due to Resident's abuse or neglect.
7. Pool/spa/hot tub chemicals
8. Weekly pool service

**Resident is responsible for the following items with regards to pool/spa/hot tub care:**

1. Providing written notification of any degrading or damage of the pool/spa/hot tub /pool/spa/hot tub equipment, etc.
2. Keeping water at an appropriate level as deemed by the pool care company.

### **Emergencies / Disaster**

When an emergency and/or disaster strikes, RESXV as your manager may have to undertake immediate action to protect your property and the Residents. RESXV will notify you as soon as practical, but the nature of the emergency and/or disaster determines the action needed by RESXV. There are times when a property manager must "act" to prevent great financial risk to you. For example, when a property is flooding, immediate action is necessary to limit property damage.

In the special case of Heavy Storms, or other Acts of God, RESXV shall not be responsible to take any precautionary measures to avoid any damages from Hurricanes, Tropical Storms, Hailstorms, or any acts of God unless specifically agreed to by separate written agreement (other than Management Agreement and Handbook) between RESXV and Owner.

### **The Last Month's Rent**

RE Solutions XV will withhold the last month's rent of a lease agreement in the Owner Reserve account. These funds will be held to place the property back to "rent ready" condition for charges that would affect the health and safety of new residents and that are considered an owner expense. These funds will not be used for cosmetic repairs/maintenance (painting) without discussion with the Owner.

## **THE RESIDENT MOVES OUT**

### **Notice to vacate**

When there is a notice to vacate, the move out procedures with Residents are as critical as when RESXV moves in a Resident. The preparation for this really began when the Resident moved in with a detailed rental agreement, move-in walkthrough and RESXV Resident Handbook. These documents give instructions to the Resident on how to move out.

### **Communication with Owners and Residents**

RESXV notifies the Owner when a Resident gives notice to vacate. Owners can assume that RESXV will automatically proceed with re- renting the property. RESXV places the property on the market to rent unless the Owner notifies RESXV in writing to take other measures. RESXV also responds to the Resident notice with information detailing the steps to complete a successful move. Rent is required until the end of the notice unless otherwise stated in the rental/lease agreement.

### **Resident Move Out Walkthrough**

RESXV conducts a move out walkthrough like the one performed before the Resident moved into the property. RESXV records any maintenance required and discloses a list of damages to the vacating Resident through a Security Deposit Claim. Digital photographs are taken when the Resident moves out and are compared to the documentation from when the Resident moved into the property. This will support any deductions from the security deposit. After assessment of the Resident move out, RESXV advises Owners of any Resident damages or any maintenance required to re-rent the property.

### **Carpets Professionally Cleaned**

Carpets are to be professionally cleaned before the Resident takes possession of property. If not completed by Owner, the Owner gives Manager the authority to have the carpets professionally cleaned at Owner's expense before Resident takes possession of the property. Per the lease, the Resident must have the carpets professionally steam cleaned upon termination of the lease.

### **Professionally Cleaned Property**

Just as the Owner is to have the property professionally cleaned before the Resident takes possession of property, the Resident must return the property professionally cleaned manner.

### **Damages or Missing Items**

RESXV is not responsible for damage to the premises or items missing, switched out lost or damaged under any circumstances, including but not limited to, theft, vandalism or negligence of Resident or their guests. At the termination of a rental agreement and vacating of premises by Resident RESXV will perform a walkthrough review of the property. A report of Resident damage to the premises or monies due to the Owner will be prepared by RESXV. RESXV is hereby given the exclusive authority by Owner to determine in RESXV's professional judgment the amount(s) due. RESXV will prepare a claim to charge the Resident accordingly and/or settle with the Resident based upon Texas state law and local practices.

