

MISSION STATEMENT, SAMPLE FORMS AND REPORTS



Ernst & Haas
MANAGEMENT

"Leading The Way Home"

PROFESSIONAL REAL ESTATE
MANAGEMENT SERVICES



Dear Prospective Client:

Thank you for considering the services offered by Ernst & Haas Management Company. For over two decades, our firm has carved out a niche market specific to local property owners and investors. Managing properties locally, which means our staff and vendor pool is concentrated and can respond to issues related to each property quickly and effectively.

The staff at Ernst & Haas consists of a dedicated group of individuals from diverse backgrounds, brought together with a common goal of working as a team to manage a wide array of houses, apartments and condominiums, with the commitment of managing your property to the highest standard possible.

Our office is licensed by the California Department of Real Estate, insured and bonded for \$2M, holds membership with the National Association of Residential Property Managers (NARPM) and the California Association of Realtors, and maintains an exceptional rating with consumer review sites like Google.

We appreciate the opportunity to present you our services and are available to answer any questions you may have. Please feel free to reach us directly at (562) 989-9835.

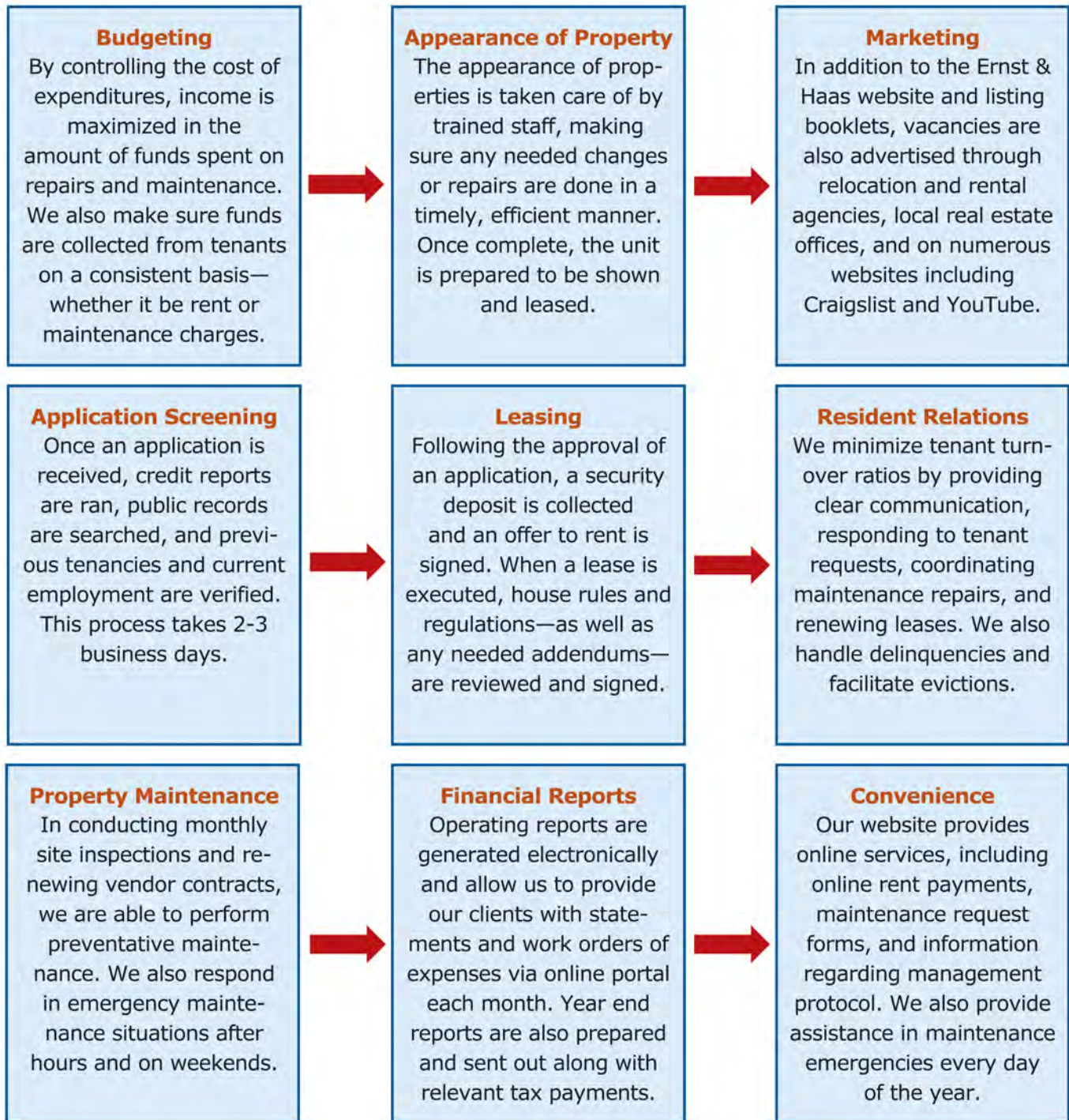
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Management Plan and Operations

The exact management plan for your specific property will be determined by your financial needs, objectives, and long-term goals. Other determining factors include the size, age, condition, location of the physical structure, and tenant profile. Once the management plan is in effect, Ernst & Haas Management Co. serves as a professional managing agent by devoting management expertise to provide the following:



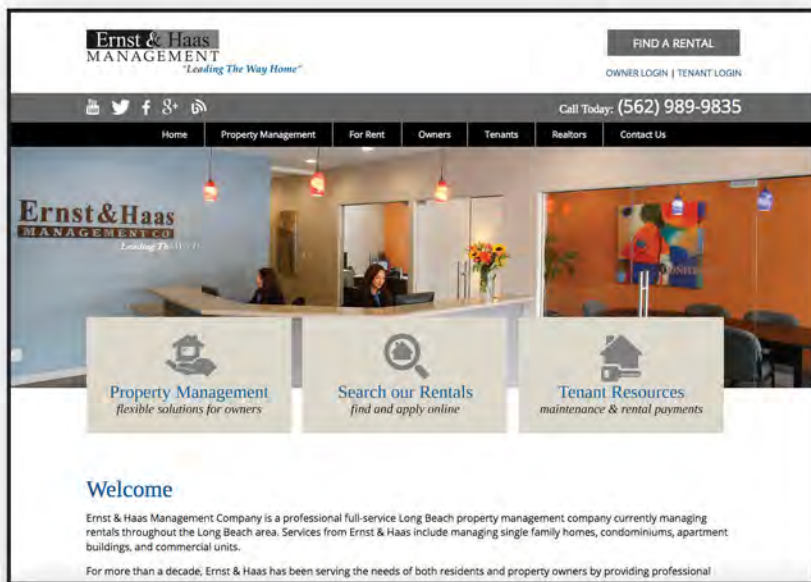


MARKETING



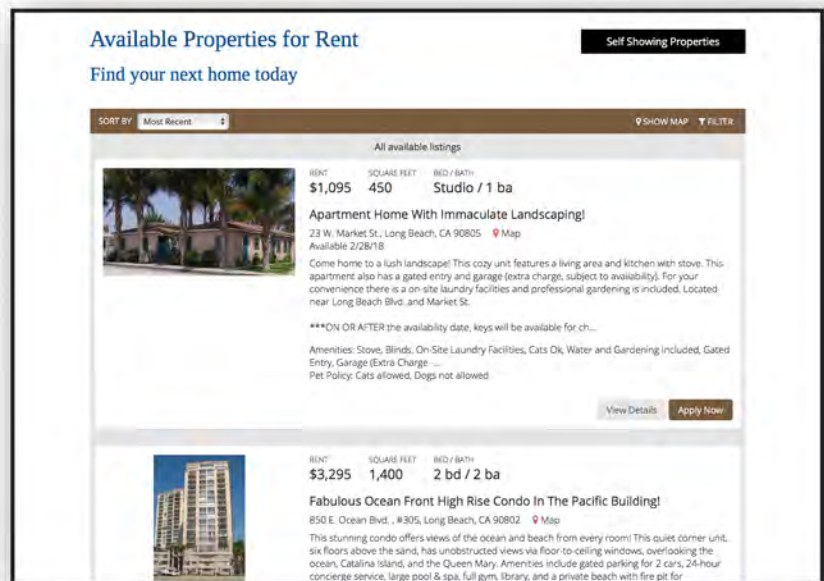
Marketing

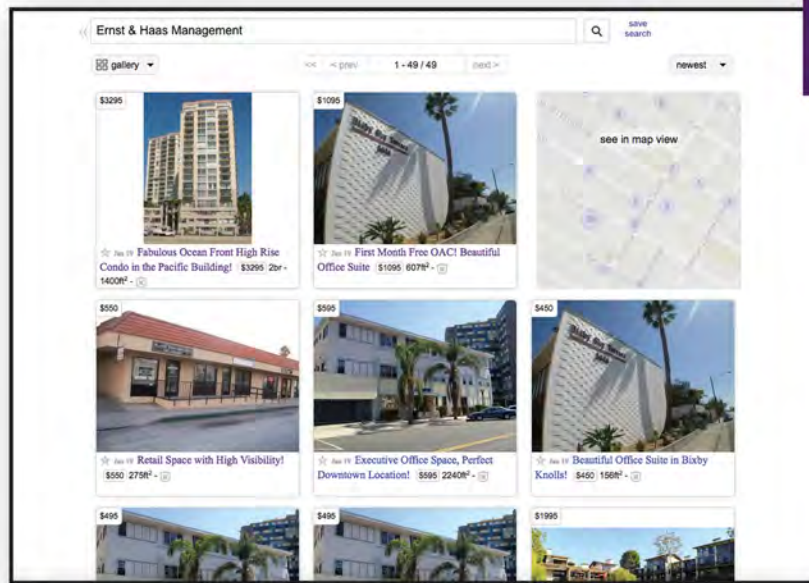
Our marketing team takes an aggressive approach in making sure our vacancies are marketed throughout a variety of outlets as soon as the notice is received. In addition to our printed listing and website (MyRentalList), we also advertise our vacancies on dozens of websites including CRMLS, Craigslist, Zillow, Trulia, HotPads, Westside Rentals and more! We also feature properties on our blog, YouTube channel, Facebook, Twitter and Google pages.



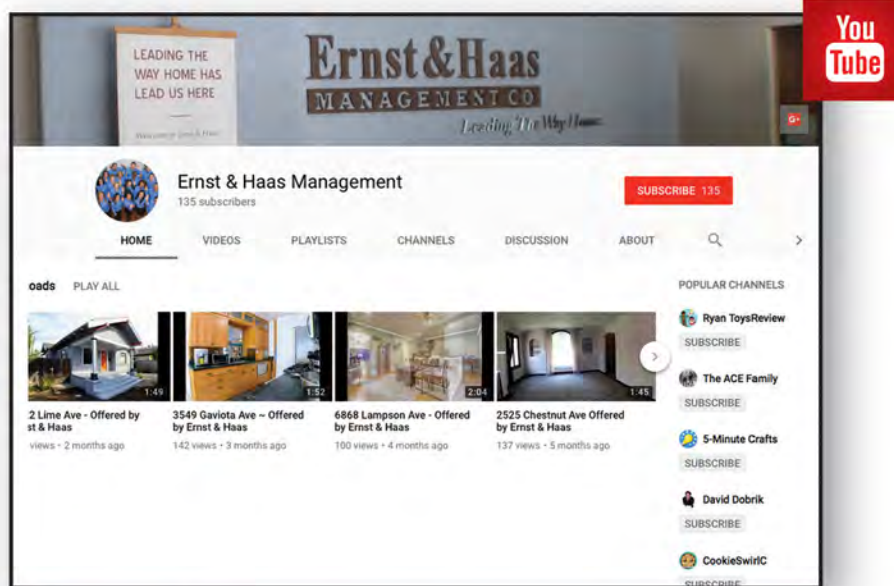
Our website is a great resource for our clients, tenants, and applicants. Owners and tenants can access important information through our portals, while applicants can apply and obtain valuable services.

Our printed booklet is offered free to prospects that would like a hard copy of our vacancy list. Prospects can pick up a printed listing from our office 24 hours a day, 7 days a week.

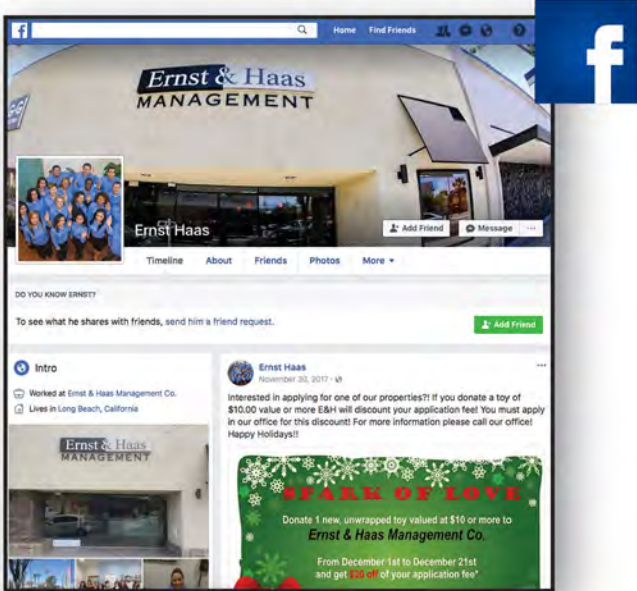




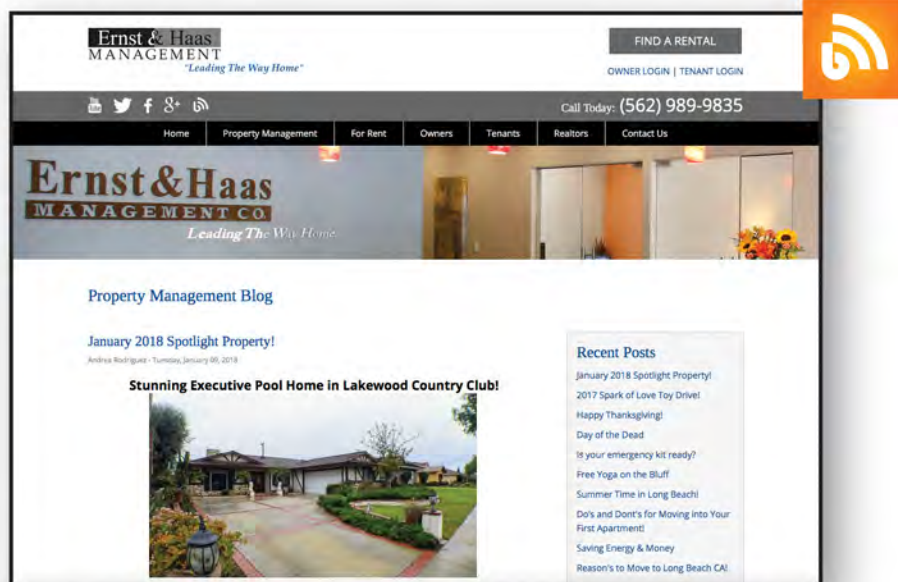
With the help of cloud-based software, our Craigslist ads stand out amongst the crowded field of generic ads. Each ad contains the details of each unit, including amenities, description, contact information, map, photos, and video (if applicable).



