

THIS PROPERTY MANAGEMENT AGREEMENT (the "Agreement") is made and entered into as of \_\_\_\_\_ by and between \_\_\_\_\_ (the "Owner"), and POLARIS PROPERTY MANAGEMENT, LLC, (the "Manager").

WITNESSETH: This Property Management Agreement is made with reference to the following facts and intentions of the parties. Owner is the owner of certain real property (the "Property") commonly known as: Address \_\_\_\_\_ City \_\_\_\_\_ State IN Zip \_\_\_\_\_ County \_\_\_\_\_.

Owner desires to engage Manager to manage and operate the Property, and Manager desires to render such management services to Owner, upon and subject to the terms and conditions set forth below. **Owner represents that Owner is not delinquent on any loans which could constitute a lien on the property and that Owner is not a party to any bankruptcy or foreclosure proceedings.**

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, Owner and Manager agree as follows:

1. **Engagement of Agent as Manager.** Owner engages Agent as Manager, and Manager agrees to serve as the sole and exclusive manager in connection with the Property for the period and upon the terms and conditions hereinafter set forth below. Owner hereby authorizes Manager to collect rent thereunder and undertake all actions to manage the Property, and receive notices and demands thereunder, on behalf of Owner as the lessor thereunder and to otherwise act on behalf of Owner thereunder.
2. **Duties of Manager.**
  - a. During the term of this Agreement, Manager agrees, for and in consideration of the compensation set forth in Article 5 below (the "Management Fee"), to supervise and direct the management operation of the Property on behalf of Owner and for Owner's account, in a professional and efficient manner. Without limiting anything set forth in this Agreement, for and in consideration of the Management Fee, Manager shall (i) conduct any necessary periodic property visits of the Property as Manager in his sole opinion deems necessary to, among other things, confirm that each tenant thereof is in compliance with such tenant's obligations under the applicable lease, and (ii) conduct a visit of the Property upon the termination of each tenant's occupancy. Except for the payment of the Management Fee and except as otherwise expressly provided herein, Owner shall have no obligation to Manager for any other fees, costs, or expenses of Manager for any services provided by Manager under this Agreement. All Security Deposits will be held in the account of the Manager.
  - b. Manager shall negotiate and execute contracts as Manager for Owner with independent contractors for services required in the ordinary course of business in operating the Property, including, without limitation, cleaning and janitorial service, HVAC equipment and other maintenance, provided that such contracts are for a term of one (1) year or less, and the nature and cost of the services contracted for do not to exceed \$600.00 individually unless approved by Owner. Manager shall seek Owner's prior written approval if any one item expenditure shall exceed that amount. Notwithstanding the foregoing, Manager may make expenditures or enter into contract without Owner's consent for emergency repairs to the Property which, in Manager's opinion, using reasonable business judgment, are immediately required to be made for the preservation and safety of the Property, to avoid the suspension of any essential service to or for the Property, or to avoid danger to life or property at the Property ("Emergency Expenditures"). If possible, Manager shall confer immediately with Owner regarding any Emergency Expenditures. Manager is permitted to receive and retain all discounts from contractors negotiated by Manager. In months when total expenditures accrued exceed rental revenue received from tenant(s) and the current balance of the Owner's Reserve Account, Manager shall provide Owner with a Reconciliation Statement and Owner agrees to remit payment to Manager within 5 business days of receipt thereby. **If payment is not received by Manager within 5 business days, a Late Fee of \$25 per day shall be applied to any outstanding balance.** Owner agrees to remit all payments online at [www.polarismanage.com](http://www.polarismanage.com) via Owner Web Portal or as otherwise directed by Manager. **Remittance payments may not be mailed to the Manager's office as the postal system is not reliable.** Owner understands that payments may not be sent via US Mail nor hand delivered to Manager's office. If Owner does remit payments to the office instead of online at [www.polarismanage.com](http://www.polarismanage.com), Owner will incur a \$30 payment processing fee. **Furthermore, Owner understands that payments made by credit or debit card shall incur a minimum of \$100 processing fee or 4% of the amount paid, whichever is greater. When payment is made by checking or saving account, there is only a nominal processing fee, thus Owner is strongly encouraged to use this method of payment to avoid the larger fees of credit card or debit card processing.** Manager shall have in its employ, or cause its independent contractors to have in their employ, enough capable employees to enable Manager to properly, adequately, safely, and economically manage, operate, and maintain the Property in accordance with the terms hereof. All matters pertaining to the employment and compensation of these employees shall be the responsibility of Manager, which represents and covenants that these employees will be

either the employees of Manager, independent contractors, or the employees of its independent contractors. In exercising its responsibilities under this Agreement, Manager agrees to comply in all material respects with all applicable laws and regulations concerning workers' compensation, social security, unemployment insurance, hours of labor, wages, working conditions and like subjects affecting employers. All employment arrangements, therefore, are solely Manager's concern, and Manager shall have no authority to hire employees on behalf of Owner. This Agreement does not create a joint venture relationship between Owner and Manager.

