

HOMESTEAD REALTY

TO: **Property Owner** _____

FROM: Homestead Realty, Inc.

RE: **EXCLUSIVE RENTAL MANAGEMENT CONTRACT**

Here is a copy of our current Exclusive Rental Management Contract. Please read it over carefully. If you have any questions, or need more information, don't hesitate to contact us. We've also included 2 more optional documents:

1. Eviction Guarantee Agreement
2. Rent Guarantee Agreement

You can elect to use either of the above, both of the above or none of the above. They are optional.

If you want us to procure a Tenant for your property **and manage it** after the Tenant moves in, please complete all appropriate items on the 1st page and the 4th page of the contract and sign on the 4th page where indicated. Then return to us by the method of your choice. Our contact numbers are below.

Thank you for considering us. We look forward to working with you in the future.

Our contact numbers are:

Toll Free 1-866-446-2921

Direct Line 407-367-4201

Fax Line 407-367-4210 toll free: 1-866-446-2901

Email TEAMZIPP@AOL.COM

Address 14115 Town Loop Blvd., Suite 300
Orlando, FL 32837

Again, thank you.

Sincerely,

Homestead Realty, Inc.
07/12/13

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EXCLUSIVE RENTAL MANAGEMENT CONTRACT

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This contract for Exclusive Rental Management between **Homestead Realty, Inc.**, hereinafter referred to as the **Manager**, and **Owner** _____ (US-Tax-ID# _____), hereinafter referred to as the legally designated **Owner**, for the rental of the property located at:

FL

street#	street name	unit#	city	state	zip code
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shall read as follows: The Owner agrees to pay a Procurement Fee of **100%** of the monthly rent as stated in the lease, or a fee of **\$700.00**, whichever is **HIGHER**, to the Manager for the services rendered in obtaining a Tenant for the above referenced property. Once a Tenant has been procured and accepted **by any means AND ALSO** once all the initial monies are collected by the Manager, then that will fulfill the Manager's initial obligation and the Procurement Fee will immediately become due, payable and paid during the first month of tenancy.

In return for this fee, the Manager will:

- advertise the property for rent (MLS, internet, signage, flyer distribution, referrals)
- receive and process prospect calls, Realtor calls, Tenant calls, Owner calls, etc.
- screen all applicants (creditworthiness, residency history, employment, eviction, criminal history)
- perform and fully document the initial pre-rental walkthrough
- prepare the Lease document, collect initial funds and move the Tenant into the property

Prior to marketing the property For Rent, the Owner agrees to:

- allow any and all legitimate For Rent signage to be placed on or about the property
- allow a Coded Lockbox to be placed on the property for Prospect showings **at the Prospect's convenience**
- turn on all the utilities (electric, water, gas, etc.) - **NOTE: must remain on for up to 48 hours after move-in.**
- provide keys for all locks on or about the property (all doors, mailbox, gate, pool, shed, etc.)
- provide all appropriate remote devices (garage opener, gate access, fan control, etc.)
- provide all system codes (alarm system, keyless entry system, subdivision gate, etc.)
- have all **necessary** inside work completed (painting, papering, flooring, tiling, new appliances, etc.)
(NOTE: if you choose to, Homestead Realty, Inc. will coordinate all the major efforts for you for **\$99.00**)
- have all **necessary** outside work completed (lawn, tree and shrub maintenance, pest control, etc.)
- have the property professionally cleaned, including carpets (also includes pool, if applicable)
- provide a list of all **excluded items** (ie., items included on the property but **not included in the lease**.)
- If there is a warranty on the property, provide us with the name, address and phone number of the company

(NOTE: Homestead Realty, Inc. **cannot begin** to market the property until the above is complete!)

