



Hello Homeowner!

Thank you for your interest in Disciple Property Management (DPM). We are honored that you are considering us to manage your home.

In this Owner Packet you will find a FAQ sheet, a list of Common Owner Financial Responsibilities, and a tentative list of Start Up Costs, and a sample Management Agreement.

Meanwhile from you we will need the property address, the tentative date of availability, and who is currently residing at the property (homeowner, tenant with an existing lease, etc.) Feel free to email that information to us.

For local homeowners:

If you would like for DPM to schedule a home visit for us to tour the property and answer any questions you may have, we are happy to facilitate that. If after the home visit you wish to move forward, we will email you the Management Agreement for your property, an ACH Authorization form (to pay you electronically), and a New Listing Information Sheet for you to complete.

For remote homeowners:

If you are a homeowner at a remote location and cannot participate in a home visit and would like to move forward with listing your home with DPM, we will gladly answer questions over the phone, email or text. If you then wish to move forward, we will be glad to email you the Management Agreement for your property, an ACH Authorization form (to pay you electronically), and a New Listing Information Sheet for you to complete.

At Disciple Property Management we respect that your home is an important investment and we want you to be comfortable with your property management decision. Feel free to ask questions.

**Disciple Property Management
(912) 452-1777
Property Management Department
donna@disciplepm.com**



FAQs for Owners New to Disciple Property Management

How do Owners get paid? All Owners receive payment through direct deposit. If you proceed to the next step in listing your property with DPM, we will send you a packet via DocuSign including the specific Management Agreement for your property, an Info Sheet for specific details about your property, and an ACH Authorization form for direct deposits, and a separate W9 Form for taxes (pdf format.)

When do Tenants pay? Tenants' rent is due on the 1st and considered late on the 2nd. If Tenants pay late, it can impact the Owner Draw (See below FAQ "When do Owners get paid?") DPM will notify the Owner if the Tenant has not paid in full by the 10th. If Tenants request a payment plan that extends payment after the 10th, we will reach out to the Owner, for permission. *DPM's goal is full rent collection on the 1st every month, and we set that standard with Tenants from the beginning.*

When do Owners get paid? Owners of rented properties with paying Tenants receive their Owner Draw monthly, generally by the 15th of the month. If Tenants pay late, it can impact the timing and amount of the Owner Draw, dependent upon when the payment is received. DPM has procedures for late payments and follows up quickly with Tenants regarding late rent. We will notify the Owner if the Tenant has not paid in full by the 10th. Monies collected after the 10th will be reflected in the following month's Owner Statement.

How do Tenants pay? Tenants are HIGHLY encouraged to pay electronically using their Tenant Portal. Should a Tenant have payment reversed for Non-Sufficient-Funds, we may require them to make future payments in Guaranteed Funds, such as a bank check or cashier's check.

How long will it take to find a Tenant for my property? Great question with an involved answer. Speed of the application/leasing process is influenced heavily by: 1) Competitive pricing of the property 2) Availability of renters, which may vary seasonally. We will live in a military community with a busier rental season from March – August, but that does not mean that a property cannot rent quickly in December! When a property is available for rent, we contact Owners weekly discuss marketing options and ideas, and to answer any questions.

How does DPM find Tenants? DPM has a whole marketing process ranging from things as simple as For Rent yard signs to listing properties on a wide variety of over 30 online advertising website searches, as well as AHRN – the site the military uses to help personnel find homes at new duty stations. Leads are pointed to our website, disciplerealestate.com. Our system allows for easy scheduling of viewings, feedback from viewings for better insight, and online applications.

How does DPM approve Tenants? When a Lead completes an application, DPM is given permission to run a credit check and criminal background check on Applicants age 18 and older. Those results are processed through a 3rd party system that either recommends approval, denial, or suggests further consideration. If, for instance, the Applicant's credit score is lower, but their rent-to-income ratio is favorable, DPM may then come to you, the Owner, and ask if you want us to consider this Applicant with an increased deposit. All this to say, Applicants are screened carefully and consistently. While we do want to rent your property quickly, we do our best to place *qualified* Tenants! Please know also that we are prohibited by law from sharing specifics of an Applicant's credit, background check, and personal information.

What about pets? Whether a property is "pet friendly" is an Owner decision. For properties where pets are allowed, new Tenants with approved pets are required to pay a Non-Refundable Pet Fee and additional monthly Pet Rent. *In return, Owners of said properties are given a \$2,000.00 guarantee by Disciple Property Management for any pet-related damage, above and beyond the Tenant's Security Deposit at Tenant Move Out.* Tenants are required to register any animals through [Petscreening.com](https://www.petscreening.com). *Petscreening.com will determine a score for the pet based on a variety of factors (including training history, vaccination records, history, breed, size, etc.) which we use to determine how much additional Pet Rent the tenants will be required for the particular pet, ranging from \$10 - \$25 per month. Tenants are also required to pay a one time Pet Fee of \$200 per pet, with a 2 pet maximum as a general rule. DPM has already saved homeowners money with the Pet Guarantee for pet related damage that would have exceeded the amount of a pet deposit. Approximately 70% of people looking to rent have pets, so allowing pets at your rental property increases your chances of quick rental dramatically, and DPM is happy to offer this Pet Guarantee to homeowners to help make this decision even easier!*

These Pet Fees/Pet Rent do show on the Owner's monthly Owner Statement as "Pet Guarantee" and "Pet Rent" but are retained in a designated account to pay for pet related damages if required.