- c. Manager shall collect for the account of Owner all rentals and income derived from the Property during the term of this Agreement. Manager shall be responsible for the billing of all charges or other amounts due with respect to the Property. On behalf of Owner, Manager shall have the right to utilize whatever collection procedures Manager deems reasonable and appropriate in order to collect any past-due rentals or other charges or amounts from the Property, including the right to settle any claim on behalf of Owner for less than the amount, so long as such settlement amount is not less than seventy five percent (75%) of the actual amount owed. Manager will keep Owner informed, from time to time of Manager's collection activities under this Agreement. Owner will cooperate with Manager, and Manager will cooperate with Owner, in any proceedings instituted by the other to recover monies due Owner with respect to the Property or to recover possession of any portion of the Property, provided that all such proceedings shall be at Owner's expense.
- d. To the extent Manager is duly empowered under this Agreement to do so, Manager shall use good faith efforts to comply with all the obligations of the lessor under all leases with tenants of space in the Property, but solely on behalf of Owner.
- e. Manager shall operate and maintain the Property to comply in all material respects with and shall abide by all statutes, laws, rules, regulations, requirements, orders, notices, determinations and ordinances of any federal, state or local government and appropriate departments, commissions or boards with jurisdiction over the Property, or any portion of the Property, the requirements of any insurance companies covering any of the risks against which the Property is insured, and of which Manager has prior notice, and the requirements of any agreements relating to the Property of which Manager has notice (collectively, the "Requirements"). Manager further agrees at Owner's expense promptly to remedy any violation of a Requirement which comes to its attention, provided such expense in any one instance does not exceed the sum of \$600.00. If the cost of remedying such violation exceeds \$600.00, Manager promptly shall obtain Owner's prior approval before authorizing any expenditure, unless in Manager's reasonable opinion an emergency expenditure is necessary.
- f. Manager shall disburse and pay from rents and other income from the Property:
  - 1. All costs and expenses of maintaining and operating the Property, without limitation:
    - i. Employment of Personnel. Manager shall have the duty, subject to the limitations set forth in this Property Management Agreement, to investigate, hire, train, pay supervise and discharge the personnel necessary to be employed to properly maintain and operate the Property in accordance with the obligations of Manager under this Agreement. Owner agrees to reimburse Manager, during the term of this Agreement, for hours spent by the personnel employed by the Manager, at an hourly rate of \$85.00. Such personnel and any other personnel used on-site shall, in every instance, be deemed employees/personnel of Manager and not of Owner. Apart from personnel, Manager shall be responsible for the compensation (including all benefits of such employees and for all payroll taxes, FICA, and similar items) with respect to such employees.
    - ii. Expenses of Owner. All expenses incurred by Manager in performing its obligations hereunder shall be considered an operating expense borne by Owner, except as otherwise specifically provided herein and except that Owner shall not be obligated to reimburse Manager for any expenses for office equipment or office supplies of Manager (unless incurred or used at the Property site), for any overhead expense of Manager incurred in its general offices, for any salaries of executive employees of Manager, for any salaries or wages allocable to time spent on projects other than the Property. Notwithstanding the foregoing, Owner will reimburse Management for the actual costs of photocopies, long distance telephone charges, any time required at legal events such as small claims court (billable at \$85/hour), postage, mileage to and from the Property (at IRS Guidelines for current tax year), and completion of any government required documents or registration forms (billable at \$85/hour) should Owner request they be completed by Manager. **Owner shall provide Manager with four (4) copies of all door keys, mailbox keys, shed/outbuilding keys, etc. at time of this agreement.** Owner agrees to compensate Manager if Manager is required to purchase either keys or garage door openers. Further, Owner agrees to pay for lock changes to the property after each subsequent move-out by Tenants. Lock changes are critical in maintaining the safety and security of the property and Tenant. Manager will disburse one (1) key to tenant for their use and keep other three (3) keys secured at Manager's office for use. **In addition, Owner shall provide funds to establish a**

**\$600.00 reserve account per individual living unit (the "Reserve Account") to offset Owner expenses incurred by Manager during periods when such expenses exceed the Gross Receipts (defined in Section 5 hereof) collected from Owner's tenant.** Owner hereby agrees to deposit additional funds needed within 5 business days of receiving Owner's Statement detailing the current balance deficiency to bring this account back up to the \$600.00 level. If, in the performance of its authorized duties hereunder, Manager's funds are used to purchase services or materials more than \$1,000 in a 30-day period, then Owner shall pay to Manager 100% of the estimated amount prior to purchase of said services or materials. Owner understands and agrees that Manager will, periodically and at Manager's sole discretion, purchase and provide to tenants at the expense to Owner, nominal items of value to tenants to encourage goodwill during the tenant's occupancy period. These items are typically at or under \$100/year. Owner agrees to pay Manager a Lease Amendment processing fee \$150 for each lease amendment related to a Tenant lease.

- iii. If there is damage from a permitted pet at the Property and the pet damage from such permitted pet exceeds the security deposit, Agent agrees to be responsible for the cost to repair any damage caused by such permitted pet. In such an event Agent shall have full control and authority of the repairs/cleaning to be made but agrees to return the Property to the condition it was in prior to such permitted pet damage subject to normal wear and tear. Agent reserves the right to seek reimbursement of such amounts from tenant. As a reminder, any animal that is an ESA or therapy animal or Service animal is not considered a pet.

g. Manager shall promptly notify Owner in writing:

1. Of the receipt by Manager of any notice that the condition of the Property or any part of the Property fails to meet the standards of, or is in violation of, any Requirement; or
2. Of the receipt by Manager of any notice, demand, or similar communication with respect to any material obligation of Owner under any agreement involving Owner or the Property; or
3. Of the receipt by Manager of any summons, notice, demand, or similar communication regarding any action of law or in equity or before any regulatory body in connection with or involving Owner or the Property; or
4. Of the receipt by Manager of notice of any Lien in connection with the Property; or
5. Of any Emergency Expenditures made by Manager to protect or preserve the Property; or
6. Of a breach by a tenant of any such tenant's obligations under, or any default under, any lease of the Property.

### 3. Insurance.

a. Insurance to be Carried.

1. During the term of this Agreement, Owner shall keep the improvements located upon the Property insured against all perils covered by a standard form primary insurance policy with a "special extended coverage endorsement" in such amounts and forms and with such carriers as Owner, in its sole discretion, shall determine. Manager further recommends that Owner advises his/her insurance agent of the possibilities that the Owner's property might become vacant, and that the coverage is written accordingly. Manager assumes no responsibility or liability in this regard. Manager shall assume no liability with respect to adequacy of amounts or perils or renewal or continuity of coverage. **Owner agrees to list Polaris Property Management, LLC as an additional insured and provide evidence to Manager for its files.** Owner may procure such other forms of insurance and in such amounts, as it deems appropriate for its own protection. Manager shall cooperate with Owner with respect to any claim, which may arise under any insurance policy. Manager agrees to notify Owner as soon as possible after it receives notice of any loss, damage or injury, and shall take no action (such as admission of liability) that might operate to bar Owner from obtaining any protection afforded by any policy, or that might prejudice Owner and its defense to a claim based on such loss, damage or injury. Manager agrees that Owner shall have the exclusive right, at its option, to conduct the defense to any claim, demand or suit within the limits prescribed by the policy or policies of insurance.
2. Manager, at Manager's expense, shall procure and keep in effect during the term of this Agreement, workers' compensation and unemployment insurance in accordance with the laws of the State of Indiana and employer's

liability insurance applicable to and covering all employees of Manager at the Property with limits of liability of not less than \$1,000,000.00; and comprehensive secondary general liability insurance, insuring against claims arising out of Manager's duties herein defined, with combined limits of liability of not less than \$2,000,000.00 for primary bodily injury, property damage and personal injury. Owner agrees to carry primary bodily injury, property damage and personal injury public liability insurance with coverage as set forth above. Owner agrees that all times during the continuance of this Agreement, POLARIS PROPERTY MANAGEMENT, LLC will be named as "Additionally Interest" on Owner's liability policy.

- b. Cooperation with Insurers. Owner and Manager shall each cooperate with and provide reasonable access to the Property to representatives of insurance companies and insurance brokers or managers with respect to insurance which is in effect or for which application has been made by the other party. Owner and Manager shall each use their best efforts to comply with all requirements of insurers.
- c. Accidents and Claims. Manager shall promptly investigate and shall report to Owner all accidents, claims for damage relating to the ownership, operation or maintenance of the Property, and any damage or destruction to the Property and the estimated costs of repair.

