

KING REALTY AND MANAGEMENT INC.



Owner Handbook



Table of Contents

Welcome	1
About King Realty	2
Our Mission Statement	
Our Philosophy	
Our Principal	
Owner Documents	4
Owner Information	
Insurance Authorization	
The Scope of Property Management	5
What <u>is</u> included in King Realty Property Management services	
What <u>is not</u> included in King Realty Property Management services	
Company Policies	6
Texas Real Estate Commission Requirements	
Code of Ethics	
Drug-Free Policy	
Legislation	
Lead-based paint	
Mold Issues	
Communicating with King Realty	8
Company Communication	
King Realty Websites	
General Office Information	
Communication	
Teams and Contact Information	8
King Realty staff/personnel	
Owner Communication	9
Owner Portal	
Owner Vacation Notice	
Owner Responsibilities	9
Owner's Proceeds	10
Answers Regarding Funds	
Banking	
Monthly Statements	
Disbursement of Monthly Funds	
End of Year Procedures	
Renting Your Property	11
Preparing to Rent the Property	
Setting the rent	
How Long Will the Property be Vacant?	
Advertising/Marketing	12
Internet/websites	
Texting Technology	
Signage	
Partnership with Local Agents	

Lockboxes and Access	
Showings and Applications	
Processing Tenant Applications	14
Tenant Screening	
Cosigners	
Pets	
Service animals	
The Tenant Move-In	15
Rent and Security Deposits	
Rental Agreements	
Walk-through	
Tenant Handbook	
Tenant Education and Preparation	
Working with Tenants	16
Collecting Rent	
Notice to Vacate	
Other Notices	
Tenant Problems	
Legal Action	
Eviction	
Maintenance	17
Preventative Maintenance	
Maintenance Request Procedure	
Emergencies/Disaster	
When a Tenant Vacates	19
Notice to Vacate	
Communication with Owners and Tenants	
Tenant Move-Out	
Security Deposit Refunds	
Collections	
Additional Services	20
Referrals	
Annual Inspection	
Supervision of Extraordinary Maintenance	
Real Estate Services	
Termination of Management Services	21
Written Notice	
Notice to Current Tenants	
Distribution of Documents	
Final Distribution of Funds	
Conclusion	21

Welcome



Thanks so much for inquiring about our property management services. As our motto states, we are committed to the success of our investors and their portfolios. While we understand that you have lots of options when it comes to management, we thank you for the opportunity to help you achieve all of your real estate goals and your highest and best returns. This manual is brief snapshot of our services and what we require of our owners and what our owners can expect from King Realty.

Please take a moment to review this manual. It will help you understand how we do business and the day-to-day management of your property or portfolio. We're happy to answer any additional questions that may arise after you review this manual.

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

SPECIAL NOTE: the information provided in the King Realty Owner Manual is subject to change. Landlord/Tenant laws, personnel, policies, and procedures change accordingly to events that take place. King Realty works diligently and continually to improve services and personnel training as well as remaining current with all landlord/tenant legislation.

About King Realty

King Realty is a full-service residential real estate brokerage serving the Dallas-Fort Worth and Houston Metropolitan areas. As part of our dedication to helping investors build wealth through real estate investing, we are also a one-stop shop for everything related to residential real estate. The company has been operating since 2010, and is actively involved in both communities.

King Realty is an abbreviation used in lieu of the full company name, King Realty and Management Inc., and will be used throughout the *King Realty Owner Manual*.

King Realty Mission Statement

Our mission is to provide competent, honest and trustworthy service to real estate investors in the DFW and Houston areas. These services include property management, property sales and property maintenance. We aim to be a 1-stop shop for all things residential real estate at reasonable prices. Our goal is to evaluate and implement strategies for our investors to make their portfolios as profitable as possible. Our mission is to render more services than we are paid for through our commitment to success and excellence.

King Realty Vision Statement

Producing successful residential real estate investment portfolios through a 1-stop shop approach (management, maintenance and sales services) so that every one of our investors is proud of their portfolio and the returns on their investment.

Our Philosophy

In an effort to properly convey who we are and our company's mission and vision, we have drafted a philosophy statement. This statement provides a glimpse of how we do business and how much we pride ourselves on customer service, competent management and most importantly our commitment to the success of both our business as well as the investment portfolios that we manage.