Our YouTube channel hosts property videos that we feature with many of our vacancies. These videos are helpful tools in providing additional marketing of the property, especially for those moving from out of the area, or those wanting to rent site unseen.



Social media is an important marketing outlet as it keeps the community informed and connected. We make sure that our Facebook and Twitter pages not only represent our firm, but welcome those in our community to provide input, ask questions, and explore our company. Additionally, we have a blog that we contribute to on a regular basis that features articles regarding property management, events and news in our community, and Ernst & Haas announcements.





OWNER RELATED REPORTS



Owner Reports Explained

At Ernst & Haas Management Co., we strive to achieve a clear understanding of our financial reporting by our clients. Our firm provides standardized reporting, which is compliant to GAAP standards, IREM, the California Department of Real Estate, and AICPA. What this means is that reporting provided for a client's property is uniform and compatible with federal and state tax forms and allows for simple tax reporting. In addition to the two standard reports issued monthly to each owner, our office can generate any customized financial statement requested by an owner. Whether it is a trial balance or general ledger, it's always available!

Our firm follows a traditional cycle of cash basis accounting. All rents and income collected during an operating month are deposited into the broker's trust account. During the last few days of each operating month, the accounting cycle is closed. Statements are then emailed and owner disbursements are directly deposited into each client's account.

Copies of all original forms and data remain on file with our firm for 6 years indefinitely. If copies of reports or documents are needed, they are available upon request at any time.

4120 Atlantic Avenue
Long Beach, CA 90807

Owner Statement



John Doe

1234 B Street
Pasadena, CA 91101



Properties

13031 & 13033 66th St.
Duplex - 13031 66th St.
Long Beach, CA 90807

Date	Payee / Payer	Type	Reference	Description	Income	Expense	Balance
				Beginning Cash Balance as of 12/01/2017			3,260.00
12/01/2017	New American Funding	Check	67368	Mortgage P/I - Loan#: 9600417325 - December 2017 - Mortgage Payment		1,702.24	1,557.76
12/04/2017	City of Long Beach	Check	67465	Utilities Expense - 2680594173		39.68	1,518.08
12/04/2017	Jose F. M.	Receipt	9896mo	13031 - Rent/Lease - December 2017	1,265.00		2,783.08
12/13/2017		Transfer		Transfer to 17205 Orange St.		1,078.87	1,704.21
12/20/2017	Angel J.	Check	67941	Gardening/Grounds Maint. - Twice a Month - December 2017 - Recurring Lawn Service		60.00	1,644.21
12/22/2017	Ernst and Haas Management Co.	Check	67982	Management Fees - Management Fees for 12/2017		25.25	1,618.96
12/30/2017	Alexis N. D.	eCheck receipt	FDDE-CF58	13033 - Prepaid Rent Liability - Online Payment	1,260.00		2,878.96
				Ending Cash Balance			2,878.96
Total					2,525.00	2,906.04	

Property Cash Summary

Required Reserves	2,000.00
Prepayments	1,260.00

Income Statement - 12 Month

Ernst and Haas Management Co.

Properties: 13031 & 13033 66th St. Duplex - 13031 66th St., Long Beach, CA 90807 **Period Beginning: Jan 2017** **Period Ending: Dec 2017** **Accounting Basis: Cash**

Account Name	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Total
Operating Income & Expense													
Income													
Rent/Lease	2,455.00	2,455.00	2,455.00	2,455.00	2,455.00	2,455.00	2,455.00	2,455.00	2,490.00	2,445.00	2,490.00	2,525.00	29,625.00
Repairs Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45.00	0.00	0.00	0.00	45.00
Refund	0.00	0.00	0.00	0.00	297.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	297.23
Total Operating Income	2,455.00	2,455.00	2,455.00	2,455.00	2,752.23	2,455.00	2,455.00	2,490.00	2,535.00	2,445.00	2,490.00	2,525.00	29,967.23
Expense													
Management Fees	24.55	24.55	24.55	24.55	24.55	24.55	24.55	24.55	24.90	24.45	24.90	25.25	296.25
Maintenance & Repair	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	270.00	155.00	0.00	825.00
Gardening/ Grounds Maint.	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	720.00
Plumbing	490.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45.00	0.00	0.00	0.00	535.00
Utilities Expense	51.28	838.74	49.07	48.90	47.48	48.25	51.02	42.13	42.75	47.62	36.94	39.68	1,343.86
Insurance	0.00	0.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	600.00
Total Operating Expense	625.83	923.29	533.62	133.45	732.03	132.80	135.57	127.03	172.65	402.07	276.84	124.93	4,320.11
NOI - Net Operating Income	1,829.17	1,531.71	1,921.38	2,321.55	2,020.20	2,322.20	2,319.43	2,362.97	2,362.35	2,042.93	2,213.16	2,400.07	25,647.12
Other Income & Expense													
Other Expense													
Mortgage P/I	1,725.31	1,702.24	1,702.24	1,702.24	1,702.24	1,702.24	1,702.24	1,702.24	1,702.24	1,702.24	1,702.24	1,702.24	20,449.95
Total Other Expense	1,725.31	1,702.24	1,702.24	1,702.24	1,702.24	1,702.24	1,702.24	1,702.24	1,702.24	1,702.24	1,702.24	1,702.24	20,449.95
Account Name	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Total
Net Other Income	-1,725.31	-1,702.24	-1,702.24	-1,702.24	-1,702.24	-1,702.24	-1,702.24	-1,702.24	-1,702.24	-1,702.24	-1,702.24	-1,702.24	-20,449.95
Total Income	2,455.00	2,455.00	2,455.00	2,455.00	2,752.23	2,455.00	2,455.00	2,490.00	2,535.00	2,445.00	2,490.00	2,525.00	29,967.23
Total Expense	2,351.14	2,625.53	2,235.86	1,835.69	2,434.27	1,835.04	1,837.81	1,829.27	1,874.89	2,104.31	1,979.08	1,827.17	24,770.06
Net Income	103.86	-170.53	219.14	619.31	317.96	619.96	617.19	660.73	660.11	340.69	510.92	697.83	5,197.17

2436 Cashew Ave, #B, Move-In Inspection

Inspection Date: 01/05/2018

PROPERTY: 2436 Cashew Ave, #B, Long Beach, CA 90802

CURRENT TENANT: Renah James | (562) 989-7359 | renahjames48@gmail.com

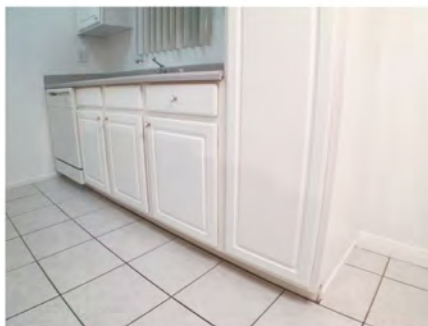
Kitchen

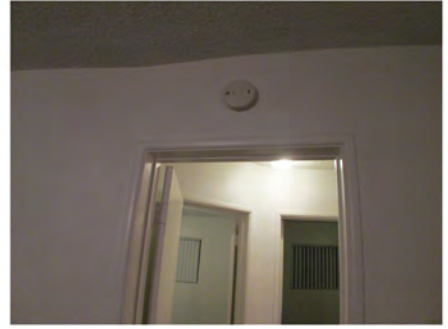
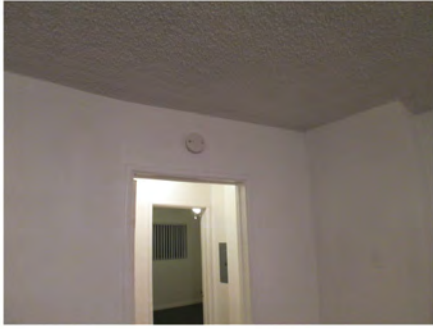
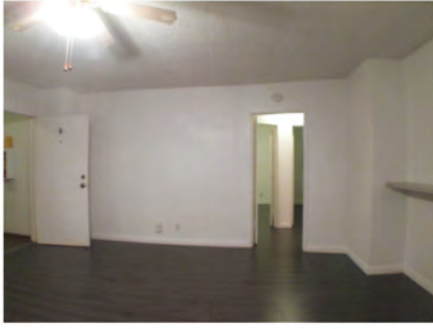
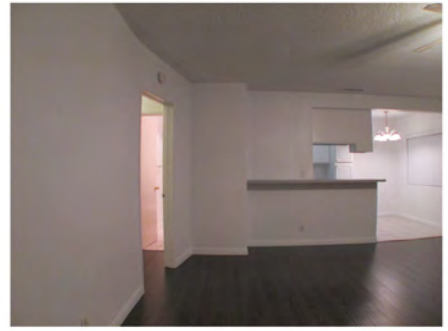
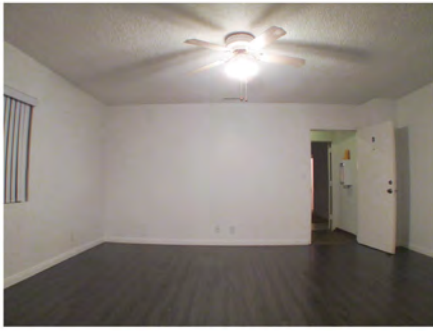
Collective



Needs follow-up

Provided tenant with 2 gate keys, 1 remote for gate, 2 unit keys, 1 mailbox key and 1 garage key.





Bedroom 1

Collective



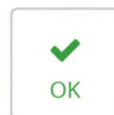
Needs follow-up

New laminate flooring throughout. Tested blinds, light fixture, smoke detector. Everything is working when tested

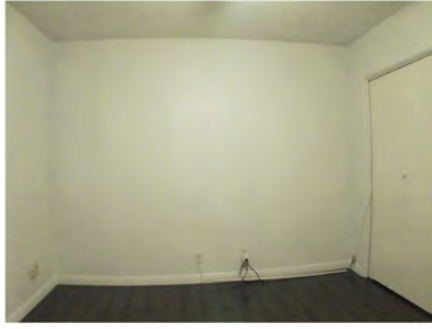
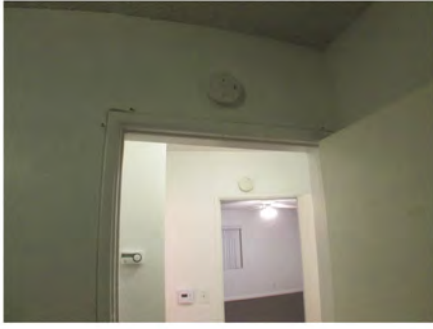
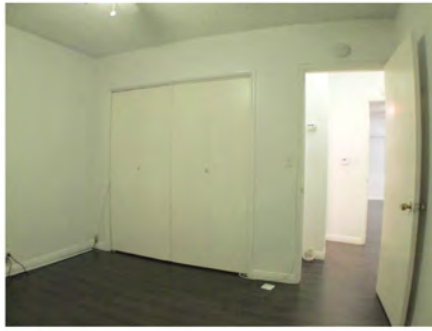
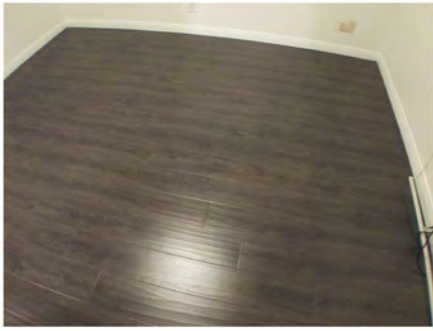


Bedroom 2

Collective



Needs follow-up



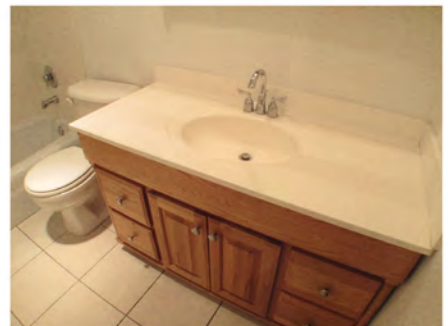
Bathroom 1

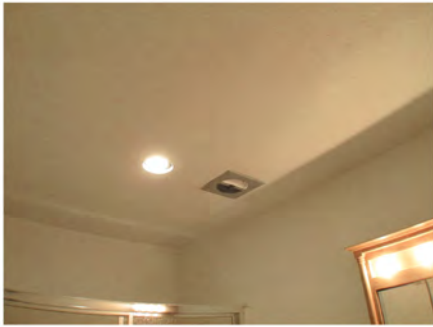
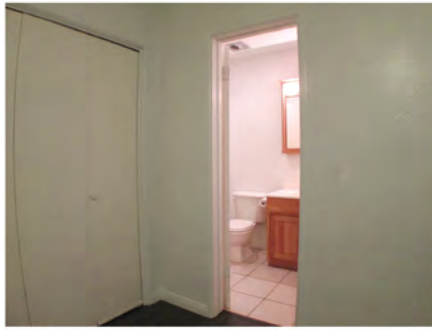
Collective



Needs follow-up

Unit is clean. Water fixtures tested and working

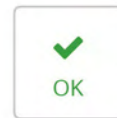




Compliance

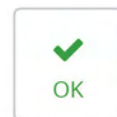
Smoke Detector

Tested & working



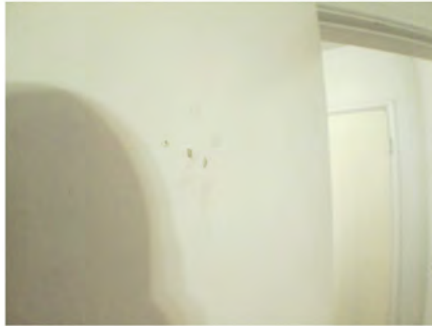
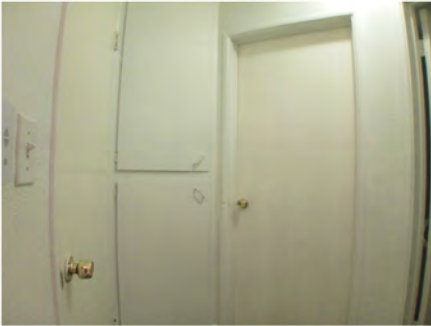
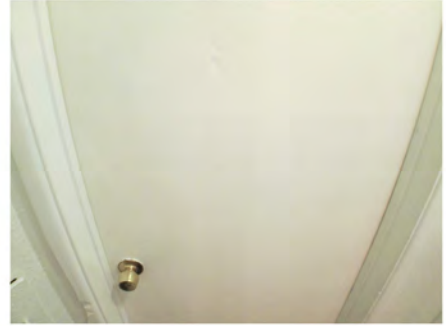
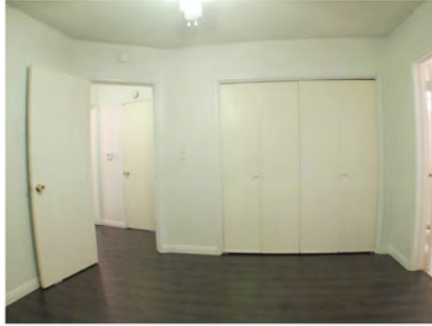
Needs follow-up

Water Heater/Hallway



Needs follow-up

No Damage. Very Clean.



