

PROPERTY MANAGEMENT AGREEMENT

_____ (Owner) and **Good Steward Property Management (DRE Lic. # 01918337)** (Manager) Agree as follows:

- 1. APPOINTMENT OF MANAGER & ACCEPTANCE:** Owner hereby appoints and grants Manager the exclusive right to rent, lease, operate, and manage the property(ies) known as _____ and any additional property that may later be added to this Agreement (Property), upon the terms below, for the period beginning (date) _____ and ending (date) _____ at 11:59 PM. Either party may terminate this Property Management Agreement (Agreement) with at least 30-day written notice. If Owner terminates agreement for any reason, all monies due Owner, if any, will be returned within 30 days. Manager accepts the appointment and agrees to use due diligence in the performance of this Agreement and furnish the services of its firm for the rental, leasing, operation and management of the Property.
- 2. AUTHORITY AND POWERS:** Owner grants Manager the authority and power, at Owner's expense, to:
 - A. ADVERTISING:** Display FOR RENT/LEASE and similar signs on the Property and advertise the availability of the Property, or any part thereof, for rental or lease. Also, use standard marketing procedures to attract, qualify and secure a new tenant (if no tenant in property). This may include Rently.com and the Southern California Multiple Listing Service (CRMLS). Manager will work diligently to procure qualified tenants at fair market rents. Broker will use due diligence in the screening and selection of tenants and abide by all fair housing laws.
 - B. RENTAL; LEASING:** Manager will act on behalf of the Owner. Manager is authorized to negotiate and sign leases on behalf of Owner and in the name of Owner or Manager. It is understood that all such tenants are tenants of the Owner and not the Manager. Listing Manager may also initiate, sign, renew, modify or cancel rental agreements and leases for the Property, of any part thereof; collect and give receipts for rents, other fees, charges and security deposits. It is understood and agreed that this property will be rented in accordance with Fair Housing Laws without regard to race, creed, religion, sex, age, physical or mental handicap, disability, height or weight, marital status or familial status, color or national origin, or any other class protected by law. Manager shall use all reasonable efforts to keep the Premises rented by procuring tenants for the Premises. However, Manager does not guarantee the payment of rent by the tenant but will make every reasonable effort to collect when and as they become due. Unless Owner authorized a lower amount, initial asking rent shall be market rent. Manager will collect rent payments from tenant. Manager is authorized to sign and serve for the Owner notices to terminate the tenancies and other such notices as the Manager deems appropriate; to institute the legal actions in the name of Owner or Manager to evict tenants and recover possession of the premises; to recover rents and other sums due; and when expedient to settle, compromise and release such actions or suits or reinstate such tenancies. Furthermore, since Manager is not authorized to practice law, where legal assistance is needed for such matters as enforcing the collection of rent or eviction of a tenant, such action shall be through legal counsel. Late fee will be levied at the Manager's discretion.
 - C. TENANCY TERMINATION:** Manager may sign and serve in Owner's name notices that are required or appropriate; commence and prosecute actions to evict tenants, hire and manage attorneys to proceed with eviction in the event of non-payment; recover possession of the Property in Owner's name; recover rents and other sums due and, when expedient, settle, compromise and release claims, actions and suits and/or reinstate tenancies.
 - D. CREDIT CARD/PURCHASE POINTS:** If Manager makes a purchase on behalf of Owner with a company credit card that accrues points, Manager shall be entitled to all points or bonuses as a result of the purchase.
 - E. REPAIR; MAINTENANCE:** No repairs, alterations or supplies costing more than **\$750** shall be made without prior approval from Owner, except for monthly or recurring operating charges, emergency repairs, or in the event the Owner is not reasonably available for consultation. If the Manager deems such expenditures more than this amount are necessary for the protection of the property from damage or persons from injury or to perform services to the tenants provided in their leases or rental agreements make, cause to be made, and/or supervise repairs, improvements alterations to the Property; Owner authorizes the purchase, and to pay bills for such services and supplies. Manager shall inspect and take any action necessary to comply with federal, state, county or municipal safety and building codes affecting the property.
 - F. RESERVES:** Manager shall collect from Owner and maintain (or deduct from first month's proceeds) an operating reserve equal to **\$750**. Should Owner or Manager terminate this agreement, this reserve will be refunded to the Owner. This operating reserve shall be used to pay for any monthly expenses that may occur during the management of the property.
 - G. REPORTS, NOTICES AND SIGNS:** Manager will comply with federal, state or local law requiring delivery of reports or notices and/or posting of signs or notices.
 - H. VENDOR REQUIREMENTS AND PROGRAMS:** All vendors contracted by Manager must be approved by Manager. Every vendor will be screened and required to provide the following in order to be considered an Approved Vendor: 1) provide a Federal Tax ID Number with a completed W-9 Form; 2) provide a copy of their business license (if applicable) 3) provide

