

Kalpresh Properties LLC – Renting FAQ

Corporate Policy –We believe in giving equal opportunity to all prospects. It is our company policy to comply with Title VIII of the Civil Rights Act of 1968, as amended, (commonly known as the Fair Housing Act) and the Minnesota Human Rights Act by ensuring that homes are available to all persons without regard to race, color, creed, sex, religion, national origin, disability, familial status, marital status, linguistic-orientation and sexual orientation. This policy means that, among other things, our company, and all our agents and employees that have responsibility for renting, managing, or administering any units must not discriminate in any aspect of dwelling against the qualified applicants or tenants because of race, color, creed, sex, religion, national origin, disability, familial status, marital status and sexual orientation. All our decisions are always on the first-come-first-serve basis.

Help us understand more about Kalpresh Properties?

Kalpresh Properties LLC is one of the popular rental firms in Shakopee. We are known for premium, luxurious and upscale townhomes. We own and manage all the properties that we rent. Engaging with us, you will always have the confidence of dealing with an organized owner. In last 12 years, we have rented to more than 350+ tenants.

We would like to know what the basis of Lease Agreement is?

Lease Agreement has been designed keeping MN state code and laws in mind. It takes into account all the rules and responsibilities for Tenants and Landlords as suggested by Attorney General's office.

How does the Background check work?

We engage RHR (Rental History Reports) to conduct the background, financial and criminal check on the prospect tenant with consent. Only once you are sure of the place you should fill out an application. At any given point in time, Kalpresh Properties runs ONLY one application to ensure first-come-first-serve advantage to the tenant applying earlier. Only once an application is rejected that we consider the next prospect on the waitlist. Thus, the first applicant always has a first right refusal opportunity.

Please note that the RHR Application Fee (payable directly to RHR) will be \$59.99 per adult. There will also be a Set Up Fees \$39.99 towards Bank ACH Set Up, DocuSign Set Up, RHR Set Up and \$9.99 Rush Fees. Together the total will be \$99.98. Every adult (18+ yrs) must file a separate application for himself or herself. Example - If you are a married couple with a daughter who is 18, all three of you will need to apply separately and run an application. Your application expenses in this case will be \$299.94. Application Fees are third-party fees and will NOT be refunded under any circumstances. RHR will check Credit Report, Exit Refs, Federal Criminal Search, Nationwide Criminal Super Search, Nationwide Sex Offender Registry Search, OFAC / Global Terrorist Search, Rent Bureau, Social Security Trace Plus, SSN Fraud, Statewide/County Criminal Search, etc.

I have low credit scores will I qualify?

Low credit scores are not an issue. The reasons that are driving scores down are. Our tenants range about 480-680 in their credit scores.

I am concerned and I am not sure if I'll qualify. Should I still apply?

We work with most cases. Always a good idea to share things upfront. If you have a bankruptcy, eviction, landlord issues, felony, gross misdemeanor, no employment, improper financing, etc. All cases can be worked but depending associated risks, we may ask you to pay higher deposit/rent than what's advertised. In some cases, we may ask you for a co-signer or a co-lessee. Applicant should share everything upfront about his/her background check prior to application to get the best guidance. Doing this will save the applicant app fees and time.

I know I have some issues with my credit or background?

Most Tenants have credit issues. Average score for our Tenants is 560. However, if you are concerned that given some past issues your application may be rejected, **it is in your best interest to discuss your case with property manager prior to the showing itself.**

Typical red / orange flags that we see are on the following counts;

- If you have had 3-4 delinquent and unsettled accounts in the past
- If you were convicted of a criminal case in the past
- If you have had issues with your previous landlords or evictions
- If you cannot prove your income and thus prove your financial ability

If you have had eviction issues, or criminal history or financial weakness and are not able to prove your income, it's always good to speak with Kalpresh Properties Manager before you apply. We try to work with all the cases to the extent possible. Applicants with weaker background must be prepared to arrange for extra deposit from anywhere 2 months to 6 months and/or co-signer guarantor.

What is a Pre-lease Deposit? How can it help me reserve a place?

Pre-Lease Deposit is an optional way to reserve your place. It is equal to one month's rent and is to be paid along with your application processing fees to ensure the place. This is typically done when the market is hot and there are more than one prospect applicants, showings run hot. It is important that the applicant really likes the place and feels confident about the renting process.

What happens to the Pre-lease deposit if my Application is accepted or rejected?

