❖ Staff Directory

RPM's office hours are 8:00 a.m. – 4:30 p.m. Monday – Thursday, and 8:00 a.m. – 12:00 p.m. on Fridays. Because of the litigious nature of our business, we prefer to have information conveyed in a written format such as email. This also helps reduce the chance of any miscommunication.

RPM's main telephone number is 512-732-8388. Our toll free number is 1-877-776-1444. If you have a question or need information, here is a quick reference guide for you.

Name & Email	Title & Responsibilties	Phone
Terrance J. Godbold, MPM, RMP, ARM, GRI terry@landlordaustin.com	Broker/Owner	Ext. 113
Diann Love diann@landlordaustin.com	Office Manager	Ext 110
Bobbi Love bobbi@landlordaustin.com	Administrative Assistant/ Bookkeeper	Ext. 108
Bob Duron bobduron@gmail.com	Sales Manager	Ext. 105 Mobile 512-517-2779
Dorothy Godbold dorothy@landlordaustin.com	Bookkeeper/Owner	Ext. 124
Connie Blevins-Ellner connie@landlordaustin.com	Administrative Assistant	Ext. 120

❖ Getting Started With RPM

Welcome to the RPM family. Getting started with us is easy. First, we need to get some information and send you a Management Agreement. To help you out, we've prepared a worksheet for you to fill out. To print a copy of our New Management Information Worksheet <u>click here</u>. Complete the worksheet and fax it to us at 512-327-3283.

If you would like to complete the form electronically, send an email to Bobbi@landlordaustin.com and we will send you the worksheet to open in Microsoft Excel. Once completed, save your completed Excel Worksheet to your hard drive and then attach it to an email addressed to Bobbi@landlordaustin.

When you return your Worksheet, please specify if you would like to receive the Management Agreement in hard copy or PDF file format.

Your Management Agreement transmittal will include the Addendum for Authorization to Act for Owner Before Owners' Association (TAR-2205), Owner's Notice concerning condition of Property Under Property Management Agreement (TAR-2206), Information About Brokerage Services (TAR-2501), and a <u>W-9</u>. Complete and return each document to RPM.

Before we can advertise the property for lease, we will need a key and a check to cover your owner's reserve (amount is specified in your Management Agreement). If you do not have a key, we can have a key made.

Here is our contact information:

- Email to diann@landlordaustin.com
- Mail to P. O. Box 162745, Austin, Texas 78716
- Courier to 3006 Bee Cave Road, Suite B-180, Austin, Texas 78746

That's it!

While Your Property is Vacant

Inventory and Condition Form

To establish the condition of a vacant property when our management starts, RPM will order an Inventory and Condition Survey. This survey is a 14-page room-by-room documentation of the condition of the property. When a tenant moves out of your property, we will walk the unit again and prepare a new Inventory and Condition Survey. We compare the original survey to the latest survey to determine the tenant's deposit refund. When calculating deposit refunds, the law requires RPM to depreciate large-ticket items such as paint and flooring as much as 20% per year. This is considered the "normal wear and tear" allowance. If the property is new to RPM's management, the Survey may be used to suggest possible areas that need attention. As your property manager we will report potential problems to you and make recommendations for repairs so you can maintain the value of your investment property.

Advertising

RPM advertises with the Austin Board of Realtors using Matrix a multiple listings platform and approximately 30 other websites. We work closely with www.RentalHomesPlus.com as well.

RPM also advertises on the local newspaper's Internet classifieds website but not in the actual newspaper. While your property is vacant, the advertising costs are a flat \$100 per month.

Utilities

Several utility companies have revised their service policies requiring connections under the owner's social security number or tax ID. They are also billing by tax ID which means the utility company is combining properties and making it almost impossible to figure out individual charges. Consequently, the owner will be responsible for getting the water and electricity turned on. The Move Out Notice letter transmitted to you will include the contact information for your utility providers and a date for turn on. It is very important that service be established by the designated date or it could delay our ability to get started on a make ready. Please note that some utilities may take up to five business days to establish a connection.

RPM will make every attempt to set thermostats at reasonable levels but cannot monitor each vacant property. If you already have these utilities connected when we take over management, RPM will notify you when to disconnect. Typically, if a tenant is moving in on a weekend, we leave service on until that date to make sure there is no interruption in service.

Gas service should be disconnected while the unit is vacant unless your property is offered for Section 8 occupancy. Turning on the gas is complicated because someone usually has to be present.

Keep in mind that summers in Texas can be very hot and very dry causing utility bills to run high. RPM has the thermostats set to 78 but realtors showing a unit will typically turn the thermostat down and forget to turn it back up when they leave. Water service allows the sprinklers to run. If you have an unusually high water bill, please let us know as this could be an indication of a leak at the property.

