



PROPERTY MANAGEMENT GUIDELINES

If you are contemplating renting your home or should you acquire a residential rental property, you must determine whether you want to manage and lease the property yourself or would you like to turn it over to a professional property management firm. These guidelines are prepared to assist you in that decision. If you are familiar with how managing rental properties work, the guidelines set forth will detail how Real Estate Muses will manage your property. These guidelines will also attempt to answer a lot of questions and decide whether to manage the property on your own or contract Real Estate Muses.

Real Estate Muses is a full service property management firm providing the highest quality professional management services. Tailored to the individual owner, we assist our clients in achieving the highest results and receiving the full benefits of owning an investment property. We apply our skills and experience in correcting issues that typically arise in rental properties to ensure both, owner and tenant satisfaction. Professional, personal service and keeping tenants happy is the key to maximizing our client's return on their investment. Our company offers a wide range of services to suit each property owner's needs including: filling vacancies, rent collections, property maintenance and keeping up with aesthetics (i.e. lawn care, painting, debris haul, etc...)

When leasing the property, leasing to responsible tenants is a top priority for Real Estate Muses. Tenants that are happy with the services that we provide can bring referral business and will be more responsible with the property and treat it as if it were their own. We ask that you avoid direct contact with the resident so that we may effectively manage your property. We will conduct our business professionally and maintain a relationship between the tenant and owner through personal contact and monthly reports.

ADVERTISEMENT OF RENTAL

Real Estate Muses aggressively advertises your property to obtain the best tenants possible. We utilize many different avenues in order to gain tenants that will treat your property respectfully and with care. The placement of signs is one of the most effective ways to market your property for lease. We also advertise on the internet, military websites, rental agencies and the MLS. Our website provides useful information to the owner and tenant about Real Estate Muses and the rental property in question.

FOR RENT SIGNS

“For Lease” signs are generally placed on the property during the last 30 days of a current tenant’s lease term. If Real Estate Muses have acquired a new rental property to manage from an owner, the “For Lease” sign will be placed on the property when owner informs property manager to do so. Certain HOAs and city ordinances have guidelines and/or restrictions you must abide by when advertising a property. Otherwise, the sign will be placed in the yard where it is most visible to traffic.

VIEWING OF PROPERTY

During the last 30 days of a tenant’s lease the property will be actively marketed and available for prospective tenant viewings. Current residents will be informed of showings of the property and we will make proper arrangements that will suit the needs of the current tenants as well as the need to show the property.

When Real Estate Muses is contacted concerning a rental property, we provide general information to the prospect including square footage of property, number of rooms/bathrooms, rental amount, security deposit amount, lease terms and any other information that the prospect may need. At that time, if the prospect is interested in viewing the property, arrangements will be made to view the property. At the time of viewing, the property manager/leasing agent will pre-qualify prospects by asking pertinent questions about current residence, rental history, employment etc...

APPLICATION & SCREENING PROCESS

Interested prospects 18 years or older must fill out a TAR (Texas Association of Realtors) Residential Lease Application. Once the form is completed and delivered in person to Real Estate Muses along with the \$50.00 processing fee which is non-refundable & a photocopied driver’s license or other form of identification the application will be run through a certain screening process to determine whether the applicant would be an acceptable tenant or not. Screening includes a credit report and criminal background check in addition to telephone calls to employers, banks to determine availability of funds, and to former landlords to determine if the prospective tenant has maintained good rental history.

Upon satisfactory processing and approval, Real Estate Muses will meet to review the lease and have each tenant over the age of 18 sign the lease. Some applicants due to certain information collected during the application process may require a co-signer on the lease. A need for a co-signer will be indicated when the tenant is called on behalf of Real Estate Muses. When the appointment for lease execution has been established tenant and landlord/property manager will meet at designated place determined by Real Estate Muses. Lease execution includes a detailed explanation of the lease, collection of security and pet deposit (certified funds only), a copy of our Resident Information Letter and a TAR Inventory and Condition Form.