Owner should indicate on Page 6 of their Management Agreement whether pets are allowed, and if any specific breeds are excluded.

Why does DPM change the locks on my house? It is a legal and security standard that locks are changed between Tenants. Every time. Without fail. Disciple Property Management uses a system called Landlord Locks which allows easy and cost-effective-for-the-Owner lock changes between Tenants. The initial lock change includes hardware cost, so subsequent lock changes with Landlord Locks cost less. Disciple Property Management actually charges Owners below our cost for the hardware, because these locks are of such benefit long-term. DPM is assured to always have a key to the home, and changing out the locks for future Tenants is extremely easy and secure.

What about Pest Control? Tenants are required to provide monthly pest control for their DPM property through Preferred Pest control, which includes treatment for pests such as ants, roaches, spiders, fleas, and German roaches. Owners are responsible for termites and rodent control. The pest control charge will be billed to tenants alongside their rent and will be visible on your Owner Statement. DPM then pays Preferred Pest Control with the monies collected.

What happens when my home needs a minor repair or has an emergency? Tenants have an Online Tenant Portal to submit Maintenance Requests (as well as to make rent payments.) Our procedure for non-emergencies and emergencies is addressed in the Management Agreement in Section 2, Paragraph E. If a vendor is dispatched for any reason to your property, we will notify you.

How do Tenants report emergencies after hours? When Tenants pick up their keys they receive "Tips for Tenant Success" which includes emergency procedures. Emergencies are defined as any event in which the safety or well being of people or property is endangered. (Think "Fire, Flood or Blood.") In the event of an after-hours emergency, Tenants first step is to report the issue through their Tenant Portal, which submits the issue directly to our Maintenance

Department. A DPM representative will contact them back shortly and determine the most appropriate course of action. We also have an After-Hours Emergency Line. If Tenants call this line they are advised to leave a voicemail AND STILL submit a Maintenance Request through their Tenant Portal, as the Maintenance Request goes directly to the Maintenance Department. These emergency procedures are provided to tenants when they pick up keys and are also listed on the voicemail of our main office line.

Should I have a Home Warranty for my property? Disciple Property Management strongly recommends against Home Warranties, based on years of experience. With Home Warranty companies, DPM has no control over what vendors are used, how they are scheduled, or the quality of their work. Here are some real examples with personal info excluded:

True story from Summer 2018 at DPM – Tenants were having repetitive issues with A/C not working. The A/C system was 28 years old. (This is extremely old for an A/C system.) After over a MONTH of DPM making multiple calls/emails/follow-ups to the Home Warranty Company, the Home Warranty Company opted to replace only certain parts of the 28-year-old system instead of replacing the whole unit. The out of pocket cost to the Owner was over \$2,000.00 while the tenants were extremely frustrated in the process.

True story from Fall 2018 at DPM – Tenants reported microwave not working. DPM contacted Home Warranty Company. It ultimately took 2 weeks for the Home Warranty Company to dispatch an appliance repairman. The frustrated tenants called DPM several times during this process, with DPM then contacting the Home Warranty Company each time to find out where they were in their process. When the Home Warranty Company did dispatch a vendor, the repair was determined to not be covered by the warranty, and the Owner ended up replacing the microwave anyway.

How does the Tenant's Security Deposit work? A Security Deposit is collected from the Tenant prior to Move In. Also prior to Move In, DPM conducts a thorough Move In Inspection with photos of the property. When the Tenant moves out, DPM will conduct an equally thorough Move Out Inspection. We will then contrast the inspections from the Move In with the Move Out, and if there are damages to the property beyond what is considered normal wear-and-tear, we will note those damages. Within 3 business days of Move Out, DPM is required to send the Tenant a Move Out Statement listing those damages and the amount of funds we intend to withhold from the Security Deposit for each line item. If the Tenant responds and agrees to these charges, the information is forwarded to our Accounting Department, the remainder of the Tenant's Security Deposit is mailed to them, and the balance withheld from the Tenant's Security Deposit will be reflected on your Owner Statement. If the Tenant disputes the charges in the Move Out Statement or fails to respond that they accept the findings of the Move Out Statement, DPM has a total of 30 days from Move Out to process the Security Deposit.

What if I decide to sell my home? Your home is your investment and we have total respect if you wish to sell at some point instead of renting. Per the Management Agreement in the paragraph entitled "Exclusive Agency" on page 1, Owners are required to honor the terms of the current Tenant's lease. So, for example, if your current Tenant is in a lease that would end in December, you would not be able to remove your tenant from the home in August while the Tenant's lease is still in force. However, with proper notice DPM could advise the Tenant that the lease is not eligible for renewal in December and give them notice to vacate at the end of their lease. Homes can be listed for sale with tenants still in place, honoring the terms defined in the Tenant lease regarding notices for showing the property, etc.



