



Coldwell Banker Residential Property Management Additional Disclosure to Owner

Owner Payments

Owner Payments will be electronically deposited into the account of the owner. Funds will be disbursed on the 10th and 20th of the month, and may take up to **2 banking business days** before funds become available in the owners account. Owner understand that some months payments may reach their accounts as late as the 15th and 25th of the month depending on the day of the 10th and 20th along with any bank holidays. Owner understands that owner disbursements can never be guaranteed to come in from tenant. Coldwell Banker Residential Property Management advises that a minimum of 1 month be put in owner's reserve to aid in not falling behind in monthly payments.

Owner Statements and Reporting

Owner statements will be sent out the first week of the month for the previous month. i.e January statement will be sent out between February 1st and 7th. At any time owner may request an updated owner statement for a specific date range. You can email your property manager for specific owner statements other than what is on your owner portal.

Coldwell Banker Residential Property Management will file 1099 reporting on gross income generated. At the end of the year Coldwell Banker Residential Property Management will send an end of year Profit and Loss Statement for an accounting of all income and expenses. Owner understands that per IRS guidelines any prepayment income received will be reported as income in the year it was received. The prepayment income will not be shown as income on the following reporting year. If you are a leasing only client we will still file a 1099 for any rent collected over \$600.

First and Second Months of Lease Terms

In the event the tenant has a prorated rent amount because of move in between the 10th and 20th of the month, it is the policy of Coldwell Banker Residential Property Management to collect security deposit and a full month's rent at the time of move in. The prorated amount will be paid until 1st of the following month after move in.

In the event a tenant moves in between the 1st and 10th of the month. Coldwell Banker Residential Property Management will collect security deposit and prorated rent. The first full month rent will be owed on the 1st of the following month.

In the event that a property is rented with 10 days or less left in the month, Coldwell Banker will collect security deposit, prorated rent and a full month rent at the time of move in.

Coldwell Banker Residential Property Management property manager, on a case by case basis, may alter the above move in amounts if it is deemed to be in the best interest of the owner.

Owner understand that because of leasing fees, move in dates, and necessary expenses for move ins, that full owner disbursement may not be received until the 3 month of the lease term.



Broker Affiliations

Coldwell Banker Residential Property Management often recommends or utilizes companies providing the following services: mortgage, home inspectors, home warranties, home repairs & improvements as well as other unrelated real estate vendors. Coldwell Banker Residential Property Management and its agents often provide services for some of the aforementioned settlement and service providers including selling, monitoring, and advertising / marketing their respective settlement services. Coldwell Banker Residential Property Management hereby advises you that it may receive compensation in connection with your real estate transaction from some of these settlement and service providers for service rendered in accordance with applicable State and Federal law. By your signature below, you acknowledge receipt of this disclosure form.

Compliance

The Texas Property Code controls the operation of a rental home in the state of Texas. There are certain items that must be present in a rental unit that may not be present in an owner occupied property. Some of these code items are different from builder's codes so even new homes may not be in compliance. Many times individual landlords or even some property managers are unaware of these laws. Therefore, our company policy dictates that upon signing a new property management account (whether the property will be a first time rental or a transfer to us from another manager); an inspection is performed on the property by the management company or a third party. This inspection will determine the existing condition of the unit(s) including these mandatory items, and will also provide a good indicator of any needed maintenance or other concerns.

The mandatory checks in the inspections concern security devices and smoke alarms. All rental properties need to have working locks on all windows, and extra locks, typically referred to as keyless deadbolts, on every exterior door (or pinlocks for sliding glass doors). The property also must be rekeyed during any turnover whether that is between tenants; or between the owner moving out and the first tenant moving in. If these items are needed Coldwell Banker Residential Property Management will contact a locksmith that will perform the needed to have the property in compliance. On a typical home with 3 exterior doors (and only if needed) rekeying should be in the neighborhood of \$50 - \$75 and adding the extra locks should be in the neighborhood of \$50 per door. The second item is that all Texas rental properties must have a sufficient number of smoke alarms, including one in each bedroom. Landlords are required to periodically inspect these. The inspection company will smoke test all existing alarms to insure compliance. Missing or non-working alarms will be replaced at a cost of \$20 each installed by the inspection company. Most recently built homes generally will already have a sufficient number of smoke alarms and should not need any more alarms installed.

Repair Costs, Vacancy, Balances, Fees and Over Payments

In the event funds are required, CBRPM will draft funds from owner's account with written authorization per occurrence.

In the event a water heater needs to be replace, owner authorizes Coldwell Banker Property Management to replace water heater without consent of the owner as long as cost does not exceed \$900. Owner acknowledges that the cost of replacement may exceed the amount authorized amount in paragraph 4(A) 21 the management agreement.

Depending on repair, CBRPM may require owner to pay the entire cost of the repair in advance. CBRPM will then disburse funds for initial draw or draws and final payment.



LUBBOCK

While the property is vacant Owner shall be responsible for the cost utilities while the property is vacant. Utilities will be put in the name of Coldwell Banker Property Management. Utilities must be on while the property is vacant. CBRPM will conduct weekly inspections of the property. CBRPM will maintain exterior and interior for showing purposes. Owner acknowledges that depending on vacancy length, weather conditions, that yard may be cut multiple times, and interior may be cleaned multiple times.

Late fees shall be split between owner and CBRPM 50/50. Owner shall pay transition fee of \$200 per lease that is currently in place at the time of signing. In the event that a tenant is evicted and owes a rent balance and late fee balance, these fees will be paid out the security deposit. In this event management fees will be earned and paid to CBRPM.

Owner acknowledges that if an over-payment is mistakenly disbursed to owner, owner acknowledges that funds must be returned when discovered. CBRPM may withhold owner disbursement until over-payment is returned. Owner shall have the option to payback owner over-payment.

Leasing Only Listing Agreements

Owner disbursements will be disbursed the same date as owners who are under a management agreement and will not be disbursed until all invoices or bills have been turned into Coldwell Banker. (if applicable)

Owner agrees to pay any outstanding invoices or expenses owed upon receipt even after disbursement has been made.

Owner shall be responsible for all utilities. Owner agrees that all utilities will be on during the listing agreement.

Owner understand that disbursement will not be made unless a W9 has been filled out and returned to Coldwell Banker Residential Property Management.

Termination of Management Agreement

In the event termination is due to sale of property CBRPM will not prorate rent to new owners or release security deposits to new owner. Current owner must handle proration of rents and transfer of security deposit on the settlement statement when the property is sold. Owner shall notify CBRPM of sale of property within 10 days of effective date of contract.

Upon termination of management agreement, Coldwell Banker will send Notice to Tenant of Change in Management and Accountability for Security Deposit. Security Deposits will not be turned over to owner until all balances have been paid. If balances have not been paid within 30 days of notice of termination of management agreement, CBRPM may deduct funds form security deposits being held. Owner will still be responsible to tenant for full amount of security deposit despite any funds withheld by CBRPM to cover any amounts owed to CBRPM. Owner understands that once Notice to Tenant of Change in Management and Accountability for Security Deposit that owner shall be responsible to tenant for any and all security deposits mentioned in document.

Owner

Owner

Broker/Associate Signature