Exterior Property Inspection - December

Inspection Date: 12/27/2017

PROPERTY: 25807 Darling St., Long Beach, CA 90807

CURRENT TENANT: Tom Cunningham | (562) 989-2556 | tomcunningham@aol.com

Exterior inspection

Curb appeal



 Needs follow-up

Paint & Stucco: Good. Landscape: Good. Driveway: Good. No immediate action needed.



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QUARTERLY NEWSLETTER



Ernst & Haas Management Co., Inc. Newsletter

4th Quarter 2017

"Leading The Way Home"

Volume 12, Issue 4

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ERNST & HAAS MANAGEMENT CO. HOSTS 2ND ANNUAL CAREER DAY



By Ernst & Haas Management Co.

On July 20, Ernst & Haas hosted its 2nd Annual Career Day, welcoming 13 kids between the ages of 5 and 16 to come and learn all about having a career in property management.

The morning kicked off with a tour of the office, where the kids got to meet the Ernst & Haas staff and learn about each department and position. They particularly enjoyed chatting with our Broker David Haas, where they asked him all sorts of questions about owning your own business and the pros and cons of being your own boss.

The morning continued with the first art project of the day, allowing the kids to dip their hands in paint and create the art piece pictured above. Our vendor JD Custom Home Builders did a wonderful job providing us with

the wood piece for this project.

Dewey Pest Control, another one of our vendors, came by and brought some critters along (dead, of course) for the kids to look at and learn about. They couldn't stop buzzing about the different insects they saw!

They then learned all about "going green" and how that's a priority at Ernst & Haas, and went on to create two art projects made from reusable materials.

The day ended with a pizza party, where each child was able to spend some time with the staff member that brought them.

Overall, it was a very fun, successful day of educating the youth about our field and why it's great to have a career in property management!



Spark of Love Toy Drive

Ernst & Haas will be collecting new, unwrapped toys to donate to the Spark of Love Toy Drive hosted by the Long Beach Fire Department. If you would like to make a donation, please bring it to our office between November 26 and December 21!

SMART PHONES AND QR CODES PARTNER WITH RENTLY IN SHOWING VACANCIES

By Sal Lopez, Property Supervisor

One of the most challenging tasks as a property supervisor is showing a vacancy on a consistent basis. Sometimes it's difficult accommodating everyone and their schedules in an effort to show a particular property. But there's no need to worry—Rently is here!

Rently is a new showing lock-box equipped with advanced wireless technology that allows property supervisors to show properties by two means:

(1) Controlled Showing Feature: Using the controlled showing feature, property supervisors can obtain a prospect's information over the phone, collecting their name, contact number, and credit card information—all before giving the prospect a one-day access code used for

entry.

(2) Automated Showing Feature: Using the automated showing feature, prospects scan a QR code located on the rental sign with their smart phone. The code then takes them to step-by-step directions on how to check-in and check-out of the property. The prospects are then asked to input their credit card information and are charged a \$0.99 viewing fee. Because verification is location based, the code to enter the unit is only issued when the prospect is physically at the property.

Once a prospect has the code to enter the unit, they are more than welcome to use that code as many times as they want within a 24-hour period. After that 24 hours is up, the prospect would have to pay another

\$0.99 to access a new code. Additionally, prospects can view any of the vacant units equipped with Rently daily from 8 a.m.-8 p.m.

So far, Rently has really proven to be a success for our rentals here at Ernst & Haas. In addition to saving property supervisors the frustration of no-show appointments and the cost of gas going to and from a unit, Rently also serves as a convenient, instant-gratification method for those that are at the property wanting to see the unit at that very moment. Rently also helps weed out prospects, as those that spend the \$0.99 are obviously serious about seeing and renting the unit.

Overall, Rently is a great product and we are looking forward to using it more!

PREPARING YOUR PROPERTY FOR WINTER: WHY ROUTINE MAINTENANCE MATTERS

By Lorenzo Alatorre, Maintenance Supervisor

One of the most crucial aspects to managing any property is making sure the maintenance of the property is up to date and meeting health standards. At Ernst & Haas, we receive maintenance requests for anything and everything from broken ceiling fans, to clogged kitchen sinks, to insect infestations.

Part of our protocol, however, requires that tenants put their maintenance requests in writing. This is a recent change, as we used to take requests over the phone. But in an effort to minimize any miscommunication, we now ask tenants to submit their requests in writing, whether by email, at our office, or through our website. Unless it is an emergency, we require a written request before sending a vendor out for repairs.

With that being said, maintenance requests will start shifting from

air conditioning issues to heating issues, as the season changes. Other concerns for this fall and winter will be in regards to roofing, rain gutters, and weather stripping. As property owners, it is important to recognize the needs of each season and how you can get a head start before a problem arises.

Here are some maintenance items you should consider looking in to before winter sets in:

- **Tune Up the Heating System:** For a minimal charge, vendors can go out to a property and inspect its heating system to confirm that it is up and running properly. If not, they can determine what repairs need to be made and make those repairs when allowed. Additionally, heating inspections also help measure carbon-monoxide.

- **Hit the Roof:** Look for dam-

aged, loose or missing shingles that may leak during a winter storm. If need be, shingles can be replaced, or whole sections of the roof can be replaced. These options are helpful, especially if the whole roof does not need to be replaced.

- **Caulk Around Windows and Doors:** If the gaps between siding and window or door frames are bigger than the width of a nickel, exterior caulk should be reapplied. Joints in window and door frames should be checked too.

- **Clean the Gutters:** If a property's gutters are full, water can back up against the house and damage roofing, siding, and wood trim.

As winter comes our way, take some time to go over your property's maintenance with your supervisor—it will save you time and frustration in the end!

Carbon Monoxide Detectors

In January 2017, California Legislature signed into law a bill that requires all multi-family residences to have carbon monoxide (CO) devices installed by January 1, 2018. Ernst & Haas is working hard to make sure this deadline is being met. But why is CO such a big deal? Here are some facts:

-CO is an odorless, colorless gas that can cause sudden illness and death.

-CO is found in combustion fumes, such as those produced by cars and trucks, small gasoline engines, stoves, lanterns, burning charcoal and wood, and gas ranges and heating systems.

-CO from the sources listed above can build up in enclosed or semi-enclosed spaces and can cause CO poisoning to people and animals breathing it in.

-Common symptoms of CO poisoning are headache, dizziness, weakness, nausea, vomiting, chest pain, and confusion. High levels of CO inhalation can cause loss of consciousness and death.

-Unless suspected, CO poisoning can be difficult to diagnose because the symptoms mimic other illnesses.



PRE-APPROVALS PROVE TO BE AN EFFICIENT APPLICATION PROCESS

By Margarita Roque, Administrative Assistant

Finding a good tenant is not as easy as it sounds. This process takes a dedicated amount of time from the leasing department, which makes an effort in keeping the overall process as short as possible—while still focusing on making sure the applicant qualifies.

Because of the volume of applications we have been receiving—both online and in person—we have recently put into action a new way of processing applications. Once an application is received, I make sure the applicant income qualifies, has no pets (if the property does not allow them), and that the number of occupants do not exceed the allotted amount for that particular unit. If everything looks good, then I run the credit check. I also run an eviction check, criminal scan, and background check. Once those are cleared, I pass the application onto Solita Heng, our Leasing Coordinator.

Next, Solita reviews the application and decides whether or not the application is pre-approved. If pre-approved, the application gets handed to Natasha Maahs, Assistant to the Leasing Coordinator. Natasha then contacts the applicant and informs them of their pre-approved status, meaning the applicant can bring in a security deposit to take the property off the market and hold it for up to 10 days.

Once an applicant is pre-approved and the security deposit has been put down, Natasha continues to process the application, which usually takes 2-3 business days. If a negative rental reference or employment verification is received during the completion of the application process, then Natasha calls the applicant and denies their application. If the applicant already put down a deposit, then we refund their deposit and put the property back on the market right away. If the application receives no negative references and meets our overall cri-

teria then the application is “Final Approved”.

Not all applications will be pre-approved. Based on a conditional credit score, some applications will be processed under a standard procedure. These applications are still processed within 2-3 business days and once the process is complete, they are handed over to Solita for an overall review and final decision of “approved” or “denied”.

When pre-approving, the leasing department at Ernst & Haas strives to contact the applicant the same day their credit score is ran in order to give them an application status right away. Because this is done on the same day, the process helps prevent losing potential tenants, as they may look elsewhere while waiting to hear about the status of their application. The process also helps motivate the applicant to assist us in retrieving rental and employment verifications as it can sometimes be a daunting task trying to get in touch with employers and landlords. Lastly, the process benefits the property owner as the property gets rented sooner.

As a reminder, all applicants must meet the following requirements in order to rent with Ernst & Haas: (1) No evictions or collections from a management company or landlord; (2) Monthly income must be two-and-a-half times the amount of rent; (3) Credit score must be a 620 or higher without any negative trade lines (a score between 580-619 will be *considered*); (4) Rental and employment verifications must be positive; and (5) No felonies on background check.

If you have any questions or concerns regarding our pre-approval application process or application requirements, please feel free to contact our leasing department. We are here to make sure you have the best tenants living in your unit!



Ernst & Haas MANAGEMENT

4120 Atlantic Avenue,
Long Beach, CA 90807

www.ernstandhaas.com

dhaas@ernstandhaas.com

Tel. (562) 989-9835 ext. 317
Fax (562) 989-9766

DRE# 01126617

Mon.-Fri. 8:30 a.m. - 5 p.m.
Sat. 9 a.m. - 2 p.m.

IMPORTANT 4th QUARTER DATES TO REMEMBER

October 31 - Owner
reports sent out

November 22 - Office
closed in observance of
Thanksgiving

November 30 - Owner
reports sent out

December 25 - Office closed
in observance of Christmas

December 31 - Owner
reports sent out



Message from the Broker

Happy Fall! The year is steadily speeding by and Fall is already here! As expected, it was a very busy summer with a tremendous amount of rental activity in the 3rd Quarter. As far as the numbers are concerned, we were able to maintain a very consistent vacancy factor of below two percent for most of the summer and were also able to maintain our average vacancy period of less than 20 days.

We have also been adding new features to our website and deploying new technologies such as Rently (read more about Rently on Page 2) to increase the speed and convenience of showing vacant property to prospective tenants, which has helped keep the vacancy period down and the showing numbers high.

Looking forward into the Fall, we expect a moderate decrease in overall activity as we move closer to the holiday season, which will also allow us to put our focus towards existing residents and servicing their needs.

Another surprise this year has been the number of residents using our online Tenant Portal for rent payments, maintenance requests, and day-to-day correspondence. Nearly 65 percent of our residents are registered in our system and use the portal on a regular basis. The portal has been a great tool in improving the service our residents receive as they have 24-hour access and quicker responses to their requests and/or concerns.

Something I wanted to be sure to review is owner disbursements and reporting. To recap our accounting procedures, our office follows a traditional accounting cycle whereby we collect all income (rents) beginning the first of the calendar month. These rents are then deposited into the property owner's trust account and used to offset any property expenses, which are incurred throughout the operating month. Finally, on the last business day of each month, we issue all financial reports and client disbursements. Please keep in mind that the actual date may vary from month to month, as some months end on a weekend or holiday. In this case, the month is closed early, on the last business day. Monetary disbursements are deposited early in the morning on this day, and reports are sent electronically later that afternoon. A client may request an early draw at any time during the month, however absent any request, the normal accounting cycle is followed.

From all of us at Ernst & Haas, we hope you have a very happy holiday season and look forward to updating you again at the beginning of the year. And as always, thank you for choosing Ernst & Haas Management and never hesitate to contact me directly with any questions or concerns. I may be reached by email at dhaas@ernstandhaas.com, or by phone at (562) 989-9835 x317 (office) or (562) 762-6049 (cell).

~David L. Haas

Follow Us On:



Visit Our Blog @ www.ernstandhaasblog.com



TENANT RELATED FORMS



Ernst & Haas MANAGEMENT

4120 Atlantic Avenue., Long Beach, CA 90807

Phone: (562) 989-9835 Fax: (562) 989-9166

www.ErnstandHaas.com

(Revised 07/2015)

Application Process

Thank you for considering a property offered by Ernst & Haas Management Company, Inc. The application process is really quite simple and quick normally taking 2-3 business days to process. You will be notified either by mail and/or telephone as to the approval status of your application and you may request a copy of your credit report at any time regardless of approval status. Any questions regarding your credit report must be addressed to the credit bureaus directly. Please make sure all information on the application is completed IN FULL. If there is a section or line that does not apply to you, please indicate with N/A.

In order to insure timely processing of your application please remit the following:

- One completed application for each person over 18 yrs. of age
- Original Driver's license or State ID, or two other forms of picture identification
- Original Social Security Card or Supporting Documents
- Proof of income (e.g. 2 recent pay stubs, S.S.I/Disability, retirement, AFDC, etc.)
- \$40.00 application fee (No personal checks) per application (This is a non-refundable administration charge to cover the costs of processing each application)

Once you are approved, you will be informed of the total amount required to move in: (1st month's rent and deposit). (If scheduled lease date is within the last 5 days of the month, the first month's prorated rent and 2nd month's full rent are required) Both must be made payable by money order or cashier's check. **NO CASH OR PERSONAL CHECKS ARE ACCEPTED FOR MOVE-IN OR DEPOSIT.** All payments must be made payable to Ernst & Haas Management Co., Inc.