#### **4. Duties of Owner and Indemnification.**

- a. At all times during the term of this Agreement, Owner shall indemnify and save Manager and its officers, directors, managers and employees harmless from and against any and all actions, causes of action, suits, claims, costs, expenses, attorney's fees, liabilities or 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, which is in any way related to the management of the Property by Manager or the performance or exercise of any of the duties, obligations, powers or authorities herein or hereafter granted to Manager. Manager will not be liable for any error of judgment or mistake of law or fact or for any loss caused by Manager's negligence except when the loss is caused by Manager's willful misconduct or gross negligence. This sub-clause will survive Manager's performance and the transfer of title.
- b. At all times during the term of this Agreement, Owner shall provide complete and accurate information to Manager, including disclosure of all known facts that materially affect the value of the Property. If the Property was built before 1978, Owner will provide Manager with all information Owner has about Lead-based paint/hazards in the Property and with all available documents pertaining to such paint and hazards, as required by federal law. Owner understands that the law requires the provision of this information to Manager and to prospective tenants before the tenants become obligated to lease the Property. Owner acknowledges that Manager will rely on Owner's representations regarding the Property when dealing with prospective tenants, and Owner will indemnify and save Manager and its officers, directors, managers and employees harmless from and against any and all actions, causes of action, suits, claims, costs, expenses, attorney's fees, liabilities or damages, and from liability to any person, to the extent based on Owner's misstatement, negligence, action, inaction, or failure to perform the obligations of this Agreement or any lease or agreement with a vendor, or the existence of undisclosed material facts about the Property. This sub-clause will survive Manager's performance, the transfer of title to the property and/or the termination of this Agreement.
- c. At all times during the term of this Agreement, Owner shall promptly pay all amounts billed, including without limitation, management fees, maintenance fees, and eviction fees that Manager paid on behalf of Owner and were not recovered from Tenant, by Manager immediately upon receipt of Manager's invoice for same. If Owner fails to promptly reimburse Manager, Owner hereby authorizes Manager to deduct such amounts from the rents collected. In the event the rents collected are insufficient to compensate Manager (or the Agreement has been terminated) for Owner's default under this Agreement, Owner shall reimburse Manager for all costs and expenses, including attorney's fees incurred in pursuit of collecting such amounts owed.
- d. Except for Manager's willful misconduct or gross negligence, Owner hereby indemnifies and holds harmless Manager from and against any loss, cost, damage or liability, including but not limited to court costs and attorney's fees, in connection with any dangerous, toxic or hazardous conditions of any sort on or at the Property, including conditions caused by Owner's failure to maintain or repair the Property, or otherwise existing prior to or during the term of this Agreement.

- 5. Manager's Compensation.** As compensation for the management services performed by Manager hereunder (and in addition to any reimbursement of expenses to Manager otherwise provided for herein), Owner agrees to pay to Manager a **Management Fee equal to ten percent (10%) of any and all Gross Receipts (defined below) related to the Property, but not less than \$100.00 per month, even in months without any Gross Receipts received. In addition, a one-time set up fee of \$300.00 shall be paid to Manager at the time of this Agreement.** The Management Fee shall be payable as Gross Receipts from the Property are received by Manager or Owner during the term of this Agreement. The monthly income and net cash flow statements required under Article 6 below shall reflect the amount of the Management Fee paid to Manager with respect to the period covered by the statement. As used in this Section 4, "Gross Receipts" shall mean the gross amount of all cash payments, free rent credits and/or termination fees received by Manager or Owner for or with respect to the use or occupancy of space in the Property, whether as rent, additional rent, charges, parking income or otherwise, and excluding only (i) any payments received as security deposits until such funds are actually applied in lieu of unpaid rent; (ii) any funds received in nature of real estate tax refunds; (iii) any sums paid by tenants of the property representing (a) proceeds from fire or other casualty losses (in the event of something less than total destruction, insurance proceeds deemed to cover loss of rents will be considered gross receipts and subject to Management Fee), (b) amounts separately enumerated in the leases for space in the Property or in tenant work letters paid to reimburse Owner for the cost of capital improvements, remodeling, and tenant changes undertaken by Owner, including any overhead or interest factor payable by tenants in connection with such reimbursement, or; (iv) any condemnation or insurance proceeds; (v) any proceeds arising out of awards, settlement, or any other disposition of any lawsuit or legal proceedings except to the extent the net amount of such proceeds remaining after accounting for all costs and expense, including attorneys' fees, in obtaining such proceeds represents gross receipts from the Property on which Manager would otherwise be entitled to a ten percent (10%) Management Fee as set forth in this Section 5; and (vi) proceeds of any sales or financing of the Property or any portion of the Property. Manager shall retain all Fees as defined in the Lease Agreement, including Late Fees paid by tenant(s), and a ten percent (10%) mark up on all costs of materials and labor purchased for the property. Manager is entitled to all Late Fees (section 5 of compensation) paid in by Tenant, but also entitled to charge Owner same amount of Late Fees if Owner negotiates waiving/dismissal of Late Fees either directly with Tenant or through legal representation or court procedures. If an amendment is needed due to a change of legal ownership on a property, a \$95 amendment fee shall be assessed to update the Owner's information accordingly. Owner shall remit to Manager an annual technology fee of \$115; invoicing for this typically occurs in January each year; should this agreement commence at a time of year not on January 1<sup>st</sup> of a year, this annual technology fee shall be prorated accordingly.
- 6. Books, Records and Statements.** Manager agrees to keep adequate accounting records at its own expense in connection with all matters contemplated by this Agreement. Should Owner request copies of past statements that have already been delivered to Owner, Owner agrees to reimburse Manager \$25 per statement for research fee.
- 7. Term.**
- a. The term of this Agreement shall commence as of \_\_\_\_\_ (the "Initial Term"). This Agreement shall continue for an initial term of 12 months, unless sooner terminated as permitted herein. Unless written notice to terminate is given by either party to the other at least ninety (90) days prior to the end of the Initial Term, this Agreement shall automatically be renewed on a one-year basis, upon and subject to the terms and conditions set forth in this Agreement.
  - b. During the term of this Agreement, this Agreement may be terminated as follows:
    1. In the event Owner shall materially default in the performance or observance of any term, condition or covenant contained in this Agreement, and such default continues for a period of ten (10) days (**five (5) days with respect to monetary defaults**) after written notice has been given to the Owner specifying the default and requesting that the same be remedied, then the Manager may, at any time thereafter, declare by written notice to the Owner that this Agreement is terminated on the date specified in the notice. If on that date, the event of default is continuing, then this Agreement shall terminate, and Owner shall be charged a \$399 transfer fee. In the event of the appointment of a receiver to take possession of all or substantially all the assets of Manager, or an assignment by Manager for the benefit of creditors, or any action taken or suffered by Manager under any insolvency, bankruptcy, reorganization, moratorium or other debtor-relief act or statute, whether now existing or hereafter amended or enacted, then Owner may at any time thereafter declare by written notice to Manager that this Agreement is to be terminated, effective on receipt of such notice. In the event Manager reasonably believes that any act or failure to act by Owner may endanger or harm Manager, subject Manager to liability, or damage Manager's reputation, all of which are in Manager's sole and absolute discretion, Manager shall have the right to terminate this Agreement by written notice to Owner and such termination shall be effective as of the service of such notice to the Owner.

