



GUIDELINES FOR OWNERS WHO RENT TO TENANTS

It is an unfortunate reality that tenants as a group tend to be less proprietary than occupant Owners and on occasion do not take the residential “quiet enjoyment” concept of The Reserve as seriously as the Owners and the Board would wish. Owners are encouraged to choose tenants carefully and stress that being a “good neighbor” is an essential component of the lease. The Board strongly suggests that you perform a professional background check on your prospective tenant, as the Documents of the Association hold you, the Owner, ultimately responsible for the actions of your tenant and your tenant’s guests. It is also suggested that you request a copy of your prospective tenant’s credit report to help you determine that prospect’s ability to meet his or her financial obligation to you. There are commercial services that will do this for you for a fee. If you are using a licensed management company, this may be part of their service and you should insist on it to protect your own interest, as well as to better serve the community.

The Association will not act as a property manager for Owners. Any leasing of a Unit by an Owner must be done by the Owner directly or through the Owner’s contract with a local, New Mexico licensed property-management company.

Any Owner wishing to lease his or her unit must provide documentation from the Owner and the tenant to the Association’s office before the tenant moves in including a photocopy of the signed lease agreement and any attachments thereto, copies of the Association’s Regulations accepted and acknowledged by the tenant, and an acknowledgement by the Owner of his or her responsibility for all financial obligations to the Association, including water reimbursements monthly.

The Governing Documents of the Association require that a lease cannot be for a period of less than 30 days.

The Board strongly suggests that your lease agreement include wording addressing the following items:

- Your tenant is advised to carry renter’s insurance.
- Your tenant will report all water leaks, gas leaks, plumbing problems or electrical issues to The Reserve at Santa Fe office as well as to you.
- Whether pets are allowed or disallowed, what type and how many. *The Declaration limits pets to two household pets of gentle disposition not exceeding 25 pounds each at maturity. If you should decide to accept pets, you are perfectly within your rights to charge a monthly pet rent. Some competitors charge as much as \$25.00 per month per pet.*

- How many occupants are allowed, and the name of each occupant.
- Whether smoking is allowed or not.
- Parking pass(es) and gate access card(s) for your tenants' use are issued by The Reserve at Santa Fe and shall be surrendered by your tenant to The Reserve at Santa Fe upon move out.
- Failure to abide by The Reserve at Santa Fe's Rules and Regulations is to be considered a breach of the lease and may result in immediate termination of that lease and eviction if not cured or resolved in a timely manner. The Rules and Regulations can be found on the home page of The Reserve's website on-line at www.reserveatsantafe.org or you may call the office at 505-988-1919 to request a copy.

You supply your tenant with the following items:

- Unit key(s)
- Mailbox key(s)
- Storage closet key(s)
- Common Area key
- A copy of Rules and Regulations of The Reserve at Santa Fe Condominium Association as amended from time to time.

You KEEP the following items which were issued to you by The Reserve at Santa Fe:

- Gate card(s) issued to you by The Reserve at Santa Fe

You RETURN the following items to the Association Office that were issued to you by The Reserve at Santa Fe:

- Pool and fitness center pass. **Do NOT give your pass to your tenant.**
- Parking permit(s). **Do NOT give your parking permit(s) to your tenant.**

Your tenant must come by The Reserve at Santa Fe Association office prior to move in to register their lease. A copy of the fully executed lease must be provided to the Association at this time. At that time, your tenant will be required to provide certain information to the Association; to sign releases of liability with the Association; and to accept responsibility for the following items:

- Parking pass(es)
- Gate card(s)
- Pool Pass
- Receipt of the Rules and Regulations and acceptance of the requirement to abide by the Rules and Regulations.

Please inform your tenant to call the Association office at 505-988-1919 to make an appointment to register with the Association prior to moving in. Walk-ins may not be able to be accommodated due to scheduling conflicts. Appointments require approximately 30 minutes of your tenant's time and can be scheduled Mondays through Fridays between the hours of 9am and 5pm only.

A \$100 Non-refundable Lease Registration Fee is billed to the owner of the unit with each new lease. If multiple adults are staying in the unit, all MUST BE present at the move-in registration with the office. If multiple registered adults come in separately,

they must be do within a span of 5 business days. Any registered adult that moves in AFTER the initial registration move-in (examples: change of occupants, late arrivals, additions of roommates, etc.) must register at the office AND the owner will be charged the \$100 Non-refundable Lease Registration Fee again.