CREDIT REQUIREMENTS

See Attachment titled “Credit Criteria”

PET GUIDELINES

The owner of the property determines whether or not pets will be accepted on their rental property. Intermittent inspections by property manager will monitor the presence of unauthorized pets. Real Estate Muses require a pet deposit and the entire pet deposit is non-refundable, but instead is used to deodorize and de-flea the property after tenant's move-out. The pet deposit is determined on a case-by-case basis depending on the size of the pet and the number of pets. No more than 3 pets are allowed at any one property. Certain breeds or half breeds of dogs are not allowed under any circumstances unless accompanied by a special assistance qualification. Contact a representative of Real Estate Muses to determine whether or not your dog is acceptable.

RENTAL PERIOD

Leases will be in writing for a one-year period. Longer leases are subject to owner approval. During slower rental periods Real Estate Muses may accept leases for less than a year in order to have the lease expire during heavier turnover months. With owner approval Real Estate Muses may elect to place a tenant on a month-to-month term to accommodate the owner selling the property, a tenant's anticipated move-out date, or moving the property into a more active rental period.

LEASE EXTENSIONS

Tenant must provide Real Estate Muses written notice of their intentions no later than 30 days prior to lease expiration date. The decision to increase rents is based on market conditions, neighborhood comparables, tenant history, property condition, time of year, and anticipated length of renewal period.

BREAKING THE LEASE

Under Texas law, the lease provides a military clause permitting military personnel and his/her family to terminate their lease with no penalty when they present proof of a transfer outside the San Antonio area. 30 days written notice and a copy of the Permanent Change of Station (PCS) orders are required. The Soldiers and Sailors Relief Act allows member of the military to terminate their lease if they are deployed on order for 90 days or more.

Occasionally, a resident's employer will require them to transfer to another city. If this is the case, we will allow them to terminate the lease with at least 30 days written notice and written evidence of transfer prior to vacating property.

EVICTION PROCEDURES

If a tenant's rent has not been received by the 6th of every month or other arrangements have been made with Real Estate Muses, tenants will receive a notice to vacate. If there is no response within the following ten days after the notice has been sent, Real Estate Muses will ask the court to proceed with the FE&D (Forcible Entry & Detainer Notice). The FE&D states that the tenant is required to appear in court on a certain day. Once that notice is initiated, a representative of Real Estate Muses will appear in court to represent your interests and will make a claim for all past rent due.

The provisions of an eviction notice can vary from court to court. Some give the tenant(s) 5 days to move, while others allow the tenant to remain in the house if they pay the full amount due, including any late fees. The next step is to ask the court for a Writ of Possession. A Writ is required when a tenant fails to vacate the property in compliance with the FE&D. The Writ allows Real Estate Muses to place all personal belongings at street side and change locks so that tenant may not enter the property for any reason. When there are monetary damages as a result of this, the court will issue a judgment. Real Estate Muses will file the judgment in the applicable county records and the credit bureau. Following each step, it takes about 40 days to evict a tenant. Hopefully, we will not encounter this problem with your property. If an attorney is required, Real Estate Muses will recommend a Real Estate attorney but the Real Estate License Act prohibits your management company from hiring an attorney for the owner. The attorney's fee will be billed directly to you and must be paid in full at the time payment is requested. Please remember that you have not only lost rental income but have also incurred legal fees and possibly a large sum for repairs to the property.

ABANDONED PROPERTIES

The TAR Residential Lease that Real Estate Muses uses states that we have authorization to take possession of the property and cancel the lease if the tenant has abandoned the property for 5 consecutive days while in default. Personal items left behind by tenant will be considered abandoned property and will be disposed of by Real Estate Muses. The court will handle any further claims on the abandoned property.

DEATH ON PROPERTY

If tenant(s) die while renting a property, the landlord/property manager has certain obligations under the Texas Property Code. **This statute provides owners a way to quickly and lawfully dispose of property of a deceased resident and avoid any liability to the deceased resident's estate. At the same time, the statutes contain safeguards for the deceased's beneficiaries under a will or the deceased's heirs of the deceased dies without a will. The statute does not apply to the extent that a lease or other agreement between the owner and resident provides for a different procedure.**

Each rental application that Real Estate Muses provides to a prospective tenant requires an Emergency Point of Contact. The information that is provided to us in the application is used during the lease preparation to determine the point of contact if/when landlord/property manager cannot contact tenant. An obligation of the estate and heirs to pay rent continues after death. However, if the property is vacated, that Real Estate Muses is obligated to mitigate the loss by customary diligence to re-let and minimize damages. Depending on the circumstances of death, the health department and other government agencies may need to be contacted for special clean up guidance. Real Estate Muses highly recommends that the owner of the property disclose death that occurred in all future lease, listing and sales agreements.