Owner's Initials _____

copies of at least \$100,000 in General Liability Insurance showing Good Steward Property Management as additionally insured; 4) and if required by law, provide a copy of their Workers Compensation Insurance or other specialty policies required by that industry. Manager allows certain vendors to be considered Preferred Vendors. Preferred Vendors may offer a financial incentive to Manager and have agreed to and signed a Controlled Business Arrangement with Manager. In exchange for being considered a Preferred Vendor, the Preferred Vendor will pay Manager 10% of the total invoice. Preferred Vendors have been instructed that all estimates for work will be at fair market value.

- I. CONTRACTS; SERVICES:** Manager will contract, hire, supervise and/or discharge firms and persons, including utilities, required for the operation and maintenance of the Property. Manager may perform any of Manager's duties through attorneys, Brokers, employees, of independent contractors and, except for persons working in the Manager's firm, shall not be responsible for their acts, omissions, defaults, negligence and/or costs of same. Manager's services do not include any work related to the sale of the property. This includes, but is not limited to, securing signed estoppel certificates or setting appointments for warranty inspections or inspections by buyers, Brokers and appraisers.
- J. EXPENSE PAYMENTS:** Manager will pay expenses and costs for the Property from Manager's funds held by Manager, unless otherwise directed by Owner. Expenses and costs may include but are not limited to, property management compensation, fees and charges, expenses for goods and services, property taxes and other taxes, Owner's Association dues, assessments, loan payments and insurance premiums.
- K. SECURITY DEPOSITS:** Manager will receive security deposits from tenants, which deposits shall be placed in Manager's trust account.
- L. TRUST FUNDS:** Manager will collect rents, security deposits and all other receipts and deposit monies into Manager's general trust account for the Owner with a qualified banking institution, but Broker shall not be responsible for the failure of such depository. The general trust account shall not be an interest-bearing account. Manager will deposit all receipts collected for Owner, less any sums properly deducted or disbursed, in a financial institution whose deposits are insured by an agency of the United States government. The funds shall be held in a trust account separate from Manager's personal accounts. Manager shall not be liable in event of bankruptcy or failure of a financial institution. Manager may, at Manager's discretion, hold security deposits in a separate account in trust for the tenants. Upon termination of the tenancy by the tenant, if applicable, Manager shall disburse the security deposit appropriate at the termination of the tenancy. Manager is not liable for tenant damages, including unpaid rent, which exceeds the security deposit. Owner authorizes Manager to deposit all trust funds received about this property management service into an analyzed trust account. The analyzed trust account accrues earnings credits that are used to offset bank services charges assessed to Manager. Any excess earnings credits or funds earned from the analyzed trust account may be paid to vendors used by the Manager. The analyzed trust account provides Manager with a financial benefit.
- M. DISBURSEMENTS:**
- (i) Manager agrees to pay from gross receipts all operating expenses and such other expenses as may be authorized by Owner including Maintenance Repairs, Utilities, Mortgage Payments, HOA Dues, Property Taxes, Insurance, Pool Service, Landscaping and Other Expenses.
 - (ii) Owner assumes full responsibility for the payment of any expenses and obligations incurred in connection with the proper and reasonable exercise of the Manager's duties set forth in this Agreement.
 - (iii) Any excess of receipts over disbursements and operating reserve shall be forwarded by the 10th of the current month.
 - (iv) Disburse Owner's funds held in Manager's trust account in the following order:
 - (1) Compensation due Manager
 - (2) All other operating expenses, costs and disbursements payable from Owner's funds
 - (3) Reserves and security deposits held by Manager
 - (4) Balance to Owner
- N. OWNER STATEMENTS:** Manager shall maintain accurate records of all monies received and disbursed in connection with its Management of the property. Manager shall submit a monthly report, forward copies of any paid bills and disburse proceeds, render monthly statements of receipts, expenses and charges for each Property. Manager agrees to submit monthly statements of all receipts and disbursements by not later than the 10th of the current month. Manager shall also deliver to Owner an annual statement that will be accompanied by a 1099 and a reporting of expenses paid in that calendar year on or before January 31. Owner agrees to receive 1099 form electronically.
- O. KEYSAFE/LOCKBOX:** Owner authorizes the use of a lockbox to allow entry into the Property and agrees to sign a lockbox addendum (C.A.R., Form KLA) if requested by Manager.
- P. OWNER HANDBOOK:** Manager may update the *Owner Handbook* periodically. For any changes the Manager will provide an updated owner handbook and any changes will become effective and be binding as part of this Property Management Agreement within 60 days of providing the updated owner handbook.