Here are the following four(4) scenarios that are possible.

1) Application Rejection by Kalpresh Properties

If for some reasons, we reject your application then we will return your pre-lease check as it is. If rejected, we reserve the right to market this place to other prospect tenants.

2) Application Conditional Approval by Kalpresh Properties

In some weak cases, we will either ask you for a co-signer or a co-lessee or extra deposit (could be anywhere from two to six month's rent). If you do not accept our conditions, then we will return your

pre-lease check amount sans \$100 as administrative fees. \$100 the compensation towards investment of our time and resources in running your application and taking this place off the market until your application is processed. We reserve the right to market this place to other prospect tenants if applicant takes more than two days to revert with his/her decision. In some light cases, we may not charge this admin fees.

3) Application Approval

If applicant's application is approved by Kalpresh Properties, then the pre-lease deposit will be adjusted against the security deposit for the applicant in Lease Agreement. Lease will be prepared at this point. If you do not accept our conditions, then we will return your pre-lease check amount sans \$250 as administrative fees. \$250 the compensation towards investment of our time and resources in preparing your lease documents and taking this place off the market until your lease is executed. Applicant must inform non-acceptance of lease within two days of its receipt. Applicant will have two days from the time his/her lease is received to accept the lease.

4) Application Rejection by Applicant

If for some reasons applicant develops second thoughts about the place or decide not to rent the place or simply deny renting, then the entire pre-lease deposit will be forfeited.

Application & Set up fees being third-party fees, we will not be returnable or reimbursable in any of the above four (4) scenarios. Please proceed with submittal of the Pre-Lease Deposit ONLY if you are serious and confident about the place.

Help me understand a bit about Lease preparation and drafting.

Lease is prepared only after we receive your acceptance as well as pre-lease deposit. On an average, Lease drafting takes about 4 hours of labor burden. Lease is non-negotiable in most cases. Applicant will be sent prepared lease via DocuSign for their signatures. Lease drafting invites a one-time \$250 charge. After its over two days of receiving the prepared lease, if applicant doesn't sign the lease, then Owner reserves the right to withdraw the lease document, refund pre-lease deposit sans \$250 for drafting and offer the place to the next person in the waitlist.

Help me understand a bit about Security Deposit.

Security Deposit is equal to one month's rent and is to be paid in advance within 48 hours after your application is approved. If you fail to pay your Security Deposits within this time, Kalpresh Properties reserves the right to accept and process another application in waiting in which case your status will automatically change to waiting list and you may lose the place if another application selected in your place is approved.

If you've paid a Pre-lease Deposit, then it will be adjusted against your Security Deposit. Security Deposit is fully refundable at the end of the lease assuming no damages or no unit cleaning or move out trash charges.

In conditional approval cases as explained above in weak cases, Security Deposit could be higher depending on applicant's situation, background, issues or gaps.

Help me understand a bit about Key Deposit.

We also request for an additional Key Deposit (refundable at the end of the lease) \$250 towards garage door openers, house keys, mail-box keys etc. We change locks, openers and mailbox keys with each expired lease to ensure safety / security for our new tenants. Although this is an expense, we don't pass this expense onto our tenants but we do ask for a deposit.

This additional refundable Key Deposit is to ensure tenants handover keys back to us when they leave. If paid upfront, will be fully returnable in any of the above four (4) application scenarios. You can choose to pay this later when you move.

What's your Pet policy and Pet Deposit?

We believe in pet-friendly policies. In case you have pets, there will also be a non-refundable one-time Pet Set Up Fee \$500 per pet per lease for pets weighing less than 30 lbs. If you have dogs that weigh more than 30 lbs, we must do an additional pet rent of \$25 per month per pet unless it's an ESA. Tenant is supposed to strictly follow the Association rules for Pet Owners. Pet Set Up Fee is required after lease signing. Pet Deposit is applicable for the entire lease period. Thus, longer the lease the better it is for you. Association guidelines and restriction apply on the number of pets, breeds and their weight. Some Associations allow two pets whereas some allow three pets.

If your dog is an ESA, there will be no Pet Set Up Fee for you. We will still need a \$50 to register your Pet with the Association. You will need to provide a valid ESA certification.

What kind of a lease term you are looking for?

Minimum acceptable is 12 months. Preferred lease term is 24-36 months. We don't do lease terms shorter than 12 months. So please save yourself sometime and \$\$ by not applying for a shorter period.

What do I need to move in?

