



**COLDWELL BANKER**

**HERITAGE  
REAL ESTATE**

PROPERTY MANAGEMENT DIVISION

# Property Management Owner's Handbook

Updated April 30, 2026  
Previous Versions are Obsolete

*We guide people home with clarity, confidence, and care—for the  
love of home and those who make it meaningful.*



**COLDWELL BANKER**

**HERITAGE  
REAL ESTATE**

**PROPERTY MANAGEMENT DIVISION**

**Purpose**

We guide people home with clarity, confidence, and care—for the love of home and those who make it meaningful.

**Vision**

Coldwell Banker Heritage Real Estate exists to be the trusted guide for real estate and the standard by which others are measured in the El Paso, Texas and Southern New Mexico region.

**Mission**

At Coldwell Banker Heritage Real Estate, our mission is clear: to guide people with clarity, confidence, and care—helping them move from the life they have to the life they dream about through thoughtful real estate decisions, one relationship at a time.

# Owner's Handbook

## Introduction

The purpose of this manual is to communicate the policies, procedures, and practices that dictate how we intend to manage your property. It will serve as your guide to our management practices. Properly used, this document will enhance communication between us and make our ongoing relationship stronger and more transparent. We will work to keep up with changes in the laws and economics that affect our business practices.

## Welcome from the Broker

Thank you for choosing Coldwell Banker Heritage | Property Management Division to lease and manage your rental property. We appreciate your vote of confidence and will work hard to prove you made the right decision. This handbook is just one of the ways we've developed over the years to set your expectations for our relationship, and communicate to our owners how we manage their property. We look forward to assisting you in every way possible and a long relationship in serving your needs.

## Who We Are

Coldwell Banker Heritage | Property Management Division is a full-service Real Estate Brokerage focused on leasing and Property Management. We have been licensed and conducting business in Texas since 2001.

## Our Core Values

Coldwell Banker Heritage | Property Management Division is a team of friendly, fun loving, dependable, hard-working individuals committed to company, clients, and co-workers. We strive to provide service that you can trust with unquestionable integrity.

## Our Commitments to You

1. We commit that our marketing material and the information on our web site will accurately represent who we are, what we've accomplished and what we do; no exaggerations.
2. We will hire only the best staff and consistently work with them to provide the best customer service possible.
3. We will always treat customers, vendors, and each other with courtesy, respect and professionalism.
4. We are committed to change — to keep up with the changing marketplace and changing technology without sacrificing our most important priority - delivering great customer service.
5. We are committed to providing our residents with a clean and safe place to live, regardless of the rent, and put their safety at the top of our list of priorities.
6. We will not tolerate unethical behavior by our staff or vendors.
7. We will follow the laws (and codes of ethics) that regulate our industry.
8. We will constantly strive to protect our owners from the liabilities of owning rental properties.
9. We will strive to be a leader in the property management industry in El Paso and the state of Texas.

- **Licenses and Affiliations**

Patrick Tuttle is a licensed Real Estate Broker in the State of Texas, a Qualifying Broker in the State of New Mexico, a Certified Residential Specialist, and a Certified Real Estate Brokerage Manager. He is an active member of the Greater El Paso Association of REALTORS®, where he services as a director. He is also a Coldwell Banker Global Luxury Specialist. His professional affiliations include the Southern New Mexico Association of REALTORS®, the Texas Association of REALTORS®, the New Mexico REALTOR® Association, the National Association of REALTORS®, the National Association of Residential Property Managers, and the El Paso Association of Builders.

Coldwell Banker Heritage | Property Management Division is a licensed Real Estate Brokerage in Texas.

- **Codes of Ethics**

Since Patrick and Coldwell Banker Heritage | Property Management Division are members of the aforementioned organizations, they have agreed to abide by the Code of Ethics and Standards of Practice published by each of the organizations. You can review the REALTOR® Code of Ethics at your leisure by visiting [www.realtor.org](http://www.realtor.org). The National Association of Residential Property Managers Code of Ethics can be found at [www.narpm.org](http://www.narpm.org).

- **Industry Designations**

Patrick Tuttle is a Certified Residential Specialist as well as a Certified Luxury Home Marketing Specialist. Coldwell Banker Heritage | Property Management Division is an EPA Certified Lead Safe Real Estate Brokerage.

- **Company Footprint**

Coldwell Banker Heritage | Property Management Division manages single family residences and duplexes in El Paso County, Texas.

- **Top 5 Reasons People Choose Coldwell Banker Heritage | Property Management Division**

1. **Multiple Points of Contact:** Our management structure is intentionally designed to provide homeowners with the best service possible through multiple dedicated points of contact. Each owner is supported by a dedicated Property Manager, a Client Care Specialist, and a bookkeeper to assist with all property-related questions.
2. **Flexible Management Fees:** Coldwell Banker Heritage | Property Management Division offers several programs designed to provide the best possible service for each individual owner. We understand that all owners have different needs, so we have designed a flexible fee structure that allows you to select the services you want. For more information, speak with a Property Manager, who can detail these services and provide you with all the specifics.
3. **Premier Online Marketing & Maximum Exposure**  
Marketing your home on the right rental websites is the best way to find qualified tenants. When you choose Coldwell Banker Heritage | Property Management Division, we list your property on the Greater El Paso Multiple Listing Service (MLS). This strategy gives your home unparalleled exposure by automatically

populating your listing onto countless mirror websites and partner platforms that pull data directly from the MLS. As a result, we consistently receive applications from out-of-state and even international tenants who are ready to lease, often without having seen the home in person!

#### **4. Electronic Disbursements**

Collecting rent on time and disbursing in to owner quickly is one of our highest priorities. Through our integrated online banking and property management software, we disburse funds-along with detailed financial statements-electronically each month.