Once you establish service in your name, RPM cannot change that service or argue a billing error. The utility companies will talk only to person with the tax ID on the account.

Landscape Maintenance

While a property is vacant RPM will mow and edge the yard so that it will maintain its curbside appeal and not incur any HOA violations. We also set any automatic sprinkler systems from June-September and even set temporary sprinkler systems in extremely dry weather.

Lawns are mowed/edged about twice a month except for Dec-Feb when we may get enough cold weather to slow down lawn growth. Even then we still mow once a month to keep weed growth under control for the spring.

In addition to mowing/edging we will also remove any trash/debris from the yard, do bed/weed cleanup and trim trees/shrubs that get too close to the structure.

If you already have a lawn service, please be sure to notify us.

When Your Property Leases

Tenant Requirements

The law requires us to post our <u>Tenant Selection Criteria</u>. RPM has posted the guidelines in our office, on our website and with each application. To review RPM's requirements, please click on the link above.

Security and Pet Deposits

RPM requires a security deposit equivalent to one month's rent. With a security deposit posted, RPM will hold a property off the market for up to 30-days. Usually once a deposit is received and the tenant is approved, the tenant will lose their deposit if they back out of leasing the property. In the State of Texas security deposits must be kept separately from rent and are not to be considered as income on your property.

Unless otherwise specified, RPM accepts pets with the exception of German Shepherds, Rottweilers, Dobermans, Chows, and Pitt Bulls. A pet deposit starts at \$300 and can be adjusted depending on the number, type and size of the pets. Any destruction caused by the pet(s) will result in loss of deposit. This includes flea infestation, urine damage to carpet, landscaping damage, etc.

HOA Violations

The standard lease agreement signed by RPM's tenants' mandates compliance with HOA rules and regulations. We specifically instruct them on lawn maintenance, satellite dishes, basketball goals and trashcans. Should you receive an HOA violation notice, please forward it to RPM as soon as possible. For the same type of violation (such as lawn needs edging), RPM will send a letter to the tenant notifying them of the violation. If a second violation is received, RPM sends out a warning letter notifying the tenant that any additional infraction of this nature will result in RPM resolving the problem at their expense. RPM does pass along fines to tenants when they have failed to take action on previous violations. It is important that all violations are sent to us in a timely manner or we may not be able to recover the fines from the tenant.

Lease Agreement and Renewal Process

RPM uses the standard Texas Association of Realtors (TAR) lease. After a lease is signed for your property, a copy of that lease will be transmitted to you within two weeks. RPM keeps the original lease on file in the office. RPM requires a lease to be at least 12-months in duration for the first year but will allow month-to-month status thereafter at a higher rental rate.

Lease renewals are sent out 45-60 days prior to the expiration of the lease. If you do not want to renew your tenant's lease, please be sure to contact RPM in advance of this time period. We must give your tenant at least a 30-day notice that their lease will not be renewed. Tenants are given the option of renewing their lease for 12-months or month-to-month. RPM evaluates the rental market and sets the renewal rate according to the prevailing market in that particular subdivision. If your tenant decides to move, you will be notified in writing of the move out date. If the tenant renews their lease, your owner's statement will reflect a lease renewal charge for your tenant. No other notification will be provided.

When Your Tenant Moves Out

Tenants are required to provide a 30-day move out notice in writing. When RPM receives a move out notice, a letter will be sent to you notifying you of the date that your tenant will be moving out. A letter also goes to the tenant confirming their move out date and includes instructions on the move out process.

We will begin advertising the property during this period of time and continue to do so until the property is leased. Tenants are required to return all keys, garage door openers, pool passes, etc.

Once the tenant has moved out, RPM has 30-days to settle the deposit. RPM will walk the property and prepare a Move Out Survey. This survey will be compared against the Move In Survey the tenant filled out at the beginning of the occupancy. RPM will provide

estimates for large ticket items such as paint and flooring and transmit a copy of the Move Out Survey to you for your authorization. The survey will document the overall condition of the property. If we feel that something needs to be fixed, painted, replaced, etc., that line item will be highlighted. At the bottom of the survey the cost for a large ticket item will be split between the tenant and the owner. Keep in mind that for each year of tenant occupancy, we must allow for normal wear and tear to the property.

All make ready work will be paid out of your owner's account. Once the deposit is settled, a credit for the applicable part of the tenant's deposit will be posted to your account. A check for any remaining tenant deposit balance will be mailed to the tenant.

If the tenant's deposit does not cover their damages to the property, RPM will bill the former tenant and issue a credit to your account when their payment is received. Should the tenant not pay their balance, a small claims suit may be filed depending on the amount of money owed or the account can be turned over to a collection agency.