2. Notwithstanding anything to the contrary set forth herein, either party may terminate this Agreement, for any reason, upon thirty (30) days written notice. If Owner chooses to terminate Agreement, all unpaid Manager's fees due for the term of the lease then in effect shall accelerate and become immediately due and payable by Owner to Manager and Owner shall also be charged a \$399 transfer fee per unit.
3. Upon any termination of this Agreement by either party, after retaining all amounts owed to Manager hereunder through the date of termination, Manager shall forthwith surrender and deliver to Owner all monies due Owner, and all monies due Owner which are received by Manager after termination. Manager shall also deliver to Owner all keys and access cards to the Property. Manager shall provide Owner with a final Owner Statement relating to this Agreement no later than thirty (30) days after termination.

**8. Miscellaneous.**

- a. All notices to be given under this Agreement shall be dated and shall be sent by registered or certified United States Mail, return receipt requested, delivered by hand or professional overnight courier or messenger service, or wired (to include email and facsimile) to the parties at the following addresses (or to such other or further addresses as the parties may designate by like notices similarly sent), and such notices shall be deemed given and received for all purposes five (5) business days after the date same were deposited in the United States Mail, if sent by registered or certified mail, upon receipt if delivered by hand or courier or messenger service, or the date dispatched, if sent by wire, except that a notice of a change in address shall be effective only upon receipt:

**To Owner:** \_\_\_\_\_  
\_\_\_\_\_

Email address: \_\_\_\_\_

**To Manager:**

Dan Baldini  
5455 West 86<sup>th</sup> St  
Suite 255  
Indianapolis, IN 46268

Email address: dan@polarismange.com

- b. **Covenant Not to Solicit or Hire Manager's Employees.** Owner acknowledges that Manager's employees are essential to Manager's core business of providing management services and are familiar with Manager's operating procedures and other information proprietary to Manager. During the term of this Agreement and for a one (1) year period after the termination of this Agreement for any reason, Owner will not, directly or indirectly: (a) solicit, recruit, hire, employ, engage or attempt to hire, employ or engage any of Manager's Restricted Employees (defined below); (b) assist any person or entity in the recruitment, hiring or engagement of any of Manager's Restricted Employees; (c) urge, induce or seek to induce any of Manager's Restricted Employees to terminate his/her employment with Manager; (d) advise, suggest to or recommend to any other person or entity providing property management services (or any other services similar to the type of services Manager is providing under this Agreement) that it employ, engage or seek to employ or engage any of Manager's Restricted Employees; or (e) permit any of Manager's Restricted Employee's to provide any property management services (or any other services similar to the type of services Manager is providing under this Agreement) to or for the benefit of Owner on behalf of any person or entity except Manager. For purposes of this Agreement, the term "Manager's Restricted Employees" means any person who (x) is then an employee of Manager or was an employee of Manager at any time during the then preceding six-week period, and (y) provided any services on behalf of Manager with respect to the Property at any time during the term of this Agreement. Owner acknowledges that a breach of this paragraph will give rise to irreparable injury to Manager and that money damages will not be adequate relief for such injury, and, accordingly, agrees that Manager shall be entitled to obtain injunctive relief, including, but not limited to, temporary restraining orders, preliminary injunctions and/or permanent injunctions, without having to post any bond or other security, to restrain or prohibit such breach, in addition to any other remedies which may be available, including the recovery of monetary damages from Owner. In addition to all other relief to which it shall be entitled, Manager shall be entitled to recover from Owner all litigation costs and attorneys' fees incurred by Manager in any action or proceeding in which Manager seeks enforcement of this paragraph or seeks relief from Owner's violation of this paragraph if Manager prevails in any respect.



- c. At its own expense, Manager shall qualify to do business and obtain and maintain such licenses as may be required for the performance by Manager of its services under this Agreement.
- d. Each provision of this Agreement is intended to be severable. If any term or provision of this Agreement shall be determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, that provision shall be severed from this Agreement and shall not affect the validity of the remainder of this Agreement.
- e. No consent or waiver, express or implied, by either Owner or Manager to or of any breach or default by the other party in the performance by the other of its obligations hereunder shall be valid unless in writing, and no such consent or waiver shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by the other party of the same or any other obligations of that party under this Agreement. Failure on the part of either party to complain of any act or failure to act of the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by the non-defaulting party of its rights hereunder. The granting of any consent or approval in any one instance by or on behalf of Owner shall not be construed to waive or limit the need for such consent or approval in any other or subsequent instance.
- f. This Agreement constitutes the entire agreement between Owner and Manager. Manager may assign this Agreement upon notice to Owner. Other than assignment by Manager, to be effective, any modification or amendment of this Agreement by Owner must be in writing and signed by both parties. Owner agrees that Manager may modify and amend this agreement with thirty (30) days written notice of such modification to Owner. Such thirty (30) day notice shall not be required for any assignment of this Agreement by Manager. Unless Owner terminates this Agreement as provided in Section 7 hereto, Owner shall be bound by the amended Agreement.
- g. The headings of the articles of this Agreement are inserted for convenience of reference only and shall not in any manner affect the construction or meaning of any provision of, or govern the rights or liabilities of Owner and Manager under this Agreement.
- h. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana.
- i. Time is of the essence of this Agreement.
- j. If any claims, demands, suits or other legal proceedings are made or instituted against Owner or Manager by third parties arising out of any of the matters to which this Agreement relates, the other party agrees to provide all reasonable information and assistance in the defense or other disposition of any of such proceedings. Except as expressly provided herein, this Agreement shall not be deemed to confer any rights upon any individual or entity which is not a party hereto, and the parties hereto expressly disclaim any such third-party benefit.
- k. Owner acknowledges that Manager is currently property Manager for other properties in the locality of the Property and Owner agrees that Manager shall have the right to continue to manage such other properties as well as additional properties in the locality of the Property that Manager may be engaged to manage, so long as the same shall not interfere with Manager's performance of this agreement.
- l. ACH Direct Deposit Information. For efficient processing of rental proceeds to Owners, Owners hereby provide Manager with the bank account information into which monies shall be deposited after verification of sufficient funds from tenants and accounting of all monthly expenses on or around the 20<sup>th</sup> day of each month as related to the Owner's property. Owner agrees to reimburse Manager for each ACH deposit in the amount of \$1.50. This will be billed annually in January of each year (or pro-rated if mid-year) for \$18.00. If, and when, rental payments are received late by Manager, the ACH Direct Deposit will be delayed accordingly to allow the rental payment to clear the NSF time frame into Manager's bank account. **If, and when, a new lease is executed mid-month, the corresponding ACH for the new tenant payments and deposits will be processed on or around the 20<sup>th</sup> day of the following month.**

Bank Name: \_\_\_\_\_ Bank account number: \_\_\_\_\_

9-digit bank ABA routing number \_\_\_\_\_

- m. The Owner will keep the home loan for Property (if any) current, continue to pay on time and notify manager of any defaults as soon as they happen. Any past dues of home loans, home insurance, and/or taxes will significantly delay rental payments to Owners. In no event shall Manager be responsible for the same.