The Owner(s) acknowledge that he/they are the **rightful, lawful and only owners** of the property and, further, that the property is not now, nor will not be in the near future, in the process of foreclosure. Also, the Owner(s) acknowledge that the **HOA dues, taxes, insurance and mortgage payments are current.**

After a Tenant has been procured and moved into the property, the Owner will then pay the Manager (from the 2nd month on) a **monthly fee equal to 12%** of the monthly rent or **\$80.00/mth**, whichever is **MORE, whether or not the rent is collected**, such fee to be due and payable at the beginning of each month. For this fee, the Manager will fully manage the property, which includes, but is not limited to:

- collecting all rents and following up with all appropriate legal notices
- periodically inspecting the property
- coordinating all necessary repairs to the property
- preparing monthly statements no later than the 10th of each month
- coordinating and issuing all quarterly, all year-end and all government reporting

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The term of this listing agreement shall expire **exactly 90 days from the Effective Date** (that is, the date of Owner signing); if no Tenant has been procured by this date, then this agreement shall become null and void. If the Owner terminates this agreement prior to the expiration date **OR** causes the property to become otherwise unavailable for renting, then a **termination/cancellation fee equal to one month's rent** will become immediately due and payable.

Once a Tenant has been procured, then this management agreement shall **terminate coincident with the vacancy of that Tenant**, provided that the Owner has given **at least 60-days written notice** of such intent to cancel at the legitimate vacancy of the Tenant. If no notice is given and the Tenant vacates the property legally or otherwise, then this contract will **automatically renew** itself and will remain in force for a period of **90 days** from the specific date of Tenant vacancy, at which time the extended contract will expire if no new Tenant has been procured. If a new Tenant **has been procured**, then all the terms and conditions of this contract shall renew and remain in force, starting at the date of occupancy of the new Tenant.

If the Tenant breaches the Lease during the **FIRST SIX (6) MONTHS** of the **INITIAL** Lease period, then the Manager will procure another Tenant at **no additional procurement charge** to the Owner; all other terms and conditions of this agreement will remain intact and in force.

Once a Tenant has been secured and we have begun our management process, if the Owner cancels our service or otherwise causes our services to be terminated **other than as allowed above**, then this will be considered a **Breach** of Contract and the Manager will immediately be under no further obligation to the Owner or to the Tenant; the Owner will then become **IMMEDIATELY RESPONSIBLE** to the Tenant as per the terms of the valid Lease in force; and the Owner will **IMMEDIATELY OWE** to the Manager an **additional** fee equal to **one month's rent**. Some examples of Owner breach include, but are not limited to: Owner's improper cancellation of contract; transfer of title; foreclosure processing; Owner entering into Short Sale agreement; Owner breach of lease terms; Owner preventing us from doing our **legal** job.

RENTAL COLLECTIONS PROCEDURE

All Tenant rents are due on the **1st day** of each month. If rents are not paid by the **end of the 3rd day** of the month, then the rent is considered late. On the **4th day**, a **Three Day Notice to Pay or Vacate** is hand-delivered to the Tenant. If full payment is not received by the end of the Three Day Notice period, then we will **automatically** start an eviction process **no later than the 15th** of the month. If you instruct us to the contrary, **in writing**, then any and all additional expenses, costs or fees and/ or lack of additional legal actions will become the **responsibility of the Owner** and any uncollected funds will be paid for by the Owner. Please note that eviction costs are **paid for by the Owner** (unless you have an Eviction Guarantee Program on the property). The Manager will, however, make every attempt to recover the costs from the Tenant. Also, any and all collected late fees **will be retained** by Homestead Realty, Inc. to help offset the additional costs associated with late rent processing and with legal processing.

RENTAL PROCESSING and ACCOUNTING PROCEDURE

We will prepare a monthly, computerized statement showing all receipts and expenses for the period. This statement is computer generated on the **10th day** of every month (unless the 10th falls on a weekend day or a holiday, in which case it will be processed the following business day). The current statement will account for your proceeds check and copies of any and all bills paid on your behalf. Your funds due will **electronically** be deposited into your account on the 1st business day after the 10th of the month.

Note that the current statement will cover **all activity up through the statement processing date**. If the Tenant **does not pay rent by the 10th**, then **you will not receive a statement** until the 10th day of **the following month**. Statements are 'published' to your account once per month on the 10th. Note: you can check activity on your account daily.