#### **5. 24/7 Maintenance Service**

Coldwell Banker Heritage | Property Management Division was formed to service single-family homes. A key challenge is meeting tenant expectations for responsive service without an on-site crew. Since we cannot have on-site maintenance for over 275 properties, we provide the next best thing: a 24/7 maintenance call center and online portal. This system fields tenant calls and dispatches service providers promptly, leading to happier tenants and saving you money, time, and headaches.

### **Communicating with Coldwell Banker Heritage | Property Management Division**

**Phone:** 915-585-7777

**Address:** 5915 Silver Springs Drive, Bldg 5, El Paso, TX 79912

**WEB:** [www.elpasospropertymanagement.com](http://www.elpasospropertymanagement.com)

### **The Technology We Use**

At Coldwell Banker Heritage | Property Management Division, we leverage cutting-edge technological tools to maximize efficiency and enhance communication with our clients, residents, vendors, and team. While our toolkit evolves to incorporate the latest advancements, below is a sample of our current core systems.

1. **Web-Based Property Management Software:** We utilize AppFolio, a cloud-based property management platform endorsed by the National Association of Residential Property Managers (NARPM). This powerful system forms the foundation for all our operations, ensuring accuracy, security, and seamless service.
2. **Owner Portal:** Our dedicated owner portal provides 24/7 access to your investment details. Owners can securely view payment histories and current balances, contribute funds, and review essential documents—including detailed inspection reports. This transparency puts comprehensive financial oversight and property information at your fingertips.
3. **Tenant Portal:** We provide tenants with a secure, self-service portal to manage their responsibilities conveniently. Available 24/7, tenants can view their ledger, make online payments, submit and track maintenance requests, review lease documents, provide notice to vacate, and leave forwarding addresses. This streamlined communication fosters tenant satisfaction and helps protect your property.
4. **Coldwell Banker Heritage | Property Management Division Website –**  
[www.elpasospropertymanagement.com](http://www.elpasospropertymanagement.com)  
Our website serves as the digital face of our company and a vital resource hub. We use it extensively not only to attract new clients but also to better serve our existing owners and

tenants. For maximum transparency and easy reference, we post a wealth of information, policies, and updates directly to the site.

# The Management Agreement and Fees

The foundation of our relationship is the Management Agreement and addenda you executed upon onboarding with Coldwell Banker Heritage | Property Management Division. These documents serve as the guiding principles for our partnership. Should any questions arise during our relationship, we will refer to these documents for resolution. A more detailed expansion of our services and policies is outlined in this Owner's Handbook.

## **A. Management Fee**

Our business model offers a range of service plans to align with each owner's desired level of involvement. We offer several options such as our Silver, Gold, and Platinum plans. This fee compensates Coldwell Banker Heritage | Property Management Division for the day-to-day operations of managing your property, including phone correspondence; handling maintenance requests; lease enforcement; addressing HOA communications; rent collection; providing monthly reporting; accounting for tenant charges; trust account management; and handling emergencies.

## **B. Leasing Fee to Cooperating REALTORS®**

The most significant cost in the management process is securing a qualified tenant. This requires substantial manpower, advertising, application processing, and move-in procedures. To attract the best tenants this market has to offer, we offer a one-time Tenant Placement Fee of \$200 to cooperating licensed agents in the El Paso region who present qualified applicants. This fee is payable only if their client executes a lease agreement, pays the required funds, and occupies the home. This fee is part of the one-time marketing fee collected by Coldwell Banker Heritage | Property Management Division when we place a new tenant.

## **C. Inspection and Lease Renewal Fee**

Each time a tenant renews or extends their lease agreement, Coldwell Banker Heritage | Property Management Division will first inspect the property to ensure it is being properly maintained. We will then collect an Inspection and Lease Renewal Fee as outlined in your service plan. This fee is collected the month following the execution of the extended lease. This service saves you, the owner, from costly vacancies and the expense of a full leasing fee to place a new tenant.

## **D. Early Termination Fee**

Once we have begun marketing your property—including posting it on rental websites and installing signs and lockboxes—we have invested significant time and capital. Please refer to 'Additional Management Fees' on pg. 26 to see fees.

If an owner requests to terminate our business relationship during an active tenancy, please refer to the management agreement for specific terms and conditions.

## **E. Rehabilitation Administration Premium**

Our standard monthly management fees cover "normal maintenance breakdowns" and do not include overseeing rehabs, renovations, restorations, or other large projects. We differentiate these by cost (generally, projects under or over \$1,000) and the required oversight (managed from the office versus those requiring multiple site visits). For projects requiring multiple quotes and extensive on-site supervision, an additional administrative charge of 10% of the total project cost may be applied to offset the increased manpower and resources required.

**F. Charges for Tasks Outside Our “Scope of Service”**

We provide a detailed outline that specifies the services included in your monthly fee and those that incur additional charges. The management fee does not cover tasks such as attending HOA meetings on your behalf, researching records from previous years, meeting appraisers at the property, or handling personal shipments.

Owners occasionally request unscheduled property visits for various reasons, such as assessing storm damage, checking on left items, or collecting mail. While we are happy to accommodate these owner-requested trips, they require dedicated staff time and incur hard costs for travel and labor. You will be billed accordingly for these extra services.

