

PROPERTY MANAGEMENT AGREEMENT

THIS IS INTENDED TO BE A LEGALLY BINDING AGREEMENT - READ IT CAREFULLY

_____ (hereinafter "Owner") and
HomePointe (hereinafter "Agent")

AGREE AS FOLLOWS:

1. The Owner hereby appoints and grants Agent the right to rent, lease, operate and manage the property(ies) known as:

upon the terms hereinafter set forth, commencing _____, _____ and terminating _____, 20_____. At the expiration of the initial term, the agreement shall automatically convert to a month to month contract and may be terminated as of the last day of any month by either party giving to the other party not less than 30 days prior written notice of intention to so terminate.

2. Agent shall:

- (a) Use diligence in the performance of this contract;
- (b) Render MONTHLY statements of receipts, expenses and charges and to remit to Owner receipts less disbursements monthly.
- (c) Maintain a minimum \$300.00 reserve in the Owner's operating account and hold tenant security deposits in trust account. Owner accepts responsibility for penalties imposed if Owner does not return tenant security deposit upon demand by Agent.
- (d) Deposit all receipts collected for Owner (less any sums properly deducted or otherwise provided herein) in a trust account in a national or state institution qualified to engage in the banking or trust business, separate from Agent's personal account. However, Agent will not be held liable in event of bankruptcy or failure of a depository.

3. The Owner grants Agent the following authority and powers and Owner shall pay the expenses in connection herewith:

- (a) To advertise the availability for rental of the herein described premises or any part thereof, and to display "for rent" signs thereof. Agent may charge an administrative advertising fee to cover Agent cost to administer advertising program which includes internet advertising, newspaper advertising, vacancy list distribution and their delivery. To sign, renew or cancel leases for the premises or any part thereof; to collect rents or other charges and expenses due or to become due and give receipts therefore; to terminate tenancies and to sign and serve in the name of the Owner such notices as are appropriate; to institute and prosecute actions to evict tenants and to recover possession of said premises in the name of the Owner and recover rents and other sums due; and when expedient, to settle, compromise, and release such actions or suits or reinstate such tenancies.
- (b) To make or cause to be made and supervise repairs and alterations, and to do decorating on said premises; to purchase supplies and pay all bills therefore. The Agent agrees to secure the prior approval of the Owner on all expenditures in excess of \$300.00 for any one item, except monthly or recurring operating charges and emergency repairs in excess of the maximum, if in the opinion of the Agent such repairs are necessary to protect the property from damage or prevent damage to life or to the property of others or to avoid suspension of necessary services or to avoid penalties or fines or to maintain services to the tenants as called for in their leases. Agent's decision will be without liability except for willful misconduct or recklessness.
- (c) To hire, discharge and supervise all labor and employees required for the operation and maintenance of the premises. Agent may perform any of it's' duties through Owner's or Agents attorneys, Agents, or employees and shall not be responsible for their acts, defaults or negligence if reasonable care has been exercised in their appointment and retention. To represent owner in court at an hourly rate equal the current monthly management fee for single family dwellings.
- (d) To make contracts for electricity, gas, fuel, water, telephone, sewer, garbage, and other services or such of them as the Agent shall deem advisable; the Owner to assume the obligation of any contract so entered into at the termination of this agreement. Owner to notify utility companies of change of billing address.
- (e) To pay loan indebtedness, property and employee taxes, special assessments and insurance as designated by Owner.
- (f) Owner hereby notifies Agent that if they know of any lead-based paint or lead-based paint hazards at the property that Owner will immediately notify Agent so that Agent can disclose any known information to Lessee(s) and provide to Lessee(s) any records available. Agent may sign on behalf of Lessor all required disclosures and inform Lessee(s) of any known hazards or records pertaining to lead-based paint and lead-based hazards.
- (g) Owner agrees to notify Agent immediately if they go into default on any mortgage loan associated with this property.
- (h) _____(Owner initial if selected) Agent agrees to pay attorney fees and court costs in connection with an Unlawful Detainer Action for all tenants placed in the property by HomePointe and after 180 days for tenants placed by others provided agent accepts such tenant placement into program. Should the tenant request and be granted a jury trial for the Unlawful Detainer Action, owner shall bear all costs to litigate from that date. _____ (Agent initial). See 4 (c) (1) on next page.