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You will receive your annual **1099 IRS Statement (or a 1042-S IRS Statement, if appropriate)** along with a full income and expense annual summary **no later than January 31st of the following year.**

Important note: We've had experiences where mailings to an Owner will either take a longer-than-normal time to get there or, worse yet, actually 'get lost' in the mail. Our policy is that we **WILL NOT** automatically put a stop-payment on a check and then re-issue another one. We have to wait 90 days for the original check to become void, at which time we will re-issue another check. If, however, you want us to issue a stop-payment prior to the 90-day period, you will be charged a **stop-payment fee of \$50.00;** we will then re-issue another check.

PROPERTY MAINTENANCE & REPAIRS

It is our policy to effect necessary repairs estimated to be less than \$250.00 **without** your prior approval. If, in our opinion, a repair would exceed \$250.00, **then we will notify you** to determine our course of action. However, in case of an emergency or if repairs are required by County Code, **we are obligated to make those repairs immediately,** regardless of cost and/or your approval (examples are: furnace and A/C, roof leaks, pipe leaks, etc.)

Our Lease is written in such a way that, initially, **all necessary repairs** will be done at the **Owner's expense** prior to the time the Tenant takes possession of the property, or immediately thereafter. From anytime after 3 days from the Lease start-date, the **Tenant** pays for all repairs **of \$75.00 or less,** regardless of cause; the **Owner** will pay for all non-Tenant-responsible repairs over \$75.00.

PROPERTY MANAGEMENT FEES

Our property management fee is a **flat fee** that is **PAYABLE EVERY MONTH.** This fee, initially, is based on **12% of the monthly rent** if the property is occupied or it is based on **12% of the last collected rent** if the property is unoccupied. (There is **no management fee collected** if this is the **first time** that we are renting the property). In all other cases, this fee will be collected **even if there is no Tenant in the property and/or if no rent is collected.** The reason for this is that we are **STILL** responsible for managing your property, regardless of occupancy.

NOTE: If we manage two (2) properties for you, then the monthly fee is **11%** each.

If we manage three (3) or more properties for you, then the management fee is **10%** each.

LEASE RENEWAL PROCEDURE

It is our policy to attempt to renew the Tenant's Lease for 12 months at a rent increase of 5% **OR** for 6 months at a rent increase of 6% **OR** for month-to-month at a rent increase of 7%. We must begin this process 50 days prior to Lease expiration. If a Tenant does not renew, we will attempt to re-rent the property to a new Tenant for at least a 5% increase over the old rent, depending on the rental market at that time. The new rental will be guided by the terms of this original contract.

Please note that we **will automatically** follow this Lease renewal procedure unless we have a **written** directive from you, with at least 60 days notice, telling us to do something different (for example; use different renewal increases; or not renew at all; or not re-rent at all; or sell the property; etc). **Our intent is to avoid having the property be empty, thereby saving you rental income.**

If we can convince the Tenant to renew, then there will **not be another procurement fee,** however you will be charged an additional lease renewal fee as follows:

12-month renewal - **\$250.00;** 6-month renewal - **\$175.00;** Month-to-month-renewal - **\$100.00.**

Also, you can expect that in the last month of a Tenant's Lease, **we will hold up to \$500.00** in your account to protect you by ensuring that adequate funds are available to make your rental home "rent ready" again, thereby ensuring less vacancy time. Some of these costs include utilities, lawn servicing, pool servicing, clean-up, minor repairs, management fees, re-keying locks, etc. After the property is leased, any remaining funds will be accounted for and

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ERMC-06/26/14

EVICTION GUARANTEE AGREEMENT

This Eviction guarantee Agreement between **Homestead Realty, Inc.**, hereinafter referred to as the **Company**, and

_____, (SS# _____),

hereinafter referred to as the legally designated **Owner**, for the rental of the property located at:

_____, Florida _____
Street # Street Name Unit # City Zip-code

shall read as follows:

Homestead Realty will guarantee to pay the Owner for all the **legal costs** associated with an eviction process, up to a maximum amount of **\$1,000.00**, for any Homestead Realty property management eviction initiated on behalf of the Owner. The full payment to complete the eviction will be made on the 10th of the month following the vacancy date of the Tenant.