**SEE “ADDITONAL OWNER CHARGES” AT END OF  
HANDBOOK**

# General Information and Duties

## **A. Lead-Based Paint Laws**

As of April 2010, the EPA enacted stringent rules governing repairs, painting, and maintenance for homes built before 1978. These regulations carry severe penalties, including significant fines, for non-compliance. Before any work that disturbs more than six square feet of painted surface can begin on a pre-1978 property, a Lead-Based Paint Inspection is required to ensure no hazardous materials are present. Local contractors are acutely aware of the legal and financial consequences of working on such properties without proper testing. You rely on us to know and adhere to these laws to protect you, our team, and our vendors from liability. We are committed to full compliance to keep everyone safe and avoid any legal complications.

If your property was built before 1978, you must inform Coldwell Banker Heritage | Property Management Division immediately so we can execute the federally mandated disclosures and ensure all maintenance is performed legally and safely.

Furthermore, Coldwell Banker Heritage | Property Management Division is an EPA Certified Lead-Safe Real Estate Brokerage. This is a significant distinction, as not all brokerages in El Paso hold this certification. We have invested the time and resources to obtain this certification to provide an added layer of protection for you, your tenants, and our vendors.

## **B. Duties of the Owner and Manager**

The management agreement details the specific duties of Coldwell Banker Heritage | Property Management Division to the owner and the owner's duties to Coldwell Banker Heritage | Property Management Division. The following is a summary of our key responsibilities:

### **Duties of Coldwell Banker Heritage | Property Management Division to the Owner:**

1. Maintain corporate offices, staff, website, escrow accounts, phone and email systems.
2. Maintain appropriate licenses and trust accounts for owner's and tenant's funds, as required by the Texas Real Estate Commission, and maintain said records for three years.
3. Maintain insurance to include general liability, and errors and omissions.
4. Represent the owner exclusively unless owner gives written authorization to the contrary, such as acting as an intermediary in selling their home.
5. Employ qualified staff with experience and specialized training in residential property management.
6. the owner with market insight and advice, assist in setting competitive rental rates, and advise on preparing the property for tenants.
7. Market the owner's property for rent by placing signs, installing lockboxes, and listing on the El Paso MLS, as well as local and national rental websites.
8. Maintain licensed leasing staff to respond to callers and show properties.
9. Process tenant applications, which includes pulling credit history, verifying employment and residency, reviewing eviction reports and other background information, and exercising sound judgment in the approval or denial of

- applicants.
10. Maintain accurate accounting systems to track all deposits and owner disbursements and to provide detailed monthly statements.
  11. Operate a responsive work order system to receive and address maintenance requests from tenants.
  12. Manage the property on the owner's behalf, including the execution, renewal, and enforcement of leases; rent collection; property maintenance; and maintaining records of all work for owner review.
  13. Manage the owner's escrow account, including recording rent receipts, processing owner advances, paying property expenses and vendors, handling emergencies, disbursing funds to the owner, and providing monthly financial reports.
  14. Manage the eviction process, which includes filing with the court, negotiating settlements, coordinating court appearances, obtaining writs of possession, and overseeing the lawful removal of a tenant's possessions.
  15. Manage routine maintenance issues as part of standard fees and oversee renovations, rehabs, and restorations as authorized by the owner.
  16. Conduct a move-out inspection upon tenant vacancy and charge the tenant for damages exceeding normal wear and tear as defined by the lease agreement and the Texas Property Code.
  17. Initiate legal actions on the owner's behalf only with express permission, except for actions necessary for rent collection and eviction due to non-payment.
  18. Refund all remaining owner escrow funds within thirty (30) days of agreement termination, in accordance with the Texas Property Code.

**Duties of Owner to Coldwell Banker Heritage | Property Management Division:**

1. Warrant that all parties with a legal interest in the property have executed the management agreement.
2. Maintain regular communication with Coldwell Banker Heritage | Property Management Division and respond promptly to inquiries and requests for authorization.
3. Keep loan payments, property taxes, insurance, and HOA dues current.
4. Investigate all HOA rules governing leasing for the property and provide Coldwell Banker Heritage | Property Management Division with a complete copy of all covenants, conditions, restrictions, and leasing requirements.
5. Pay all fees owed to Coldwell Banker Heritage | Property Management Division as outlined in the management agreement and its associated documents.
6. Refrain from any form of discrimination regarding the rental of the property during the term of this agreement.
7. Avoid all direct contact with the tenant and **direct** all communication through Coldwell Banker Heritage | Property Management Division to ensure consistent and professional management.
8. Pay for (or reimburse Coldwell Banker Heritage | Property Management Division for) all maintenance necessary to preserve the property's habitability, utilities, and the safety and health of its residents.
9. Fund, in advance, any single repair exceeding \$400 and maintain a minimum reserve account with Coldwell Banker Heritage | Property Management Division as stipulated in the agreement.

10. Maintain a landlord liability insurance policy on the property, naming Coldwell Banker Heritage | Property Management Division as an "Additional Insured" and provide a certificate of insurance as proof of this endorsement.
11. Maintain all plumbing, electrical, and HVAC systems, as well as any included appliances, in normal, safe, working condition for the duration of the agreement.
12. Pay all attorney fees and court costs associated with any eviction proceedings or other legal actions initiated by Coldwell Banker Heritage | Property Management Division on the owner's behalf, with the exception that non-eviction legal actions will not be initiated without the owner's prior written consent.

## **C. Additional Information**

### **1. Landlord Insurance**

You must maintain a landlord insurance policy for your property throughout our management relationship. This policy must include sufficient liability coverage to mitigate the increased risk associated with renting your property. While tenants are not a protected class in the courtroom, they are often a favored class when property owners act negligently or in violation of the Texas Property Code. Adequate insurance is your primary protection.