4. The Owner agrees to:

- (a) Indemnify and save the Agent harmless from any and all costs, expenses, attorney's fees, suits, liabilities, damages or claims for damages, including but not limited to those arising out of any injury or death to any person or persons or damage to any property of any kind whatsoever and to whomsoever belonging, including Owner, in any way relating to the management of the premises by the Agent or the performance or exercise of any of the duties, obligations, powers or authorities herein or hereafter granted to the Agent; to carry, at the Owner's sole cost and expense, such public liability, property damage and worker's compensation insurance as shall be adequate to protect the interests of the Agent and Owner, the policies for which shall name the Agent as well as the Owner as the party insured. OWNER TO PROVIDE AGENT WITH A CERTIFICATE OF INSURANCE SHOWING A MINIMUM OF \$300,000.00 LIABILITY COVERAGE within 14 days of execution of this contract.
- (b) Remit funds as requested by Agent immediately if current rental income is insufficient to pay all expenses. If Owner is unable or unwilling to send funds as requested by Agent the following priority will be followed in disbursing funds: Management fees, advertising, maintenance over 30 days old, utilities subject to cutoff, mortgages, other utilities, other misc. bills. Owner agrees to pay late charges, interest charges, and other penalties caused by lack of sufficient funds.
- (c) To pay the Agent for the following services if used:

- (1) Management: \$_____/mo for paperless online access.
Mailed statements and/or checks: \$5.00/mo. Mortgage Payment \$12.50/mo.
Utility Billing to tenant (HomePointe pays bill from account and invoices tenant) _____ \$12.50/mo,
Or Management: _____% with minimum management fee of \$_____.
(2) Report Date: 10th \$_____ (\$12.50 additional for early report), or 20th (included in management) (circle one)
(3) Initial rate (c-1) is divided by initial rent rate = management %, whichever is greater.
(4) For Leasing: _____

CHARGED NO MORE THAN ONCE PER 12 MONTHS PER UNIT.

Lease renewals: 15% of one months rent with a minimum fee of \$175.00.

- (5) One half of late fees collected and returned check fees which Agent retains. Residents are billed to reimburse Owner for NSF charges. Owners are billed an administrative fee in cases where Agent loans money to Owner.
- (6) In the event that the Owners requests the Agent to undertake work exceeding normal management then an hourly fee shall be charged equal to the then current monthly management fee for single family homes or 10% of gross maintenance work billed, whichever is greater or a flat fee. Normal management does not include modernization, refinancing, fire restoration, rehabilitation's, inspections, vacancy preparations, process serving, repairs, cleaning, hauling, advising on proposed new construction, assisting sales agents or appraisers, paying deductibles or up front payments, or other counseling. Section 8 tenant contracts shall incur an additional fee.
- (7) Provide a copy of any CC&R's that impact any tenancy at the property. Agent will provide a copy to Tenants.

- 5. If it shall become necessary for Agent or Owner to give notice of any kind, the same shall be written and served by sending such notice by regular mail to the address shown under their signature.
- 6. This Agreement shall be binding upon the successors of the Agent, and the heirs, administrators, executors, successors and assignees of the Owner.
- 7. Agent may use own staff, companies to perform maintenance functions at managed premises. Owner will be billed at bid prices or at hourly rates. Some vendors are charged a fee in return for guaranteed payment. Owner has option to select own vendors provided they carry adequate insurance and licenses and are qualified to perform the service.
- 8. Advance fees collected by Agent from prospective renters will be expensed for services rendered in determining suitability of prospective renter as a tenant at the discretion of Agent.