### **Allowance for Reasonable Wear & Tear**

Per case law in Texas, the Texas Landlord-Resident Law a Resident is responsible for reasonable use of the Owner's property and is also obligated to maintain the property in good condition. Should the Resident fail to do so then the Owner may make a financial claim for damages against the Resident's security deposit. Texas courts, however, have consistently ruled that Owner's may not charge for "ordinary wear and tear" on the property. Ordinary wear and tear is usually defined as the physical deterioration that occurs with the normal use of a property without negligence, carelessness, accident with, or abuse of the premises, fixtures, and chattel property by the occupants or their guests. Ordinary wear and tear is deterioration or depreciation in value by normal and reasonable use. Most courts will allow the landlord or property manager to prorate the useful life of a damaged item.

<b>Ordinary Wear vs. Claimable Damage</b>	
<b>ORDINARY WEAR</b>	<b>CLAIMABLE DAMAGE</b>
Small marks/smudges	Crayon/marker drawings
Small nail holes Carpet worn out	Large holes in walls Dye stains or iron burns
Carpeting with small stain	Carpet torn/shredded
Dusty blinds	Broken or bent blinds
A/C system worn out/leaking	Intentional damage

### **Security Deposit Claims**

Proper, timely, and accurate handling of a claim on the former Resident's security deposit is crucial. RESXV must review and evaluate the property, estimate claimable damages, and prepare a formal written security deposit claim on the former Resident's funds in strict accordance with Texas law. This is a very precise and detailed process as any error or miscalculation can cause the claim against the former Resident's security deposit to be denied by a Texas court. For example, the simple misspelling of a Resident name or minor error in the calculation of the claim amount or even one day over the allowed time for a claim is sufficient for the entire claim to be thrown out! Obviously, this is an area where RESXV takes great care and effort to protect your interests.

So long as the former Resident does not dispute the claim, the security deposit funds can be released to the former Resident in as little as 30 days from the date of move out. However, should the former Resident dispute the claim the process may take 60-90 days or longer. This is one reason why RESXV takes such effort to ensure that any damages are well documented with the proper photo evidence cost estimates. This not only supports any claim to a Texas court but will help persuade the former Resident that the claims are accurate and fair – so that the former Resident will not dispute the claim in the first place.

## **TURNING THE PROPERTY BACK OVER TO THE OWNER**

It is the goal of RESXV to satisfy your management needs and engage in a successful business relationship, but some things do change over time. Owners sell properties, we may not be the best fit, we may not be able to meet your expectations, etc. If this happens, the RESXV cancellation policy is to resolve your account in a professional, timely, and pleasant manner. Please review the following policies for cancellation:

### **Written notice**

Owners are advised that lease renewals are frequently negotiated with Residents during the 10th month (approximately 60- 90 days before the end of the lease) of a lease, and cancellations of the management contract may be subject to any lease renewal! For this reason, RESXV recommends that Owners provide written notice of cancellation at least 75 days prior to lease renewal.

### **Keys**

RESXV will allow for pick up by the Owner of any keys, remotes, that RESXV has in its possession. RESXV will mail these keys, remotes, etc. via regular mail to Owner. Keys picked up by someone other than the Owner, must be authorized by the Owner in writing prior to and must have a valid photo ID at time of key pick up.

### **Documents**

If occupied by a Resident, RESXV will supply the Owner with a copy of the lease. All documents forwarded to the Owner will be forwarded via email.

### **Funds**

RESXV will send any remaining funds to the Owner by certified mail. These funds will include any maintenance reserve or balances Owner may have. A separate check for any security deposit being held will also be mailed with any available statements.

## **Miscellaneous**

### **Our Guarantees**

**Happiness Guarantee** - We build long-lasting relationships, and we strive to provide excellent service that surpass our competitors. However, if for any reason a Property Owner is not completely happy with RE Solutions XV's property management service, Owner may terminate the exclusive management service without any penalty.

**Resident Replacement** - We certify that you will NEVER have to pay 2 leasing fees in the same 12-month period. The only exception would be a federal military relocation, or any other early termination clause required by the state which is out of anyone's control. Outside of that we guarantee your Resident will stay a minimum of 12 months, or we will find a replacement at no additional charge.

**Pet Damage Guarantee** - RE Solutions XV will cover up to \$ 1000 per approved pet for any pet damages caused to the home, above normal wear, and tear, not covered by the security deposit. This excludes any Service Animals per Fair Housing and ADA Guidelines.