**Your policy must meet specific coverage limits and must name Coldwell Banker Heritage | Property Management Division as an "Additional Insured." Failure to provide a certificate of insurance proving this endorsement will result in a \$25 monthly fee. This fee will be removed once proof of compliance is received. Please note that no refunds will be issued for fees already charged.**

**If, at any point during the term of our Agreement, we are notified that this coverage has been lapsed or removed, the \$25 monthly surcharge will be reinstated immediately until proof of renewed coverage is provided.**

### **2. Personal Property**

We strongly advise removing all personal belongings (e.g., patio furniture, microwaves, tools, grills) from the property before tenant move-in. Owners often leave items behind, assuming they will be there upon their return; however, this is seldom the case. Tenants may mistakenly use, damage, or remove items that were not part of the lease.

The only items that typically add rental value are major appliances like refrigerators, washers, and dryers. Coldwell Banker Heritage | Property Management Division cannot be responsible for personal items left on the premises.

### **3. Property Features / Disclosure**

As the owner, you know the property best. It is your responsibility to disclose accurate information regarding area schools, HOA rules, and key property features so we can market it correctly.

Tenants can become rightfully upset—and may pursue legal action—if they move in and discover misrepresentations, especially concerning school zoning. Please ensure all information on your initial landlord questionnaire was complete and accurate. If you recall any omitted details, please notify us immediately via email to prevent potential issues.

#### **4. LLC, Land Trust and Corporate Affidavits**

If the property title is held by a corporation, limited liability company (LLC), or land trust, you must provide specific documentation designating authorized signatories. This is required to clarify who is authorized to act on the entity's behalf, receive funds, approve maintenance requests, and terminate leases.

We understand the desire for privacy in ownership; however, we must have clear documentation to ensure we are operating under the proper legal authority as your property manager.

#### **5. Freestanding Hot Tubs**

Owners understand that hot tubs require diligent maintenance, but tenants often see them only as a source of fun. When not properly maintained, hot tubs can develop serious issues: motors burn out, water becomes contaminated and turns green, and they can create a hazardous environment for tenants.

We can manage hot tubs for an additional fee through a dedicated maintenance contract. However, the most effective way to avoid these problems and associated costs is to have the hot tub professionally shut down and removed before placing the property on the rental market.

#### **6. Owner's W-9 Form**

The IRS mandates that property management companies report all rental income received on behalf of our clients. As your manager, we are required to report the gross rental income we collected for you to the IRS using a Form 1099. You, in turn, must report this income and any applicable expenses (such as mortgage interest, insurance, repairs, and other property-related costs) on Schedule E of your personal tax return. We will send you—and the IRS—a Form 1099 detailing the gross rent collected by the end of January each year, as required by law.

**You must provide a completed W-9 form upon request.** Federal law requires us to withhold rental income from any owner who fails to provide a completed W-9, as we cannot file the necessary 1099 without it.

#### **7. HOA's**

##### **a. HOA Issues**

As a rule, homeowners' associations (HOAs) are often wary of renters and can create significant challenges for owners and landlords. If owners fall behind on their dues or fail to provide us with the community's leasing rules, HOAs may take severe actions. These can include booting vehicles, suing tenants for rent to cover unpaid dues, turning off utilities, impounding cars, and pursuing evictions over rule violations.

While we will manage the communication and process on your behalf, you must remain actively involved. HOAs frequently prioritize communication with the property owner over third parties like managers or tenants. Since an HOA can levy fines and place liens on your property for violations, your cooperation is essential to resolve these issues effectively. This is one area of property management that requires the owner's direct attention and cannot be fully delegated.

##### **b. Amenity Passes, Gate Keys and Pool Keys**

We often manage properties in communities that require gate passes, access codes, keys, and explicit HOA permission for tenants to use amenities.

Owners occasionally ask us to contact the HOA on their behalf to obtain these items.

However, HOAs typically restrict communication regarding community policies to the property owner and often refuse to work with third parties, including property managers. The HOA—not Coldwell Banker Heritage | Property Management Division—governs the community, and we must comply with their rules. It is imperative that you, the owner, secure all necessary permissions, passes, keys, and codes from the HOA before we list your property for rent. Failure to do so will likely result in conflicts with the HOA and incur additional time and labor costs to resolve the resulting issues.

# Marketing Your Property

Coldwell Banker Heritage | Property Management Division has an excellent track record for renting homes. Our success is no secret: exceptional marketing is the key to attracting the best tenants. We have a proven, comprehensive strategy to get the job done quickly.

## **A. Pre-Marketing**

First impressions are critical when prospective tenants select a place to live. All utilities must be activated, repairs must be completed, and the property must be thoroughly clean before we begin marketing. It is highly unprofessional to show a property that is dirty, smelly, or unsightly, and it discourages potential tenants from applying. The property must be in rent-ready condition before marketing begins.

### **1. Rent-Ready Issues**

The strategy of "Go ahead and start marketing... I'll have the rehab done before you get a tenant" is ineffective. We often receive tenants wanting immediate move-in and moving a tenant into an unfinished home is problematic. We will not market or show a property until it is fully prepared for occupancy.

### **2. Setting the Rent**

We lease numerous homes each month and have expert knowledge of the local market. We will provide a comparative market analysis and advise you on the optimal asking rent to minimize vacancy. While the final decision is yours, we will guide you based on market activity. Setting a competitive rent is the most critical step to getting your property leased quickly.

## **B. Marketing and Showing**

We employ a team of full-time, licensed leasing agents who work on commission to respond to inquiries and show properties seven days a week. We also list every property on the local Multiple Listing Service (MLS), which means two-thirds of our homes are leased by outside real estate agents who are compensated through a co-op commission. Many showings are conducted via showtime.