Parties acknowledge having read the foregoing prior to execution and receipt of a duplicate original dated this _____ day of _____, _____

Owner _____
OWNER TAX ID # _____

Address _____
P.O. Box 221660, Sacramento, CA 95822 HomePointe

DRE Lic 01227502

Address

(916)429-1205 or (916) 988-5300 or 916-781-7075 FAX (916)429-0389
EMAIL: Info@HomePointe.com Home Page:http://www.HomePointe.com

NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OF ANY PROVISION OR THE ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. IF YOU DESIRE LEGAL ADVICE CONSULT YOUR ATTORNEY.



Addendum to Property Management Agreement

The business of Property Management covers many issues and HomePointe wants to make it as clear as possible to our clients the level of service we provide and the types of charges that you may incur. In many cases, your resident is billed to pay you back when HomePointe has to expend extra resources to enforce your rental agreement. In this way, we are able to keep your costs to a minimum. We are here to help make your investment as pleasant and profitable as possible. Please feel free to ask any question at any time.

Leasing

I understand that HomePointe may advertise my vacancy in one or more publications at its discretion. The cost of advertising is an owner expense and will be billed through my account with HomePointe in accordance with the Property Management Agreement. HomePointe will use professional judgment in selecting ad size, placement, days run, and publications. Internet advertising has become an increasingly important method for attracting prospective residents for HomePointe. HomePointe’s vacancy lists given out at all office locations, 24-Hour Voice Hotline, faxing of the vacancy list to prospects, lockbox service, and signage are provided at no charge.

I understand that rent rates are determined by market conditions (location, property features, condition, price, and terms) and that I will be best served by taking the advice of my property manager. HomePointe’s goal is rent my properly prepared and properly priced property within about 30 days of becoming vacant. HomePointe does not guarantee that a property will rent at any particular rent level or in any time frame. For more information on pricing strategies I can ask for HomePointe’s report on the subject.

I understand that HomePointe will be selecting my residents using its professional judgment. Applicants will complete a rental application that allows HomePointe to run a credit check and verify income and rental history. HomePointe will allow up to two persons per bedroom in accordance with current fair housing guidelines (to avoid a discrimination lawsuit). I will be informed by mail soon after a deposit is collected. I may purchase eviction insurance as outlined in the Property Management Agreement.

I understand that HomePointe will provide a Lead Based Paint booklet and Proposition 65 brochure to all residents at a minimal cost at the time of management takeover or when a new lease is signed. The booklet is required by the EPA for properties built prior to 1978 but is a good idea for all properties since it covers such things as soil contamination. In keeping with HomePointe’s philosophy of taking the safest approach, HomePointe provides the booklet to all residents.

I understand that HomePointe may take digital photographs of my rental for marketing purposes at no cost to me. Digital photographs will also be taken to document the Move-In condition of my property and the Move-Out condition (if needed) at a cost of (currently) \$15.00 per set. I further understand that these photographs will be filed at HomePointe’s office and will be available to me upon request. These photographs provide evidence in the event HomePointe has to defend me in Small Claims Court after the deposit refund determination is completed. HomePointe will represent owner in court at an hourly rate equal the current monthly management fee for single family dwellings.

Accounting & Reporting

I understand that HomePointe sends or makes available at www.HomePointe.com one accounting statement per month along with any proceeds if available. The report indicates both paid and unpaid bills and I agree to send funds to cover any unpaid bills immediately. Statements are scheduled for either the 10th or 20th of each month unless a holiday or weekend falls on that day. If the rent is paid late, one cleanup report may be issued on the 15th or 25th of the month. Each month the report will show the complete past month and the current month to the date of the report. In January of each year HomePointe will provide a summary statement for the entire previous year and a 1099 as required by the IRS.