- n. The Owner agrees that neither Owner nor any third party acting at Owner’s direction, shall visit or enter the Property for any purpose whatsoever during any time that it is occupied by a tenant in the absence of reasonable notice to Manager and Tenant and scheduling by Manager or Tenant of an appropriate time for any such entry.
- o. Polaris Real Estate Group, Inc., Polaris Property Management, LLC, Polaris Investments, Inc., and Polaris Commercial Investments, LLC are each separately owned and operated legal entities, are not interrelated, and are not affiliated with each other. Any contractual agreement with any one of these entities concerns that and only that one entity, and no other.
- p. The Owner discloses to Manager of the following known defects in the property:

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_

{If more than 3 items exist, please use additional separate sheet of paper to include them}

- q. Utilities: Please indicate with an “X” if the Owner/Landlord is responsible for these services. Otherwise, a blank box indicates Tenant responsibility, by default.

- Water \_\_\_\_\_
- Sewer \_\_\_\_\_
- Storm Sewer \_\_\_\_\_
- Electricity \_\_\_\_\_
- Gas \_\_\_\_\_
- Trash \_\_\_\_\_
- Recycling \_\_\_\_\_
- Parking \_\_\_\_\_ Cost/month \$ \_\_\_\_\_
- W. Softener (if app) \_\_\_\_\_ Cost/month \$ \_\_\_\_\_
- Landscaping \_\_\_\_\_ Cost/month \$ \_\_\_\_\_
- Pool/Hot tub \_\_\_\_\_

I have carefully reviewed the list of Utilities and verified the ones selected and the ones left blank are accurate:  
  
Owner initials: \_\_\_\_\_

Manager shall coordinate the transfer of utility accounts during vacancies on behalf of Owner. Owner shall pay Manager \$75 when utilities are transferred into Manager’s name and \$75 when utilities are transferred out of Managers name. Utility Bills shall be paid by Manager and reimbursed by Owner, along with 10% mark up as per Section 5. Owner agrees to indemnify and hold Manager harmless from any issue that may result from the utilities being held in Manager’s name.

- r. Please indicate with an “X” if the Owner/Landlord is providing and thus responsible for these appliances.

- Landlord
- Refrigerator \_\_\_\_\_
- Range \_\_\_\_\_
- Oven \_\_\_\_\_
- Microwave \_\_\_\_\_
- Range Hood \_\_\_\_\_
- Dishwasher \_\_\_\_\_
- Trash Compactor \_\_\_\_\_
- Washer \_\_\_\_\_
- Dryer \_\_\_\_\_
- Hot Tub \_\_\_\_\_
- Water Softener \_\_\_\_\_
- Other \_\_\_\_\_

Owner: I have carefully reviewed the list of Appliances and verified the ones selected and the ones left blank are accurate:  
  
Owner initials: \_\_\_\_\_

- s. Home Warranties/Service Contracts. Manager shall not be bound to honor any Home Warranty or Service Contracts, relating to repairs and maintenance, which may exist on the property. Due to the inefficiencies caused with such contracts, Owner agrees to reimburse Manager for excessive phone wait times and maintenance supervision time at the agreed upon hourly rate.



- t. Normal Wear and Tear and Damage in a rental lease agreement. Please reference Normal Wear and Tear Addendum for a brief explanation of how this is determined for operating protocols. Owner hereby gives Manager the authority to sign any Lease and or Lease Amendment on behalf of Owner. A copy of the Lease is hereby attached hereto as Exhibit 1. The Lease may be changed from time to time by Manager. Manager shall provide Owner a copy of the most current lease upon request of Owner.
- u. If Manager cannot contact Owner or Owner's Emergency Contact (as provided to Manager by Owner) after attempting to contact both over the course of two (2) days, Manager has authority to take all steps that, in Manager's sole discretion, are necessary to carry on with the management of the Property.
- v. Manager shall be including Resident Benefit Package in Lease Agreements for Tenants. The Resident Benefit Package, which is detailed in the Resident Benefit Package Addendum, is automatically required for all Tenants. The cost of the Resident Benefit Package is not considered part of the Gross Receipts due to it being paid directly to Manager for the benefits provided in the Resident Benefits Package and thus is not remitted to the Owner but is also not considered part of the Gross Receipts for the calculation of the Management Fee. The amount paid by the Tenants for the Resident Benefits Package is paid directly to the Manager and belongs solely to the Manager.
- w. Owner understands that all lease renewal and/or extensions for existing tenant leases are negotiated by Polaris Real Estate Group, Inc. as the leasing broker. As such, Owner agrees to compensate Polaris Real Estate Group, Inc. 1/2 month rent value as lease renewal commission for coordinating any lease renewals or extensions with current tenant in property. Payment to Polaris Real Estate Group, Inc. for this service is due within three (3) days of invoicing and will be paid out of Owner's funds account with Polaris Property Management, LLC.
- x. If existing lease agreement rent due date is different than the 1st of each month or if Landlord requests a different due date accordingly, Landlord agrees to compensate Manager an additional \$25/payment for off-cycle accounting efforts.
- y. Client acknowledges that Manager may deposit all landlord reserve funds and all tenant security deposit funds into an interest-bearing account. Client further acknowledges that any interest earned on the landlord reserve funds and the tenant security deposit funds shall remain the property of Manager.
- z. In the event Owner requires Manager to use a specific Vendor not currently employed by Manager, Owner agrees to pay a \$195 one-time screening fee to Manager for onboarding and screening of Vendor.

**9. Rent Ready Requirements.** We are committed to providing safe, clean, and properly maintained homes to our residents. In order to comply with Indiana law, and Polaris Property Management standards, the below items must be completed before we will advertise and rent a property.