## **C. Lockboxes and Signs**

Lockboxes are essential as they allow all authorized agents access to show the property to prospective tenants. We will install a lockbox and a "For Rent" sign as soon as the property is rent-ready.

## **D. Utilities**

Utility companies typically require accounts to be in the owner's name. Therefore, **you must maintain continuous service in your name until a tenant moves in and between tenancies.** You can and should set up "continuous service" with each provider

to avoid any interruptions. We will notify you when to activate or deactivate utilities.  
**Water and electricity must be on before we begin marketing.**

**E. Keys**

We must stress the importance of providing Coldwell Banker Heritage | Property Management Division with **all** applicable keys for the property, including those for pools, gates, clubhouses, and any other access points. We cannot place your property on the market until we have received every key.

## Finding a Tenant

Coldwell Banker Heritage | Property Management Division believes that securing qualified tenants is one of the most critical aspects of effective property management.

**A. Background Checks**

Our comprehensive background screening process covers credit and criminal history, and we require verification of rental history and employment. While no system is perfect, we utilize all available information to make the most informed qualification decisions.

**B. Application Contingencies and Owner Approval**

We will contact you for final approval if an applicant has special requests, offers less than the asking rent, has multiple pets, or presents any atypical circumstances. We are diligent about not exceeding our authority in these or any other matters during the leasing and management process.

**C. Negotiating the Lease**

We use the standard Texas Realtors lease agreement. Owners will be consulted to negotiate special stipulations for items such as completing a fence, painting, agreeing to an 18-month lease term, or allowing multiple pets. While your input is needed for these specific issues, most standard lease terms are handled by our team.

**D. Cosigners**

Good credit is required to secure the financial promises in a lease, but it does not necessarily have to be the occupant's credit. We frequently work with applicants who have a parent, employer, or other guarantor co-sign the lease. These cosigners complete a separate application and are formally added to the lease agreement, making them legally responsible for the tenant's obligations. We have a strong track record of successfully enforcing these cosigner agreements.

**E. Lease Document Preparation**

Coldwell Banker Heritage | Property Management Division will prepare all lease documentation for review by all parties. Before taking possession of the property, tenants are required to sign a series of documents. All fully executed documents will be promptly uploaded to the Owner Portal for your review and records. This ensures that every party has a complete, signed copy of the lease and all related agreements.

# Managing the Move-In

Prior to a tenant's move-in date, a lockbox containing the property keys will be installed on the home no later than 24 hours in advance. Inside the kitchen, the tenant will find garage door openers (if applicable) and a 'New Tenant Packet.'

This packet includes:

- The required Inventory and Condition Form, which must be completed and returned to our office within seven (7) days of occupancy.
- Our 'Residential Handbook,' which provides important information such as utility contacts, rent payment procedures, and key pickup instructions.

The access code for the lockbox will be provided to the tenant on the morning of their move-in date.

## **A. Re-Key Policy**

Per the Texas Property Code, it is our policy to schedule a rekey as soon as possible, but no later than seven (7) days after occupancy. Copies of the new keys will be stored in a secure location at our office. This is an owner expense; the cost will vary depending on the number of exterior doors. Texas law generally prohibits passing this cost to the tenant. The home may also require additional security measures, such as peepholes or keyless deadbolts, to meet code compliance.

## **B. Utilities**

Marketing a property without utilities activated is impossible. If utilities are off at the tenant's move-in, it leads to unforeseen complications and expenses for the owner. Please ensure all utilities (specifically water and electricity) remain active through at least the first day of the lease. Please view "Additional Management Fees" for utility service fee.

## **C. Pre-Move-in Spruce Up**

Tenants expect a "white glove" or hotel-standard clean, regardless of whether it seems reasonable. If the home is dirty at move-in, tenants become upset and remember the negative experience throughout their tenancy. No one wants to clean another person's mess. We schedule a professional pre-move-in spruce up just before the tenant takes occupancy, typically one or two days in advance. **The cost is generally \$0.25 per square foot.**

**Owner Cleaning Challenges:** Owners often inform us that they will clean the property

themselves to avoid this “Spruce Up” cost. While everyone wants to save money, standards of "clean" vary dramatically. To eliminate subjectivity, we adhere to a neutral, measurable standard we can all agree on: "hotel clean." When you check into a hotel and find dirt, grime, or traces of a previous guest, you request a new room. "Hotel clean" means erasing all evidence of previous occupancy.

Ensuring the property is impeccably clean for move-in is one of our highest priorities, and it should be yours as well. The move-in experience sets the tenant's expectations and attitude toward the home, manager, and owner for their entire stay. Let's work together to welcome tenants to a clean, safe, and comfortable home.

# Managing the Money

A primary function of our service is the meticulous management of all financial transactions. As noted, we accomplish this through AppFolio, our property management software, in full compliance with the Texas Real Estate Commission (TREC).

## **A. Security Deposits**

We hold tenants' security deposits in a trust account (name only). It is important to note that Texas law does not mandate that the property manager must physically hold the deposit, only that they must properly account for it. Our software provides precise accounting for every dollar, regardless of whether the funds are held by us or disbursed to the owner.

## **B. Collecting Rent**

Collecting rent is one of the most tedious aspects of being a landlord. We assume this burden for our owners, streamlining the process with industry-leading software.

### **1. Due Date**

Rent is always due on the 1st of the month. For tenants moving in mid-month, rent will be prorated. Texas law requires a grace period for rent payments; therefore, rent is due on the 1st and is considered late after the 3rd.

### **2. Late Date**

Rent is late after the 3rd of the month, in accordance with Texas law that states a grace period must be given. Our software tracks the exact day and time of each payment made through our online portal. Currently, approximately 85% of our tenants pay online. We prioritize rigorous rent collection because we understand that most owners rely on these funds to meet their own mortgage obligations.