OUR PHILOSOPHY

We understand that wealth in real estate is created over time by being a "good landlord"

Definition of Good Landlord:

A landlord that takes care of his/her responsibilities quickly and efficiently to the benefit of everyone. When you are a good landlord, this usually results in having happy tenants. Simply setting the stage for a good experience at the very beginning assures them that they have made the right decision moving into your rental. Even if you only have a couple of rentals, treat this as a business or it will quickly become an expensive hobby!

We complete all legitimate repairs as a result of tenant maintenance requests
in a timely and proper manner

We manage properties that we would actually live in

We take pride the properties that we manage and as a result, make sure that they are properly taken care of and shows as best as possible; after all...first impressions are lasting impressions when you are renting a property!

We manage investment properties as if they are part of our own personal portfolio; giving lots of time and attention in getting the highest and best returns possible.

We understand that certain repairs and upgrades are needed in order to attract the most well qualified tenant and the highest possible rent.

We understand that there is a fine line between repairs and over-improvement and make recommendations accordingly.

Our Company Culture

We seek to establish a firm commitment to success in everything that we do. Success is defined as “the accomplishment of an aim or purpose.” In this case our purpose is to be the best and most competent residential real estate brokerage. We do so through our web-based system, open communication, self-control and attention to detail and excellence. We seek to render more service than we’re paid for (i.e., to go above and beyond for our clients) so that we can demonstrate our commitment to our clients as well as feel the best that we can about ourselves.

We aim to be friendly, dedicated and willing to help our investors achieve the maximum returns as possible while ensuring that the assets are protected and that we’re in compliance with all applicable laws.

Our Principal

The owners/principals of King Realty are David King, Broker. He has been active in the world of real estate for over 25 years. He has developed both this brokerage as well as other entities including a residential property maintenance company called Unique Home Maintenance. He is a licensed real estate broker in the State of Texas and an active real estate investor.

Owner Documents

A copy of your management agreement has been uploaded to your owner portal refer to it as needed. It is important that King Realty receive all critical information as we begin management. You may have completed the documents listed below. If not, we need you to fill out and return the following documents.

Owner Information

This information is included in the property management agreement and is used to set up your online account.

Insurance Authorization

Please send the attached Insurance Authorization Form to your insurance company. This will add King Realty and Management Inc. to your policy as a named insured. While we maintain our own business insurance, it does not cover any claims on your property. Adding us as an additional insured will not likely increase your rate, but it will help us to properly manage your property/portfolio.

The Scope of Property Management

What is included in King Realty Property Management services?

We want you to know what King Realty does for you as your property management company. Therefore, King Realty has outlined details on our policies and procedures in future pages of this information. There are so many details and aspects of managing property, that we can only include the basics in this manual. If you have more questions, contact your management team. Again, these are general guidelines and when necessary, policies will change. Please bear in mind that we are unable to do “everything” that is required to service a property under our management fees.

What is not included in King Realty Property Management Services?

Because King Realty provides owners with full service, it can be easy to request something that we cannot perform. Some tasks go beyond the normal scope of property management or require additional fees/services (see below). There are also areas licensed real estate agents dare not tread, unless they have obtained the proper licensing or degrees. We ask that you remember this when making a request, and review a paragraph that was included in your Management Agreement:

Owner understands and agrees that normal Property Management does not include providing on-site management services, property sales, refinancing, preparing property for sale or refinancing, modernization, fire or major damage restoration, rehabilitation, obtaining or giving income tax, accounting, or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, or attending Homeowner Association meetings. If you have any questions on what is included or not included in property management, please let us know. We have more information on additional services later in this manual.

Company Policies

It is very important in the field of Property Management, that King Realty follow local, state, and federal legislation and guidelines. Our company takes pride in our industry, and we further implement guidelines and policies of several organizations, such as the National Association of Residential Property Managers, NARPM, and the National Association of Realtors, NAR®. Additionally, we train all personnel by requiring them to read and follow the King Realty Property Management Policy and Procedures Manual and King Realty Employee Manual.

Texas Real Estate Commission

TREC mandates licensing for all persons conducting Property Management and Real Estate Sales in our state. King Realty requires all personnel that are Brokers, Property Managers, and Real Estate Agents to have a Texas Real Estate license.

Code of Ethics

King Realty follows the Code of Ethics outlined by both NARPM and NAR®, and HAR. King Realty considers this a top priority in conducting business, and is required of all King Realty personnel.

Drug-Free Policy

King Realty has a drug-free policy for all personnel, vendors, and tenants. King Realty incorporates this policy into King Realty rental/lease agreements, tenant, personnel, and vendor documentation.