INSPECTION OF PROPERTY

The property manager/landlord may enter a property at reasonable times to conduct an interior inspection of the property to assess the condition of it to determine whether or not the tenants has been taking good care of the rental property. However, we cannot dictate how the tenant keeps the interior of the house. We conduct drive-by inspections often to insure that tenants are taking care of the yard and the exterior of the

home. If the outside of the house is being neglected, we may request an interior inspection at that time. If Real Estate Muses feel that the rental property is not being taken care of in a suitable manner, they will contact the tenant directly and advise them of the deficiencies on the property. If there are more serious violations on the property, Real Estate Muses may contact the owner to determine what course of action should be taken. Real Estate Muses is not a licensed property inspection firm. If the owner requires a professional inspector licensed by the State of TX to conduct an inspection, we will arrange the inspection for an additional fee.

CHECK-IN/CHECK-OUT PROCEDURES

After an applicant is approved, Real Estate Muses will make an appointment with the applicant to review the lease agreement and sign it once all questions, comments, & concerns have been answered. At the time of move-in, the tenant will be provided with an Inventory & Condition Form which must be filled out no later than the 30th day after move-in. The Inventory & Condition Form notifies property manager/landlord the condition of the property during tenant's move-in. Any items requiring immediate attention will be repaired at owner's expense. This same form is the basis and guide for the tenant's move-out. Any damages not noted on the Inventory & Condition Form upon move-in are reviewed and Real Estate Muses determine whether the negligence is deducted from the tenant's security deposit.

MAINTENANCE

Real Estate Muses will make periodic inspections of a property while it is vacant. We will insure that the lawn and yards are maintained, the property is presentable, and no vandalism has occurred. Real Estate Muses is not responsible for watering the lawn and/or shrubs when property is vacant. If you would like to have the services of maintaining the lawn, we can contact someone to provide those services to you at the owner's expense.

While the rental property is occupied, tenants are responsible to notify Real Estate Muses of any repairs or maintenance issues that may arise by e-mail, phone or text messaging. The owner will be contacted prior to beginning any repairs or maintenance if the estimated cost exceeds the amount agreed upon in the Property Management Agreement. Real Estate Muses understands that an owner does not want to receive an unexpected bill for repairs made to their rental property, however, there are instances that arise that needed to be corrected immediately without the owner's permission. Emergency repairs are made in accordance with our Property Management Agreement. If there are repairs that we can prove was due to the negligence of the tenant, the tenants will be responsible for the entire cost of repairs. Otherwise, the owner is responsible for repairs. Real Estate Muses will cover the first \$499.00 of repairs. Anything exceeding that cost, the owner will need to provide a check ASAP to Real Estate Muses to cover the remaining amount.

When major repairs are necessary, we will receive bids from 2 separate contractors. We will send these bids to the owner or contact the owner to discuss the bids received from the contractors. The bid process is already a timely process, so we need to eliminate delays. Real Estate Muses asks that the owner makes timely decisions on the repairs needed so that we can provide the contractor ample notice and to notify the tenant of the estimated time of beginning the repairs and time of completion. Again, if the work to be performed will exceed \$499.00, the owner will need to issue a check to Real Estate Muses ASAP.

LOCKS

Texas law requires all security devices operated by key, card, or combination to be re-keyed by the owner at the owner's expense no later than 7 days after a new tenant has moved into a rental property. Even when a tenant defaults on their lease or moves out prior to lease term, the cost to re-key **must** be paid by the owner. When no locking devices presently exist meeting property code requirements, the owner is responsible for the entire expense to meet the code requirements. When the proper locks are already installed and a tenant desires additional locking devices, the cost is the tenant's responsibility. Any re-keying of existing locks after the initial re-keying will be at the tenant's expense.