### **3. Late Fee**

A \$50 late fee is assessed on the 4th of the month, as the grace period ends at midnight on the 3rd. An additional \$25 per day is charged until the rent is paid in full. Any collected late fees are divided according to the terms of your selected management plan.

### **4. Distributing Owner Draws & Monthly Statements**

Owner disbursements are processed on the 7th business day of each month (excluding holidays). Your detailed monthly statement will be posted to your Owner Portal for review.

### **5. Reporting Yearly to the IRS (1099's)**

The IRS requires all professional property managers to issue a Form 1099 to owners by January 31st each year for all rental income collected on your behalf. We mail your 1099 form by this deadline and upload your annual cash flow report to your owner portal. Similar to an employer, we are required to report income we handled for you. Your monthly statements, available on the portal, account for most property expenses, which you will report on Schedule E of your tax return.

## **C. Eviction**

### **1. Notice to Vacate**

A Notice to Vacate is posted on a delinquent tenant's door on or immediately after the 8th of the month, depending on the day of the week. This is the first step in the eviction process, as we are required to give the tenant a written notice to vacate with confirmed delivery, providing at least a three-day notice.

### **2. Filing with the County**

Once it is evident that the tenant is not going to pay rent, the Property Manager will consult with the owner to obtain permission to file for eviction. We initiate this process promptly because evictions are time-consuming, and we aim to prevent the tenant's debt from increasing. The filing cost can vary depending on the jurisdiction. Tenants are allowed to reimburse this cost as part of catching up on rent. This charge will appear on your owner statement until the tenant pays the balance due, unless you are enrolled in the Coldwell Banker Heritage | Property Management Division Eviction Assurance Program. Please ask us for details about this program.

### **3. Attending Court**

We will represent you in court, eliminating the need for you to hire a separate attorney. In most cases, the tenant does not appear. Even if they do, courts generally do not tolerate non-payment of rent. A fee is charged per hour for court attendance, please see pg. 26. Additional time billed at an hourly rate. This may be covered if you are part of the Eviction Assurance Program.

### **4. Writ of Possession**

If the judge grants the eviction for non-payment of rent—which is the typical outcome—the next step is to obtain a Writ of Possession. This is executed by the Constable (from the Justice of the Peace court) or the County Sheriff, depending on the jurisdiction. The cost for filing the writ is subject to change based on the property's location and will be listed on your owner statement. After the writ is filed, a law enforcement officer will contact us to schedule the tenant's removal. An occupancy check is often conducted a day prior to determine if a crew needs to be hired to assist.

### **5. Executing a Writ of Possession**

If a Writ of Possession must be fully executed, the Sheriff or Constable will schedule an appointment with us to meet at the property with a locksmith and a moving crew. The timing depends on officer availability and weather conditions. The officer will supervise as the locksmith gains entry (or we use our key) and will then clear the home of occupants. Any possessions left behind, deemed to have value at the officer's discretion, will be moved to the curb. The most significant expense is often the moving crew required to remove any remaining belongings from the home. Time spent on this process is billed at a rate of \$75 per hour, unless you are a part of our Eviction Assurance Program.

### **6. Re-Keying – Use of a Locksmith**

Immediately after the officer has overseen the removal of items, we will rekey the property. This expense may be covered by the Eviction Assurance Program or will be charged to the owner.

# Managing Owner Relationships

## A. **Authorization**

During your time with Coldwell Banker Heritage | Property Management Division, we will occasionally need your authorization to make decisions that fall outside our standard scope of authority. While our goal is to manage the property efficiently and minimize interruptions, we will need your input for expenditures that exceed the \$400 reserve threshold. Often, an email authorization is sufficient, but occasionally a more formal written approval may be required. We will handle most minor management decisions independently, but we will contact you directly when larger issues arise.

## B. **Renewing Agreements**

The Texas Real Estate Commission (TREC) requires that we keep management agreements current, though the term "current" is not explicitly defined. As stipulated in your management agreement, this contract will automatically renew on a monthly basis unless either party provides written notice of termination at least 30 days before the expiration date. We facilitate this renewal process through Dotloop for a hassle-free electronic signing experience.

## C. **Foreclosures**

Please notify us immediately if you become aware of a potential foreclosure on your property. Please view 'Additional Management Fees' on pg. 26 to see fees related to foreclosures.

# Managing the Property

## A. Managing Maintenance Issues

Maintaining the property's physical condition is a primary responsibility. We work with you to balance tenant habitability with cost-effectiveness, addressing everything from major systems (electrical, plumbing, A/C) to appliances and air quality. Courts hold property managers to a high standard of providing a safe and habitable living environment, a priority we share for the well-being of your tenants and the protection of your asset.

## B. Maintenance Priorities

As per the lease, tenants are responsible for general maintenance and upkeep of the property including the yard and pool (if applicable). Resident maintenance issues are handled in the order in which they are submitted with the following response times as guidelines.

### Category I: Emergency Maintenance

**Emergency defined:** Anything relating to the property under the lease that is threatening to life, health, or the property. Fire (please call 911), flood, sewage back-ups, gas odors (please call gas company), broken water pipes, tree falling on house. **Response time: Immediately up to 8 hours.**

**Note:** during peak seasonal months, target response times for heat and air may be subject to delays due to contractor overload.

### The Following are NOT Emergencies

Refrigerator out; locking yourself out of the house; power or gas off; a/c out and the property has two (2) a/c units; oven not working; water heater out. These issues may be inconvenient, uncomfortable, and aggravating, but they are not emergencies. Coldwell Banker Heritage | Property Management Division is not liable for loss of food caused by appliance breakdown or for damaged belongings due to water leaks.