- Property professionally cleaned and free of trash and debris, inside and outside.
- Caulking in kitchen and bathrooms shall be clean and free of mildew.
- Doors and locks must all function properly.
- Windows must open, close, and lock properly and window screens be in good condition.
- Professionally cleaned to 'Hotel Room Clean'.
- Carpets professionally cleaned and looking fresh.
- All painted surfaces fresh with no mis-match touch-up areas and repainting must be done corner to corner.
- All bedroom windows must have vertical or mini blinds.
- No personal property or items in the unit. This includes furniture, knickknacks, toiletries, shower curtains, Kleenex boxes, kitchen or bathroom items, soap dispenser, pictures, etc.
- No lawn equipment including mowers, tools, etc.
- Garage floor swept.
- No exterior debris.
- Lawn cut and trimmed.
- Landscaping fresh and clean.
- Smoke detector on each floor. Detectors shall be less than seven (7) years old; if older, new 10-year Lithium battery style detectors shall be installed.
- Smoke detector in each bedroom. Detectors shall be less than seven (7) years old; if older, new 10-year Lithium battery style detectors shall be installed.
- Sliding door must have vertical blinds or other window covering.

- All light bulbs in working order.
- Doors open & close smoothly and doorstops installed on all doors.
- All mechanical components in working order as designed. Includes HVAC, plumbing and electrical systems, kitchen appliances, laundry appliances, sump pumps (with battery backups), water softeners, sprinkler systems, swamp coolers, gas fireplaces, water filtration systems, etc.
- Safety railings secure.
- Exterior window wells require covers.
- Wood-burning fireplace(s), if operational, shall be clean of any debris and have a fireplace screen or heat-proof glass doors installed. If non-operational, the fireplace opening on the interior of the home shall be permanently sealed with an aesthetically pleasing material.

This list is not meant to cover each and make-ready required item, but it does list some of the most important and often overlooked.

IN WITNESS OF THE FOREGOING, Owner and Manager have caused their duly authorized representatives to execute this Agreement as of the date first above written.

OWNER: \_\_\_\_\_ OWNER NAME: \_\_\_\_\_ Date \_\_\_\_\_

OWNER: \_\_\_\_\_ OWNER NAME: \_\_\_\_\_ Date \_\_\_\_\_

MANAGER: POLARIS PROPERTY MANAGEMENT, LLC

By: \_\_\_\_\_ Date: \_\_\_\_\_

DAN BALDINI, EXECUTIVE PROPERTY MANAGER

### Lease Transfer Addendum

This Lease Transfer Addendum ("Addendum") applies to the following property:

Address \_\_\_\_\_

WHEREAS the Manager is hereby requested to take over the property management of the above properties.

WHEREAS the properties currently have tenants and have been managed by the Owner or by another property manager.

WHEREAS, when Manager takes over such property management when a tenant is already in place, many uncertainties and risks arise; and

WHEREAS Manager and Owner therefore enter into this Addendum to relieve Manager of a portion of the uncertainties and risk.

**The Manager and Owner agree to the following:**

1. Owner agrees to pay Manager a fee of \$399.00 per property for each property which is currently occupied by a tenant.
2. Owner agrees to provide Manager with copies of all leases, applications, tenant contact information, communications, ledgers, or other pertinent information regarding the current tenant in the Property.
3. Owner agrees to transfer any security deposit to Manager within five (5) days of entering into this Agreement. In the event Owner does not have a security but there is a security deposit provided for in the Lease, Owner agrees to provide funds in the same amount as the security deposit to Manager to keep in the event a security deposit needs to be refunded to a tenant.
4. In the event Manager must obtain such documents from a previous property manager, Owner agrees Manager shall be entitled to its reasonable expenses, including an hourly fee of Seventy-Five Dollars per hour (\$75.00) to obtain those documents.
5. Owner represents and warrants as follows as of the signing of this Addendum:
  - a. The current lease for the Property is a valid and enforceable lease.
  - b. Owner and/or previous property manager is not in default under the terms of the lease.
  - c. Owner and/or previous property manager has not received any notification from the tenant or a third party that there is an alleged breach of the lease, ordinance, homeowner association covenants, zoning code or any other violation.
6. In the event any of the above representations and warranties are breached and/or Manager is damaged by any actions of either Owner and/or a prior property manager regarding the properties covered by this Addendum, Owner agrees to indemnify Manager for all damages, attorneys' fees, costs, and expenses incurred by Manager due to such breach.
7. Owner understands that Manager may not be able to recover all damages that may be incurred due to the tenant's breach of a lease if the lease does not allow for the recovery of such damages.
8. Further, Owner understands that if the prior condition of the property is not readily available to Manager and properly documented, then Manager may not be able to charge back to tenant certain damage to the property upon termination of the lease.

IN WITNESS OF THE FOREGOING, Owner and Manager have caused their duly authorized representatives to execute this Addendum as of the date first above written.

OWNER \_\_\_\_\_ Date \_\_\_\_\_ OWNER \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Printed Name)

MANAGER: POLARIS PROPERTY MANAGEMENT, LLC

By: \_\_\_\_\_ Date: \_\_\_\_\_

{Signature}

DAN BALDINI, EXECUTIVE PROPERTY MANAGER

RESIDENT BENEFIT PACKAGE ADDENDUM

# Resident Benefits Package

Polaris Property Management provides residents an array of benefits in our extensive Resident Benefits Package--All the following services & benefits for a better experience!



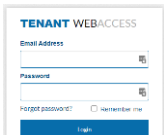
### One Time Waived Late Fee & Late Letter Fee

Bad month? Late rent payment? We will waive the late fee charge and late fee letter charge one time per lease term if the late rent payment is made by 5pm EST on the 10<sup>th</sup> of the month. Please email the Property Manager to use your waiver.



### Carpet Cleaning

We will have your carpets professionally cleaned each time you renew your lease for twelve (12) months or longer.



### Online Tenant Portal

Your own personal tenant portal to access payment options, submit and view work orders, and email your property manager.



### Approved Vendors

Only carefully selected vendors who adhere to strict qualifications and workmanship standards will complete service work at your home.



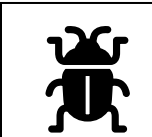
### In-House Maintenance

Polaris Property Management Technicians that are carefully selected and trained will complete most minor repairs.



### Premium Filter Delivery

Top quality furnace filters delivered to your door every month (or every 3 months, depending on furnace type) to ensure clean air and lower utility bills.



### Pest Control

On-Demand pest treatments for these 5 common bugs: Bedbugs, Fleas, Mites, Ticks, Weevils.



### Rewarding Your Rent Payments!

Benefit from a credit-boosting engine--we report on time rent payments with two credit bureaus to help enhance your credit score.