I understand that HomePointe will charge an administrative fee to my account of (currently) \$25.00 to process Non-Sufficient Funds (NSF) checks presented by my resident. The resident will be billed by HomePointe to reimburse my account. If my account requires a loan to avoid a negative balance in my trust account, I agree to pay an administrative fee of (currently) \$25.00 and to immediately deliver funds to HomePointe when notified. If a Notice to Pay Rent or Quit must be served I understand that a process serving fee will be charged to my account and that the tenant will be billed for reimbursement to pay me back.



Agent has advised Owner that California laws and/or policies of the California Franchise Tax Board (FTB) require property managers as withholding agents to withhold a percentage of rents collected on behalf of **landlords who are not California residents** and transmit same directly to the FTB. Owner hereby explicitly authorizes Agent, where appropriate in Agent's good faith judgment, to withhold sums, which may exceed the maximum otherwise authorized, from rents collected on Owner's behalf, and Owner further authorizes Agent to transfer the same to the FTB, calculated according to Agent's estimation. Agent is authorized by Owner to comply in any way Agent believes reasonable or necessary with the rules and regulations of the FTB, California statutes, and other applicable law, without limitation. Agent shall not be liable for any miscalculation or erroneous withholding, provided the actions of Agent have been in good faith. In case of overpayment to the FTB due to error by Agent, Agent's sole liability and obligation to Owner shall be to make reasonable attempts to obtain a refund of such overpayment, or alternatively a credit against Owner's future liability to the FTB. In any dispute between Agent and Owner concerning money transmitted by Agent to the FTB, it shall be the burden of Owner to prove that Agent did not act in good faith.

Maintenance

I understand that tenants will be billed by HomePointe to reimburse my account for maintenance bills that I have paid when the resident is responsible as indicated in the lease. The decision to bill the resident for maintenance they are responsible for will be made by HomePointe using its professional judgment. If the resident does not pay the bill prior to vacating HomePointe will make the appropriate deduction from the resident's security deposit after they vacate the property.

I understand that HomePointe has a handyperson/contracting service (RAM Property Services). I can use those services or select my own services. I understand that HomePointe selects the outside vendors it uses based on a variety of factors including but not limited to quality of service, response time, materials, licensing, insurance, and price. If in the judgment of HomePointe a second opinion is not needed for a particular job I agree to either approve the provided bid or arrange to obtain my own bids. In no case is HomePointe obligated to furnish multiple bids for maintenance work. HomePointe is constantly evaluating the vendors it uses, and always uses its best efforts to obtain the best overall deal for all of its clients.

I understand that some outside vendors used on my property have signed an agreement with HomePointe to have their approved invoices paid by HomePointe at the end of each month whether or not there are sufficient funds in my account. The vendors agree to charge their regular rates to my account. The vendor pays HomePointe or RAM Property Services 10% of the invoice total for this service. The payee on your owner statement will read: RAM/ref (the vendor) for those invoices.

I understand that HomePointe orders an annual property survey on the anniversary of the tenants move in date. I will receive a report of the inspection. The cost of the inspection is billed on a per hour basis. I may decline this inspection in advance if I do not want my property inspected. I further understand that this inspection is not a termite (pest) inspection and that HomePointe recommends I have a termite (pest) inspection at least every two years.

Fair Credit Reporting & Communication

I understand HomePointe must, pursuant to its Master Agreement with its credit reporting provider, hold all Services Information in confidence and shall not disclose the Services Information to any third-party, except as required by law. This means HomePointe is not allowed to share credit report information verbally or in writing on applicants or renters with clients of HomePointe.

I understand that HomePointe will provide a voice mail extension and email address for my property manager. I realize that my manager spends a portion of their day out of the office and that they will make every effort to take my calls live or return calls and emails as quickly as possible. Calls of a non-emergency nature will be returned as soon as possible and that is normally within one business day. In an emergency or for questions my property manager cannot answer I can ask to speak to HomePointe's Branch, Regional, and/or General Manager.

Owner

Agent

Date

Date



P.O. Box 221660, Sacramento, CA 95822
Info@HomePointe.com