Legislation

King Realty adheres to the laws and guidelines of federal, state, and local legislation, and incorporates this into all documentation, policies, and procedures. Here are some of the agencies and acts King Realty follows:

- Fair Housing (HUD) - King Realty supports and follows Fair Housing laws and guidelines; the King Realty office displays Fair Housing signage
- Equal Opportunity - King Realty is an Equal Opportunity employer; the King Realty office displays Equal Opportunity signage.
- SCRA Act – Serviceman’s Civil Relief Act, which has replaced the Soldiers’ and Sailors’ Act of 1940
- URLTA - Uniform Residential Landlord Tenant Act
- FCRA - Fair Credit Reporting Act
- FTC – Fair Trade Commission
- EPA – Environment Protection Agency
- Texas Property Code

Lead-Based Paint

Lead-based paint became a major issue in the 1990s that prompted mandatory requirements for residential housing and continues today. King Realty follows all mandated federal and state guidelines for lead-based paint. All properties prior to January 1, 1978 require disclosures to all tenants and owners. Tenants sign lead-based paint disclosures prior to renting a property and King Realty provides them with the required EPA Pamphlet, Protect Your Family from Lead in the Home. King Realty then forwards the required disclosure to owners for signature.

Property owners and/or Property Managers must also notify tenants, in writing, of any scheduled work necessary for lead-based paint on the property. Legislation now provides that owners and

managers must use certified vendors to work on lead-based paint.

Mold Issues

King Realty regards mold issues as a top priority in property management. Owners should be aware that mold is another leading issue in the property management industry and failure to act if tenants report or discover mold can lead to costly lawsuits. Several cases regarding mold have awarded damages to tenants in the millions of dollars.

This is an area of extreme liability and King Realty takes action if a tenant reports mold. King Realty notifies owners as soon as practical of any mold issues so King Realty and/or the property owner can take the proper steps.

Communicating with King Realty

Communication is a key to the success in any relationship and the King Realty/Owner relationship is certainly not an exception. We work constantly to improve communications with all of our clients or prospective clients. This includes everyone – owners, tenants, applicants, vendors, buyer, sellers, and the public.

Company Communication

On the next page, you will find all general office information such as addresses, telephone numbers, email address, website, and office hours.

King Realty personnel communicate by:

- Portal Conversation
- Telephone
- Email

King Realty Online Portal

King Realty stays current with business technology. The King Realty website, www.mykingrealty.com and www.kingrealtytx.com has proved to be a tremendous asset. Here are a few of the benefits for clients on the King Realty website:

- Prospective tenants can search our site for available rentals, submit and pay for an application.
- Tenants can access their resident portal from our website.
- Owners can access their owner portal from our website.
- Prospective owner can access tips and tricks on property management.
- King Realty personnel maintains a blog regarding property management

General Office Information

Dallas-Fort Worth Metropolitan Area

600 E. John Carpenter Freeway, Ste. 351
Irving, Texas 75062
Office: 817-462-0303
Fax: 469-713-2467
E-mail: info@kingrealtyandmanagement.com
Office Hours: By appointment only

Houston Metropolitan Area

12808 W. Airport Blvd., Ste. 300
Sugar Land, Texas 77478
Office: 713-974-8004
Fax: 469-621-2215
E-mail: info@kingrealtyandmanagement.com
Office Hours: Mon-Fri 8:30AM-5PM

King Realty staff/personnel

We have a complete staff to assist you. While we work as a team, below is a directory of our staff.

Name	Department	Phone Number	Email
David King	Managing Broker	713-974-8004	david@kingrealtytx.com
Courtney King	Managing Broker/PM	817-462-0303	courtney@kingrealtytx.com
Mallory King	Property Manager – HOU	713-974-8004	mallory@kingrealtytx.com
Sandra King	Accounting	713-974-8004	sandra@kingrealtytx.com
Sonia King	Maintenance Manager	713-974-8004	sonia@kingrealtytx.com
Receptionist		info@kingrealtyandmanagement.com	

Management Team: King Realty has assigned a management team to your account, consisting of a Property Manager and Assistant Property Manager. They focus on showing your property,

processing applications, renting, managing all the many facets of tenancy, and handling the details when the tenant moves.

Office Team: The office team supports all King Realty Personnel and Management. They handle the everyday business of telephones, taking messages, accepting applications, office details, preparing documents, and coordinating with your management team.