**PROPERTY INFORMATION WORKSHEET:**

**Property Owner(s):** Please complete the information below.

*{While it may seem an inconvenience to fill in each field below, if you leave them blank or do not fill them in with accurate information it is guaranteed we will have a massive failure in servicing you and your Tenants. You see, when our staff has inaccurate or incomplete data points for you or your property, we can't do an efficient or effective job for you. For example, if you leave the furnace filter size blank, then we need to dispatch a field tech to the property to get the correct size. Then we will have to bill you for his time. Then you will get angry. Then you will grind your teeth. Then you will need to go to the dentist who will give you another bill. See? It's like those evil personal trainers at the gym leaving pizza and candy in the locker rooms. So please fill all the data fields in correctly—for your teeth and your wallet's sake.}*

<b>Property Type {to be completed by PM}:</b>	½ Dbl	Condo/ Townhome	Single Family Home
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**PROPERTY OWNER INFORMATION**

<b>Property Owner(s) Names</b>	
<b>Primary Contact Name</b>	
<b>Phone numbers-Primary Contact Person Cell &amp; Home</b>	
<b>Primary Contact Email Address</b>	
<b>Property Street Address, Unit Number, City, State Zip</b>	
<b>County where property is located</b>	
<b>Owner Mailing Street Address, City, State, Zip (for use in preparing your 1099 Form)</b>	
<b>Emergency Contact Person in event Owner(s) cannot be reached:</b>	Name: Email Address: Phone:

**CURRENT MANAGEMENT COMPANY INFORMATION (if any)**

<b>Current Management Company Name:</b>	
<b>Current Management Company Contact Name, email address, and phone number:</b>	
<b>Does the Management Company or You currently hold the Tenant Security Deposit and Pet Deposit (if any)?</b>	

**COMMUNITY / HOA INFORMATION**

<b>HOA Company Name, phone #</b>	
<b>HOA Contact Person name and email address:</b>	
<b>What parts of the property does the HOA repair/maintain? (I.e. Roof, windows, exterior painting....)</b>	
<b>Protocols for HOA notification/security door keys:</b>	
<b>HOA Covenants</b>	<b>Please scan and email over a copy so we may provide these to Tenants.</b>

### UTILITY PROVIDER INFORMATION

<b>Gas Co Name and phone number</b>	
<b>Electric Co Name and phone number</b>	
<b>Water Co Name and phone number (if on well water, please indicate as such)</b>	
<b>Sewer Co Name and phone number (if on septic system, please indicate as such)</b>	
<b>Cable Co Name and phone number</b>	
<b>Phone Co Name and phone number</b>	
<b>Trash Company Name and Phone #</b>	
<b>Do any providers require utilities to remain in Landlord name during Lease? If so, please list which ones &amp; monthly cost to bill back to Tenant accordingly</b>	
<b>Trash pickup day</b>	
<b># of trash cans &amp; # of recycling bins provided</b>	
<b>Recycling pickup day</b>	

### PROPERTY INFORMATION

#### INTERIOR ITEMS

<b>Is there an alarm system?</b>	
<b>Alarm System Monitored by Company name:</b>	
<b>Master Alarm Code to Enter/Leave</b>	
<b>Tenant Code to Enter/Leave</b>	

<b>Is Alarm Active and Monitored?</b>	
<b># of alarm remote control fobs:</b>	
<b>Locations of spigot and main water line shut off valves</b>	
<b>Location of gas shutoff valves for furnace/water heater</b>	
<b>Location of water softener and any special procedures/salt replacement</b>	
<b>Is water Softener rented or owned by you?</b>	
<b># of garage door opener remote controls</b>	
<b>Keyless Entry Garage Door Opener Code</b>	
<b>Gas Fireplace? (Y/N)</b>	
<b>Fireplace Operating Instructions (how to turn on/off)</b>	
<b># of ceiling fan remote controls</b>	
<b>Touch up paint on-site and info (pls include manufacturer, sheen, color name, etc. if known)</b>	
<b># of remote controls for window blinds</b>	
<b>Instructions for electronic controlled window blinds</b>	
<b>Last Dryer Vent Cleaning:</b>	
<b>Air Filter Size: (width, height, depth)</b>	
<b>Most recent water heat flush:</b>	
<b>Front Door lock instructions, if any:</b>	
<b>Manufacturer Warranty on recently installed appliances? Please provide contact information, coverage details, terms, etc.</b>	
<b>EXTERIOR ITEMS</b>	
<b>Pool/Pool Cover Instructions</b>	
<b>Pool operating instructions</b>	



<b>Is there a landscaping contract in place?</b>	
<b>Landscape Company Name</b>	
<b>Landscaping Contract Services Description &amp; Frequency?</b>	
<b>Is there an irrigation system in the yard which is owned/maintained by you, the Owner?</b>	
<b>Has the irrigation system been backflow tested for the current season and paperwork filed with municipality?</b>	
<b>Mailbox location in proximity to home</b>	
<b>Mailbox # if in a pedestal style configuration</b>	
<b>INFORMATION SPECIFIC TO ONLY CONDOS/TOWNHOMES</b>	
<b>Storage Closet Location and Access instructions</b>	
<b>Designated Parking Spot #'s and Location</b>	
<b>Access instructions to workout facility/wine lockers/storage room/other Amenities in Building</b>	
<b>Guest Parking Spots and Locations</b>	
<b>Condo Garage Access Location and Code</b>	
<b>Outer Building Security Code</b>	
<b>Elevator Security Code</b>	
<b>MOVE IN PROTOCOLS</b>	<p>Amount of Security Deposit paid by Tenant to HOA for Move-In Process: \$_____.</p> <p># of Days advanced notice to be given to HOA for Move In scheduling and arranging of Security Detail:___</p> <p>Move In Fee paid by Tenant to HOA \$_____</p> <p>Any other details needed so Tenant has a smooth, No-Surprises Move In:</p>
<b>MOVE OUT PROTOCOLS</b>	<p>Amount of Security Deposit paid by Tenant to HOA for Move Out Process: \$_____.</p> <p># of Days advanced notice to be given to HOA for Move In In scheduling and arranging of Security Detail:___</p> <p>Move Out Fee paid by Tenant to HOA \$_____</p>

Any other details needed so Tenant has a smooth, No-Surprises Move In:

**LEGAL INFORMATION RELATED TO LEASING OF PROPERTY**

**Property Specific Lease Agreement Provisions,  
Minimum Lease Term Requirements per HOA, Other  
Restrictions, Special Considerations**

**If your property is in Marion County: Is your property  
registered yet in the County Landlord Registry for  
current year?**

**If not yet registered, would you like Polaris to do this  
for you for \$67.10?**

**Known Defects in the Property (please list in detail  
here)**

**ACCESS TO PROPERTY**

**Who should we contact to pick up 4 door keys, any  
mailbox keys, and garage door opener remotes?**

Name:

Phone Number:

Relation to you:

1. IF YOUR 1099 WILL BE ISSUED IN A PERSONAL NAME AND NOT AN LLC OR OTHER ENTITY, COMPLETE THE SOCIAL SECURITY NUMBER SECTION.
2. IF YOUR 1099 WILL BE ISSUED IN AN LLC OR OTHER ENTITY, COMPLETE THE EMPLOYER IDENTIFICATION NUMBER
3. DO NOT COMPLETE BOTH SSN AND EIN—ONLY FILL IN ONE OR THE OTHER.