3. OWNER RESPONSIBILITIES: Owner shall:

Owner's Initials _____

- A. Provide all documentation, records and disclosures as required by law or required by Manager to manage and operate the Property and immediately notify Manager if Owner becomes aware of any change in such documentation, records or disclosures, or any matter affecting the habitability of the Property.
 - B. Agrees to carry, at Owner's expense, a comprehensive general liability policy with a minimum limit of \$500,000 for bodily injury and property damage. If allowed by Owner's insurance and if there is no additional cost to Owner, Manager is to be named as additional insured. Owner shall immediately furnish Manager with a certificate of insurance evidencing the above coverage is in force with a carrier acceptable to the Manager. In the event Manager receives notice that said insurance coverage is to be canceled, Manager may at its option cancel this Agreement or carry and pay for (i) public and premises liability insurance in an amount of no less than \$1,000,000; and (ii) property damage adequate to protect the interests of Owner and Manager. Manager shall be, and Owner authorizes Manager to be, named as an additional insured party on Owner's policies.
 - C. Pay any late charges, penalties and/or interest imposed by lenders or other parties for failure to make payment to those parties, if the failure is due to insufficient funds in Manager's trust account available for such payment.
 - D. Immediately replace any funds required if there are insufficient funds in Manager's trust account to cover Owner's responsibilities.
4. **OWNER REPRESENTATIONS:** Owner represents that unless otherwise specified in writing, Owner is unaware of: (i) any recorded Notice of Default affecting the Property; (ii) any delinquent amounts due under any loan secured by, or other obligation affecting, the Property; (iii) any bankruptcy, insolvency or similar proceeding affecting the Property; (iv) any litigation, arbitration, administrative action, government investigation, or other pending or threatened action that does or may affect the Property or Owner's ability to transfer it; and (v) any current, pending or proposed special assessments affecting the Property. Owner shall promptly notify Manager in writing if Owner becomes aware of any of these items during the term of this Agreement.
5. **HOLD HARMLESS:** Except for the willful misconduct of Manager, Owner shall indemnify, defend and hold Manager (including its shareholders, officers and directors) harmless from all loss, damage, cost expense (including attorneys' fees), liability, claims, investigations and lawsuits by third parties for personal injury or property damage incurred or occurring in, on or about the Premises that are connected with the management of the property, during the term of this agreement or after its termination, including any liability for error of judgment, a mistake of fact of law, or for anything which Manager may do or refrain from doing hereinafter. Manager, under this agreement, shall not be responsible for delays in the performance of any obligation unless there is an intentional delay caused by Manager or its employees. Owner shall pay, except as provided elsewhere in this agreement, all expenses incurred by the Manager, including, but not limited to, reasonable attorneys' fees and Manager's costs and time in connection with any claim, proceeding, or suit involving an alleged violation by the Manager or Owner, or both, of any law pertaining to fair employment, fair credit reporting, environmental protection, rent control, taxes, fair housing, including, but not limited to, any law prohibiting, or