Sales Team: King Realty also has a sales team that can assist you with Real Estate, buying or selling. The sales team consists of experienced and licensed Real Estate agents. There is no obligation when you ask for a market analysis for the value of your current property, information for purchasing a new investment property, or available financing.

Owner communication

Communication works both ways. We need communication from you, the owner. It is important that you let us know of any significant change that can affect your account. King Realty needs to know when you are moving, if you have a problem with your account, if your social security number has changed to a Tax ID, or any other important information.

Owner Portal

King Realty encourages all owners to use the conversation thread in the owner portal to contact us. It is fast, effective and everyone in the organization can see the conversation this way if there are any issues you can work with anyone on the team and they can refer back to the conversation. To set up your access to the portal we need your email address. Please supply us with your email address on all the King Realty forms. We will enter your email address in our database. Special note: Please do not send email directly to the staff. Please ALWAYS communicate through the owner portal.

Owner Vacation Notice

King Realty respectfully requests that owners notify King Realty of vacations that are two weeks and over. Another alternative is to inform your Emergency contact listed on the Owner Information Form. The purpose in asking for this information is only so King Realty is prepared in the event of an emergency repair or major problem concerning the owner's property and/or tenant. Please simply enter

Owner Responsibilities

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

Owner responsibilities are:

- Create an account and login to the owner portal
- Sign up for e-payment through the owner portal
- Initiate all communication through the owner portal
- Notify King Realty of any ownership change or eminent owner change for the managed property.
- Supply King Realty with accurate information so King Realty can service the management account properly.
- Review statements monthly and notify King Realty of any discrepancies found as soon as

possible.

- If using ACH, check statements monthly for accurate or missing deposits and notify King Realty 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 tenants.
- Treat King Realty personnel with courtesy and notify King Realty principal if there are problems with King Realty personnel so they can be resolved quickly
- Visit the property periodically and if an owner cannot perform this function, King Realty requests the owner assign a third party to represent this in this capacity.

Owner's Proceeds

Answers Regarding Funds

When you entered into a management agreement, King Realty established an account for you and your property. King Realty recognizes the importance of accurately collecting and disbursing funds. The bookkeeping program used by King Realty is specialized software designed to handle the many facets of property management and accurate record keeping, and complies with the requirements of the Texas Real Estate Commission.

Banking

King Realty holds your account in a trust fund mandated by the state of Texas. King Realty accounts for each owner's funds separately in the trust account and does not co-mingle funds with broker monies, following the Texas Real Estate Commission requirements.

Monthly Statements

King Realty emails monthly owner statements on the 10th of each month. Copies are also uploaded to your portal. If you have difficulty reading your monthly statement, please contact our accounting staff. We are happy to assist you and answer your questions.

King Realty sends two separate emails each month. One email confirms the ACH deposit. The other email contains your monthly statement.

Disbursement of Monthly Funds

King Realty disburses available funds to owners on the 10th of each month. If this day falls on the weekend or holiday, King Realty issues funds on the next business day. King Realty does not disburse funds on weekends and holidays. King Realty continues to make payments every day until the 10th of the month. If additional rents come in after the 10th of the month, those proceeds will be distributed on the 10th of the following month. Realty does NOT issue owner checks unless there are sufficient funds in the owner's account. It is vital to accurately post rents, pay vendors, and disburse funds for your account. Therefore, it is vital that King Realty adhere to this schedule to ensure servicing every owner's account.

King Realty distributes owner funds through ACH direct deposit.

End of Year Procedures

At the end of each year, King Realty 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 King Realty with the necessary Social Security/Tax ID information so the 1099 is accurate. King Realty will send the 1099 for the rent by January 31 for the previous tax year. If there is a change in your tax information such as a new trust or address, please notify us via a conversation in the owner portal.

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

Renting Your Property

Preparing to Rent the Property

When prospective tenants view your vacancy, King Realty wants the property to look its best and compete with area rentals. A property maintenance report and rental market survey is completed. The King Realty management team will contact you to discuss the details of your vacant property and any necessary maintenance. King Realty does not list properties that are not ready. It has been our experience that if you market a property before it is ready

- The property does not lease
- The property becomes "stale" for being on the market too long
- The property does not "look good" in pictures for advertising
- The agents get "burned out" from showing a property that is not ready.
- Typical client who takes a home that is "ugly" turns out to be a bad resident
- Advertising the property that is not ready is a waste of time and money

Setting the Rent

A licensed realtor will run a "CMA" which is a comparable market analysis to determine the rent amount. The owner will be informed of the CMA.