Form <b>W-9</b> (Rev. October 2018) Department of the Treasury Internal Revenue Service	<b>Request for Taxpayer Identification Number and Certification</b> ▶ Go to <a href="http://www.irs.gov/FormW9">www.irs.gov/FormW9</a> for instructions and the latest information.	Give Form to the requester. Do not send to the IRS.
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Print or type. See Specific Instructions on page 3.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only <b>one</b> of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ <small>Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</small> <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Other (see instructions) ▶ _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>
	5 Address (number, street, and apt. or suite no.) See instructions.	Requester's name and address (optional)
	6 City, state, and ZIP code	
	7 List account number(s) here (optional)	

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

**Note:** If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

<b>Social security number</b>								
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-	-							
<b>OR</b>								
<b>Employer identification number</b>								
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**Part II Certification**

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶
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**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

**Purpose of Form**

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
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  - Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
  - Form 1099-C (canceled debt)
  - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.*

Now that all the legal stuff is done, help us understand how we can make your experience as rewarding and as stress-free as possible:

**My Top Goal is:**



**My Top Fear is:**



**CHECKLIST FOR OWNER:**

1. Deliver 4 sets of keys to Polaris Property Management, garage door opener controls, and any community access cards or key fobs.
2. Login to your Owner Web Access account and remit the \$600 Reserve Fund payment and the \$300 one-time onboarding fee.
3. Contact your Homeowner Insurance Agent to change policy to reflect new rental property status.
4. Have your Insurance Agent add Polaris Property Management LLC as “ADDITIONAL INSURED” to your policy and email updated certificate of insurance to Polaris.

## Normal Wear and Tear **Addendum**

### **The Difference Between Normal Wear and Tear and Damage in a Rental Lease Agreement**

As your management company, we expect your rental units to sustain a certain amount of wear and tear during the term of a lease. However, there is a fine line between normal wear and tear and actual damage to a dwelling. We try to discern between these two levels to protect your investment and avoid unlawfully seizing a security deposit.

**Normal wear and tear:** even the most conscientious tenant will cause some minor damage over the course of a rental agreement. This minimal damage is typically referred to as “normal wear and tear.” This can include small scratches, minor scuffs, minimal nail holes, etc., on the walls or paint, worn or slightly stained carpeting, broken hinges, and other insignificant damage. The longer the lease the more “normal wear and tear” you should expect.

While you may not appreciate having to repaint your property after each tenant moves out, normal wear and tear usually makes paint touch up necessary. We consider anything that will cover with one coat of paint after six (6) months or more of occupancy as normal wear and tear. A few scuffs on the wall or the odd nail hole does not constitute damage that is above and beyond normal wear and tear. We will not be able to charge your tenants for this painting if that is the extent of the damage.

**Damage:** actual damage to a property goes beyond normal wear and tear. For example, instead of small scuffs on the walls or a few nail holes, large holes in the wall or crayon/marker drawing on the walls would be considered damage that is above and beyond normal wear and tear.

If the carpet is stained, ripped, or otherwise unusable for any future tenants, this can be construed as damage depending on the age of the carpet. Pet stains can also be referred to as an actual damage, particularly if we did not have knowledge or give permission for pets in your rental property. In this case, since we did not have a pet deposit to cover this additional damage, the security deposit can be used to repair the damage and restore the property to its original condition, reasonable wear and tear excepted, of course.

Any amount of garbage, furniture, or personal items that a tenant has left behind is not necessarily damage, but it is in direct violation of the lease. In this case, since we will need to hire a contractor to clean the property and to have the items, trash and debris removed, we will deduct from the security deposit to cover these costs.

Per State Law, we are required to “mitigate” or give credit for existing condition and the time in the property when considering the costs that we can pass on to the tenant and deduct from their deposits or charge to tenants that falls above the amount of the deposits. The lease agreement that the tenants sign is quite clear on what are the normal wear and tear, cleaning, and yard maintenance expectations, and what will be considered damages.

We always have tenants, or an authorized representative for the tenants, sign a Move-In Property Condition Report form that contains the existing condition of the property at the time they take possession. You will receive a copy of this report form for your files. This form is the written evidence that we will use to compare against at the time they move out. It is difficult to justify keeping a damage deposit without having an idea of the condition of the property prior to the tenant moving in. Our form notes the condition of the property as well as has pictures. These pictures and notations are essential when assessing the condition of the property at move-out .

Documenting the state of your property is an essential component of the property management process and necessary when accounting for the tenant’s security deposit when they vacate the property. With this documentation, we will be able to prove the extent of the actual damage and delineate between what is considered normal wear and tear for your property and what is considered damage.

In the event a lawsuit is needed to either recover damages or because the tenant disagrees with the portion of the security deposit, which is retained due to damages, we need to have the most detailed information possible to justify the retention. With that being said, even with very detailed information and pictures, we can never guarantee an outcome in a court proceeding. Litigation is by its very nature, uncertain. Therefore, even though we may decide a tenant must pay for certain damage, a court may decide otherwise. Also, when calculating damages that should be paid by a tenant, courts often take into consideration the standard life of certain items such as carpet, paint etc. Therefore, providing us that information will be helpful. For example: A court is unlikely to allow the full cost of replacement of carpet when the carpet is past its normal life expectancy anyway (at least in the eyes of the court). Likewise, a court is more likely to allow full replacement when the carpet was installed right before the tenant moved into the property.

### Brief Summary of Landlord Expenses

For your convenience, listed below are various expenses in a table format. These are the same expenses as itemized throughout the agreement above.

This list ***is not inclusive of all expenses*** such as financing charges or other “If/Then” situations which may occur from time to time. These expenses and their respective situations are fully detailed in the agreement paragraphs. Also, pricing on maintenance items is subject to change depending on vendor and inflationary impacts.

*(e.g.: A common “If/Then” situation: A tenant wishes to request landlord permission to install a storm door at tenant’s expense and the storm door would remain at the property after the lease ends. This granting of permission is captured via a Lease Amendment Form, which incurs a lease amendment processing fee of \$150 paid by the Landlord.)*

Monthly Property Management Fee	10% of gross monthly rent or \$100/mo minimum
One-time onboarding fee	\$300
Annual Technology fee	\$115
ACH transfer fees for year	\$18
Utility transfer fee during vacancies	\$75 per transfer
Invoice mark ups	10%
Changing of locks and keys	\$85/labor hour plus cost of locksets and keys (varies per property)
Spring HVAC tune up	\$115 (annually)
Fall HVAC tune up	\$115 (annually)
Water Heater Flush	\$120 (annually)
Dryer Duct Clean	\$120 (every 2-3 years, or as needed)
Whole House Plumbing Inspection	\$150 (done at time of onboarding of property)
Roof/Exterior Inspection	\$150 (done at time of onboarding of property)

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Landlord Initials

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Landlord Initials