### Category II: Urgent Maintenance

Broken windows; plumbing repairs (not clogged toilets... see notes below); loose railings; wobbly decks; electrical problems. **Target: 2-4 business day service**

### Category III: Normal Maintenance

Appliance repair, garage repairs, leaky faucets. **Target: 4-7 business day service**

### Category IV: Non-Essential Maintenance

Fence repair, gutter cleaning, garage door remotes. **Target: 30-day service**

## C. Maintenance Spending Limitations

Your management agreement authorizes us to approve repairs up to \$400 without prior approval, or \$750 for HVAC, plumbing, and electrical issues. Under most management plans, we will notify you of these repairs for your information rather than for approval. We may occasionally exceed these limits when necessary to prevent larger, more costly damage, such as authorizing an after-hours service call to mitigate immediate risk.

**Note: These limits do not apply to emergencies. In such cases, we will act immediately to protect your property and notify you promptly.**

**D. Minor Maintenance**

Tenants agree to handle minor, everyday household issues. For repairs that require a vendor, we dispatch qualified professionals within the authorized spending limits. We will notify you if a repair exceeds the reserve amount.

**E. Yard Care**

While the lease requires tenants to maintain the lawn, their standards often differ from an owner's. We can typically ensure basic mowing, but detailed care like edging, trimming, and watering is less reliable. We enforce lease terms and issue violations for non-compliance.

**F. Property Visits and Charges**

We conduct scheduled property visits at a mid-lease inspection (around the 5-month mark) and a pre-move-out inspection (approximately 2 months before the lease expires). This timing provides you with essential information about the property's condition to help inform your renewal decision. You will receive a detailed report with photos and notes after each visit. \*Please note that special owner-requested trips (e.g., to meet an appraiser, contractor, or inspect for damage) incur a separate trip charge. \*

**G. Emergency Maintenance Phone System**

Tenants can report emergencies 24/7 through our call center. For critical issues like flooding or AC failure in extreme heat, we provide immediate service. Emergency and weekend repairs are more costly but necessary to prevent major damage.

**H. Owner Performed Maintenance**

To mitigate liability, we handle all interior maintenance during a tenancy. Owners are welcome to perform work on the property themselves only when it is vacant.

**I. Home and Builder Warranties**

Home warranty programs often create delays and frustration for tenants and managers, complicating the efficient repair process we aim to provide. Therefore, we generally advise against them. Please view the 'Additional Management Fees' on pg. 26 regarding fees associated with Home and Builder warranties.

**J. Regular Maintenance vs. Replacements, Renovations and Remodeling**

Our standard fee covers the management of routine repairs and normal maintenance. Larger projects like renovations, replacements (roofs, appliances, carpet), and full repaints are not included. We charge a 10% project management fee for jobs exceeding \$1,000 to cover the cost of sourcing multiple quotes and acting as your general contractor.

# Managing the Tenant

A major part of our job is interacting with the tenant. Here are just a few topics for discussion.

## **A. Lease Renewals**

We check with owners if they would like to renew with the current tenants. Then we send tenants a form with the option to renew their lease approximately 45 days before the end of their lease.

## **B. Month-to-Month**

The lease will automatically renew on a month-to-month basis unless either party provides a 30-day written notice to terminate. To end the tenancy for reasons such as moving back in or selling the property, you must provide us with written instructions in advance so we can ensure the tenant receives the legally required 30-day notice.

## **C. Rent Increases**

We recommend 12 to 24-month leases to provide flexibility. This allows you to raise the rent, move back in, sell the property, or seek a new tenant at the end of the lease term. Your Property Manager will work with you to determine an appropriate rent increase when the time comes.

## **D. Working with HOA**

Homeowners' Associations (HOAs) commonly issue notices for violations such as an unkempt lawn, visible trash cans on non-collection days, or improperly parked vehicles. Please forward any HOA correspondence you receive directly to us for prompt handling.

# Managing the Move-Out

The move-out process is governed by specific state laws designed to protect both landlords and tenants. Our procedure is designed to ensure full compliance while efficiently returning your property to a rent-ready.

## **A. Before the Move-Out**

We categorize move-outs into four types based on the circumstances:

### **1. Normal Scheduled Move-Outs**

This is our most common scenario. Once a tenant provides notice, we coordinate with them and you to ensure a smooth transition. This includes confirming utilities remain on, all keys and access devices are returned, and all personal property is removed. We provide tenants with a checklist to help them avoid charges and maximize the return of their security deposit

### **2. Early Terminations**

If a tenant needs to break their lease due to a job transfer or home purchase, an early termination clause may apply. The tenant remains responsible for rent and utilities until a suitable replacement tenant is found and pays a re-leasing fee. We will manage the process of remarketing the property and notify you immediately if this situation arises.

### **3. Military Move – Permanent Change of Station (PCS)**

In compliance with federal law, we release military personnel from their lease upon receiving official PCS orders. The tenant must provide a 30-day notice. Beyond the unexpected timing, we manage these move-outs as a standard scheduled termination.

### **4. Skips and Abandonment**

In cases where a tenant abandons the property, often discovered during a drive-by for unpaid rent or an imminent eviction, we will determine the fastest legal method to regain possession. You will be notified immediately. These situations highlight the value of our optional Rental and Damage Assurance programs for financial protection.

## **B. During the Move-Out**

To ensure an objective and efficient process, we conduct the final move-out inspection without the tenant present. This prevents confrontations and allows for a thorough, unbiased assessment. We meticulously document all damages not noted on the initial move-in form or exceeding normal wear and tear. This detailed approach is essential for justifying any charges and protecting you from potential disputes.