making illegal, discrimination on the basis of race, sex, creed, color, religion, national origin, age, marital status, or mental or physical handicap, provided, however, that the Owner shall not be responsible to the Manager for any expenses in the event that Manager is finally adjudicated to have personally, and not in a representative capacity, violated any such law, unless such acts and or omissions are outside the course and scope of Manager's duties hereunder. Nothing contained herein shall obligate the Broker to employ counsel to represent the Owner in any such proceeding or suit. The Owner also agrees to pay reasonable expenses (or an apportioned amount of such expenses where other employers of Manager also benefit) incurred by the Manager in obtaining legal advice regarding compliance with any law affecting the premises or activities related thereto. Manager assumes no responsibility or management of personal property left by Owner at premises. Owner shall not hold the Manager liable for any willful neglect, abuse or damage to the premises by tenants or vandals or other nor for loss of or damage to any personal property of the Owner or any tenant including loss due to exchange or theft by tenants or any third party. Further, the Owner shall not hold the Manager liable for any error of judgment or mistake of law except in cases of willful misconduct or gross negligence.
6. **TAX WITHHOLDING:**
- A. The Owner authorizes Manager to remit trust funds of the Owner (which funds may consist in whole or part of rent or rents and other taxable income collected for Owner by Manager) to the California Franchise Tax Board as and for withholding taxes, when the Owner is subject to the Non-Resident Withholding Requirement under the California Revenue and Taxation Code.
 - B. If Owner is not a California Resident or a corporation or LLC qualified to conduct business in California, Owner authorizes Manager to withhold and transmit to California Franchise Tax Board (FTB) 7% of the gross payments to Owner that exceed \$1,500 received by Manager, unless Owner completes and transmits to Manager FTB form 589, nonresident reduce withholding request, FTB form 588, nonresident withholding waiver, or FTB form 590, withholding exemption certificate.
 - C. If Owner is a nonresident alien individual, a foreign entity, or other non-U.S. person, (Foreign Investor) Owner authorizes Manager to withhold and transmit to the Internal Revenue Service (IRS) 30% of gross rental receipts unless Owner elects to treat rental income as "effectively connected income" by submitting to Manager a fully completed IRS form W-8ECI, Certificate of Foreign Person's Claim for Exemption From Withholding on Income Effectively Connected With the Conduct of

a Trade of Business in the United States. A Foreign Investor Owner will need to obtain a U.S. tax payer identification number and file a declaration with the IRS regarding effectively connected income in order to complete the form given to Manager. Further, the Foreign Investor Owner will be responsible for making any necessary estimated tax payments.

7. DISCLOSURE:

A. LEAD-BASED PAINT:

- (1) The Property was constructed on or after January 1, 1978
- (2) The property was constructed prior to 1978
- (i) Owner has no knowledge of lead-based paint or lead based paint hazards in the housing except _____
- (ii) Owner has no reports or records pertaining to lead-based paint or lead-based paint hazards in the housing, except the following, which Owner shall provide to Manager: _____

B. POOL/SPA DRAIN: Any pool or spa on the property does (or, does not) have an anti-entrapment drain cover, device or system.