- All applications are processed in the order received. The applicant who is first to pay the application fee, remits all the required documents, qualifies, and pays the required move-in charges after approval will be selected. We continue to process all applications submitted until deposit is received by an approved applicant.
- Once an applicant is approved; the applicant may place a deposit on the property to reserve the property for up to 10 days from the date of availability. The hold deposit shall be the total deposit of the Property.
- Neither the management office nor an on-site manager shall accept any deposits from an applicant until the applicant has been qualified and approved by the management office.
- Approved applicants are required to secure and maintain personal liability insurance (renter's insurance) at all times during tenancy.
- Applicants may not store any items or stay in the residence until the full deposit and rent have been received and a lease agreement has been executed.
- Management company shall not hold a residence for an applicant until all required deposit have been received and an offer to rent has been signed by the applicant and the management office.
- All documents submitted shall be retained by the management office for a period of 3 years.

Selection Criteria

The following qualifications will be applied to all applications:

- Rent cannot exceed 40% of monthly gross income. The income must be verifiable (e.g. Pay stubs, tax return forms 1099 or 1040, AFDC Action letter, Court order for spousal or child support, Retirement deposit statement), or other documentation as determined verifiable and approved by the management office.
- Occupancy guidelines set by Fair Housing will be followed. No more than 2 people per bedroom and one additional occupant shall occupy any residence.
- **Any false information provided on a rental application will result in disqualification of applicant.**

Credit:

- Credit score (FICO) must be no less than 620 for standard deposit. Applicants with a credit score of 600-619 may be *conditionally approved*.
- If the score rates “N/A” and no negative trade lines or collections have been reported, then the applicant may be *conditionally approved*.
- If the score rates “No subject Found” and all other information is verifiable, the application may be *conditionally approved*.
- If the credit score is less than 600, the application will not be approved.

Rental Reference:

- Tenancy verifications will be made for all residencies within the past 3 years.
- If applicant receives a derogatory rental reference, the application will not be approved.
- If tenancy verification results in home ownership, the loan or mortgage must be reflected on the credit report as a positive credit rating.
- If a tenancy results in home ownership without a mortgage, proof of ownership must be provided by way of Grant deed, tax records or escrow closing papers.
- If applicant has rented or lived with relatives, proof of residency must be established with corresponding ID card, Driver’s License, pay stubs, or credit report.

Evictions:

- NO EVICTIONS OR COLLECTIONS from a management company or landlord. If an applicant has been evicted or has a collection account from a previous landlord, the application will not be approved.

Employment:

- If applicant receives non verifiable income because no pay stubs are given, applicant may be *conditionally approved*.
- If the income is unverifiable because the applicant is newly hired with no pay stubs to date, a letter on a company letterhead must be supplied by the employer indicating monthly salary and start date.
- If employment or income cannot be verified then a guarantor is required or if rent exceeds 40% of income, applicant may be *conditionally approved*.

*****Conditional Approval*****

If an applicant has been conditionally approved, the following conditions must be met for consideration:

- A double deposit must be given prior to move in, or guarantor (co-signer) may be used, at the discretion of the office management. The guarantor must have satisfactory rental and employment references. Guarantor must have a credit score (Fico) of 620 or greater and rent should not exceed 40% of monthly gross income.
- The guarantor must submit an application along with the following:
ID, Social Security card, proof of income, and pay the application fee.
- Additional documents may be requested to establish approval.

It is understood and applicant agrees that the management company continues to receive and process applications even after an application is received. Applications are accepted until a deposit is received by an approved applicant. Submission of an application does not guarantee approval or secure a property. All applications are valid for 30 days and may be applied to any property offered by Ernst & Haas Management.

I have read, understand, and agree to the above terms.

Signature

Date

Application to Rent

All occupants 18 & over must complete an application.

Check box only if you are applying as a Co-Signer.

General Information

Located at _____ Apt. No. _____
How did you hear about the rental? _____ Desired Move-in Date? _____
Last Name _____ First _____ Middle _____
Phone _____ Mobile _____
Social Security # _____ Driver's License and State _____
Date of Birth _____ Email Address _____

LIST ALL ADDITIONAL OCCUPANTS WHO WILL RESIDE IN UNIT

Name _____ Date of Birth _____
Name _____ Date of Birth _____
Name _____ Date of Birth _____

Residential History (Past 3 Years)

Current Address _____ City/Zip _____
How Long: From(Month/Year) _____ to _____ Reason for leaving _____
Owner/Manager _____ Tel _____ Rent Paid _____
Self Owned _____

Previous Address _____ City/Zip _____
How Long: From(Month/Year) _____ to _____ Reason for leaving _____
Owner/Manager _____ Tel _____ Rent Paid _____
Self Owned _____

Second Previous Address _____ City/Zip _____
How Long: From(Month/Year) _____ to _____ Reason for leaving _____
Owner/Manager _____ Tel _____ Rent Paid _____
Self Owned _____

Employment Information

Company Name _____ Address _____
Phone _____ Occupation _____ Gross Monthly Salary _____
Name of Supervisor _____ Dates of Employment _____ to _____

Company Name _____ Address _____
Phone _____ Occupation _____ Gross Monthly Salary _____
Name of Supervisor _____ Dates of Employment _____ to _____

Additional Information

1. Do you receive any other source of income? Yes _____ No _____ Source _____ Amount _____
2. Have you ever been evicted for non-payment of rent or for any other reason? Yes _____ No _____
3. Have you ever filed bankruptcy? Yes _____ No _____ Discharge date? _____
4. Have you ever been convicted of a felony? Yes _____ No _____ Explain _____
5. Do you have any pets? _____ If yes, how many _____ Breed _____
6. Will you be using any water filled furniture? Yes _____ No _____
7. Service/Therapy Animal? Yes _____ No _____

Credit References (Credit Cards/Car Payments/Other Loans)

Company Name _____ Address _____
Acct # _____ Present Balance _____

Company Name _____ Address _____
Acct # _____ Present Balance _____

Personal References

Name _____ Address _____
Phone # _____ Time Known _____ Relationship _____

Name _____ Address _____
Phone # _____ Time Known _____ Relationship _____

Emergency Contact (Cannot Be Co-Applicant)

Name _____ Address _____
Phone # _____ Time Known _____ Relationship _____

Vehicles

Year _____ Make _____ Model _____ Color _____ Lic. _____
Year _____ Make _____ Model _____ Color _____ Lic. _____

Applicant represents that all of the above statements are true and correct and hereby authorizes that their verification including, but not limited to, the obtaining a credit report and agrees to furnish additional credit references on request. Owner/agent is authorized to obtain a credit report now and in the future.

In connection with my application for rental and/or employment, I understand that background inquiries will be made on myself including consumer, criminal, driving and other reports. Employment reports may include information as to my character, work habits, performance and experience along with reasons for termination of past employments from previous employers. I understand that information will be requested from various federal, state and other agencies and entities, public and private, which maintain records concerning my past activities relating to driving, credit, criminal, civil and other experiences as well as claims involving me in insurance company files.

I authorize, without reservation, any party or agency contacted, to furnish completely and without limitation, any and all of the above mentioned information and any other information related thereto. Further, I will release from all liability and hold harmless all requesters and appliers of information in accordance herewith.

The undersigned makes application to rent housing accommodation designated for the amount and location as set forth above and upon approval of this application agrees to sign a rental or lease agreement and to pay all sums due, including requested deposits before occupancy.

Signed _____ Date _____

Ernst and Haas Management Co.

4120 Atlantic Avenue • Long Beach, CA 90807
(562) 989-9835

1. FIXED TERM RESIDENTIAL LEASE AGREEMENT

1.1 TERM

THIS AGREEMENT, entered into this <<Lease Start Date>> by and between <<Owner Name(s)>> hereinafter called Landlord, and <<Tenants (Financially Responsible)>> Hereinafter called Resident(s): hereby rents from Landlord, those certain premises located at, <<Unit Address>> including <<Appliances Included>>. **NO ADDITIONAL PERSON SHALL OCCUPY SAID PREMISES, OR ANY PART THEREOF, WITHOUT LANDLORD'S PRIOR WRITTEN CONSENT ENDORSED HEREON.**

This Agreement is conditional upon, and subject to the following:

The term of this Agreement is for a period of 12 months and a prorated number of day(s) thereafter expiring on <<Lease End Date>>, (the expiration date). Renewal of the term shall be as described in paragraph 12.

1.2 RENT

Resident shall pay monthly rent of <<Monthly Rent>> payable in advance to Ernst and Haas Management Co., Inc. on the 1st day of each month, unless changed by notice as hereinafter provided. (Should the term commence on a day other than the 1st, Resident shall pay a prorated amount of <<Prorated Rent>> for the first month's rent). Rent payments shall be made by the following method(s): **Certified Funds, Check or ACH**, delivered to Ernst and Haas Management Co., Inc., 4120 Atlantic Ave. Long Beach, CA 90807 Monday through Friday from 8:30 am to 5:00 pm and Saturday from 9:00 am to 2:00 pm. Failure of Resident to pay the rent or other charges due hereunder or to comply with any of the covenants or conditions herein contained shall, at Landlord's option, forthwith terminate this Lease and Resident's rights therein as provided by law. "AS REQUIRED BY LAW, YOU ARE HEREBY NOTIFIED THAT A NEGATIVE CREDIT REPORT REFLECTING ON YOUR CREDIT RECORD MAY BE SUBMITTED TO A CREDIT REPORTING AGENCY IF YOU FAIL TO FULFILL THE TERMS OF YOUR CREDIT OBLIGATIONS" California Civil Code 1785.26(c) (2).

1.2B. RENT CREDITS AND INCENTIVES: Resident agrees that if Resident received a credit of rent at move-in, and/or at Rental Agreement renewal, or a service or upgrade (such as carpet cleaning or ceiling fan) as an incentive to lease or renew the Rental Agreement, Resident is responsible for the repayment of the rent credit or cost of service or upgrade if Resident fails to fulfill the term of the Rental Agreement.

1.3 LATE CHARGE

Resident acknowledges that the Landlord will incur certain administrative costs in connection with late rental payment, and that the amount of such administrative costs would be difficult or impracticable to ascertain. **Rent is due on the 1st day of each month and considered past due on the 2nd day.** If rent has not been received by close of business on or before the 5th day of each month (no exceptions for weekends, holidays, or postage delays) it is considered late and Resident agrees to pay late fee. If Resident fails to pay rent in full by close of business on or before the 5th day of the month rent is due, Resident shall pay a late charge of 6% as additional rent. If Landlord elects to accept rent after the late charge is incurred, payment in a form other than by personal check may be required. Landlord does not waive the right to insist on payment of rent in full on the day it is due. In the event Resident's check is dishonored by the bank, Resident shall pay a returned check charge of \$25 as additional rent. A late charge will be imposed if the returned check causes the rent to be late. Landlord may require future payments to be in a form other than a personal check in the event of a returned check.

1.4 SECURITY DEPOSIT

Resident shall deposit with Landlord, as a Security Deposit, <<Security Deposit Charges>>, as security for performance of the Agreement. (Total of all deposits not to exceed two (2) month's rent for an unfurnished or three (3) months for furnished unit.) **At no time shall any portion of this deposit be considered as an advance payment of rent, including last month's rent, nor shall it to be used or refunded prior to leased premises being completely vacated by all Residents.** After the premises are completely vacant, Landlord shall furnish the Resident with an itemized written statement of the basis for and the amount of, any security withheld and shall return any remaining portion of such security to the Resident within twenty-one (21) days pursuant to California Civil Code 1950.5. The parties incorporate the pre-move out inspection checklist herein by reference. Resident shall be entitled to a pre move out inspection upon request no sooner than 10 days prior to the last day of residency and no later than the termination of the term. **Resident acknowledges that agent acts on behalf of Landlord and that all security deposits paid to Agent are distributed to, and held by the Landlord. Resident understands and agrees that Agent may assist in the preparation and submission of security deposit disposition statements, however, Landlord shall be responsible for all security deposit liabilities.**

1.5 UTILITIES

Resident shall pay for all utilities, services and charges, if any except: <<Utilities Included>>

1.6 USE AND OCCUPANCY

Resident agrees to use and maintain the premises as follows:

A. Solely for private residential purposes for the Residents listed above, and by no other persons without prior written consent of the Landlord.

B. Resident agrees not to violate any law, statute, or ordinance, nor to commit, suffer or permit any waste, or nuisance in, on, or about the said premises, or in any way to annoy, molest or interfere with any other Resident or occupants of the building, nor to use in a wasteful or unreasonable or hazardous manner any of the utilities furnished by Landlord.

C. Resident agrees not to alter the premises whatsoever without Landlord's express permission in writing and agrees to return said premises to the landlord in the same condition as it was received except ordinary wear and tear. To the extent permitted by law, any repairs initiated by Resident must be performed by Landlord approved vendors. Written list will be provided upon request. Invoice and proof of payment for work performed must be provided to Landlord within seven (7) days of work completion.

D. Resident shall be responsible for maintaining the cleanliness of the unit, including window coverings, and carpets if applicable. Resident agrees to keep the premises in good repair and free from trash and unsightly material, and to immediately notify Landlord in writing of any defects or dangerous conditions in or about the premises. Resident shall reimburse Landlord for the cost to repair damage by Resident through misuse or neglect.

E. Occupancy by anyone other than those named above for more than 10 days within any one month period, shall constitute a breach of the Rental Agreement, unless, prior consent is obtained in writing by Landlord.

1.7 ASSIGNMENT, SUBLETTING, REPLACEMENTS

Resident agrees and understands not to sublet any portion of the premises under the terms of this Agreement. If the Resident wishes to have another person(s) reside in the premises, or replace one of the existing Residents, Resident must abide by the following: **(1) Tenant must submit a written request to Landlord.** Any proposed new Resident 18 years of age or older, must complete a Rental Application and pay fee to be processed. **(2) The Resident must abide by the decision of the Landlord** whether or not another person(s) can be added to the Agreement. **(3) If Landlord approves the person(s), a fee of \$25 must be paid in advance and at Landlord's option may require an addendum to this Agreement or an entirely new Agreement be signed by the remaining and/or replacement Resident(s) with or without an increase in the total security deposit.** Unless Landlord agrees otherwise in writing, any departing Resident's interest in any deposit will automatically transfer to the replacement Resident as of the date of the Landlord's approval. The departing Resident shall no longer have any refund rights to any deposits and will not be released from liability for the remaining term of this Agreement unless Landlord agrees in writing. If the departing Resident is not released, such Resident's liability for future rentals will be reduced by the amount of rentals actually received from such replacement. **(4) The original Move-In Inspection Form of this Agreement will prevail.**

1.8 PETS, WATER FILLED FURNITURE AND SATELLITE DISHES

Resident agrees that he/ she will not, without Landlord's express consent in writing endorsed hereon, bring upon, keep, maintain or permit to be kept or maintained, in, on, or upon the premises any dog, cat, bird, or other animal/pet. Resident agrees he/she will not, without Landlord's express consent in writing endorsed hereon, bring upon, keep, maintain, or permit to be kept or maintained, in, on, or upon the premises any waterbeds, aquariums, or liquid-filled furniture as provided under California Civil Code 1940.5. Neither antennae nor satellite dish shall be installed on or about the premises without the prior written consent of the Landlord.