## **C. Photos**

We comprehensively photograph all damages to provide clear, defensible evidence for any charges assessed to the security deposit.

## **D. Normal Wear and Tear**

Texas law prohibits charging tenants for "normal wear and tear," a subjective standard that often leads to disputes. We apply a consistent, judicially-informed standard to differentiate between acceptable wear and actual damage. Trust in our expertise and proven process is essential for protecting your investment and ensuring compliance.

## **E. After the Move-Out**

Texas law requires landlords to provide an itemized statement of deductions and any remaining security deposit balance within 30 days of the tenant surrendering the property. We will send the tenant a detailed accounting of all charges, including unpaid rent, fees, and damages.

**F. Disbursing the Security Deposit**

If a tenant disputes charges, we provide them with all supporting documentation, including photos and vendor invoices. We still adhere to the mandatory 30-day deadline for providing the itemized statement and refunding any undisputed balance.

**G. Security Deposit Depleted**

If charges exceed the security deposit, the remaining balance becomes a collection matter. Collecting this debt is often difficult. While we can report the debt to credit agencies, the most effective method is to pursue a judgment in small claims court. This creates a public record that can impact the former tenant's ability to secure credit. However, for debts under approximately \$1,000, the cost of legal action typically outweighs the potential recovery.

# When It's Time to Sell

Whether you've held your property as a long-term investment or are now ready to sell a former residence, we can help you evaluate your options when the time comes.

## **A. Selling to the Tenant**

Selling to an existing tenant is the most efficient sale possible, eliminating vacancy loss and move-out costs. While this scenario is ideal, it is often unlikely. Tenants typically choose rentals as temporary solutions and may be aware of the property's shortcomings, making them hesitant to purchase. Despite this, we can advise you on the best strategy to market the home to them if you wish to pursue this option.

## **B. List for Sale**

As licensed brokers, we are well-positioned to sell your property when you are ready. Our existing knowledge of the home and relationship with the occupant allow us to market it efficiently, often before the tenant moves out. Please notify us if you are interested in selling upon lease termination.

## **C. Short Sales**

A short sale is not a simple or quick solution. Lenders will only consider an offer if the mortgage is in default, which severely damages your credit, and typically not while the property is tenant-occupied. The process is complex, with frequently changing lender policies. If you believe you may be underwater on your mortgage, you must first contact your lender directly to understand their specific requirements before we can discuss listing the property.

# Managing the Separation

We are committed to ensuring a smooth and orderly transition when our management relationship ends. We adhere to all license laws and carefully handle security deposit transfers using detailed checklists to ensure a seamless process. Whether you choose to self-manage, hire a new manager, or sell the property, we will cooperate fully.

**A. Separating in the Middle of a Tenancy**

Either party may terminate the agreement with a 30-day written notice. If a tenant is in residence, we will transfer all documents and funds to you or your new property manager. Please note that management fees are not refundable for early termination. The optimal time to transition is between tenants to minimize complexity.

**B. Separating After a Move-Out**

Upon termination, we will complete our standard move-out process. All outstanding fees must be settled at the conclusion of our agreement.

# **ADDITIONAL OWNER CHARGES**

## **1. Drive By Fee – Outside Only: \$25**

This fee will be applied for owner-requested drive-by inspections to verify specific exterior items (e.g., garage door position, trash cans).

## **2. Early Termination Fee: \$500**

This fee is applied if an owner terminates the management agreement after we have marketed the property but before a lease is signed. It covers costs associated with photography, video, advertising, and applicant screening. This fee may be credited toward future management services if the property is re-listed with us.

## **3. Home Warranty Service Call Fee: \$25**

A service fee applies for coordinating with home warranty companies. Please refer to your specific service plan to determine if this fee is included.

## **4. Major Project Oversight Fee: 10% of Project Cost**

A fee equal to 10% of the total project cost is charged for overseeing large renovations or repairs exceeding \$1,000. This covers project management, including multiple site visits, vendor coordination, and billing oversight. Standard repairs are not subject to this fee.

## **5. Additional Inspection / Meeting someone at property: \$100**

We often get requests from owners to meet someone at the property to help them gain access or to do an additional inspection of their property. This could be appraisers, contractors, pest control, inspectors, or even family members. To cover the cost of time and gas money – we charge a fee. Often times, the home has a combination lockbox on it with a key and we can give that information out as required to avoid making a trip there. This fee is charged on a case by case basis.

## **6. Court Appearance: \$75 per hour**

A fee is charged for court appearances related to evictions or other lawsuits on the owner's behalf. This fee is waived for owners with Eviction Assurance coverage.

## **7. Annual Online Access Fee: \$25**

An annual fee is charged to cover administrative and technology costs, including the electronic delivery of your IRS Form 1099.

## **8. One Time Set-Up Fee: \$100**

A one-time, per-property fee is charged to establish the account in our management system.

## **9. Marketing Fee**

Please refer to your fee addendum for details, as this fee varies by service plan.

## **10. Utility Management Fee: \$25**

A fee is charged if we are required to place utilities in our name on the owner's behalf.

## **11. Re-Issue/ Stop Payment Check Fee**

A \$38 fee will be charged to issue a replacement check for one that is lost, stolen, or needs a stop

payment, or if a check is sent to an incorrect address provided by the owner. This fee applies only to payments processed by check.

**12. Special HOA Signage Fee – Cost of Sign + \$50**

If an HOA requires specific signage, the cost of the new sign plus a \$50 administration fee will be charged.

**13. Pool Key Retrieval Fee: \$85**

A fee is charged for retrieving a pool key in person from an HOA office.