Common Owner Responsibilities

This list is not comprehensive, but is designed to give the homeowner guidelines to Owner responsibilities with property upkeep, etc.

- Re-key after each tenant moves out, for safety issues.
- Annual Maintenance for HVAC and pressure washing.
- A/C Heating repairs/replacement.
- Home Owner's Association Dues.
- Repairs or replacement of appliances that were left at the property for the tenants' use (refrigerator, dishwasher, microwave, etc.) *DPM does not recommend Owners leaving washer/dryer or lawnmowers. If they are left, they must be maintained and replaced if necessary.*
- Repair or replacement of any light fixtures/fans that become inoperable.
- Septic system pumped every few years.
- Dryer vent blown out every few years.
- Roof or ceiling repairs, if not caused by tenant negligence.
- Water heater repair or replacement. On very rare occasions, have the water heater flushed due to calcium build up.
- Plumbing issues.
- New toilet seats every few years, if they are looking badly. Shower faucets if faulty. Wax rings for toilets, handles, and inside parts of toilet tanks.
- Garage door related charges - door, operators, springs, shaft, remotes.
- Electrical issues, burnt out breakers, outlets, light switches that are inoperable, etc.
- Chimney sweep every few years.
- Fence repairs (loose or rotting boards, posts, adjustments to gate, new hardware, etc.)
- Vinyl siding, brick, stucco, shutters, gutters, diverters, mailbox, soffits, fascia, etc. that are exposed to nature - sometimes need to be repaired, painted, or replaced.
- Weather stripping replacement every few years.
- Sometimes cabinets in kitchens and bathrooms need to be sanded and repainted from normal wear-and-tear.
- Interior painting from normal wear and tear. (Paint in rentals generally lasts 8 years.)
- Carpet replacement from normal wear and tear. (Carpet generally lasts 7 years in a rental.)
- Permits / licenses that are required for major repairs.

Please know that with any expenses, we do first check to see if a problem has been caused by a tenant. If damage can be factually supported as caused by the tenant, it will be charged to the Tenant.



General Start Up Costs for New Properties with Disciple Property Management

Disciple Property Management seeks to make the Start Up Process for owners as simple and predictable as possible. Here are general start up costs associated with new properties to DPM so you, the Owner, know what to expect.

- **\$250 Leasing Fee**, due when you sign your Management Agreement. When we receive this payment, we will begin the process of onboarding your property and then marketing ASAP.
- **\$300 Reserve**. The Reserve will be withheld from your first Owner Draw after your tenant has paid 1st month's rent. The Reserve is your money, held for you by DPM for repairs less than \$300. This is explained more in FAQs and specifically addressed in the Management Agreement.
- **Cost of changing locks**. It is a legal requirement that locks be changed before a new tenant moves in. If the property is currently Owner occupied or has a pre-existing tenant that is leaving when DPM assumes management, we will change the locks of the home. **The cost will vary dependent on the number of deadbolts and passage knobs for the home**. This is explained more in FAQs. The cost of changing locks will be withheld from your first Owner Draw, like the Reserve.

If the property already has an existing tenant who will be remaining when we assume management, we will leave current locks in place until said tenant moves out and a new tenant is incoming.

- **Minor repairs for rent-readiness**. DPM may make recommendations to you for making your property more rent-ready. If you wish for DPM to facilitate any minor repairs, etc., cost would be determined at that time. Whether repairs would be pulled from Owner Draw or be paid for up front by Owner would be determined on a case by case basis. This potential process would, of course, follow a signed Management Agreement and receipt of the \$250 Leasing Fee.
- **Professionally clean carpets**. Tenants are required to professionally clean the carpets when they move out, so carpets should be professionally cleaned before your first tenants move in.

If you have any further questions, please contact Disciple Property Management at 912.452.1777 or email donna@disciplepm.com

EXCLUSIVE LEASING/MANAGEMENT AGREEMENT

In consideration of covenants herein contained, Disciple Real Estate Services Inc., dba **DISCIPLE PROPERTY MANAGEMENT** (hereinafter referred to as "Broker"), (hereinafter referred to as "Owner"), agree as follows:

EXCLUSIVE AGENCY

The Owner hereby desires to retain Broker as Owner's limited agent and grants Broker the exclusive right to lease, operate, and manage the property known as _____ hereafter referred to as "Property") upon the terms set forth below for an initial period of Twelve (12) months

beginning the _____. This agreement shall continue for one year from the date of expiration and from year to year thereafter unless or until cancelled by Owner or by Broker upon 30 days written notice to the other. Once property is leased, this agreement is automatically extended until tenancy is terminated. In the event that Owner terminates this agreement, or if Broker terminates this agreement due to Owner's default, while property is under a lease, then Owner shall immediately pay Broker all fees and commissions that Broker would have earned during the term of lease had the agreement not been terminated. Broker may deduct the full amount of such fees and commissions from any monies being held or coming to Broker which would be due Owner. If the Property is not under a current lease, Owner may terminate Broker without cause with 30 days written notice.