1.9 RIGHT OF ENTRY

Landlord reserves the right to himself or his agent to enter said premises in case of emergency, to make necessary or agreed repairs, decorations, alterations or improvements, supplying necessary or agreed services or exhibit the dwelling to prospective purchasers, mortgagees, Residents, workmen or contractors or when any Resident has abandoned or surrendered the premises or pursuant court order. Except in cases of emergency or abandonment, entry will be made during normal business hours and Landlord shall give the Resident reasonable notice of intent to enter premises of no less than 24 hours pursuant to California Civil Code 1954. **Resident agrees not to change any lock or locking device to said premises without the prior written consent of the Landlord and Resident will, upon demands, furnish Landlord with the keys for the purpose of making duplicates thereof.** Upon demand by Landlord, Resident shall temporarily vacate the premises for a reasonable period to allow pest or vermin control work to be done. Resident shall comply with all instructions, forthwith, from pest controller, fumigator and/ or exterminator regarding the preparation of the premises for the work, including the proper bagging and storage of food, perishables and medicine.

1.10 INJURY, LOSS OR DAMAGE

Landlord shall not be liable or responsible in any way for injury to any person, or for loss of, or damage to, any article belonging to Resident located in said premises, or other premises under control of Landlord. No right of storage is given by this Agreement. Landlord shall not be liable for non-delivery or mis-delivery of messages nor shall Landlord be liable for and this Agreement shall not be terminated by reason of any interruption of, or interference with, services or accommodation due Resident, caused by strike, riot, orders of public authorities, acts of other Residents, accident, the making of necessary repairs to the building of which said premises are a part, or any other cause beyond Landlord's control. Resident agrees to indemnify and hold Landlord harmless from all liability from any such injury, loss or damage.

A. Residents acknowledge that Landlord does not maintain insurance to protect Residents against personal injury, against loss or damage to their personal property or belongings, or to cover Residents' liability for injury, loss or damage they (or their occupants or guests) may cause to others. Residents also acknowledge that by not maintaining their own policy of personal liability insurance, they may be responsible to others (including Landlord) for the full cost of any injury, loss, or damage caused by their actions or the actions of their occupants or guests. Residents understand and agree to maintain at all times during the term of the lease and any renewal periods a policy of personal liability insurance satisfying the requirements listed below, at Residents' sole expense.

Required Policy: Personal liability insurance covering Residents, their occupants and guests, for personal injury and property damage they cause to third parties (including Landlord), in a minimum policy coverage amount of \$100,000.00, from a carrier with an AM Best rating of A-VII or better, licensed to do business in California. The carrier is required to provide notice to Landlord within 30 days of any cancellation, non renewal, or material change in Residents' coverage. This insurance requirement can also be satisfied with a "**renters' insurance policy**" (HO-4 policy or equivalent) with a personal liability limit of \$100,000. Renters' insurance policies also typically cover Residents for their own injury or for losses to their own personal property, which coverage is recommended, but not required by Landlord. Landlord also retains the right to hold Residents' responsible for any losses in excess of Residents' insurance coverage. Residents acknowledge that Landlord has made no referrals, guarantees, representations, or promises whatsoever concerning any insurance or services provided by any insurance company. Residents were and are free to contract for the required insurance with the provider of their choosing. Any default under the terms shall be deemed an immediate, material and incurable default under the terms of the lease, and Landlord shall be entitled to exercise all rights and remedies at law or in equity therefor.

1.11 JOINT AND SEVERAL LIABILITY

The undersigned Resident(s) whether or not in actual possession of premises, are jointly and severally liable for all rent incurred during the term of this Agreement, and for all damages to the demised premises caused or permitted by Resident, their guests and invitees. Any breach or abandonment by any one or more of the Residents shall not terminate the Agreement nor shall it relieve the remaining Resident from fulfilling the terms of the Agreement. Service of notices on one Resident shall constitute service on all Residents.

1.12 TERMINATION AND AMENDMENTS

Said residency shall automatically convert to a month-to-month residency upon the expiration date of the fixed term in paragraph 1 above. Either party may terminate the fixed term lease on or after the expiration date by giving the other thirty (30) days notice of termination in writing pursuant to California Civil Code 1946. This Agreement may be modified with thirty (30) days notice in writing after the expiration of the initial term. If Agreement exceeds 12 months, (60) sixty days notice in writing is required after the expiration of the initial term. For a rent increase: **(a)** If the amount of the increase, when added to all other increase during the prior 12 months, is 10% or less of the lowest rent charged during the prior 12 months, Landlord may serve a 30-day rent increase notice; **(b)** If the amount of the increase, when added to all other increases during the prior 12 months, exceeds 10% of the lowest rent charged during the prior 12-months, Landlord must serve a 60-day rent increase notice. In either case if the notices are served by mail, the effective date of the rent increase is extended an additional 5 days.

1.13 EARLY TERMINATION BREACH

Resident shall be liable to Landlord damages resulting from such breach, such as loss of rent until the unit is re-rented or the completion of the minimum term, [whichever is less], advertising costs, reimbursement of any move-in credits given to replacement Resident, utility costs while vacant, yard maintenance costs while vacant, and other costs and fees as described within this Agreement.

1.14 WAIVER

Waiver by Landlord of a breach of any covenant of this Agreement will not be constructed to be a continuing waiver of any subsequent breach. Landlord's receipt of rent with knowledge of Resident's violation of a covenant does not waive his rights to enforce any covenant of this Agreement. The invalidity or partial invalidity of any provision of the Agreement shall not render the remainder of the Agreement invalid or unenforceable.

1.15 ATTORNEY'S FEES

If any legal action or proceeding is brought by either party to enforce any part of this Agreement, **each party shall bear their own attorney's fees and costs.**

1.16 SMOKE DETECTOR AND CARBON MONOXIDE DETECTOR

The premises are equipped with Smoke Detection device(s) and Carbon Monoxide Detection device(s) and:

A. Resident acknowledges that the Smoke Detector(s) and Carbon Monoxide Detector(s) were tested and its operation explained by Landlord in the presence of the Resident at the time of the initial occupancy and that the Smoke Detector(s) and Carbon Monoxide Detector(s) were in proper working order at the time.

B. Each Resident shall perform the Manufacturer's recommended test to determine if the Smoke Detector(s) and Carbon Monoxide Detector(s) is/are operating properly at least once a week.

1.17 IF BATTERY OPERATED

Each Resident understands that said Smoke Detector(s) and Carbon Monoxide Detector(s) and Alarm is a battery operated unit and it shall be each Resident's responsibility to:

1. Ensure that the battery is in operating condition at all times,

2. If, after Landlord replaces the battery, the Smoke Detector(s) or Carbon Monoxide Detector(s) do not work, inform the Landlord immediately in writing.

3. Resident must inform the Landlord immediately, in writing, of any defect malfunction or failure of any detector(s).

4. If local law requires the Landlord to test the Smoke Detector(s) and Carbon Monoxide Detector(s), the Resident shall allow the Landlord access to the premises for that purpose.

1.18 LEAD WARNING STATEMENT

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, Landlords must disclose the presence of lead-based paint and/or lead based paint hazards in the dwelling. Renters must also receive a federally approved pamphlet on lead poisoning prevention.

LANDLORD'S DISCLOSURE

Landlord has no knowledge of lead-based paint and/or lead-based paint hazards in the premises. Landlord has no reports or records pertaining to lead-based paint and/ or lead-based paint hazards in the premises.

RESIDENT'S ACKNOWLEDGEMENT

Resident has received a copy of the pamphlet "Protect Your Family from Lead in Your Home" and copies of documents listed above, if any. Resident agrees to promptly notify Landlord of any deteriorated and/ or peeling paint.

1.19 MOLD AND MILDEW STATEMENT

Mold and Mildew may be injurious to one's health and if moisture is allowed to accumulate in the unit, it can cause mildew and mold to grow. Therefore, Resident acknowledges that: **(a)** Resident has inspected the premises, and every part thereof, at the outset of the residency; **(b)** Resident has found no signs of moisture, mold or mildew therein; **(c)** Resident shall **(I)** keep the premises well ventilated, clean and dry any signs of mold or mildew from all surfaces, **(II)** promptly notify Landlord of any dampness from leaks, overflows, water intrusion, etc., and **(III)** promptly notify Landlord of any malfunction of ventilation, air conditioning or heating systems. Resident shall be liable for any injuries or damages that may result from any negligent performance of the foregoing duties.

1.20 ASBESTOS DISCLOSURE

The California Asbestos Notification Act requires Landlords with more than 10 employees of structures built before 1979 to notify Resident and their employees and contractors of any knowledge they may have regarding any asbestos-containing construction materials ("ACM"). In that regard, note that while Landlord is not specifically aware of any ACM in the premises, it is possible that given that age of the building, ACM may be present. Accordingly, as a precaution, Resident hereby agrees to not, under any circumstances to disturb or remove acoustic ceilings or flooring material, not to sand, cut or otherwise abrade dry wall material, and not to drill into fire doors or remove door knobs. California Health & Safety Code section 25249.6 requires that notice be provided to persons warning that they may be exposed to chemicals known in the State to cause cancer. Asbestos is one of those chemicals. Assuming Resident's compliance with the precautionary measures described above, however, Landlord has no reason to believe that any person on the premises is exposed to significant risk levels. The notice provided in this paragraph is accordingly provided to Resident merely to comply with the technical notification requirements.

1.21 AGENT FOR SERVICE OF PROCESS

For purpose of service of process and receipt of notices, the Resident may contact: Ernst and Haas Management Co., Inc., 4120 Atlantic Ave. Long Beach, CA 90807 Phone: (562) 989-9835 BRE#01251870

1.22 ADDITIONS

In addition to all sections above, the following terms are added to this agreement:

NOTICE: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Website maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides.

By initialing below, you acknowledge and agree to the terms in Section 1.

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2. Policies and Procedures

2.1 RULES AND REGULATIONS ADDENDUM

A. GENERAL

1. This Agreement is an Addendum and incorporated by reference into the Rental Agreement between Landlord and Resident.
2. Landlord may adopt new rules and regulations or amendments to those rules upon giving thirty (30) days notice in writing. These rules and any changes or amendments have a legitimate purpose and are not intended to be arbitrary or work as a substantial modification of Resident's rights. They will be equally enforced. Resident is responsible for the conduct of all guests and the adherence to these rules and regulations at all times.
3. In case of conflict between the provisions of this Addendum and any other provisions of the Rental Agreement, the provisions of the Addendum shall govern.

2.2 POLICIES AGAINST CRIMINAL ACTIVITY

IN CONSIDERATION of their mutual promises, Landlord and Resident agree as follows:

1. Resident, any member of Resident's household, or any guest or other person under Resident's control, shall not engage in criminal activity, including but not limited to drug-related criminal activity, on or near the said premises. "Drug-related activity" means the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute, or use a controlled substance.
2. Resident, any member of Resident's household, or any guest or other person under Resident's control, shall not engage in any act intended to facilitate criminal activity, including drug-related criminal activity, on or near said premises.
3. Resident, any member of Resident's household, or any guest or other person under Resident's control, will not permit dwelling unit to be used for or to facilitate criminal activity, including but not limited to drug related criminal activity, regardless of whether the individual engaging in such activity is a member of the household or a guest.
4. Resident, any member of Resident's household, or any guest or other person under Resident's control, shall not engage in the unlawful manufacturing, selling, using, storing, keeping or giving of a controlled substances at any location, whether on or near the dwelling unit premises or otherwise.
5. Resident, any member of Resident's household, or any guest or other person under Resident's control, shall not engage in any illegal activity, including prostitution, criminal street gang activity, threatening or intimidating assault, including but not limited to the unlawful discharge or firearms, on or near the dwelling unit premises, or any breach of the Rental Agreement that otherwise jeopardizes the health, safety and/ or welfare of the Landlord, his agent, or other Resident, or involving imminent serious property damage.
6. **VIOLATION OF ANY OF THE ABOVE PROVISIONS SHALL BE A MATERIAL AND IRREPARABLE VIOLATION OF THE RENTAL AGREEMENT AND GOOD CAUSE FOR TERMINATION OF RESIDENCY. A single violation of any provisions of the Addendum shall be deemed a serious violation and a material and irreparable non-compliance and shall be good cause for immediate termination of the residency. Unless otherwise prohibited by law, proof of violation shall not require criminal conviction, but shall be by preponderance of the evidence.**

2.3 NOISE AND CONDUCT

1. Resident shall not make or allow any disturbing noises in the unit by Resident, family or guests, nor permit anything by such persons that will interfere with the rights, comforts or conveniences of other persons.

2. Resident shall ensure that all musical instruments, television sets, stereos, radios, etc., are played at a volume which will not disturb other persons or Residents.
3. Resident is responsible for the activities and conduct of Resident, occupants of their unit and their guests, including behavior within their unit, outside of the unit, on the common grounds, parking areas, or any recreation facilities. The activities and conduct of Resident and Resident's guests shall not annoy or disturb other persons or Resident.
4. No lounging, visiting or loud talking that may be disturbing to other Residents will be allowed in the common areas between the hours of 10:00 p.m. and 7:00 a.m. (If applicable).
5. Resident agrees not to interfere with management staff in the performance of their duties.

2.4 CLEANLINESS AND TRASH

1. The unit must be kept clean, sanitary and free from objectionable odors at all times.
2. Resident shall assist management in keeping the exterior of the premises clean.
3. Resident shall not permit the littering of papers, cigarette butts or trash in and around the premises.
4. Resident shall ensure that no trash or other materials are accumulated which will cause a hazard or be in violation of any health, fire or safety ordinance or regulation.
5. Resident shall ensure that garbage is placed inside the containers provided and lids should not be slammed. Garbage should not be allowed to accumulate and should be placed in the outside containers. Items too large to fit in the trash containers should not be placed adjacent to the containers. Resident shall not dispose of any combustible or hazardous material in trash containers or bins. Such items will be deemed to be a nuisance and must be disposed of properly by the Resident in accordance with state and local laws.
6. Resident may not leave items in common areas (If applicable). All furniture must be kept inside the unit. Unsightly items must be kept out of vision and no bbq may be kept or stored in common areas if applicable.
7. Clothing, curtains, rugs, etc., shall not be shaken or hung outside of any window, ledge, or balcony.