8. AGENCY RELATIONSHIPS: Manger may act, and Owner hereby consents to Manager acting, as a dual Broker for Owner and tenant(s) in any resulting transaction. If the Property includes residential property with one-to-four dwelling units and this Agreement permits a tenancy more than one year, Owner acknowledges receipt of the "Disclosure Regarding Agency Relationships" (C.A.R Form AD). Owner understands that Manager may have or obtain property management agreements on other property, and that potential tenants may consider, make offers on, or lease through Manager, property the same as or similar to Owner's Property. Owner consents to Manager's representation of other Owners' properties before, during and after the expiration of this Agreement. This Agreement shall be binding upon the successors and assigns of Manager and the heirs, administrators, executors, successors and assigns of the Owner.

9. DISTRIBUTION AUTHORIZATION: Unless stated differently in the tenant's lease contract, all rent is due on the 1st of each month and considered late if not received by the 4th of the month. If the 4th falls on a holiday or weekend, then payment is considered late on the next business day. Tenants can make their rental payments via cash, personal check, Cashier's Check, Money Order or Electronic Funds Transfer (EFT). Please note that any payment made via EFT is held for three days until funds have cleared. These payments are NOT considered late if the funds clear after the 4th of the month. Monthly accounting for each property is processed in the order payment is received. Manager will make every effort to have Owner's accounting processed in a timely fashion and distribute funds to Owner no later than the 10th of the month. Please understand that occasionally circumstances arise where proceeds may be delayed. Manager will notify Owner if there is a problem. If Owner chooses to have funds electronically transferred, Manager requires a copy of a voided check in file.

10. NOTICES: All notices required to be given shall be in writing and mailed to the parties at the addresses set forth below. Any written notice to Owner or Manager required under this Agreement shall be served by sending such notice by first class mail or other agreed-to delivery method to that party at the address below, or at any different address the parties may later designate for this purpose. Notice shall be deemed received three (3) calendar days after deposit into United States mail.

11. PERFORMANCE GUARANTEES: This is a disclosure regarding the limitations and responsibilities of Manager with regards to the Performance Guarantees. All the Performance Guarantees are included with the base management fee agreed to by the Owner.

A. SATISFACTION GUARANTEE: If Owner is not satisfied with the services of Manager, Owner may cancel this contract at any time with a 30-day notice.

B. RESPONSE GUARANTEE: If an Owner calls, texts or emails us about any matter, Manager will respond by 5 PM on the following business day of receipt of the message. If there is no response on the following business day by 5 PM, Manager will waive the property management fee for the following month.

C. 28-DAY QUALIFIED APPLICANT GUARANTEE: If Manager takes longer than 28 days from the commencement of marketing the property (placement on the MLS) to receive an acceptable tenant application, Manager will credit Owner 1 month in management fee. To qualify Manager and Owner must agree upon the asking lease price and subsequent price adjustments and a prospective tenant must meet Manager's minimum tenant standards (minimum credit score of 600, minimum gross income equal to or greater than three times the monthly rent and no late rental payments in the previous 12 months). If Owner rejects a qualified applicant guarantee shall not be in effect.

D. TENANT PLACEMENT GUARANTEE: If a tenant the Manager places into the property, and for whom a leasing fee has been charged to the Owner, breaks the lease within their first lease period the Manager will waive the next leasing fee to secure the next tenant.

12. RESIDENT BENEFITS PACKAGE: Manager shall charge tenant **\$20** a month for a package of services including (but not imitated to) two air filters a year sent to the tenant via mail, the reporting of rent payments to the credit bureaus for the purposes of building credit, access to an online portal to be able to pay rent via ACH and submit maintenance requests, a combination lockbox during their tenancy and rekeying the property up to once per year (assuming the property has the Kwikset SmartKey locks). Pricing for this package is subject to change based on the cost to provide this packet. Manager has to right to add and/or remove specific benefits of package provided.