1. LEASING:

- A. Owner authorizes Broker to advertise the availability for rental of the above described property or any part thereof, and to display "FOR RENT" signs thereon and to sign leases for the premises or any part thereof. Broker may advertise the Property for lease in all media and reproduce and distribute image of Property in connection therewith. Owner agrees not to place any advertisements on Property or to advertise Property for lease in any media except with the prior written consent of Broker. Owner authorizes Broker to determine when to cease advertising the property as available for rent.
- B. Owner authorizes Broker to place a lockbox on the property to be used in connection with the leasing, marketing, inspection, and maintenance of Property by Broker, Broker's affiliated licensees and employees, contractors, other real estate brokers and their affiliated licensees and other persons who may be authorized to access the Property. Owner understands that there have been isolated incidents of reported burglaries of homes on which lockboxes have been placed and for which the lockbox has been alleged to have been used to access the property. Broker recommends that Owner remove all valuables from the property while the property has a lockbox installed. Owner expressly acknowledges that any personal property left behind is at the Owner's risk. Owner hereby releases and discharges Broker, its agents, employees, and successors from any liability regarding Owner's personal property left on or in the property. Owner agrees to hold Broker harmless from any claims related to the use of lockbox on the property.
- C. Owner acknowledges that Broker is a member of SABOR MLS listing services. Owner agrees that Broker may, but is not required to; file this listing with said services. Owner acknowledges that the listing services are not a party to this Agreement and are not responsible for errors or omissions on the part of Owner or Broker. Owner agrees to indemnify the services from against any and all claims, liabilities, damages or losses arising out of or related to the listing and lease of the Property.
- D. Any rental agreement shall be in writing on the Broker's standard lease form. Owner authorizes Broker to approve or disapprove any proposed Tenant for any reason. Owner has the right to limit the rental rate and the lease term in writing prior to marketing the property for lease. Broker, from time to time, may request Owner to approve or disapprove of a proposed tenant. Owner's reason for denial cannot be contradictory to any Federal, State, or local Fair Housing guidelines. Upon Owner's inability or failure to approve or disapprove a proposed tenancy within 24 hours after notification by Broker of the receipt of an application to rent the property, Owner forfeits the opportunity for input on such matter.

2. MANAGEMENT:

- A. To use due diligence in the management and maintenance of the premises for the period and upon the terms herein provided, and agrees to furnish the services of Broker's organization for the operating and managing of the herein described property; to collect rents due or that become due and give receipt 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; to sue in the name of the Owner and recover rents and other sums due; and when expedient, to settle, compromise, and release such actions or lawsuits or reinstate such tenancies.

- B. To make available timely statements of receipts and expenses and to remit it to Owner the balance of such funds less any reserve balances monthly. In the event the expenses are in excess of the receipts collected by the Broker, the owner hereby agrees to pay such excess promptly upon demand of the Broker. In addition, Broker may debit any other property's account of Owner to satisfy, or partially satisfy, balances owed on such account. Broker will prepare IRS Form 1099 and any other tax related forms or documents as may be required by law.
- C. To 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 Broker's business account. However, Broker will not be held liable in event of bankruptcy or failure of a depository. Owner understands that proceeds from the property may be commingled in such account with proceeds from other properties managed by Broker.
- D. To collect from the tenant a security deposit to encourage the tenant's fulfillment of the conditions of the rental agreement. Broker shall deposit and maintain such security deposit in his escrow account established for that purpose. Broker shall have sole discretion to execute the move-in and move-out inspection reports on Owner's behalf, and to apply the Security Deposit, upon termination of the lease, as provided in the rental agreement. Owner understands and acknowledges that Security Deposit will be maintained in a national or state institution may be in an interest bearing account, with such interest to be paid to Broker. Any pre-paid rental payments advanced by the tenant will also be deposited in Broker's Trust account and will be paid to owner as applied to current rent or other unpaid charges due from tenant.
- E. To make or cause to be made, and supervise repairs, and to do decorating and cleaning on said premises; to purchase supplies and pay all bills therefore. The Broker agrees to secure the prior approval of the Owner before sending a contractor out to make repairs estimated to be in excess of \$300.00 **(REPAIR LIMIT) for any single repair that is not an emergency.** Broker will attempt to contact Owner by telephone, email, or text to notify Owner of non-emergency repairs. For repairs in excess of the REPAIR LIMIT, after Broker has sent notice to Owner by telephone (including voicemail), email, or text of the non-emergency repair, the Owner will have 48 hours within which to respond to Broker's notification. If Owner has not replied to Broker within 48 hours, Owner authorizes Broker to use Broker's own best judgment with regard to the repair in order to protect and preserve the property, or to maintain services necessary to provide comfortable living standards for the Tenant. Broker has no obligation to contact Owner prior to handling monthly or recurring operating charges, any maintenance authorized by the Owner under this agreement, or emergency repairs in excess of the maximum, if in the opinion of the Broker such emergency repairs are necessary to protect the property from damage or to maintain services to the tenants (examples: HVAC, Electrical, plumbing, etc...) as called for in their lease. Any faults with the Property which are noted by any local, state, or federal inspector which constitute a health or safety violation will be treated as an emergency.
- F. To hire, discharge and supervise all labor and employees required for the operation and maintenance of the premises; it being agreed that all employees shall be deemed employees of the Owner and not the Broker. Broker may perform any of its duties through attorneys, agents or employees and shall not be responsible for their acts, defaults or negligence if reasonable care has been exercised in their appointments and retention.
- G. To make contracts for electricity, gas, fuel, water, lawn care/landscaping, cleaning, trash or rubbish hauling and other services as the Broker shall deem advisable; the Owner to assume the obligations of any contract so entered until the termination of this Agreement.
- H. To contract with, pay referral fees to, and receive referral fees from other Brokers, Contractors and other entities, including affiliates of Broker or companies owned by Broker, to perform services including, but not limited to, repairs, maintenance, pest control, insurance, debt collections, accounting, data processing, record keeping, legal fees and court costs. Any such arrangement with affiliates or companies owned by Broker will be on terms fair and reasonable to the Owner and no less favorable than could reasonably be realized with unaffiliated persons or companies. The Owner is hereby aware that Broker may deduct these expenses from the monies coming to Broker that are due to the Owner.
- I. To institute and prosecute legal actions and proceedings in Owner's name and behalf to terminate leases for cause, to remove tenants from Property, to recover for damages to the Property. For such purposes, Broker may employ attorneys and incur court costs and litigation costs at Owner's expense. Broker, in his discretion is also authorized to settle or compromise any such legal actions or proceedings.