## Property Management Fees

**Leasing Fee** - 1/2 of the first month's rent to market the property, find a Resident, perform a background check, credit checks, and complete the signing of the lease. The leasing fee is taken out of the first month's rent. We pay a commission fee to agents who bring us a qualified Resident. If the property is already rented or occupied, this fee will not apply.

**Taking Over Management** - RE Solutions XV charges \$200 to take over management of a property that already has a current resident. This fee covers initial processing, setting up all financials and walk through of the property.

**Monthly Management Fee** - The management fee is located on page six (6) of the Residential Leasing and Property Management Agreement. RE Solutions XV LLC does not charge management fees on vacant properties.

**Reserve** – RE Solutions XV, LLC will maintain a \$400 maintenance account on your behalf. This money will be maintained in a reserve account for expenses that can occur during the lease. We will not spend more than \$400 per our agreement without first contacting the property owner (unless the maintenance is deemed an emergency repair at which the property management company may have the repair completed without regard to cost). Maintenance Reserve must be paid upon the signed Management Agreement and prior to marketing of the property. Payment is made through the Owners Portal.

**Initial Rekey** - Texas State Law requires the re-keying of rental properties to be completed by a licensed locksmith and mandates certain locks and security features as keyless deadbolts, peepholes, and inspection of fire alarms.

**Turnover Rekey** - Property must be rekeyed within seven days of a new resident moving in. This fee covers the rekey of the property for new residents and may include any repairs/replacement of locks and/or smoke alarms.

**Payments & Statements** - After collecting the rent, Residents' funds must settle in the bank prior to being sent to the owner. This can take up to 3 business days. We will then begin to process owner payments for those funds that have been settled. Owners Statements are sent out on the 1st of each month for the previous month. Your funds should be deposited to your account 3 business days after the submitted owner draw. This is dependent on the Owners banking institutions' predetermined ACH deposit business days.

**Misc. Expenses** - Re-keying the home, providing the proper security devices and inspection of all smoke alarms will be completed for each new Resident that moves into the property. Carpet Cleaning and home cleaning may also be required. Any miscellaneous expenses will be discussed with the property owner.

**Property Inspections** - \$75 – A Photographic report detailing the interior and exterior of the property.

**Administrative Fees** - Per the management agreement and in full transparency, RE Solutions XV retains any administrative fees charged to the resident as compensation to the management company for additional work required. Charges may include but not limited to, application fees, returned check fees, late charges, pet rent or fee, etc.

## Security Devices and Smoke alarms

Texas State Law requires re-keying of Rental Properties to be completed by a licensed Locksmith. Texas Law also requires that the smoke alarms be physically checked before Residents move in. The statute applies to owners of apartments, houses, duplexes, triplexes, condominium units, townhouses, cooperatives, mobile homes, rooms in private dormitories and rooming houses, garage apartments, public housing projects, and all other types of dwellings that are rented. The only exceptions are for hotels, motels and dormitories owned or operated by certain kinds of educational institutions.

The safety and security of your residents and their families are at stake - as well as your own potential liability and exposure to multi-million-dollar lawsuits. If you fail to follow the lock laws, it gives your Resident a free way to cancel the lease agreement. It also places you in a position of greater liability in case of a break in.

Upon change of Residents, you have seven days of your new Resident moving in to rekey the locks. This expense cannot be passed on to the Resident, even if the Resident agrees.

### **It is illegal to charge Residents for rekeying locks in Texas.**

The following is a list of what needs to be done when converting a property into a rental home.

- **Keyless deadbolts** - All exterior doors in your rental property must have a Keyless deadbolt installed, including the door leading from the inside of your home into the garage.
- **Door-viewer** - All exterior doors in your rental property must have a Door viewer (peep hole) installed.
- **Next to the Door** - including if the door opens from the dwelling into the garage, the door is at the rear of the dwelling, or on the second or third story of the dwelling.
- **Pin locks** - All sliding glass doors must have a Pin lock AND either a locking handle or a Charlie bar installed.
- **Double Cylinder Deadbolts** – These locks require a key to open the deadbolt from the inside to exit and can create a fire trap. Replacing these locks is not required by state code, but it would be prudent for you to consider the possible liability of a Resident or children trapped inside your dwelling during a fire.