- 13. PET PROTECTION PROGRAM:** Manager shall charge tenant **\$30** a month for each dog or cat as a pet fee (maximum 2 pets). Manager shall retain this pet fee and in return will guarantee to Owner that any damages caused by the pets, up to **\$1,000** above normal wear and tear and exceeding the security deposit, shall be paid by Manager. Owner is not obligated to accept any tenant with pets and service/comfort animals are exempt from this program.
- 14. EVICTION PROTECTION PROGRAM:** If a tenant must be evicted, Owner shall pay eviction fees directly to the attorney used to affect the eviction. Manager will assist with any evictions and shall coordinate with the assigned attorney, appear in court on behalf of the owner, negotiate with attorney any settlements or stipulations and coordinate any lockouts. Manager shall charge Owner an Eviction Coordination Fee of **\$150** if the eviction is not contested (Manager not required to make a court appearance) and a fee of **\$300** for a contested eviction (Manager required to appear in court on behalf of Owner). At Owner's discretion, Owner may require the Tenant to participate in the Eviction Protection Program. Tenant shall pay a monthly fee of **\$15** to Manager. In the event an eviction is necessary, and the tenant has paid the Eviction Protection Program fee as agreed, Manager shall pay for court filing fees (to file an eviction), processing fees, process server fees, attorney fees and the representation by Broker at an eviction proceeding on Owner's behalf. Manager shall also waive the Eviction Coordination Fee. The total fees paid by Manager shall not exceed **\$1,500.00** in any twelve (12) month period. In the event Owner is a corporation, LLC, or similar entity, Owner may be required to have their own attorney present to represent them at such an eviction hearing. In such an event, Owner will not be represented by Manager in the eviction process, and Owner shall be responsible for hiring its own attorney, however, Manager will pay court filing fees, processing fees, process server fees as prescribed above. The Eviction Protection Program does not afford coverage for or insure Owner against past due rent and does not provide any form of warranty or protection against additional costs or damages created, caused, accrued or permitted by Tenant. To obtain coverage under this plan, Owner must give permission to Manager to require Tenant participation in the plan prior to move in date by Tenant. This service is only available on Tenants placed where a Leasing Fee was earned. This program is subject to the approval by Manager for each property, as some properties may not be eligible, at the sole discretion of the Manager.

Owner Initial for Participation in the Eviction Protection Program _____

- 15. RENT PROTECTION PROGRAM:** In the event the Tenant does not pay rent, Manager will guarantee up to 1 month's rent in return for an additional 0.8% fee of the collected rent. This fee gets paid by the Tenant by reducing the rent amount by the fee amount. As an example, on a \$3,000 per month rental rate the monthly rent protection fee would be \$24. This \$24 would be paid by your Tenant and their ledger would appear as follows: Rent \$2,976 and Rent Protection Fee \$24. This program can be added to our Bronze and Silver plan and is included in our Gold plan.

Owner Initial for Participation in the Rent Protection Program _____

- 16. PREFERRED RESIDENT SECURITY DEPOSIT PROGRAM:** It is Manager's company policy to give the owner the option of collecting one or two month's rent as a security deposit if the premises are unfurnished. Manager may offer a *Preferred Resident Security Deposit Program* with Owner approval to assist tenants with this deposit. Even with participation in this program, Tenant is still responsible for maintaining the premises in good condition. In lieu of paying the equivalent of 1 Month's Rent as a Security Deposit (if two month's rent is required), the Tenant will pay a monthly *Security Deposit Waiver Fee*. Manager will charge and retain the *Security Deposit Waiver Fee* from the tenant. In exchange for charging this fee, Manager will be liable for all damages to an Owner's rental property (above and beyond normal wear and tear) up to a maximum of 1 Month's Rent. After the resident has moved out, if the resident leaves the property damage free and no deductions from the Security Deposit are made (damage beyond normal wear and tear) Manager will refund 25% of all *Security Deposit Waiver Fees* collected within 30 days of move out. As an Owner you have two options with regards to the Security Deposit:

REQUIRE TWO MONTHS'S RENT AS SECURITY DEPOSIT WITHOUT PROGRAM

- **Require 2 Month's Rent as a Security Deposit**
 - Instruct Manager to collect 2 month's rent as the Security Deposit with no exceptions. If applicant is unable or unwilling to deposit 2 months' rent as the Security Deposit, we will consider them unqualified to rent your property.