In return for this guarantee, the Owner agrees to pay Homestead Realty in one of the following ways:

1. A one-time, up-front fee equal to **\$399.00**. This fee must be paid each time a **new Tenant** occupies the property or each time a **new lease period** is executed.

OR

2. A monthly fee equal to an additional **\$49.00**. This fee must be paid for each month that this agreement is in force.

Once an eviction is initiated, Homestead Realty will reimburse the Owner for the **legal costs** associated with the eviction processing. Once the Tenant is evicted, or once the Tenant vacates voluntarily, then Homestead Realty's obligation ends and this agreement will have been considered to be fully satisfied. Note that, if there is any **forfeited security deposit**, then **\$250.00** of the forfeited security deposit will be used toward the eviction costs.

The **Owner can cancel** this agreement at any time **providing that the Tenant is not yet in eviction processing**. If the Owner cancels, Homestead Realty will pay the Owner all legitimate monies due up to the date of cancellation and will no longer be liable for any additional monies that would have become due and payable under this agreement.

Homestead Realty, Inc. **cannot cancel** this agreement before any lease expiration date, but Homestead Realty does have the right not to renew this agreement at lease expiration time or each time a new lease period is executed.

In Witness Whereof, we the undersigned have executed this agreement:

_____/_____
Owner signature Owner signature date

Legal Mailing Address: _____
Street# Street Name Unit# City State Zip-code

Home phone number Cell phone number email address

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Company _____
Authorized Homestead Realty, Inc. Manager _____ date _____

EGA-07/08/13

RENT GUARANTEE AGREEMENT

This Rent Guarantee Agreement between **Homestead Realty, Inc.**, hereinafter referred to as the **Company**, and

_____, (SS# _____), hereinafter referred to as the legally designated **Owner**, for the rental of the property located at:

_____, Florida _____
Street # _____ Street Name _____ Unit # _____ City _____ Zip-code _____

shall read as follows:

Homestead Realty will guarantee full payment for any and all months that the Tenant does not pay full rent. The payment will be made to the Owner on the 10th of the following month. Homestead Realty will make these payments **up to three (3) times during any lease period or while the Tenant still occupies the property** under the current lease period.

The following conditions apply:

- If the tenant **vacates** the property, the Owner will be guaranteed for what the prorated rent would have been for that month from the 1st of the month through to the date of vacancy. That will be the **last** payment made under this guarantee.
- If the Tenant does not pay the required rent by the 15th of any month, then the Owner agrees to have Homestead Realty initiate a legal eviction on behalf of the owner or a legal stipulation on behalf of the Owner. Homestead Realty will keep paying the Owner as long as the Tenant remains in the property, up to the maximum allowed under this program.
- In any and all cases, the **maximum** that Homestead Realty would be liable for is **3 full months' rent**.
- If there is a **forfeited security deposit**, then **\$400** of the forfeiture will be used toward unpaid rent.

In return for this guarantee, the Owner agrees to pay Homestead Realty in one of the following ways:

3. A one-time, up-front fee equal to **75% of one month's rent or \$475**, whichever is more. This fee must be paid each time a **new Tenant** occupies the property or each time a **new lease period** is generated.

OR

4. A monthly fee equal to an additional **6% of the monthly rent or \$40**, whichever is more. This fee must be paid for each month that this agreement is in force.

The **Owner can cancel** this agreement at any time. If the Owner cancels, then Homestead Realty will pay the Owner all legitimate monies due up to the date of cancellation and will no longer be liable for any additional monies that would have become due and payable under this agreement.

Homestead Realty, Inc. **cannot cancel** this agreement before any lease expiration date, but Homestead Realty does have the right not to renew this agreement at the time of Tenant vacancy or when a new lease period is generated.

In Witness Whereof, we the undersigned have executed this agreement:

_____/_____
Owner signature _____ Owner signature _____ date _____

Legal Mailing Address: _____
Street# _____ Street Name _____ Unit# _____ City _____ State _____ Zip-code _____

Home phone number _____ Cell phone number _____ email address _____

Company _____

HOMESTEAD REALTY

Authorized Homestead Realty, Inc. Manager

date

RGA-07/08/13