Evictions

When a tenant fails to pay their rent on time, RPM will issue a 72-hour vacate notice to the tenant. If the tenant remains delinquent on their rent, an eviction will be filed and a court date will be assigned. Sometimes the tenant will appear in court and pay the balance due which terminates the eviction process. The property manager may elect to let the tenant catch up on their rent rather than let the property go vacant and have to do another make ready. Should the tenant be unable to pay the amount owed within the specified time, the eviction process will continue and RPM will receive a judgment for the eviction. In cases where the tenants do not leave the property after the judgment is issued, RPM will go back to court and seek a Writ of Possession allowing us to legally remove the tenant's personal possessions.

A tenant who breaks their lease could be subject to loss of all of their deposit. The deposit money will be credited to your account to offset missing rent and expenses associated with getting your property leased again. RPM will waive the leasing commission if the tenant defaults on the lease in the first six (6) months of their lease.

RPM will notify you in writing if your tenant goes into an eviction, if the eviction is dismissed, or if your property goes vacant.

Maintenance and Repairs

As part of the management agreement, RPM will provide maintenance and repair services for your property. In most cases the tenant reports that something is broken or not working properly. RPM issues a work request to the appropriate vendor and then gives the tenant the vendor's name, telephone number, and work request number so the tenant can schedule the repair at a time that is convenient for them.

If the repair is over \$200, RPM will contact you for your authorization. If the repair is under \$200, RPM will go ahead and make the repair. In the case of an emergency, we may take action immediately if we feel the repair will prevent more damage to your property or if the repair is health- or safety-related.

RPM will still notify you of the problem and provide estimated costs as soon as they are available. RPM does not provide copies of receipts but a line item will appear on your statement for any repair charges. In the case of large repairs such as a new roof, exterior paint, new HVAC system, etc., RPM will provide you with an estimate from one of our vendors. Each of our vendors has been selected based on their quality of work, reliability, and pricing; they are also insured. For these reasons, RPM does not provide multiple estimates for large repairs. We can always find someone to do it cheaper but if repairs are not done right the first time, they can cost you a lot more money later. We know our vendors will do a good job at a fair price and that you will be satisfied with the end result. RPM does not take an over-ride on repair costs unless repairs exceed \$5K.

Warranty Information for Property

If there are any items in your property that are covered by a warranty, please provide this information to RPM as soon as possible. Warranty coverage may include any of the following:

Builder New Home Warranty (need builder name and closing date for purchase) Second-party Warranty Policy (American Home Shield, Old Republic, etc.) Manufacturer's Warranty (appliances, HVAC, roof, etc)

Without this information on file, RPM will use its own vendors to make any repairs at your property so be sure to get any necessary information to us right away.

Owners Expenses

During the term of your management agreement, there are expenses that will be your responsibility.

RPM requests that you leave water and electricity on at vacant properties until all work has been completed. If your property is vacant any time during June-September, please leave water and electricity turned on so sprinkler systems can operate.

The yard will also be put on a mowing schedule and mowed twice a month from March-December and once a month January-February. Costs for these services will vary according to each property but average \$40 per visit for mow/edge/trim/blow. When a property goes vacant, RPM will evaluate the condition of the landscape and recommend additional services such as tree trimming, mulch, weed removal, or sod replacement as necessary

Advertisement fees are \$100 per month and provide exposure to numerous rental websites, the local on-line classifieds and instant messaging at your property. While your property is vacant, there will be a minimal management fee charged. This fee is specified in your management agreement.

Once a lease is signed for your property, RPM will take the leasing locator fee specified in your management agreement out of your first month's rent. Part of this money goes to RPM and the rest goes to the leasing locator who brought us the tenant.

If any work needs to be done to your property while it is vacant, RPM may ask you to pay for that work in advance. This may happen in the event that your unit needs large ticket repairs such as paint, flooring, appliances, etc. RPM also does large and small remodeling/renovation projects utilizing a general contractor. This type of project is usually paid out in draws to the contractor. RPM also has contractors who can add sprinkler systems, landscaping, ceiling fans, etc.

During the term of your tenant's lease, issues may arise with the property and repairs requested. According to the terms of your management agreement, RPM will take care of routine repairs that are \$200 or less without your authorization. If a repair is going to be over \$200, RPM will contact you with an estimate that will require your authorization. Should you incur a large repair bill, RPM asks that you pay off any balance due on your account within 30 days.

If it is discovered that a repair is needed as a result of tenant neglect, the cost will still be paid out of your account but will be billed to the tenant. Once the tenant pays the bill, a credit will be issued to your account. If the tenant fails to pay the bill, RPM will deduct the amount owed from the tenant's rent payment allowing us to evict a tenant who fails to pay what is owed. There are also filing fees associated with the eviction process.

