

Investor Management Services Contract Highlights

- Hassle-free property management program
- Dedicated management personnel on property and on-call

Services include:

- Collecting rent
- Showing/marketing of unit * (see below #4)
- Disbursing HOA assessments
- Managing maintenance * (See below # 7)
- Monthly accounting report

1. Contract must be signed prior or at Close of Escrow. Investor unit will then be put in leasing program.
2. Management fee and expense reserve will be paid at closing.
3. Initial management agreement length is a maximum of 12 months.
4. Manager will market and present the availability of any vacant units. The first tenant will be free. A leasing fee equal to 25% of one month's rent will be paid by Owner to Manager when the first monthly rent is paid by the new tenant. Normal leasing fees charged by other companies are 50% to 100% of one month's rent. A renewal fee equal to ten percent (10%) of one month's rent shall be paid to Manager for any lease extension or renewal
5. Marketing and Advertising costs will cover print advertising, marketing materials, tenant screening for ongoing vacant units. Manager will perform complete background and credit checks on prospective renters.
6. Manager will collect rents and other amounts due under the lease agreement. If a tenant pays rent late or fails to pay rent, any late fees, demand fees or other charges paid by the tenant will be additional income to the Owner. Should legal steps be needed to correct amounts owed by a tenant, the cost of a lawyer, paralegal, process server or registered mail will be paid by the Owner. The cost of Manager's time and effort to collect rent and/or evict tenant is included in the management fee. Typical costs to collect rent or evict a tenant range from \$25 to \$200.
7. Manager will hold the renovation escrow on behalf of the Owner. The Manager has full authority to renovate the unit and use the renovation funds. The unit will be renovated when vacant or when the tenant occupies the unit.

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8. Manager will arrange for necessary repairs and replacements for the investor unit as required. For all non warranty items, maintenance-related costs will be billed at a rate of \$25 per hour plus related parts, taxes, etc. Repairs exceeding \$500 will not be made without Owner’s authorization unless it is an emergency.

The following items are typical charges that may be incurred in the event of a vacant unit being made market-ready:

	<u>1 Bedroom</u>	<u>2 Bedroom</u>	<u>3 Bedroom</u>
Full paint (if needed) includes labor and materials	\$210	\$245	\$280
Touch-up paint includes labor and materials	\$75	\$75	\$75
General maintenance repairs* may be higher or lower, depending on actual items to be repaired	\$50	\$50	\$50
Carpet cleaning	\$35	\$40	\$45
Unit cleaning	\$60	\$75	\$90

9. Manager will forward the monthly HOA dues and city taxes, if applicable to the appropriate entities. All remaining funds in excess of the \$500 reserve balance will be forwarded to the Owner.
10. Owner agrees to maintain a minimum of \$500 in the Management Trust account for expenses. Resident security deposits will be held in trust, separate from the expense reserve fund.
11. Manager, at Owner’s expense to provide to Owner proof of liability insurance to be consistent with lender requirements. Manager is to be named insured.
12. The Owner allows Manager sole authority to enter into leases with rents and leasing incentives consistent with the current market conditions.