How Long Will the Property be Vacant?

This is the most commonly asked question King Realty receives from owners. Unfortunately, there is no way to predict how long a property will remain on the market, even in the best market conditions. However, King Realty works diligently to rent the property as quickly as possible. What is important to remember is that the most important objective is to have "a quality tenant."

King Realty, or any other property management company, can rent properties "quickly" if they do not have standards for obtaining good tenancy. However, bad tenants will only create more expense and another unwanted vacancy; therefore, waiting for the "right tenant" is worth the additional time it can take to rent the property.

Advertising/Marketing

Internet/website

King Realty has found that the Internet receives tremendous exposure.

MLS – We have found that the multiple listing service is the best way to advertise the property. Over 23,000 agents use this service and over 50,000 people access the site daily. King Realty uses power phrases of descriptive words, wide-angle pictures and video when listing a property. King Realty is one of the few agents who upload video for rentals. The latest data from Internet marketing shows more people are looking at video.

Other Syndicated Websites – King Realty’s ads are automatically syndicated on 10-12 different sites including but not limited to Trulia, Zillow, HotPads, Rent.com and more!

King Realty Websites – We upload the property to our websites www.mykingrealty.com and www.kingrealtyandmanagement.com

Realtor.com – King Realty also advertises on Realtor.com which is one of the largest home search tools out there. This is at no additional cost to the landlord.

Texting Technology

King Realty purchased technology that allows prospects to text a code to a phone number. This code provides specific information about the house they are in front of. Each house that we list has its own texting number. The prospect will receive a text within seconds that gives them the lease amount, security deposit amount, number of beds, baths and square footage. It also gives them pictures of the home. At the same time a text is sent to our leasing agent assigned to the property with the phone number of the prospect.

Marketing studies have shown that 80% of people do not want to be “sold” and will text instead of calling to get basic information. Texting technology increases lead for your property.

Signage

King Realty displays “For Rent” signs prominently. Signs promote calls.

If a property is “off the beaten path” and is taking a little longer to rent, King Realty may place directional signs on the nearest main road in order to drive traffic to the property.

Our Local Agents

King Realty has agents in each market. We send leads to our agents and they also help to procure a tenant. Potential clients are responded to quickly and scheduling showings around the client’s timeframe is easier with this format. Posting our listings on the MLS also opens the property to be marketed by other outside agents which will help us rent the property quickly.

Lockboxes and Access

King Realty uses a combination of Supra (REALTOR) lockboxes and combo lockboxes. While other services use lockboxes that allow perspective tenants to access the property, we prefer that our leasing agents meet perspective tenants at the property to show. This is important for three reasons:

1. Ensures that the property is being fully secured after a showing
2. Allows our agents to get to know a perspective applicant
3. Puts a more human (face-to-face) interaction with perspective tenants – if they are behaving rudely or in a manner that would suggest that it wouldn't be a good fit, we'll be able to catch it at the beginning.

Showings and Applications

King Realty uses Centralized Showing Service to schedule showing times. This is a call center that is approved by the National Association of Realtors. This service guarantees that all calls to schedule showings will be answered. The showing service website is set up to email you on any showings and feedback on your property.

King Realty utilizes an online application. Any prospect who would like to submit an application can do so 24 hours a day, 7 days a week, 365 days a year. The prospect pays for the application with a credit card at the time of submission.

Processing Tenant Applications

Tenant Screening

Thorough screening is crucial to successful Property Management. King Realty 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 their credit, income, and tenant history or ownership.

All applicants must submit verifiable information on their income to show they can support the property. Rental history or previous home ownership is carefully checked. Cross-referencing all three areas – credit, tenant history, and income - provides the answers to qualify or disqualify prospective applicants. If a pet is allowed on the property, the screening includes the pet (please review the upcoming pet policies).

In all cases applicants are required to provide the last three paystubs, a copy of their drivers license and a copy of their social security card. Additional information may be requested from the applicant.

Cosigners

King Realty normally does not accept cosigners. King Realty policy is that the applicants should have the ability to rent on their own merits. However, there are sometimes conditions that may warrant taking a cosigner on a property. If this is the case, King Realty will notify the owner, discuss the reasons, and obtain owner authorization.

Pets

If an owner authorizes a pet, King Realty charges a non-refundable pet fee. King Realty does not use the term “pet deposit.”