3. OWNER'S RESPONSIBILITY. Owner hereby expressly appoints Broker as its agent to act on its behalf with respect to carrying out its duties enumerated herein.

Owner agrees:

- A. **Indemnity:** To save the Broker harmless from all liabilities, claims and damage suits in connection with the management of the herein described property and from liability from injury suffered by any employee or other person whomsoever, and to carry, at his own expense, necessary public liability insurance adequate to protect the interests of thee parties hereto. Owner agrees to reimburse Broker for any loss or expenses incurred by Broker in defending or prosecuting any claim related to a tenant, or former tenant, of the property including the reimbursement of attorney's fees. Owner will maintain adequate fire and extended insurance coverage on the Property, and Owner will, at all times, maintain landlord's liability insurance of Owner and will cause Broker to be named as "additional insured" under such liability insurance. Owner will provide Broker with evidence of coverage prior to date of occupancy of tenant. The failure of Owner to add Broker as an "additional insured" shall in no way remove or reduce Owner's obligations to save the Broker harmless and reimburse the Broker for any loss or expenses as stated above. The Broker also shall not be liable for any error of judgment or for any mistake of fact of law, or for anything which it may do or refrain from doing hereinafter, except in cases of willful misconduct or gross negligence. Not with standing any other provisions to the contrary, Broker shall under no circumstances have any liability greater than the compensation actually paid to Broker hereunder including commissions or, if no commission has been paid to Broker then a sum not to exceed One Hundred Dollars. Owner has removed all of Owner's personal property that Owner desires to remove and agrees to indemnify and hold Broker harmless from any liabilities, claims, or losses, related to any of Owner's personal property remaining on the subject Property.
- B. **Property Condition:** To certify that unless otherwise provided herein, all systems and furnished appliances are in working condition. Owner certifies that the Property is in good and habitable condition now. Pursuant to O.C.G.A. Sections 44-7-13 and 44-7-2, Owner will, at all times, be responsible for maintaining the Property in a good and habitable condition, and in compliance with all applicable laws, ordinances, and regulation of all government authorities. Upon the execution of the agreement Owner will provide two sets of keys for the property.
- C. **Lead-Based Paint:** That if any part of the dwelling located on the Property was built prior to 1978 or if Owner does not know when the Property was built, Owner agrees to provide a written disclosure by Owner, on a form approved by the Environmental Protection Agency, of the presences of any known lead-based paint and/or lead-based paint hazards, if any, in the dwelling.
- D. **Owner' Property Disclosure Statement:** To complete a written Property Disclosure Statement for the Property, on a form acceptable to Broker, and authorizes Broker to provide a copy thereof to prospective tenants. Owner shall review and update Owner's Property Disclosure Statement so that new tenants are fully aware of the then current conditions affecting the Property.
- E. **Notice of Propensity of Flooding:** To comply with O.C.G.A. 44-7-20, Owner hereby certifies to Broker the following: some portion or all of the living space or attachment thereto on Property has OR has not been flooded at least three times during the last five years immediately preceding the execution of this agreement. Flooding is defined as the inundation of a portion of the living space caused by an increased water level in an established water source such as a river, stream, drainage ditch, or as a ponding of water at or near the point where heavy or excessive rain fell.
- F. **Nondiscrimination:** To fully comply with all laws and regulations that prohibit discrimination based on race, color, religion, sex, age, national origin, familial status or disability.
- G. **Mortgage & Property Taxes:** To keep all mortgage obligations, property taxes, association fees, or any other obligations which could lead to a foreclosure action against the property current and paid in full as required. Should Broker be notified that a foreclosure action has been initiated against the subject property, then Owner authorizes Broker to freeze all of the Owner's funds related to that property and Broker will make no further disbursement to Owner. Owner will have 30 days to correct and make current the obligation that initiated the foreclosure action. Should owner fail to make current the obligation, thereby stopping the foreclosure action and providing Broker with written verification from the Mortgage company, Owner authorizes Broker to release the Tenant from their lease obligations, refund the security deposit to the Resident and to deduct from Owner's funds on hand with Broker all amounts due to Broker or Tenant including, but not limited to, any refund to tenant of prorated rent or expenses and all of the management fees, early termination fees or other fees that would be due to Broker through the end of the lease term. Owner and Broker agree that the tenant is not a third party beneficiary and nothing in this paragraph shall limit Broker's other legal remedies to collect from Owner any unpaid fees due to Broker.