### **RE Solutions XV, LLC requires all Double Cylinder Deadbolts to be replaced with Single Cylinder Deadbolts.**

- **French doors** - All French doors must have a threshold bolt and upper door jamb bolt (with a 3/4" throw) on one door, and the other door must have a keyless deadbolt and either a keyed deadbolt or keyed door knob lock.
- **Window latches** - You must have a window latch on each window. It can be the original latch or an after-market type.

### **Smoke Alarms are required by state law or local ordinances.**

All rental units including apartments, duplexes, condos, and single-family homes must have smoke alarms as required by the Texas Property Code HB 1168. New Legislation Texas law HB 1168 requires at least one smoke alarm to be placed in each bedroom, or in the room used for sleeping in the case of an efficiency unit. In addition, if multiple bedrooms are served by the same hallway, there must be a smoke alarm in the hallway in the immediate vicinity of the bedrooms; and if the unit has multiple levels, there must be a smoke alarm on each level.

### **Replacement of Smoke Alarms:**

The landlord must inspect and test all smoke alarms when a Resident first moves in. The Landlord must replace any smoke alarms when they are 10 years old, or sooner, if they do not respond properly when tested. Landlords should have written documentation for their records that the smoke alarm was tested, and to show that they complied with the Texas property code.

**RE Solutions XV, LLC will have smoke alarms installed in any bedrooms that do not have a smoke alarm. We will have the smoke alarms tested prior to the Resident's move-in. We will replace any dead batteries, and we will have any non-working smoke alarms replaced along with any smoke alarms that are 10 years or older.**

**Mold Issues**

RESXV will maintain Properties in a clean and rental ready condition during the leasing period, including appropriate control and/or remediation of mold. We ask that owners provide and maintain all necessary maintenance during the leasing period. The Owner is solely liable for all costs, fees, charges, and expenses whatsoever that may be associated with appropriate control and/or remediation of mold at Property prior to and during any rental agreement period. Failure of Owner to maintain the property according to RESXV Standards will be terminated.

**Equal Housing Opportunity and Non-Discrimination**

RESXV will operate in full and complete accordance with the Fair Housing Act, the Americans with Disabilities Act, and any other applicable federal, state, or municipal law, statute, or ordinance. RESXV WILL NOT discriminate based on race, creed, religion, age, sex, familial status, marital status, disability, color, national origin, sexual orientation, or any protected basis under federal, state, or municipal law.

**CONCLUSION**

We hope you have found the RESXV Owner Handbook informative and useful. If you still have questions, please do not hesitate to contact us. If you feel there is any other information RESXV can provide, let us know so we can include it in the future.

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

Respectfully,  
RE Solutions XV LLC

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My signature below indicates that I have received a copy of the RE Solutions XV LLC Owner Handbook.

I understand that this manual contains information regarding the Company's policies, processes and procedures which affect me as a property owner.

I acknowledge that I have read and understood Company policies.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature / Date

\_\_\_\_\_  
Signature / Date

General Disclaimer - To the maximum extent permitted by law, our management team, agents and team members disclaim all responsibility for any loss or damage which any person may suffer from reliance on the information and material contained in this Handbook or any opinion, conclusion or recommendation in the information and material whether the loss or damage is caused by any fault or negligence on the part of our management team, agents and team members or otherwise.

The information relating to the law in this Handbook is intended only as a summary and general overview on matters of interest. It is not intended to be comprehensive, nor does it constitute legal advice. While our officers, employees, agents, and associates believe that such information is correct and current at the time of printing, we do not guarantee its accuracy or currency. Many factors unknown to us may affect the applicability of any statement or comment that we make to your circumstances and consequently you should seek appropriate legal advice from a qualified legal practitioner before acting or relying on any of the information contained in this Handbook.