Many tenants have or want pets. It is legal for property owners to discriminate against pets. You may wish to do so. However, whether you have or have not decided to allow a pet in your property, the King Realty application has a place for prospective tenants to list pets and how many. It is important NOT to discourage full disclosure on pets while taking an application. If you do allow a pet, King Realty does not place inappropriate pets in a property.

King Realty recommends to owners that when the property is on the market, that pets are “case by case.” This can solve two problems.

1. First, this encourages prospective applicant to disclose any pets. Then, based on the owner preference on pets, King Realty can automatically notify the applicant that the owner does not allow pets.
2. Second, by listing pets as negotiable, it avoids eliminating an excellent tenant that does care for their pet, has an excellent tenant history, and owns a pet that is suitable to your property.

Service animals

Special note: “Service animals” for handicapped/disabled persons are NOT pets by Federal law, and owners cannot discriminate against handicapped/disabled persons with a service animal. Fair Housing legislation does NOT allow owners or property managers to collect deposits of any kind for service animals.

However, Landlords can still process applicants who are handicapped or disabled on the same

criteria as other applicants: income, credit, and tenant history. If they fail to qualify in these areas, the landlord/manager can still deny the application, handicapped or not.

The Tenant Move In

Rent and Security Deposits

King Realty does not accept personal checks prior to renting the property and does not allow “payments” on security deposits – we require all funds paid in full prior to renting the property. This eliminates prospective tenants who really do NOT have the necessary funds for renting.

Once approved, all applicants must pay in full, the first month’s rent, and a high security deposit, in certified funds. It is normally King Realty policy to require a security deposit equal to first month rent.

Rental Agreements

Once King Realty receives funds, a thorough rental/lease agreement with the applicant is completed. Lease and addendums including King Realty addendums along with welcome letter are reviewed with resident.

All persons 18 and over, including adult children, are required to read and sign all rental/lease agreements. If the accepted applicants are a foreign nationality and cannot read and understand the documentation, they must supply an interpreter of legal age for signing the rental/lease agreements.

Walk-Through

A vital part of the rental agreement is a detailed walk-through addendum performed with the tenant, documenting the condition of the property when they move in. The tenant has ten business days to send back the inventory condition form.

The inventory condition form documents the condition of the property. When the tenant moves out of the property, there is a sound basis for the security deposit refund. King Realty also documents the move in with digital photos.

Tenant Handbook

Tenants immediately receive the “King Realty Tenant 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.

Tenant Education and Preparation

Taking the time to prepare tenants for their residency is another step toward a successful tenant/landlord relationship. Additional forms that the tenants may need are included with the “King Realty Tenant Handbook.” King Realty wants both owners and tenants well informed.

Resident Emergency/Disaster Handbook

We now provide tenants with a handbook to help them to prepare for emergencies or disasters. There are conditions where King Realty cannot immediately assist them if there is a major emergency or disaster. We want them to be prepared.

Working with Tenants

Collecting Rent

Rents are due on the 1st day of the month and late if not received in the King Realty office by the 3rd of the month.

King Realty recognizes that many things can happen where it concerns rent; rent can really be lost “in the mail”; employers can delay the tenant’s paycheck, there are real tenant emergencies, and more. Therefore, we make a serious effort to determine why the tenant is having a problem. If King Realty receives the rent prior to issuing owner funds, King Realty does not contact the owner unless the King Realty management team determines there is an ongoing rent issue.

Notice to Vacate

If King Realty does not receive rent by the due date, King Realty prepares and delivers a timely notice to pay or quit, as the law allows. King Realty makes every effort to mail and post notices properly should legal action be required. If King Realty determines the tenant is not going to pay the rent during the notice to pay or quit period, or shortly thereafter, King Realty contacts the property owner and works out a plan of action.

Other Notices

There are other notices that may be involved with tenants. King Realty serves notices as situations warrant, such as a notice to clean up the landscape, a notice to enter the property, a notice to perform survey/inspections, a notice regarding an illegal pet, illegal tenants, etc. These tenant violations may be in the form of a letter or a legal Notice “form.” Often, these notices are simply to correct minor tenant problems and most tenants comply. However, if necessary, King Realty contacts the owner with the information to discuss the situation.

Tenant Problems

King Realty has years of experience handling the myriad of tenant difficulties that can occur. The King Realty policy is to obtain good tenants, eliminating many tenant problems. However, even good tenants have problems. King Realty treats each problem with common sense approach, follows landlord/tenant law, and uses the appropriate documentation. If the situation is serious, King Realty contacts the owner, and works to find a solution for the problem.