REQUIRE TWO MONTHS'S RENT AS SECURITY DEPOSIT WITH PROGRAM

- **Require 1 Month's Rent as a Security Deposit**
- **Resident to Participate in the Preferred Resident Security Deposit Program**
 - **700+ Credit Score:** The *Security Deposit Waiver Fee* will be **1%** of the monthly rent
 - **600 – 699 Credit Score:** The *Security Deposit Waiver Fee* will be **1.5%** of the monthly rent

Owner's Initials _____

Owner Initial for Participation in the Preferred Resident Security Deposit Program _____

REQUIRE ONE MONTH'S RENT AS SECURITY DEPOSIT

- **Require 1 Month's Rent as a Security Deposit**
 - Instruct Manager to collect 1 month's rent as the Security Deposit with no exceptions. If applicant is unable to deposit 1 months' rent as the Security Deposit, we will consider them unqualified to rent your property.

Owner initial to only require 1 Month's Rent as a Security Deposit _____

17. COMPENSATION

- A. Management Fee:** _____% per month for management services. No fee will be charged if rent is not collected.
- B. Leasing Fee:** The Leasing Fee is _____% of the lease term gross collected income. This fee is paid to market the Property on the MLS or any other marketing medium to secure a tenant for the Owner.
- C. Annual Walk-Through:** Manager agrees to perform an annual walk-through of the property once per year at a cost of \$100 per inspection, typically 75-90 days prior to the expiration of the lease. If the Owner wants additional inspections, Manager may agree to additional inspections at a cost of \$100 per inspection.
- D. Tenant Administrative Fees:** Owner agrees that Manager may receive and keep fees and charges from tenants for requesting an assignment of lease of the Property, processing credit applications, returned checks, Owner Eviction Protection Program, lease prep fee and any other services that are not in conflict with this Agreement.
- E. Affiliated Company:** Manager may perform any of Manager's duties and obtain necessary products and services through affiliated companies in which Manager may own an interest. Manager has an interest in the following affiliated companies: Keller Williams Realty of Yorba Linda / Anaheim Hills.
- F. Additional Work:** If Owner requests additional work of Manager beyond the scope of work agreed to in this agreement Manager may, at its discretion, perform that work at a fee of \$50 per hour. Owner shall agree to this additional fee before work is performed.
- G. Initial Set Up Fee:** If the property is tenant occupied a \$100 fee will be charged for the initial walk-through and to onboarding the tenant to our accounting software.
- H. Technology Fee:** A fee of \$40 per year will be charged in the month of January (not charged under the Gold Plan).
- I. Late Fee:** Manager shall retain 100% of late fees collected. Manager is responsible for the cost of hiring a registered process server to post the notice to the tenant.
- J. Home Warranty:** A fee of \$25 will be charged per occurrence when utilizing a Home Warranty.
- K. Insurance Claim:** A fee of \$100 will be charged per occurrence if a claim is filed with an Owner's insurance carrier (not charged under the Silver or Gold Plan).
- L. Housing Assistance Programs:** We can work with Housing Assistance Programs such as OCHA (Orange County Housing Authority) or other city, state or federal programs. When doing so we charge an additional \$20 per month on the Bronze and Silver plan as working with any Housing Assistance programs adds additional administrative work. This service is included on the Gold plan at no additional fee.
- M. Project Management:** The coordination of general maintenance items is included in the base management fee. Overseeing a home improvement projects (kitchen remodel, bathroom remodel, flooring change, house painting) have a project management fee. With the Bronze plan the project management fee is 10% of the job cost, with the Silver plan the project management fee is 5% of the job cost and with the Gold plan it is included.
- N. Lease Renewal:** With the Bronze plan the lease renewal fee is \$150 and it is included with the Silver and Gold plan.
- O. CA Franchise Tax Board:** If Owner does not obtain a waiver and Manager must withhold 7% of the gross payments, Manager will charge a \$50 quarterly withholding fee to process payments and correspond with the CA Franchise Tax Board.
- P. Services Not Included:** This Agreement does not include providing on-site management services, property sales, refinancing, preparing Property for sale or refinancing, modernization, fire or major damage restoration, rehabilitation, obtaining income tax, accounting or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, attending Owner's Association meetings or any service not explicitly related to the ongoing management of the property. If Owner requests Manager to perform services not included in this Agreement, a fee shall be agreed upon before these services are performed.
- Q. Selling the Property:** If Owner chooses to, Manager can list the property for sale at a brokerage fee of 5%. Manager will discount the sale listing fee by the annual management fee collected, however, not to go below 4%. Owner reserves the right to list with any brokerage of their choice.