- Total of one month's rent as Security Deposit unless a conditional deposit that could be higher than regular one month's rent.
- \$250 as Key Deposit.
- One month's rent in advance.
- Add Pet Set Up Fee if applicable.
- Lease Drafting Fees \$250
- Set up of all applicable Utilities in your name
- Renters Insurance effective from your Move in date
- Filled out Instruction Sheet

Total amount is needed as Cashier's Check. We do not accept Money Order, Credit Cards and Personal checks. Note that possession of the unit will be allowed only after all the above items are paid via Cashier's Check. Instead of Cashier's Check, you can choose to provide your bank account and routing

details along with an email authorization for Kalpresh Properties to run an ACH for agreed amount. ACH must be cleared in order to get the possession to the place.

You will also need to go through your welcome letter and complete the utility transfer formalities before handing over of the keys. Once the lease is executed, Kalpresh Properties will send you a 'Final Formalities' document that will guide you through your rental, utility bill and renters insurance set up. Families not having the proofs of the utility bills transfer could see delays in getting the possession of the unit the cost of which they will be responsible for. Rent will not be adjusted if there are such delays.

In short, all payments and formalities must be completed prior to getting the possession of the unit to avoid any delays. It is always a good idea to do your financial planning towards this.

What if I am looking to move in in the middle of the month?

Your rent will be proportionated depending when you start. Let's say if your lease starts 9th day of Sept, then you will pay (22/30) times agreed monthly rent for that particular month. If your lease starts, 18th day of the Oct month, then you will pay (14/31) times agreed monthly rent for that particular month.

What is Inspection at the time of Moving In?

You will be given an Initial Inspection List to ensure everything is ok. Kalpresh Properties will hand over a sheet to you that you can use to note down existing condition on house as pertains to major issues, big dents, large carpet stains, appliances not working, anything odd or non-functioning that you may find. This is to avoid unnecessary adjustment with your Security Deposit when you move out.

Our team does a thorough inspection before you walk in. Tenants are expected to do a thorough inspection at your end as well. Anything that you have questions about should be called out or at least documented . Please see the Inspection List to understand and learn more about this.

How do you handle the Utilities and Renters Insurance?

All utilities – including water if applicable– are to be owned by you. Electricity, Internet, Heat, Gas and Cable are the typical utilities that you would own. For all 2BR townhomes water is paid by the Owner via Association dues. Association Dues (\$250-\$200), Home Insurance, Property Taxes, Trash (as allowed by the Association), Snow Removal and Lawn Care is paid by the Owner. Depending Association, water may be billed to the tenant directly. Water is usually about \$8-\$18 per month depending usage. Please read the ads and earlier emails to ensure you have taken renters insurance into your account. These are about \$8-\$18 per month depending credit. Renters Insurance is mandated by the State of MN.

Paying rent – since your preferred form of payment is ACH Deposit, is it safe for me to assume that we don't initiate the payment? Also – we will not have to mail or deposit a check into your account.

Correct. You will need to fill an ACH form as a Lease Addendum. Our Bank will automatically pull funds from your account on the first working day of every month and will deposit the same into Kalpresh Properties account. So, you don't initiate (push the payments out) the transaction into our Bank Account. Reason to do that is avoid check submittals, postage expenses and delays in receiving/depositing.

What's your late fee structure? What are additional consequences of delayed or no payment?

ACH transaction is set to run on the first calendar day (or the next working day) of every month. Tenants should arrange their finances such that there are always sufficient funds available on the first calendar day (or the next working day) of every month.

Tenant is given a grace period of three (3) days after the first ACH attempt is failed. If this rerun is successful, Tenant account is not assessed any later charges. If an ACH transaction fails on the Second attempt owing to insufficiency of funds, a late and bank fee of \$50.00 will be charged. Third ACH attempt is made on the 11th day of that month including an additional late fee of \$75.00 plus earlier \$50. Failure of this ACH transaction may result in initiation of a legal action and possibly an eviction process. Also, starting 12th of the month, there starts a late fee of \$25 per day.

On 15th day of the month if the rent is still unpaid, Tenant will be issued a Notice of Violation. If the event that Tenant fails to correct this violation by the 20th day of the month, Tenant will be responsible to pay a Lease Violation Penalty Fee of \$500 in addition to the \$25.00 per day accrued late fees. In addition, after 30th day of the month, the accrued payment along with applicable late fees and violation charges will incur an additional interest charge 2.7% per month including the month of default.