HOA Dues and Expenses

DUES

Your property may be in a neighborhood with an HOA that requires payment of dues. RPM does NOT pay HOA dues.

If you have purchased a property within the last year, you may want to call the HOA to make sure that they have your correct mailing address. Frequently the title company will use the address of your investment property (instead of your home address) for your HOA bills. This may cause your dues to be late and incur late fees. The information for your HOA can be found in the documents provided to you when you purchased the property.

VIOLATIONS

Every lease signed with RPM carries the requirement that the tenant must maintain the yard and adhere to all the deeds and covenants of the HOA. Should you receive an HOA violation for your property, please forward it to RPM immediately. If the tenant receives three violations for the same issue, RPM will remedy the problem. The price for the remedy will be paid out of the owner's account. The tenant will be billed for the expense and when RPM receives the payment, the owner's account will be credited.

If the tenant fails to pay what they owe, the outstanding balance will be deducted from their rent. If the tenant remains late on their rent RPM will begin the process of evicting the tenant for non-payment.

Any fines incurred as a result of a tenant not complying with HOA rules will also be passed along to the tenant. Please keep in mind that we cannot hold a tenant responsible for an HOA violation unless you notify us of the problem in a timely fashion.

Please forward copies of all violations to:

Fax: 512-327-3283

Email: bobbi@landlordaustin.com

Mandatory Liability Insurance Requirements

RPM requires that each property be covered by \$1M of liability insurance with RPM named as an additional insured. This level of coverage is usually beyond the scope of your rental dwelling or homeowner's policy. Please contact your insurance agent to request this coverage. Proof of owner-carried liability must be provided to RPM within

two weeks of signing your management agreement. You may carry this coverage with your own insurance company or RPM can add you to our Umbrella Liability policy. The cost to owner's for RPM's umbrella coverage is \$150 for single-family dwellings and \$210 for duplexes. These quotes are annual premiums.

If you carry the coverage with your own insurance company, please have them provide a declarations page to RPM. The declarations page can be mailed, emailed or faxed to the following:

- RPM, P. O. Box 162745, Austin, TX 78716
- Email to <u>Diann@landlordaustin.com</u>
- Fax to 512-327-3283; Attn: Diann

If you do not provide proof of coverage for this liability insurance requirement, RPM will automatically add you to its umbrella policy. A single-family property is \$150/year and a duplex is \$210/year.

Due to the high volume of activity on our umbrella policy, RPM's carrier allows us to submit adds/deletes on a quarterly basis. RPM's policy period runs April - March. This means your insurance will be prorated according to the time of year you are added or deleted. Actual posting of the liability premiums/credits to your account usually run 3-4 months after the fact since RPM has to wait for the insurance company to process the endorsement.

If you have any questions about this coverage, please email Diann@landlordaustin.com.

Property Tax Protest

RPM uses Tax Remedy to protest the property taxes for all the properties under management. This is a great service to our property owners since Tax Remedy charges you only a percentage of whatever they actually save you. If they don't save you any money, they take no fee. RPM charges a \$15 administrative fee for processing and submitting your property for protest.

During the course of a property tax protest you may receive correspondence from Tax Remedy since RPM must provide this information to him in order to initiate the protest.

If you have any questions about the property tax protest process, you can contact Tax Remedy at 512-476-2277.

Owner Statements and Checks

Rent is due on the first of each month. RPM pays all bills and expenses and then issues checks and statements to the owners at the end of the month. Payments to owners are made electronically to a designated bank account. A copy of the Owner Direct Deposit Enrollment Form will be given to you at the start of management or <u>click here</u> to print the form.

While RPM does not provide copies of receipts for work or services provided at your property by third-party vendors such as utilities, maintenance repairs, etc., you will receive an itemized statement each month. This statement will show all your income and expenses for the specified month.

If you have any questions about income or expenses charged to your statement, please contact Dorothy at 512-732-8388 x 124 or Bobbi at 512-732-8388 x 108.

Selling Your RPM-Managed Property

Using RPM As Your Realtor

RPM's property management and sales staff can help you sell your property. We continue to manage your property the same as before and also work with our sales staff to coordinate sales-related visits such as inspections, appraisals, viewings, notifications, etc. When you sell a property, the tenant and the lease are part of that sale. RPM will provide all the necessary documentation on your tenant and property to help the sale go as smoothly as possible.

Using a Realtor Other Than RPM

RPM understands you may have loyalty to another realtor and we encourage you to honor that relationship. In that event, RPM may opt to terminate management of your property. If management is terminated, RPM will provide all the necessary information, documentation, and keys to your realtor so they can properly handle your tenant during the sales process.