____ Owner declares that all mortgages on the property are current as of the date this agreement is signed by Owner. Owner agrees to notify Broker _____ Initials within 15 calendar days of the mortgage not being current. Owner understands that the Property will not be marketed

for rent or re-rented if the mortgage obligations are not current. Owner understands that if Owner does attempt to rent a property when

the mortgage payments are in arrears, Owner may be liable to the tenant for a claim of fraud.

- H. Establish and maintain a cash reserve for the property in the amount of \$300.00 to cover repairs and expenses.
- I. **Locks:** Owner understands that Broker installs and maintains commercial grade locks on the Property at Owner expense. Owner understands that the commercial grade locks are rekeyed between tenancies at Owner expense. If or when Owner or Broker elect not to renew the Management Agreement, Owner understands that commercial grade locks will be replaced at Owner expense. Owner can purchase and provide replacement locks or Broker will do so on behalf of Owner.

4. **COMPENSATION:** Owner agrees to pay Broker:

- A. **Leasing Fee:** A Leasing Fee of \$250 when a new tenant is procured for the property.
- B. **Annual Renewal Fee:** A renewal fee of \$50 when the tenant extends their lease for the property beyond the initial one year term whether for an extended term or on a month to month basis. If the initial lease term, or any subsequent renewal terms, exceeds one year, the Renewal Fee will be charged on the anniversary of the start date of the lease. Should the Tenant not make twelve (12) rental payments for any renewal term Broker will apply a pro-rated refund from the last renewal fee charged toward the next procurement fee.
- C. **Management Fee:** A management fee of 10% of the gross monthly collections from the property. This fee is charged based on the receipts collected from the tenant even during months when a procurement or renewal fee is charged.
- D. **Negative Owner Cash Balance Charges:** Per paragraph 2. B. Owner agrees to send funds to Broker promptly whenever expenses for the Owner's accounts exceed the cash available within Owner's accounts. Should the Owner's cash balance become negative for any reason, Owner shall send the funds necessary to Broker to bring the Owner's accounts back to a cash balance of at least zero dollar within 15 days of receiving notice from Broker that the Owner's account has a negative cash balance. An email or the monthly statement sent by Broker indicating a negative cash balance shall be deemed "Notice" for the purposes of this paragraph. If Owner has not sent the necessary funds within 15 days of the date of notice to Owner, in order to comply with State law regarding Trust Accounts, Broker will need to use the Broker's funds to bring the cash balance back to zero. Each time Broker advances funds for Owner, Owner will pay Broker a monthly fee of \$25.00 plus interest on the amount advanced at a rate of 1% of the unpaid balance per calendar month (or any portion of a calendar month. \$10 minimum per calendar month) until the Broker's funds have been repaid in full.
- E. **ACH Payment:** Owner understands and acknowledges that all funds paid from Broker to Owner will be remitted electronically.
- F. **Advertising:** All forms of advertising will be at the discretion and expense of Broker. Owner agrees to reimburse Broker for any advertising expenses that are specifically directed or required by Owner.
- G. **Court Appearance:** In the event Broker, or one of Broker's employees or agents, need to appear in court on behalf of Owner regarding an issue related to the subject property, Owner agrees to pay Broker an additional fee of \$80 per court appearance.
- H. **Owner Directed Trips to Property:** Should owner direct Broker, or one of Broker's employees or agents to meet someone at the property in order to gain access including, but not limited to, sales agents with other companies, delivery personnel, appraisers, or contractors, Owner agrees to pay Broker \$80 per hour for the time spent waiting at the property, and the time spent during the appointment with a minimum fee due of \$80 per trip to the property. Should Owner direct Broker, or one of Broker's employees or agents, to visit the property, Owner agrees to pay Broker \$80 for each property visit.
- I. **Managing Property Leased by Others:** In the event Broker is retained to manage a property whereby the tenant was obtained by someone other than Broker or his representatives Owner agrees to pay the Broker a fee of \$300.00.
- J. **Miscellaneous Charges:** Broker is authorized to charge, and collect from tenants for the Broker's own account, fees for handling bad checks, rental application fees, administrative fees, and charges for late payment of rent if said rent is forwarded to Owner during the Owner's normal payment cycle without delay. If the rent is paid after the Owner's normal payment cycle (the 15th of each month) and, therefore, interrupts the Owner's normal payment cycle the associated late fee will be disbursed as follows: Owner shall receive 50% of the late fee and broker shall receive the other 50%. Owner understands that Broker often charges the Tenant a non-refundable administrative fee at the initial move-in. Should Tenant move out of the property owing more than the amount of the security deposit, Broker agrees to credit the amount of the non-refundable administrative fee paid by the Tenant to the Owner's account.