All the outstanding payments, rent, late fees, penalties and interest rates will constitute as added rent per the rental agreement. A final notice will be served on 23rd day of the month. If the situation is not corrected within seven (7) days from the notice date, an eviction process will be filed with no exception. All the legal and attorney expenses constitute as "additional rent".

How do you handle repairs and maintenance?

Owner will be responsible for any major repairs and maintenance work. Promotional rentals are reduced by \$50 per month to allow Tenants do minor repairs and regular maintenance. This is a bit different arrangement from Apartments where Tenants call Owners for every little thing. In the Townhome renting, landlord is called only when there is a big structural, mechanical, hydraulic, plumbing, pneumatic, construction failure, inhabitable condition occurs. Your rental reductions of \$50.00 per month will be used to subscribe to a 'Total Maintenance Repair Plan' for any 8 (eight) appliances from CenterPoint Energy. Its costs about \$38 per month and covers all labor and maintenance costs. Plan will be run in your name, so you'll have full authority to call, schedule and organize the service.

How do you handle alterations or changes to the unit?

We will deal it case by case basis depending what you wish to change in the house. If you wish to change the paint, we will be more than happy to approve your request so long as the paint is neutral. If you would like to add Patio pillars, we may still be willing to consider. However, if you wish to install a whirlpool in the bathtub or do changes in fireplace, we would look to work on it case by case basis. All expenses for changes are owned by Tenants.

Alright, I read all the documents and I am interested in the showing of the property.

Ensure you filled out the Questionnaire(s) have been emailed to us prior to your showing request . If you're a serious renter, come prepared to the showing with the followings;

- **Personal email ID(s)**
- **Cell phone number(s)**
- **Last two salary slips**
- **Front + back side of the DL copy(ies)**
- SSNs
- Application Fees \$99.99 each adult (Cashiers Check or Cash)
- Voided Personal Check from an account that will be used for monthly ACH rental deduction

Alright, I did the showing and I like the property and would like to apply?

Once you have submitted, the items listed above, you get the link to RHR application form. Once you get the link to RHR fill out the form. Make check payment of \$99.98 to Kalpresh Properties LLC. It typically takes about 24-48 hours to get RHR approval or denial.

You can either choose to submit a non-refundable Pre-Lease deposit to block your place or wait until your application is approved to submit your Security Deposit. You've 48 hours from the time your application is approved to submit your Security Deposit failing which the place may be given to someone else. Please see Application Process document.

What is Crime Free Drug Free Program?

Kalpresh Properties participates in the Crime Free Drug Free Multi-Housing program with Shakopee, Maple Grove, Burnsville and Chaska and as such may need to share your information with the City.

Do you do Sec 8?

Kalpresh Properties is basically into premium renting and our rents are often higher than what Counties allow as Sec 8 limits.

Disclaimer: This FAQ is for initial understanding and guidance. Kalpresh Properties LLC has published this in good faith for Prospect Tenant(s) to fully understand Lease. By using this document, prospect Tenant(s) agrees and understands that his/her/their lease agreement may change depending their unit situation. By submitting an application, Prospect Tenant(s) agrees and understands that he/she/they have read this FAQ and further understand and agree with the terms and conditions within this document. Prospect Tenant(s) will not hold Kalpresh Properties LLC responsible for any general conditions not mentioned here. Prospect Tenant(s) further surrenders any claims in future on the FAQ errors agrees not to sue Kalpresh Properties LLC for FAQ matters. Prospect Tenant must read, understand and agree with the FAQ (Proposed Lease), Rent Affordability, Application Process and Questionnaire documents which must be read and submitted with Application. FAQ is an initial guiding document but nothing included here constitutes the terms and conditions of the final Lease Agreement. Terms and conditions comprised in Lease Agreement will supersede the terms and conditions mentioned in this FAQ and in case of conflicts or overlaps, the Lease Agreement terms and conditions would prevail. By reading and accepting this document and by participating in the Rental Application process, Prospect Tenant(s) is/are indicating that he/she/they understand and agree that eventual understanding will be governed by the Lease Agreement. However, Kalpresh Properties LLC reserves the right to produce this document in the court of law or may use this during any disputes or argument with Prospect Tenant(s) in future if required to prove Prospect Tenant(s) agreement to terms and conditions mentioned in this FAQ.

Any other questions not included in here, please feel free to write to kalpreshproperties@gmail.com

Striving to secure safe, caring and peaceful home for you and your family!!