The state law requires that each door to the exterior from the living area meet specific requirements. Simply stated, when outside the residence, a person with a key must not be able to gain entrance. Also, sliding glass doors must be equipped with pin locks and "Charlie Bars". A "peep" hole must be installed on all exterior doors, including doors from residence into the garage, unless the door has unobscured glass.

KEY CONTROL

Real Estate Muses maintain strict control of all keys. Keys issued to tenants or repairmen are documented. As a minimum, we need three sets of keys to the property. Two sets are provided to the tenant and one set is maintained by Real Estate Muses.

SMOKE ALARMS & CARBON MONOXIDE DETECTORS

The Texas Property code requires that all rental properties contain at least one smoke alarm for each bedroom and a smoke detector in the hallway of the bedrooms visible for the entry door of all bedrooms. If the rental property does not meet these requirements, a tenant cannot occupy the property until the property meets the required guidelines.

If your rental property contains gas fixtures, Real Estate Muses recommends installing a carbon monoxide detector close to the fixture. Real Estate Muses believe that state law will soon mandate all rental properties have carbon monoxide detectors.

Unless otherwise stated in the Residential Lease Agreement. All utilities are the responsibility of the tenants. New tenants must notify the designated utility companies to have the services transferred into their name no later than the first 3 days of lease term. While the property is vacant, we request that the owner place the utilities in their name. Having electricity and water on greatly enhances the showing of your property while vacant.

MONTHLY STATEMENTS

Real Estate Muses will issue you a check or deposit it into a local San Antonio bank of your choice along with an invoice listing the amount of rent collected, any expenses incurred (repairs, maintenance, etc...), and my management fees. The check/deposit and invoice will be processed between the 7th and 9th of each month. If a property is vacant, you may not receive a statement until the month on which the property is leased unless there are expenses that Real Estate Muses has incurred that exceed \$499.00. At that time, the owner will need to issue a check to Real Estate Muses ASAP.

SECURITY DEPOSITS

Real Estate Muses require a security deposit equal to one month's full rent at the time of signing the lease. The deposit **must** be in certified funds (i.e. money order, cashier's check or certified check). The security deposit does not cover the tenant's last month of rent. This deposit is retained by Real Estate Muses to cover any damage to the property after the tenant's lease term ends. An itemized list will be provided to tenant explaining any deductions from their deposit. If the property is left in good standing, excluding normal wear & tear, the security deposit will be refunded to the tenant minus the cost of having the entire house cleaned. **Interest accrued in the deposit will be retained by Real Estate Muses.** The Texas Property Code requires that an accounting of a tenant's deposit must be made within 30 days of their departure. Owners who delay making decisions on repairs or contract for repairs independent of Real Estate Muses will frequently push the 30 day limit. The owner must act quickly as Real Estate Muses will NOT jeopardize our license nor subject ourselves to the treble damage provision of the code by failing to refund a security deposit within 30 days.

RENTAL RATES

Before placing a rental property on the market, Real Estate Muses will discuss with the owner what the rental rate should be. As the property has been exposed to the market for 3 weeks without renting, we look into possibly lowering the rental rate to make the property rent. If the property still does not rent, we may entertain the idea of offering a couple weeks of free rent. However, none of this will be advertised without the owner's consent.

RENTAL PAYMENTS

Rent payments are due on the 1st of each month. If a new tenant moves into the rental property during the middle of a month, the tenant will receive a pro-rated amount that will be paid the day that they move in and the 1st full month's rent will be due the following 1st. The rent is due on the 1st but it is not considered late until the 4th of the month. At that time, late fees are charged to the tenant, which are outlined on the Residential Lease Agreement. Real Estate Muses will retain all late fees.

CONCLUSION

Real Estate Muses knows that choosing a property management company is an important decision homeowners must make, trusting someone with a home that you have worked hard and long to obtain is not something to take lightly. Real Estate Muses hopes you will choose us in assisting you make that decision. If you choose Real Estate Muses, we can guarantee you that we will provide a service that focuses on consistently informing the owner of the status of their investment, finding suitable tenants for their home and providing homeowners with the best personal care around. Thank you and we hope that we can build a lasting relationship with you in the near future!