Upon move out, your tenant will need to make an appointment to return their passes to the Association office and to pay their final water bill. Please instruct your tenant to call 505-988-1919 to secure an appointment time to return their passes and finalize their water bill. Appointments can be scheduled Mondays through Fridays between the hours of 9am and 5pm only. As a Unit Owner, you will be charged for any cards or passes that are not returned to the Association by your tenant when they move out, and for any unpaid balance on your tenant's water bill. The Reserve at Santa Fe Board of Directors advises that you NOT return your tenant's deposit until you have checked with the office to ensure that your tenant has returned all passes and cards and paid their final water bill.

As a landlord, you are strongly encouraged to file a "Landlord Standby" notice with Public Service Company of New Mexico ("PNM") and New Mexico Gas Company. These documents automatically put the electric service and gas service into your name when a tenant takes it out of their name, thus ensuring that utilities are never disconnected in your Unit. If you fail to file these documents with the utilities and fail to instruct your tenant about proper protocol when they move out, you will be held liable for all damages incurred to your unit, neighboring units or the buildings due to lack of utilities. A copy of these notices can be obtained from the Association office or online at PNM's website (www.pnm.com) and New Mexico Gas Company's website (www.nmgco.com).

It is important that you, as an Owner, understand that water, sewer and refuse are billed independently by National Water and Power. You do not have an obligation to the City of Santa Fe for these billings; your obligation is to The Reserve at Santa Fe Condominium Association, via National Water and Power. Owners are responsible to The Reserve at Santa Fe Condominium Association for billings from National Water and Power that are left unpaid by their tenant.

When renting to tenants, insurance is a three faceted affair involving the Association's coverage, your Unit coverage and your tenant's contents coverage. Please contact the insurance professional of your choice for further clarification, and review Article 6 of the Bylaws.

Although there are no City, County, State or Federal limitations regarding the number of occupants allowed in a Unit, the U.S. Department of Housing and Urban Development (HUD) suggests the following limits: Two occupants in a one-bedroom domicile, and four occupants in a two-bedroom domicile.

Please refer to section 3.3 of the Declaration for further clarification of the Owner's duties when leasing the Owner's Unit.

Remember, access to the common facilities (pool, hot-tub, fitness center and laundry center) is an occupancy privilege, not an ownership privilege. If you have rented your

Unit to tenants, your tenants have access to the facilities, and you relinquish your access rights and you must return your pool/fitness center pass to the office.

Finally, please inform your tenants that large “18-wheeler” tractor-trailer moving vans cannot access the property. The largest vehicles recommended are 26 foot vans. If the moving company cannot accommodate that size restriction, they will need to unload on Calle Mejia and shuttle household goods in and out of the property. Any damage to the Reserve property incurred as a result of a moving company’s actions will be assessed against the **owner** of the unit if the Association is unable to collect damages from the moving company.

No Owner may transfer his or her rights and obligations to the Association by lease or other instrument to a tenant.

You may find the following items helpful:

PRIOR TO LEASING YOUR UNIT

- Give each prospective tenant a copy of the Rules and Regulations of the Reserve at Santa Fe and inform them that they will be expected to abide by the terms of the Rules, or they may be in default of their lease terms.
- Run a background check on prospective tenants and have each prospect pay you in advance for this service. Call previous landlords and ask about each individual’s rental history. Did they pay on time? Did they treat the property with respect? Check into any gaps in rental history.
- Ask your tenant to provide you a copy of their credit report, or run a report on each prospective tenant and have each prospect pay you in advance for the credit report. Ask for a copy of their most recent pay stub, bank statement, income tax return or a letter from their employer on letterhead verifying income and employment. A good rule of thumb is that a tenant should gross at least three times their monthly rent obligation.
- Ask your tenant for a valid government issued ID. Remember, a lease is a legal document and can only be executed legally by individuals 18 year of age or older.

WHEN SIGNING THE LEASE

- Ensure that a copy of the Rules and Regulations is attached to the lease, and review the Rules and Regulations, item by item, with your prospective tenant, keeping in mind that you, the owner, do not have the authority to “bend the rules” (e.g. allowing a dog over the weight limit, or allowing a tenant to post signage).
- Review your lease agreement, item by item, with the prospective tenant.
- Have your prospective tenant initial EACH page of the lease.
- Provide your tenant the keys to your unit. This includes front door key(s), storage closet key(s), mailbox key and Common Area key.
- **DO NOT GIVE YOUR TENANT ANY GATE PASSES, POOL PASSES OR PARKING PERMITS THAT YOU HAVE IN YOUR POSSESSION.** Your tenant must come to the Association Office to sign for their own passes and permits, prior to moving in.

By following the guidelines in this document, you may avoid many of the issues others have had to rectify in the past.

We wish you well in your endeavors as a landlord.