2.5 SAFETY

1. Security is the responsibility of each Resident. Landlord assumes no responsibility or liability, unless otherwise provided by law, for Residents' and guests' safety, or for injury or damage caused by the criminal acts of other persons. Landlord does not provide private protection services for Resident.
2. Resident shall ensure that all doors are locked during Resident's absence.
3. Resident shall ensure that all appliances be turned off before leaving the unit.
4. When leaving for an extended period, Resident shall notify Landlord how long Resident will be away.
5. Prior to any planned absence, Resident shall give Landlord authority to allow entry into unit to any person or provide Landlord with the name of any person or entity permitted by Resident to enter unit.
6. The use or storage of gasoline, cleaning solvent or other combustibles in the unit is prohibited.
7. Resident shall ensure that no personal belongings, including bicycles, play equipment or other items, are left in the halls, stairways, or about the buildings unattended.

2.6 MAINTENANCE, REPAIRS AND ALTERATIONS

1. Resident shall advise Landlord, in writing, of any items requiring repair. Notification should be immediate in an emergency or, for normal problems, within business hours. Repair requests should be made as soon as the defect is noted.
2. Service requests must be made in writing, addressed and delivered to Landlord, and not directly to maintenance personnel.
3. Resident shall make no alterations or improvements without the written consent of Landlord, including painting or wallpaper, shelving or flooring. Any article attached to the woodwork, walls, floors or ceilings shall be the sole responsibility of the Resident. Resident shall be liable for any repairs necessary during or after residency to restore premises to the original condition. Glue or tape shall not be used to affix pictures or decorations. No installations of A/C units whatsoever in walls or window openings without express written consent by landlord.

2.7 VEHICLES AND PARKING

1. Resident shall only use assigned parking spaces and shall ensure that their guests park only in unassigned areas or designated guest parking at all times, and will not park in another Resident's designated parking space. Vehicles parking in unauthorized areas or in another Resident's space may be towed away at the expense of the vehicle's owner.
2. Inoperable, abandoned, unregistered vehicles or vehicles leaking fluids are subject to tow pursuant to California Vehicle Code section 22658.
3. All vehicles on the premises must be operational, registered, insured and free from leaking fluids. There shall be no vehicle repairs or maintenance performed, nor any washing of vehicles, on or about the premises.
4. No Resident shall keep, maintain or allow to remain on the premises for a period in excess of seven (7) days, any non-working, inoperable or non-functioning vehicle of any kind. The parties agree that the presence of any such vehicle on the premises for a period in excess of seven (7) days shall constitute a nuisance within the provisions of California Civil Code section 3479 and may, at Landlord's option, be the basis for terminating the residency herein.
5. Garages, if provided, are to be used for the parking of operable, registered vehicles only and not for the storage of other personal property. Such to impede the ability to access by vehicle.
6. Storage of boats, trailers/RVs, or any other vehicle other than those listed on the Rental Application is prohibited, except for those single family homes with designated storage for such vehicles and that meets all CC&Rs if applicable.

2.8 OTHER

1. All Resident related maintenance problems which have been determined to be caused by the Resident at their neglect shall be billed to Resident by the management office and must be paid within 10 days of receipt of said billing. Plumbing stoppages within direct Resident line not caused by main-line or other unit back-up shall be the responsibility of the Resident. Costs of repair or clearance of stoppages in waste pipes or drains, water pipes or plumbing fixtures caused by Resident is the responsibility of the Resident. Payment for corrective action must be paid immediately by Resident upon demand by Landlord.
2. **Stoves and refrigerators and all other appliances are considered courtesy items and not mandatory to the rental or the unit. Landlord shall have the option to repair, replace or remove any appliance that is in need of repair.**
3. Any maintenance request of a non-emergency nature will require a written request completed and sent to Landlord.
4. Carpets and drapes within the premises are the Resident's responsibility to maintain the cleanliness of and cannot be deducted from the rent during the term of the residency.
5. Resident understands that at all times Resident is responsible for keeping all outside areas free of garbage, debris, animal feces, and or any other unsightly items. Resident shall not install any plants, trees, flowers, or shrubs without prior written approval from Landlord. Any unauthorized installation will be considered damage and Resident agrees to pay for the removal of such plantings and the cost to restore the affected areas to the original condition.
6. Landlord is responsible for lawn mowing of landscape.
 Resident is responsible for **weeding of planters, trimming, pruning and trimming of all shrubs and trees, application of weed control and fertilizer on grass, watering landscape, setting of automatic timers for irrigation/sprinkler system**, and report problems to Landlord. If Resident fails to care for landscape as required and disregards Landlord's notice to correct, Landlord reserves the right to contract yard maintenance as a result of Resident breach of agreement and the Resident will incur the cost of the landscape maintenance. The Resident further agrees to deliver the premises, at the end of this tenancy, grass that is weed free, mowed, trimmed, edged, and properly watered as well as trees and shrubs that have been trimmed and pruned, and planter areas free of weeds.
 Resident is responsible for maintenance of all landscape. **This includes: weeding of planters, trimming, and edging of grass and planters, pruning and trimming of all shrubs and trees, application of weed control and fertilizer on grass, setting of automatic timers for irrigation/sprinkler system**, and report problems to Landlord. If Resident fails to care for landscape as required and disregards Landlord's notice to correct, Landlord reserves the right to contract yard maintenance as a result of Resident breach of agreement and the Resident will incur the cost of the landscape maintenance. The Resident further agrees to deliver the premises, at the end of this tenancy, grass that is weed free, mowed, trimmed, edged, and properly watered as well as trees and shrubs that have been trimmed and pruned, and planter areas free of weeds.

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2.9 SECURITY DEPOSITS

The money Resident paid as a **deposit is a deposit only and may not be used as last month's rent**. It is refundable under the following terms and conditions:

1. The property must be in the same clean conditions as when the Resident took possession.
2. After the initial term of the residency expires, a written **THIRTY (30) DAY NOTICE** of intent to vacate must be signed and received by Landlord from all parties vacating the premises.
3. The last month's rent must be paid in full, with Resident's account cleared of any debts or charges accumulated during the residency term.
4. Resident must allow Landlord to show the premises should someone become interested in seeing it during the term of the residency term.
5. Resident's keys must be received by all parties vacating the premises directly in our business office on the final day of your residency. Rent is charged until Resident has returned all keys to Landlord. Daily rent value shall be calculated on a 30 day basis.
6. Landlord will inspect the premises and refund all deposits within twenty one (21) days from the day all keys have been received in our office. An itemized list of accounting for any money deducted will be included with all refunds as applicable.

By initialing below, you acknowledge and agree to the terms in Section 2.

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3. Responsibilities

3.1 PROCEDURE FOR RENT COLLECTION

1. All rents must be made payable to **Ernst & Haas Management Co., Inc.**, and may be paid Online, sent by mail or delivered in person during normal business hours of 8:30 am to 5:00 pm, Monday through Friday and 9:00 am to 2:00 pm on Saturday at 4120 Atlantic Ave., Long Beach, CA 90807, or as directed by Landlord.
2. **Total Rent is due and payable in our office on or before the 1st day of each month. Any rent received after the 5th day of each month, Resident shall incur a 6% late fee as additional rent.** Late rent requires payment with late fee to be accepted. All payments received may be first applied to late fees, NSF Fees and then to rent.
3. Any personal check which is returned unpaid for any reason, Resident will be charged \$25.00 for the returned item and a 6% late fee if replacement rent is not received prior to close of business on or before the 5th day of the month. All payments received may first be applied to late fees and returned check fees and then towards past due rent. Personal checks will not be re-deposited or accepted for payment for delinquent rent. Once a check has been returned unpaid, all rent must be made payable by Money Order or Cashier's Check.
4. First month's rent and security deposits must be paid by money order or cashier's check. **Cash is not accepted in the office at any time.**
5. In the event of a delinquent rent, a 3-day pay or quit notice will be issued and in the event of an Unlawful Detainer, Landlord may report the action to credit reporting agencies.

By initialing below, you acknowledge and agree to the terms in Section 3.

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4. General Clauses

4.1 POLICY AND PROCEDURE FOR EARLY TERMINATION OF RENTAL AGREEMENT DURING A FIXED TERM PERIOD

1. Resident remains responsible for all rent obligations until an acceptable Resident is qualified for the premises and a new lease is executed.
2. Landlord places advertisements for the property at the Resident's expense.

3. A re-rent fee of \$195 will be charged if Resident fails to complete the full term of this Agreement, or provide Landlord proper 30 days written notice to vacate, in addition to all other fees described within this Agreement to include unpaid rents. If Resident supplies Landlord with a qualified Resident to assign this Agreement, there will be a Lease takeover fee of \$195. A roommate adjustment fee of \$25 per roommate will be charged to change out/replace roommates. All fees must be paid in full to Landlord upon written demand by the Landlord to Resident.

4.2 EARLY DEPARTURE

If Resident vacates prior to the 30th day of the notice to vacate, Resident may notify Landlord and surrender all keys. **Resident understands that he/she is still responsible for rent and utilities until the 30th day of the notice to vacate and until the end of the current Agreement term.** It shall be the Landlord's responsibility to put forth reasonable effort to prepare and re-rent the premises. Landlord agrees to pro-rate rent back to Resident any rental funds collected from the new Resident during the term.

4.3 OTHER TERMS

1. It is understood that the premises is to be used exclusively for residential purposes. Retail or commercial use is prohibited.

2. **LOCKS:** Once installed, an approved lock may not be removed even when the unit is vacated. Keys to the premises are the **exclusive property of the Landlord.** Resident shall not consign keys to the premises to any other person without Landlord's written consent. In the event that any keys to the premises are lost, Resident shall be liable for the entire cost of all key and lock replacement, at the discretion of the Landlord, as required for the security of the premises, the building and its occupants. All keys must be returned to the Landlord when the Resident vacates, **SUCH RETURN SHALL DESIGNATE THE ACTUAL DATE AND TIME OF TERMINATION OF RESIDENCY.** Resident shall be charged for the cost of new locks and keys if all keys are not returned. Resident should take care not to lock themselves out of their apartments. Landlord does not offer locksmith services.

4.4 ARBITRATION OF DISPUTES:

Landlord and Resident agree that any dispute or claim in law or equity arising between them regarding the obligation to pay compensation under this agreement shall be decided by neutral, binding arbitration. The arbitrator shall be a retired judge or justice, or an attorney with at least 10 years of residential real estate law experience, unless parties neutrally agree to a different arbitrator. The party shall have the right to discovery in accordance with Code of Civil Procedure 1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgement upon the award of the arbitrator(s) may be entered any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act.

4.4b. ADDITIONAL ARBITRATION TERMS: The following matter shall be excluded from arbitration (1) An unlawful detainer action (2) The filing or enforcement of a mechanic's lien (3) Any matter that is within the jurisdiction of small claims.

4.5 HOLDING OVER

Resident agrees to vacate the premises by 5:00 PM on the last day of the term of residency. Should the Resident fail to vacate by such time, the hold-over shall be presumed to be willful and deliberate and Landlord shall be entitled to damages for the hold-over period, plus such other expenses incurred due to breach of this condition of the Agreement. Daily rent value shall be calculated on a 30 day basis.

4.6 ENTRY

Resident understands that the Landlord has the legal right to enter the premises after giving twenty-four hour notice, or sooner with the Resident's permission or in an emergency.

4.7 PAYMENTS

Resident agrees that all monies paid to Landlord may be credited to Resident's account in the following order; first, to any outstanding Resident charges (i.e. returned check fees, repair bills, attorney fees, etc.); second, to late fees; and last to rent.

4.8 TERMINATION

Resident's notice to terminate must be in writing, and is effective thirty days after receipt by Landlord subject to paragraph 12 of the rental agreement. It is understood by all individuals named as Resident(s) in this rental agreement that they are jointly and severally responsible for all aspects of the rental agreement, including rent, and will remain responsible until all individuals have vacated the premises and keys are returned to Landlord. No portion of the deposit will be returned until all Residents have vacated the property and all keys have been returned.

4.9 DEPOSITS

Resident understands and agrees that the security deposit will not be applied in advance toward any portion of the Resident's final month's rent. Resident is responsible for paying rent to the day of departure and agrees to leave the premise in a clean and rentable condition. A move out inspection will be completed after Resident has completely vacated the unit and returned the keys. Resident agrees to pay for all damages incurred during their residency, and to pay for the cost incurred in preparing and cleaning the unit for a new Resident. Normal wear and tear is not to be interpreted as permission to not clean at termination of residency. Resident agrees to pay all costs for interior painting and touch up painting should the Resident decide to move out during the course of the lease period.

4.10 MAINTENANCE

Responsibility for day-to-day maintenance will be borne by the responsible party according to the following schedule:

LANDLORD'S RESPONSIBILITY -

1. Maintain building systems in a satisfactory condition such as the roof, supply plumbing, the drains outside of the unit's walls (unless damage or stoppage is caused by the resident).

RESIDENT'S RESPONSIBILITY -

1. Repair window and glass damage unless caused by broken, worn sash cord, or by act of God, such as an earthquake.
2. Drain stoppage in pipes from the plumbing fixture to the outside wall unless defective plumbing parts or improper installation causes the problem.
3. Cleaning of mildew or mold from walls and ceilings unless caused by external water leaks.
4. Repair of wall damage or other damage caused by abuse or misuse of the premises.
5. Repair or replacement of locks and/or keys. At all times resident shall ensure that the Landlord/manager is provided with all the keys to premises.
6. Resident is to use stove, refrigerator, and all appliances only for the purpose they were designed for, and is responsible to maintain all appliances in normal working order during the term of the residency, excepting normal wear and tear.
7. Resident agrees to inform Landlord immediately of the need for any repair. If Resident neglects to do this, Resident agrees to pay for the repairs and any extra damage resulting from the delayed reporting of a problem. If a repair or service call is the result of Resident negligence or abuse, Resident agrees to pay all costs incurred. Resident is responsible to make sure that others do not cause damage to the property.
8. **FIREPLACE/CHIMNEY CLEANING:** Tenant is responsible and agrees to: (a) keep the area around fireplace clean and clear at all times. (b) Open the flue before making a fire. (c) Never use fireplace without a screen or glass doors in the closed position. (d) Never use more than one log at a time. (e) Never leave fire unattended to include going to bed. (f) Never use lighter fluid or other flammable liquids to light fire. (g) Never burn trash, charcoal, or treated wood. (h) Thoroughly clean and remove all debris from within the firebox, upon vacating the premises. Resident acknowledges that upon vacating the premises, Landlord shall hire a professional chimney sweep to clean the chimney at Resident's expense.
9. **LIGHT BULBS:** It is agreed that all light fixtures and appliances have a working and proper wattage light bulb or globe. Tenant agrees to maintain working light bulbs for all exterior light fixtures during tenancy. **Tenant further agrees to replace all expired light bulbs with the appropriate style, color, and wattage prior to vacating. Upon termination of this tenancy all missing or expired light bulbs will be replaced at Tenant's expense.**

4.11 MOISTURE ACCUMULATION

1. **Resident shall remove any visible moisture accumulation in or on the premises,** including all walls, windows, floors, ceilings, and bathroom fixtures and agrees to mop up spills and thoroughly dry affected areas as soon as possible after occurrence, use exhaust fans in kitchen and bathroom when utilizing any fixture or object that produces steam, and keep climate and moisture in the premises at reasonable levels.
2. **NOTIFICATION TO MANAGEMENT OF MOISTURE: Resident shall promptly notify management in writing of the presence of the following conditions:** (a) water leak, excessive moisture, or standing water in or around the premises and/or any community common area. (b) Mold growth in or on the premises that persists after Resident has tried several times to remove it with a bleach and water solution. (c) A malfunction in any parts of the heating, air conditioning, or ventilation system, refrigerator or dishwasher in the premises, and (d) any electrical problems.