5. **SALE OF PROPERTY**

If Owner sells the property to a Tenant obtained by Broker (or spouse, relative, or roommate of such Tenant), either during the term of a lease or for a period of one year after the Agreement between Owner and Broker is terminated, Owner agrees to pay Broker a sales commission. The sales commission due if the Tenant (or spouse, relative, or roommate of such Tenant) purchases the property shall be 6% of the sales price. This obligation shall survive the expiration or termination of this Agreement. Should Broker be the only broker involved with the sale transaction, Management may agree to reduce the sales commission to 4% of the sales price.

6. DISCLOSURES

Owner acknowledges that:

- A. Owner has not relied upon any advice, representations or statements of Broker and waives and shall not assert any claims against Broker involving advice, representations or statements not specifically referenced in the Special Stipulations. Owner agrees that Broker shall not be responsible to advise Owner on any matter including, but not limited to, the following: insurance, any matter which could have been revealed through a survey, title search or inspection of the property, the condition of the property, any portion thereof, or any item therein; the necessity or cost of any repairs to the property, hazardous or toxic materials, the tax or legal consequences of any lease transaction; the appraised or future value of the property, any condition(s) existing off of the property which may affect the property, the creditworthiness of prospective tenants, the uses and zoning of the property whether permitted or proposed, and any matter relating to crime and security in and around the property. Owner acknowledges that Broker is not an expert with respect to the above described matters and that if any of these matters or any other matters are of concern to Owner, Owner shall seek independent expert advice relative thereto.
- B. Broker's office brokerage relationship policy is to represent Owners as Sellers and/or Landlords (Seller Agency and Owner Agency), Buyers (Buyer Agency), and Sellers and Buyers in the same transaction with Designated Agency. Broker does not represent tenants. Owner hereby consents to Broker acting in a Designated Agency capacity in transactions in which Broker is representing Owner and a prospective purchaser. With Designated Agency, Broker assigns one or more of its affiliated licensees exclusively to represent Owner and one or more of its other affiliated licensees exclusively to represent the prospective purchaser.
- C. Broker will make disclosures to Tenants and Buyers about Owner's property in reliance on information Owner provides and based on Broker's actual knowledge, and Owner's obligation to disclose material adverse facts about the property are not changed by this agreement.
- D. Owner acknowledges and agrees that with regard to any property in which Owner intends to rent, there shall be no knowledge imputed between Broker and Broker's licensees or between the different licensees of Broker. Broker and each of Broker's licensees shall be deemed to have only actual knowledge of such properties.
- E. Broker agrees to keep all information which Owner asks to be kept confidential by express request or instruction unless the Owner permits such disclosure by subsequent work or conduct or such disclosure is required by law. Broker may not knowingly give customers or tenants false information. In the event of a conflict between Broker's duty not to give customers and tenants false information and the duty to keep the confidences of Owner, the duty not to give customers and tenants false information shall prevail. Unless specified below, Broker has no other known agency relationships with other parties which would conflict with any interests of Owner.
- F. Broker shall owe no duties to Owner nor have any authority to act on behalf of Owner other than what is set forth in this Agreement.
- G. Broker may provide assistance to prospective tenants and buyers without violating any duties to Owner.
- H. Broker may show alternative properties to tenants and buyers and provide information to same.
- I. Broker may list the property in the local Multiple Listing Services and allow other brokers and agents not affiliated with Broker to show the subject property to prospective tenants while the property is on the market for rent. Broker will be responsible for any referral fee or commission split due to another broker that provides a qualified tenant unless alternative arrangements are made in advance with Owner. Broker will not be responsible for actions of other brokers or their affiliated licensees.
- J. Owner understands and acknowledges that Broker's maintenance department, Coastal Home Maintenance LLC (CHM), operates as a general contractor to provide work order and invoice tracking, insurance coverage, quality control and accounting support for maintenance and repair services through subcontractors. Discipline Property Management works for

profit! Owner is not required to use CHM or any of Disciple's subcontractors to perform any work on the property. All contractors and subcontractors that perform work on property managed by Disciple Property Management should be covered by Workers Compensation and General Liability insurance. Any contractors that do not carry their own policy may be covered under CHM policy. The full amount of the contractor's invoice would be paid to CHM. CHM would then pay the un-insured sub-contractor a discounted amount of the invoice Disciple would keep the discount to offset the cost of the insurance premium and accounting support. This same discounting procedure is offered to some insured contractors that require payment immediately after work is completed in order that Disciple might provide more contractor options to our clients. CHM may also collect a 10% upcharge on work or receive discounts for vendors to pay for services.