Our company policy is to take a “what if” approach. King Realty documents tenant problems in the event that it becomes a legal problem. One of the reasons you hired a property manager is for “peace of mind.” This is what King Realty recognizes and works to prevent legal issues from arising.

Legal Action

Although King Realty works diligently to avoid the necessity to begin an action, such as an unlawful detainer or eviction proceeding, it can happen. In the event any legal action is required, King Realty will contact the owner prior to taking action, discuss what is needed, and obtain owner authorization.

Eviction

King Realty will make every effort to avoid filing an eviction. However, there are times when an eviction cannot be avoided. King Realty uses an eviction processor to process all evictions. By using a processor it means the eviction will get filed in a timely fashion. The processor also has a relationship with each judge and knows which judge is more “landlord” friendly.

King Realty will send a weekly update on the progress of the eviction.

King Realty does not take partial payment.

King Realty does not postpone court dates.

King Realty always sends the resident to a collection agency. If King Realty inherited the resident from the owner, King Realty will need the social security number of the resident. Legal action

King Realty DOES NOT charge for eviction service. This service provides the following:

- E-mail 3-day notice
- Mail 3-day notice
- Go to courthouse and file forcible detainer on all lease holders
NOTE: King Realty DOES NOT pay the court filing fee. This is billed to the owner.
- Gather all documents in preparation for court case
- Go to courthouse and represent you at trial
- Go to courthouse and file the writ of possession
- Meet constable at the property for the writ of possession

The eviction service does NOT provide the following:

- King Realty does not represent you if the case goes to county courthouse. Resident files appeal or paupers affidavit, etc.
- Does not include payment for lawyer
- Does not include payment for rekey

Maintenance

Preventative Maintenance

The best approach to maintenance is “preventative maintenance,” and this is the King Realty policy. First, King Realty has already started with educating the tenant by:

- Completing a detailed King Realty Rental Agreement, which includes a maintenance addendum that outlines what are tenant responsibilities regarding maintenance as well as owner obligations
- Completing a walk-through documenting the condition of the property before the tenant takes possession
- Supplying tenants with the “King Realty Tenant Handbook,” which provides additional instructions on the care of the property and how to report maintenance

We want the tenant to know from the beginning of their tenancy that the King Realty/landlord 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, 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 issue 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 tenant 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.”

This is why, in our tenant 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 tenant had reported the leaking toilet in the bathroom? Avoiding major maintenance costs are certainly more favorable in such cases.

The King Realty management teams contact owners regarding maintenance above the \$400 minimum that is listed in the King Realty Management contract, unless the situation is an emergency.

Maintenance Request Procedure

The resident can enter a maintenance request through the resident portal or by calling. The resident can enter an emergency maintenance request by dialing the main number and selecting the emergency extension.

King Realty will contact the resident within 24 hours for a non-emergency and within 2 hours of an emergency.

King Realty will send a licensed and insured vendor for any work that requires a license. King Realty maintenance service technicians perform non-licensed work, are insured and have had a criminal background check.

The vendor will contact the resident and coordinate a date/time to enter the premises. Someone over the age of 18 must be present for the vendor to access the premise.

King Realty management will send updates regarding the work order to residents and owners through the portals.

King Realty personnel take before and after photos of all work completed and have the resident sign off on the work order.

Emergencies/Disaster

When an emergency and/or disaster strikes, King Realty has policies in place for the property and tenants. King Realty notifies the property owner as soon as practical. The nature of the emergency and/or disaster determines the action needed by King Realty.

There are times when a property manager must “act” in order to prevent great financial risk to the owner. For example, when a property is flooding, action is necessary, particularly if the property owner is not immediately available.

When the Tenant Vacates

Notice to vacate

When there is a notice to vacate, the move out procedures with tenants are as critical as when King Realty moves in a tenant. The preparation for this really began when the tenant moved in with a detailed rental agreement, maintenance addendum, walk-through, and King Realty Tenant Handbook. All of these documents gave instructions to the tenant on how to move out.

Communication With Owners and Tenants

King Realty notifies the owner in writing with a three-page letter giving details on how they will proceed with the tenant and re-renting the property. King Realty immediately places the property on the market to rent unless the owner notifies King Realty to take other measures.

King Realty also responds to the tenant notice with a detailed three-page letter 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.