4.12 PESTS

Prior to Resident move-in, the premises were inspected and determined to be free of any pest infestation. Resident is responsible for maintaining normal insect and rodent control. A clean house is the best preventative to common household pests, such as spiders, earwigs, and ants. Resident hereby (given opportunity) certifies that they inspected the premises at or prior to move-in and did not observe any evidence of any pests, such as spiders, earwigs, bedbugs, cockroaches, fleas, and ants and hereby stipulates that the premises is free of any pest infestation. Resident acknowledges that pests can be introduced to the premises through their personal possessions, especially cockroaches, bed bugs, and fleas, and if Resident experienced a prior infestation, Resident shall provide Landlord documentation that their dwelling and personal property was treated and certified to be pest free prior to move-in. Cockroaches, bedbugs, and fleas, introduced to the premises can become an infestation. Resident must promptly notify Landlord or any known or suspected pest infestations within the premises as well as any unexpected bites, stings, irritations, or sores believed to be caused by a pest. If Landlord confirms the presence of pests, Resident agrees to cooperate and coordinate with Landlord and/or Landlord's pest control agents to treat and eliminate the pests. Resident agrees to follow all directions from Landlord and/or Landlord's agent to clean and treat the premises. Resident agrees to remove any personal property that cannot be treated or cleaned. Landlord may have the right to require Resident to vacate the premises and remove all personal possessions at Resident's expense. Resident's failure to cooperate shall be considered to be in default of the Agreement and tenancy may be terminated. Resident will be responsible for the cost of cleaning and pest control treatments if an infestation is determined upon their move-out. If Landlord must move other Residents out due to the infestation within their dwelling, Resident may also be responsible for payment of lost rent and other expenses related to the clean up and treatment of the neighboring dwelling. If Resident chooses to transfer to another property managed by Landlord, Resident agrees to have their personal property treated by Landlord's approved pest control provider prior to move-in. Landlord strongly encourages Resident to obtain Renter's Insurance that specifically covers such instances among others.

4.13 BED BUG DISCLOSURE AND INSTRUCTIONS

California Required Bed Bug Disclosure

Information about Bed Bugs Bed bug Appearance: Bed bugs have six legs. Adult bed bugs have flat bodies about 1/4 of an inch in length. Their color can vary from red and brown to copper colored. Young bed bugs are very small. Their bodies are about 1/16 of an inch in length. They have almost no color. When a bed bug feeds, its body swells, may lengthen, and becomes bright red, sometimes making it appear to be a different insect. Bed bugs do not fly. They can either crawl or be carried from place to place on objects, people, or animals. Bed bugs can be hard to find and identify because they are tiny and try to stay hidden.

Life Cycle and Reproduction: An average bed bug lives for about 10 months. Female bed bugs lay one to five eggs per day. Bed bugs grow to full adulthood in about 21 days. Bed bugs can survive for months without feeding.

Bed bug Bites: Because bed bugs usually feed at night, most people are bitten in their sleep and do not realize they were bitten. A person's reaction to insect bites is an immune response and so varies from person to person. Sometimes the red welts caused by the bites will not be noticed until many days after a person was bitten, if at all.

Common signs and symptoms of a possible bed bug infestation:

- Small red to reddish brown fecal spots on mattresses, box springs, bed frames, mattresses, linens, upholstery, or walls.
- Molted bed bug skins, white, sticky eggs, or empty eggshells.
- Very heavily infested areas may have a characteristically sweet odor.
- Red, itchy bite marks, especially on the legs, arms, and other body parts exposed while sleeping. However, some people do not show bed bug lesions on their bodies even though bed bugs may have fed on them.

For more information, see the Internet Web sites of the United States Environmental Protection Agency and the National Pest Management Association.

1. Purpose. This addendum addresses situations related to bed bugs (cimex lectularious).

2. Inspection. The Landlord has inspected the Premises prior to Resident's move-in and Landlord did not observe any evidence of bed bugs or bed bug infestation. Resident agrees that they have inspected the Premises prior to move-in and did not observe any evidence of bed bug infestation.

3. Resident's Responsibilities -

A. Notify - Resident must notify Landlord:

(I) Of any known or suspected bed bug infestation or presence in the Premises, or in any clothing, furniture or personal property.

(II) If Resident discovers any condition or evidence that might indicate the presence or infestation of bed bugs, or of any confirmation of bed bug presence by a licensed pest control professional or other authoritative source.

(III) Of any maintenance needs. [Bed bugs like cracks, crevices, holes, and other openings.]

B. Clean Housing - Residents have an important role in preventing bed bugs. While the existence of bed bug is not always related to personal cleanliness or housekeeping, good housekeeping will help control the problem by identifying bed bugs, minimizing an infestation, and restraining its spread. Bed bugs like clutter, dark, concealed places, such as in and around piles of clothing, shoes, stuffed animals, laundry, especially under the bed and in closets.

C. Cover Mattress and Box Springs - Resident should cover mattress and box springs with zippered covers that are impermeable to bed bugs. These are relatively inexpensive, and can prevent bed bugs from getting inside the mattress. The covers also prevent any bugs inside from getting out; they will eventually die inside the sealed cover (though this could take up to 18 months).

D. Inspect Secondhand Furnishings - Resident shall avoid using secondhand or rental furnishings, particularly beds and mattresses. Used items are often infested with bed bugs. If Resident must use rented or second hand items, inspect them carefully, and never accept any item that shows signs of bed bugs. Resident shall not bring discarded items from the curbside into the Premises.

E. Traveling - Because humans serve as bed bugs' main mode of transportation, it is extremely important to be mindful of bed bugs when away from home. Experts agree that the spread of bed bugs across all regions of the United States is largely attributed to an increase international travel and trade. Travelers are, therefore, encouraged to take a few minutes upon arriving at their temporary destination to thoroughly inspect their accommodations, to ensure that any bed bugs are detected before the decision is made to unpack.

F. Cooperate - If Landlord confirms the presence or infestation of bed bugs, resident must cooperate and coordinate with Landlord and Landlord's pest control agents to treat and eliminate the bed bugs. Resident must follow all directions from Landlord to clean and treat the dwelling and building that are infested. Resident agrees to remove or destroy personal property that cannot be treated or cleaned. If Landlord confirms the presence or infestation of bed bugs in your Premises, Landlord has the right to require Resident to temporarily vacate the Premises and remove all furniture, clothing, and personal belongings in order for Landlord to perform pest control services. If Resident fails to cooperate with Landlord, Resident will be in default, and Landlord will have the right to terminate Resident's rental agreement.

G. Transfers - If Landlord allows Resident to transfer to another premises in the apartment complex, Resident's personal property and possessions must be treated according to accepted treatment methods or procedures established by a licensed pest control professional. Prior to moving into another premise, the Resident must provide proof of such cleaning and treatment to Landlord's satisfaction.

4. Indemnification - Resident agrees to indemnify and hold harmless Landlord from any actions, claims, losses, damages and expenses including, but not limited to, attorney's fees that the Resident may sustain or incur as a result of the negligence of the Resident or any guest or other person living in, occupying, or using the premises.

H. Information Regarding Bed Bugs - Bed bugs, with a typical lifespan of 6 to 12 months, are wingless, flat, broadly oval-shaped insects. Capable of reaching the size of an apple seed at full growth, bed bugs are distinguishable by their reddish-brown-color, although after feeding on the blood of humans and warm-blooded animals- their sole source of food- the bugs assume a distinctly blood-red hue until digestion is complete. **Bed bugs don't discriminate** - Bed bugs' increased presence across the United States in recent decades can be attributed largely to a surge in international travel and trade. It is no surprise then that bed bugs have been found time and time again to have taken up residence in some of the fanciest hotels and apartments buildings in some of the nation's most expensive neighborhoods. Nonetheless, false claims that associate bed bugs' presence with poor hygiene and un-cleanliness have caused apartment Residents, out of shame, to avoid notifying Landlords of their presence. This serves only to enable the spread of bed bugs.

Bed bugs do NOT transmit disease. There exists no scientific evidence that bed bugs carry disease. In fact, federal agencies tasked with addressing pests of public health concern, namely the US Environmental Protection Agency and Centers for Disease Control and Prevention, have refused to elevate bugs to the threat level posed by disease carrying pests. Again, claims associating bed bugs with disease are false.

Bed bugs Do's and Don'ts

***Do not bring used furniture from unknown sources into your apartment.** Countless bed bug infestations have stemmed directly from the introduction into a resident's unit of secondhand and abandoned furniture. Unless the determination can be made with absolute certainty that piece of secondhand furniture is bed bug free, Resident should assume that the nice looking furniture is infested with bed bugs.

***Do address bed bug sightings immediately.** Residents who suspect the presence of bed bugs in their unit must immediately notify their Landlord.

***Do not attempt to treat bed bug infestations yourself.** Under no circumstances should Resident attempt to eradicate bed bugs. Health hazards associated with the misapplication of traditional and non-traditional, chemical -based insecticides and pesticides poses too great a risk to you and your neighbors.

***Do comply with Pest Control.** If the determination is made that your unit is indeed host to bed bugs, you must comply with the bed bug pest control set forth by both your Landlord and their designated pest management company.

TOBACCO SMOKE-FREE AREAS

A. Purpose: The parties desire to mitigate (I) the irritation and known health effects of secondhand smoke; (II) the increased maintenance, cleaning, and redecorating costs from smoking; (III) the increased risk of fire from smoking; and (IV) the high costs of fire insurance for properties where smoking is permitted. Smoking of Tobacco products is prohibited on the entire property, including individual units, common areas, every building and adjoining grounds.

B. Promotion of No-Smoking Policy: Resident shall inform his or her guest of the Smoke-Free Rule. Resident shall promptly notify Landlord in writing of any incident where tobacco smoke is migrating into Resident's unit from sources outside of Resident's Unit.

C. Landlord Not Guarantor of Smoke-Free Environment: Resident acknowledges that Landlord's adoption of Smoke-Free Policy, does not make the Landlord the guarantor of the Resident's health or of the smoke-free condition of the property. However, Landlord shall take reasonable steps to enforce this addendum.

D. Other Residents Are Third Party Beneficiaries of this Addendum: Landlord and resident agree that the other Residents of the property are the third party beneficiaries of this addendum. A Resident that sues another Resident to enforce this Addendum shall not create a presumption that the Landlord has breached this Addendum.

E. Effect of Breach: A breach of this Addendum by the Resident shall be deemed a material breach of the Rental/Lease Agreement and grounds for immediate termination of the Rental/Lease Agreement by the Landlord.

F. Disclaimer: Resident acknowledges that this Addendum and Landlord's efforts to designate Smoke-Free Areas do not in any way change the standard of care that the Landlord would have to any Resident household to render buildings and premises designated as smoke free any safer, more habitable, or improved in terms of air quality than any other rental premises. Landlord specifically disclaims any implied or express warranties that the building common areas or Resident's premises will have any higher or improved air quality standards than any other rental property. Landlord cannot and does not warrant or promise that the Rental Premises or any other portion of the property including common areas will be free from secondhand smoke. Resident acknowledges that Landlord's ability to police, monitor or enforce this Addendum is dependent in significant part on voluntary compliance by Resident and Resident's guests.

G. Effect on Current Resident: Resident acknowledges that current Residents of the rental community under a prior Rental/Lease Agreement will not be immediately subject to the terms of this Addendum. As Residents move out, or enter into new Rental/Lease Agreements, this Addendum will become effective for their unit or new agreement.

4.14 SATELLITE DISH AND/OR ANTENNAS

IN CONSIDERATION of their mutual promises, Landlord and Resident agree as follows.

A. The Resident acknowledges that they do not have a right to receive a signal.

B. This Addendum shall set forth Resident's rights and obligations respecting the installation, maintenance and removal of one (1) satellite dish and/ or antenna within the rented premises.

C. The satellite dish and/ or antenna may not exceed one meter (39 inches) in diameter.

D. The satellite dish and/ or antenna may only be placed on a balcony, railing or patio totally within the premises being rented. Resident may **Not** install the dish on any outside wall, roof, windowsill, common area balcony or stairwell, or any other common area not under the exclusive control of the Resident.

E. Resident may not put holes in any wall, roof, railing or glass for purpose of installation or hook up.

F. The satellite dish and/ or antenna may not protrude or extend beyond the balcony railing line or patio edge.

G. Landlord reserves the right to prohibit installation if the satellite dish and/ or antenna is unable to receive signals due to the geographical orientation of the rented premises (i.e. not oriented toward the south) and/ or if the satellite dish and/ or antenna poses a safety concern, all as determined by Landlord's sole discretion.

H. Resident hereby agrees to indemnify Landlord, its employee's agents, representatives, successors and assigns for any and all claims resulting from Residents' installation, removal, maintenance and/ or use of the satellite dish and/ or antenna. Resident assumes full and complete responsibility for any personal injury (including death) or physical damage caused by the satellite dish and/ or antenna or its installation, removal, maintenance and/ or use.

I. Landlord recommends that Resident obtain the services of a professional installer to properly install and connect the satellite dish and/ or antenna. Resident covenants and agrees that no hole in the premises will be made for the purpose of wiring and further that Resident shall not splice or connect the satellite dish and/ or antenna to existing wiring.

J. Failure of Resident to abide by the provisions of this Addendum, including but not limited to, the failure of Resident to post and maintain the above security deposit and/ or the general liability insurance required hereunder shall be deemed a material default of the Rental Agreement, and Landlord, in addition to all of its rights and remedies under the Rental Agreement, at law and/ or in equity, shall be permitted to remove the satellite dish and/ or antenna at Resident's sole cost and expense.

K. Resident right to install and maintain the equipment contemplated herein is subject to revocation in the event Federal, State or Local law which provides such right is revoked, changed or in any way modified in such a manner that does not require Landlord to permit such maintenance or installment of such equipment.