- K. The invalidity or partial invalidity of any provision of this agreement shall not render the remainder of this agreement invalid or unenforceable.

7. OTHER PROVISIONS

- A. **Notices:** Except as otherwise provided herein, all notices, including demands, counter-offers, acceptances, amendments, notices of termination, and other notices permitted or required hereunder shall be in writing and signed by the party giving the notice. All notices shall be delivered either: (1) in person, (2) by an overnight delivery service, prepaid, (3) by facsimile transmission (FAX) or (4) by the US Postal Service, postage prepaid or (5) by e-mail. Notice shall be deemed to have been given as of the date and time it is actually received. Notice by FAX shall be deemed to have been given as of the date and time of the transmission if the sending FAX produces a written confirmation with the date, time and telephone number to which the notice was sent. All notices or other communications required to be given under the agreement, or otherwise necessary to be given, shall be deemed to have properly been given to owner at the address shown below Owner's signature on this Agreement, and to Broker at Unit 3, 11258 Ford Ave. Richmond Hill, Ga 31324. Either Owner or Broker may change the address at which notices are to be received by giving the other party 10 days prior written notice of any such change. A facsimile signature shall be deemed to be an original signature for all purposes herein. An e-mail notice shall be deemed to have been signed by the party giving the notice if the e-mail is sent from the e-mail address of that party and is signed with a "secure electronic signature" as that term is defined under Georgia law.
- B. **Assignment:** This Agreement may be assigned by Broker to another real estate broker licensed in the State of Georgia upon notice to Owner. Any assignee shall fulfill all of the terms and conditions of this Agreement.
- C. **Credit Report Disclosure:** Owner understands and agrees that all credit report information provided to Broker by applicants or credit reporting agencies is strictly confidential and is the sole property of Broker and Broker has no duties to provide information to Owner.
- D. **Time of Essence:** Time is of the essence of this Agreement.
- E. **Responsibility to Cooperate:** All parties agree to take all actions and do all things reasonably necessary to fulfill in good faith and in a timely manner the terms and conditions of this Agreement.
- F. **Governing Law:** This Agreement is intended as a contract for the leasing and/or management of real property and shall be interpreted in accordance with the laws of the State of Georgia. Owner and Broker consent to the exclusive jurisdiction and venue of the Superior Court of Bryan County to hear and adjudicate any dispute arising out of this agreement. As a condition precedent the initiation of any litigation, the complaining party shall present, with its initial filing, a written statement signed by a certified mediator in Bryan or Chatham County, certifying that the parties attempted to resolve their dispute in good faith and were unable to do so.
- G. **Terminology:** As the context may require in this Agreement: (1) the singular shall mean the plural and vice versa, and (2) all pronouns shall mean and include the person, entity, firm, or corporation to which they relate.
- H. **Entire Agreement:** This agreement constitutes the entire agreement between Owner and Broker and there are no prior oral statements or representations by either Owner or Broker which are binding on either party. This Agreement and the terms and conditions herein may not be amended, modified, or waived except by written agreement of Owner and Broker. The failure of the parties to adhere strictly to the terms and conditions of this Agreement shall not constitute a waiver of right of the parties later to insist on such strict adherence.
- I. **Pet Policy:** New tenants with approved pets pay a Non-Refundable Pet Fee and additional monthly Pet Rent to Disciple Property Management, which is retained in a designated fund. These funds are visible the Owner Statement as "Pet Guarantee" and "Pet Rent," but are not paid to the Homeowner. **Homeowners then have up to a \$2,000.00 guarantee**

from Disciple Property Management for damages related to those pets at tenant move out, above and beyond tenant Security Deposit.

Owner agrees to allow pets? YES or NO What are the pet's that are allowed or not allowed:

YES _____

NO

**RECEIPT OF A COPY OF THIS AGREEMENT IS HEREBY ACKNOWLEDGED BY OWNER. THE ABOVE AGREEMENT IS HERBY ACCEPTED,
_____ O'CLOCK ____ M ON _____.**

This agreement shall be for the benefit of, and be binding upon, the parties hereto, their heirs, successors, legal representatives and permitted assigns. IN WITNESS WHEREOF the parties hereto have affixed or caused to be affixed their representative signatures this ____ day of _____ 20 ____.

Owner(s) Signature

Disciple Real Estate Services, Inc.

Georgia Real Estate License # H-45796

Owner's Name(s) (PRINT)

Address

Broker's Signature

City State Zip

Paul R. (Bo) Longgrear II Ga License # 181098

Broker

Home Phone Office Phone

Fax Number Mobile Phone

Social Security # or Federal Tax ID #

E-Mail Address