- 18. ATTORNEY FEES:** In the event of any legal action (including arbitration) by the parties arising out of this Agreement, the losing party shall pay prevailing party reasonable attorney's fees and costs in addition to all other relief. In any action, proceeding or arbitration between Owner and Manager regarding the obligation to pay compensation under this Agreement, the prevailing Owner or Manager shall be entitled to a reasonable attorney fees and cost from the non-prevailing Owner or Manager.
- 19. EQUAL HOUSING OPPORTUNITY:** The Property is offered in compliance with federal, state and local anti-discrimination laws.
- 20. ADDITIONAL TERMS:** Keysafe/Lockbox Addendum (C.A.R Form KLA); Lead-Based Paint and Lead-Based Paint Hazards Disclosure (C.A.R Form FLD); Water Heater & Smoke Detector Statement of Compliance; Carbon Monoxide Detector Notice; Lease/Rental Mold and Ventilation Addendum; Authorization to Act on Behalf of Owner; Bed Bug Disclosure; See Addendum.
- 21. MODIFICATION:** This Agreement shall include any exhibits, addendums, schedules, and amendments along with any disclosures that may occur from time to time. Notwithstanding anything contained herein both Owner and Manager acknowledge that laws relating to the leasing and management of real estate in the State of California change from time to time. Owner and Manager agree that Manager may change the terms of this Agreement upon thirty (30) days' notice which may be made via electronic means to the email address provided by the Owner. If Owner objects to the modified terms, Owner shall give notice to Broker of said objection and Manager may either opt the Owner out of the change(s) previously communicated or allow Owner to terminate this Agreement without penalty within the thirty (30) day notice period.
- 22. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed except in writing. This Agreement and any supplement, addendum or modification, including any copy, may be signed in two or more counterparts, all of which shall constitute one and the same writing.

Owner warrants that Owner is the Owner of the Property or has the authority to execute this Agreement. Owner acknowledges Owner has read, understands, accepts and has received a copy of the Agreement. If any of the provisions of this agreement, or its application, is held invalid, it will not affect other provisions or application herein which can be given effect without the invalid provision or application. To this end all provisions of this agreement are severable.

Owner: _____ Date: _____
 Print Name: _____
 Address: _____ City: _____ State: _____ Zip: _____
 Telephone: _____ Email: _____

Owner: _____ Date: _____
 Print Name: _____
 Address: _____ City: _____ State: _____ Zip: _____
 Telephone: _____ Email: _____

Broker Signature: _____ Date: _____
 Real Estate Broker (Firm): *Good Steward Property Management* By (Agent): *Jeffrey Terreros* DRE Lic. #: *01918337*
 Address: *19631 Yorba Linda Blvd. Yorba Linda, CA 92886* Telephone: *(714) 916-2880* Email: *Jeff@GoodStewardPM.com*