Tenant Move Out

King Realty conducts a walk-through similar to the one performed when the tenant moved into the property. King Realty records any maintenance required and discloses a list of damages to the vacating tenant. Digital photographs are taken when the tenant move out to document the condition of the property and support any deductions from the security deposit.

After assessment of the tenant move out, King Realty advises owners of any tenant damages or any maintenance required to re-rent the property.

Security deposit refunds

Proper handling of the security deposit refund is crucial. Any tenant deductions are determined in a timely manner, and a security deposit transmittal is prepared in accordance with state laws. Texas law requires the resident receive the security deposit within 30 days. Owners receive a copy of the transmittal with their monthly statement, showing any deductions and monies refunded.

Collections

If collecting damages is required, King Realty will refer the matter to a qualified consumer collection service. King Realty management does not include recovering tenant damages, but leaves this to companies with expertise in debt collection. King Realty will supply consumer collection companies with the necessary documentation needed.

Additional Services

The following are “additional services” offered by King Realty to each property owner. They are not included in the fees for managing and/or leasing the property.

Referrals

Do you know someone who is looking for management services in Houston? If so, then notify your management team. King Realty values their client business and believes in rewarding referrals from clients. We will provide you with a free month of management fees for a referral. We will also give the person you referred a \$50 gift card.

Annual Inspection

King Realty maintains properties as part of their property management services. This survey goes beyond overseeing normal maintenance. A third party company performs this survey/inspection, and the purpose is to check the property thoroughly each year in order to perform necessary or preventative maintenance.

King Realty inspects the property 9 months after the resident signs the lease. The inspection

- Determine if the resident is abiding by the lease.
- Determines if the resident is taking care of the house
- Allows us to make an informed decision on continuing to rent to the current lease holder
- Informs if there are any maintenance issues that can cause further damage
- Allows King Realty to fix issues for good residents encouraging them to renew the lease

Supervision of Extraordinary Maintenance

King Realty charges a 20% for supervising work by outside contractors (not Unique Maintenance) requiring extraordinary maintenance and the definition of extraordinary maintenance is as follows:

King Realty defines extraordinary maintenance as rehabilitation work that exceeds \$5,000, insurance claims, and major systems replacements. (Examples are roof replacement, major tree work, exterior painting, vandalism, insurance claims, etc.)

The King Realty policy is to consult licensed contractors for bids and solutions. Then King Realty contacts the property owner for authorization and/or decision regarding the maintenance.

Real Estate Services

The King Realty Sales Division is available to assist you in buying more investment property or selling your property when ready, including those requiring 1031 exchanges.

A free market analysis is available at any time with no obligation. Please contact your property management team or one of our sales team listed to provide you with the information or services you need.

Termination of Management

It is the goal of King Realty to satisfy your management needs and engage in a successful business relationship, but all things do change over time. Owners sell properties; people give notices. If this happens, the King Realty cancellation policy is to resolve your account in a professional, timely, and pleasant manner.

Please review the following policies for cancellation.

Written notice

- The King Realty management contract accepts a 30 days written notice by either party, but this excludes the minimum management period. Please refer to your management contract.
- The King Realty policy is to give cancellation of management by electronic mail.
- If an owner sends a cancellation of management by US mail, King Realty must receive the notice within 30 days of the date of the notice.
- King Realty accepts cancellation through the owner portal.
- King Realty does accept fax cancellations.

Notice to Current Tenants

- King Realty will notify current tenants the date King Realty will no longer manage the property and that King Realty forwards all security deposits to the owner.
- It is the owner's responsibility to advise tenants where to make future rental payments and work requests after the notice period.

Distribution of Documents

- King Realty will supply current tenant documentation to the owner.
- If the owner has employed new management, it is the owner's responsibility to instruct them to pick up documents, keys, and any other necessary materials at the King Realty office.

Final Distribution of Funds

- King Realty will distribute funds, including security deposits, and final statements to the owner within 30 days of the terminating date of management, as agreed in the management contract
- King Realty will issue a 1099 for funds collected during the current tax year when the tax year ends.

Conclusion

We hope you have found King Realty Owner Manual informative and useful. If so, please inform your management team. If you feel there is any other information King Realty can provide, let us know so we can include it in the future. A reminder – do not forget to fill out the necessary King Realty forms and use the others when needed in the future. Call King Realty at any time when you need any forms.

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

King Realty and Management Inc.
"Committed to Success!"