4.15 PESTICIDE DISCLOSURE

NOTICE - State law requires that you be given the following information: CAUTION - PESTICIDES ARE TOXIC CHEMICALS. Structural Pest Control Companies are registered and regulated by the Structural Pest Control Board, and apply pesticides that are registered and approved by the California Department of Pesticide Regulation and the United States Environmental Protection Agency. Registration is granted when the state finds that based on existing scientific evidence there are no appreciable risks if proper use conditions are followed or that the risks are outweighed by the benefits. The degree of risk depends upon the degree of exposure, so exposure should be minimized. If within 24 hours following application you experience symptoms similar to common seasonal illness comparable to the flu, contact your physician or poison control center and Dewey Pest Control immediately. Anticoagulant rodenticides reduce the clotting ability of the blood and cause bleeding. For further information contact Dewey Pest Control. For health questions contact the County Health Department. For application information contact the County Agricultural Commissioner and for regulatory information contact the Structural Pest Control Board.

Pests and areas covered and service frequency vary by agreement, but generally include:

Pests covered: ants/roaches/mice/rats/spiders/fleas/silverfish/ticks/stored grain pests/other **Areas Covered:** interior/exterior inside on request **Service Frequency:** Weekly/Bi-Weekly/Monthly/Bi-Monthly/Quarterly/ One Time

Insecticides Used/active ingredients:

- Advance - Abamectin B1
- Avert - Abamectin B1
- Baygon - Propoxur
- CB-80 - Pyrethrins
- Ceasefire - Fipronil
- Cy-Kick - Cyfluthrin
- Cyboff - Cypermethrin
- Deadline - Metaldehyde
- Delta Dust - Deltamethrin
- DeltaGard - Deltamethrin
- Demand CS - Lambda - cyhalothrin
- Demon - Cyper,etjrom
- Dragnet SFR - Permethrin
- Drax - Orthoboric acid
- Gentrol -Hydropene
- Maxforce - Hydramethylnon or Fipronil
- Metaldehyde Granules - Metaldehyde
- Microcare - Pyrethrins, Piperonyl butoxide
- N. octyl bicycloheptene dicarboximide
- Phantom - Chlorfenapyr
- P.I. - Pyrethrins, Poperonyl butoxide
- Perma Dust - Boric acid
- Precor IGR - Methoprene
- Premise - Imidacloprid
- Procide - Pyrethrins
- PT 240 - Boric acid
- Powerplant - d-limonene
- Pyrethrin - Pyrethrins
- Siege - Hydramethylnon
- Suspend SC Deltamethrin
- Talstar - Bifenthrin
- Tempo - Cyfluthrin
- Termidor SC - Fipronil
- Terro - Borax
- Tim-Bor - Boric Acid
- Topchoice - Fipronil
- Tri Die - Silica gel, Pyrethrins, Piperonyl butoxide
- ULD BP-100 - Pyrethrins
- ULD BP-300 - Pyrethrins
- Wasp Freeze -d-trans Allethrin

Rodenticides used/active ingredients:

- Answer - Diphacinone
- Contrac - Bromadiolone
- Fastrac - Bromethalin
- Generation - Benzothioipyan
- Maki - Bromadiolone
- Quintox - Cholecalciferol

- Rodent Cake - Diphacinone
- Rozol Tracking Powder - Chlorophacinone
- Talon - Brodifacoum

POISON CONTROL CENTER NUMBER FOR THE STATE OF CALIFORNIA 1-800-876-4766

County Health Departments (Health Questions)

Los Angeles 213-240-8117

Orange 714-834-8180

By initialing below, you acknowledge and agree to the terms in Section 4.

X _____
Initial Here

5. Sign and Accept

5.1 ACCEPTANCE OF LEASE

The undersigned Resident(s) acknowledges having read and understood the foregoing, and receipt of a duplicate original as prepared and executed on behalf of the property owner by Ernst and Haas Management Co. Inc. BRE#01251870.

X _____
Lessee

Date Signed

X _____
Lessor

Date Signed

SAMPLE

Ernst and Haas Management Co.

4120 Atlantic Avenue • Long Beach, CA 90807
(562) 989-9835

1. Pet Addendum

1.1 ADDENDUM TO RENTAL AGREEMENT

THIS Agreement is an Addendum to and part of the Rental Agreement dated <<Lease Start Date>> between Landlord and Resident with reference to the property located at: <<Unit Address>>

IN CONSIDERATION of their mutual promises, Landlord and Resident agree as follows:

1. The Rental Agreement prohibits any pets in or around the premises without Landlord's prior written consent.
2. Feeding or otherwise caring for stray animals is not permitted.
3. All cats, dogs, and rabbits that are approved as Pets by Landlord must be spayed or neutered by six (6) months of age.
4. Resident(s) desires to keep the below-described pet, hereinafter referred to as "Pet".

<<Pet Information>>

5. An additional security deposit may be charged under the terms of the original Lease Agreement. Landlord may use as is reasonably necessary to take care of any damages or cleaning caused by or in connection with or necessary capture of said Pet. At the termination of this Agreement, any balance shall be added to the existing Rental Agreement security deposit, and disbursed thereafter as required under California Civil Code 1950.5. (Total of all deposits shall not exceed two months rent for unfurnished units nor three months rent for furnished units.)
6. Resident(s) agrees to comply with all local, state and federal Health & Safety Codes and community House Rules.
7. Resident(s) represents that the Pet is quiet and "housebroken" and will not cause any damage or annoy other residents.
8. Resident(s) agrees that the Pet will not be permitted outside the Resident's unit, unless restrained by a leash or pet carrier.
9. Resident(s) or any person who walks the Pet is responsible for immediately cleaning up after the Pet and discarding securely bagged pet droppings.
10. If the Pet is a cat, Resident(s) must provide and maintain an appropriate litter box. If the Pet is a bird, the bird shall not be let out of the cage.
11. If the Pet is a fish, the water container shall not exceed 10 gallons and be placed in a safe location in the rental unit.
12. No Pet shall be fed on unprotected carpeting within the rental unit. Resident(s) shall prevent any fleas or other infestation caused by the Pet and shall reimburse Landlord for any necessary reparation efforts.
13. Resident(s) shall not permit the Pet to cause any damage, discomfort, annoyance, nuisance or in anyway to inconvenience, or cause complaints, from any other resident(s).
14. Resident will provide adequate and regular veterinary care, as well as ample food and water, and will not leave Pet unattended for any undue length of time. Resident will diligently maintain cleanliness of litter boxes, as well as the Pet's sleeping and feeding areas. Resident(s) will prevent Pet from creating excessive noise, or engaging in any behavior, at a level that disturbs other residents or neighbors, including, but not limited to, barking, crying, jumping, and running.
15. If there is reasonable cause to believe an emergency situation exists with respect to the Pet, and if efforts to contact Resident(s) or emergency caretaker are unsuccessful, the Landlord may need to enter the Resident's unit. If it becomes necessary for the pet to be boarded, any and all costs incurred will be the sole responsibility of the Resident(s).
16. Resident(s) is responsible for the pets of guests who visit their unit; such pets are subject to the same restrictions as Resident Pets.
17. In the event of default by Resident(s) of any of the above terms, Resident(s) agrees, within three days after receiving written notice of default from Landlord, to cure the default or vacate the premises. Resident(s) agrees Landlord may revoke permission to keep said Pet on the premises by giving Resident(s) thirty (30) days notice in writing.
18. Resident(s) shall be liable to Landlord for all damages or expenses incurred by or in connection with said Pet, and shall hold Landlord harmless for any and all damages or costs in connection with said Pet.

X _____
Initial Here



MANAGEMENT AGREEMENT



PROPERTY MANAGEMENT AGREEMENT

(C.A.R. Form PMA, Revised 11/13)

John Smith, Jane Smith
Ernst & Haas Management Co., Inc.

("Owner"), and ("Broker"), agree as follows:

1. APPOINTMENT OF BROKER: Owner hereby appoints and grants Broker the exclusive right to rent, lease, operate, and manage the property(ies) known as 3031-35 E 65th St., Long Beach, Ca 90805

and any additional property that may later be added to this Agreement ("Property"), upon the terms below, for the period beginning (date) January 1, 2018 and ending (date) at 11:59 PM. (If checked:) X Either party may terminate this Property Management Agreement ("Agreement") on at least 30 days written notice 1 months after the original commencement date of this Agreement. After the exclusive term expires, this Agreement shall continue as a non-exclusive agreement that either party may terminate by giving at least 30 days written notice to the other.

- 2. BROKER ACCEPTANCE: Broker accepts the appointment and grant, and agrees to:
A. Use due diligence in the performance of this Agreement.
B. Furnish the services of its firm for the rental, leasing, operation and management of the Property.
3. AUTHORITY AND POWERS: Owner grants Broker the authority and power, at Owner's expense, to:
A. ADVERTISING: Display FOR RENT/LEASE and similar signs on the Property and advertise the availability of the Property, or any part thereof, for rental or lease.
B. RENTAL; LEASING: Initiate, sign, renew, modify or cancel rental agreements and leases for the Property, or any part thereof; collect and give receipts for rents, other fees, charges and security deposits. Any lease or rental agreement executed by Broker for Owner shall not exceed 1 year(s) or shall be month-to-month. Unless Owner authorizes a lower amount, rent shall be: X at market rate; OR a minimum of \$ per ; OR see attachment.
C. TENANCY TERMINATION: Sign and serve in Owner's name notices that are required or appropriate; commence and prosecute actions to evict tenants; recover possession of the Property in Owner's name; recover rents and other sums due; and, when expedient, settle, compromise and release claims, actions and suits and/or reinstate tenancies.
D. REPAIR; MAINTENANCE: Make, cause to be made, and/or supervise repairs, improvements, alterations and decorations to the Property; purchase, and pay bills for, services and supplies. Broker shall obtain prior approval of Owner for all expenditures over \$ 150.00 for any one item. Prior approval shall not be required for monthly or recurring operating charges or, if in Broker's opinion, emergency expenditures over the maximum are needed to protect the Property or other property(ies) from damage, prevent injury to persons, avoid suspension of necessary services, avoid penalties or fines, or suspension of services to tenants required by a lease or rental agreement or by law, including, but not limited to, maintaining the Property in a condition fit for human habitation as required by Civil Code §§ 1941 and 1941.1 and Health and Safety Code §§ 17920.3 and 17920.10.
E. REPORTS, NOTICES AND SIGNS: Comply with federal, state or local law requiring delivery of reports or notices and/or posting of signs or notices.
F. CONTRACTS; SERVICES: Contract, hire, supervise and/or discharge firms and persons, including utilities, required for the operation and maintenance of the Property. Broker may perform any of Broker's duties through attorneys, agents, employees, or independent contractors and, except for persons working in Broker's firm, shall not be responsible for their acts, omissions, defaults, negligence and/or costs of same.
G. EXPENSE PAYMENTS: Pay expenses and costs for the Property from Owner's funds held by Broker, unless otherwise directed by Owner. Expenses and costs may include, but are not limited to, property management compensation, fees and charges, expenses for goods and services, property taxes and other taxes, Owner's Association dues, assessments, loan payments and insurance premiums.
H. SECURITY DEPOSITS: Receive security deposits from tenants, which deposits shall be X given to Owner, or placed in Broker's trust account and, if held in Broker's trust account, pay from Owner's funds all interest on tenants' security deposits if required by local law or ordinance. Owner shall be responsible to tenants for return of security deposits and all interest due on security deposits held by Owner.
I. TRUST FUNDS: Deposit all receipts collected for Owner, less any sums properly deducted or disbursed, in a financial institution whose deposits are insured by an agency of the United States government. The funds shall be held in a trust account separate from Broker's personal accounts. Broker shall not be liable in event of bankruptcy or failure of a financial institution.
J. RESERVES: Maintain a reserve in Broker's trust account of \$
K. DISBURSEMENTS: Disburse Owner's funds held in Broker's trust account in the following order:
(1) Compensation due Broker under paragraph 8.
(2) All other operating expenses, costs and disbursements payable from Owner's funds held by Broker
(3) Reserves and security deposits held by Broker.
(4) Balance to Owner.
L. OWNER DISTRIBUTION: Remit funds, if any are available, monthly (or), to Owner.
M. OWNER STATEMENTS: Render monthly, (or Quarterly or), statements of receipts, expenses and charges for each Property.
N. BROKER FUNDS: Broker shall not advance Broker's own funds in connection with the Property or this Agreement.

Owner's Initials () ()

Broker's Initials () ()

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O. KEYSAFE/LOCKBOX: (If checked) Owner authorizes the use of a keysafe/lockbox to allow entry into the Property and agrees to sign a keysafe/ lockbox addendum (C.A.R., Form KLA).

4. OWNER RESPONSIBILITIES: Owner shall:

- A. Provide all documentation, records and disclosures as required by law or required by Broker to manage and operate the Property, and immediately notify Broker if Owner becomes aware of any change in such documentation, records or disclosures, or any matter affecting the habitability of the Property.
B. Indemnify, defend and hold harmless Broker, and all persons in Broker's firm, regardless of responsibility, from all costs, expenses, suits, liabilities, damages, attorney fees and claims of every type, including but not limited to those arising out of injury or death of any person, or damage to any real or personal property of any person, including Owner, for: (i) any repairs performed by Owner or by others hired directly by Owner; or (ii) those relating to the management, leasing, rental, security deposits, or operation of the Property by Broker, or any person in Broker's firm, or the performance or exercise of any of the duties, powers or authorities granted to Broker.
C. Maintain the Property in a condition fit for human habitation as required by Civil Code §§ 1941 and 1941.1 and Health and Safety Code §§ 17920.3 and 17920.10 and other applicable law.
D. Pay all interest on tenants' security deposits if required by local law or ordinance.
E. Carry and pay for: (i) public and premises liability insurance in an amount of no less than \$1,000,000; and (ii) property damage and worker's compensation insurance adequate to protect the interests of Owner and Broker. Broker shall be, and Owner authorizes Broker to be, named as an additional insured party on Owner's policies.
F. Pay any late charges, penalties and/or interest imposed by lenders or other parties for failure to make payment to those parties, if the failure is due to insufficient funds in Broker's trust account available for such payment.
G. Immediately replace any funds required if there are insufficient funds in Broker's trust account to cover Owner's responsibilities.

5. OWNER REPRESENTATIONS: Owner represents that unless otherwise specified in writing, Owner is unaware of: (i) any recorded Notice of Default affecting the Property; (ii) any delinquent amounts due under any loan secured by, or other obligation affecting, the Property; (iii) any bankruptcy, insolvency or similar proceeding affecting the Property; (iv) any litigation, arbitration, administrative action, government investigation, or other pending or threatened action that does or may affect the Property or Owners ability to transfer it; and (v) any current, pending or proposed special assessments affecting the Property. Owner shall promptly notify Broker in writing if Owner becomes aware of any of these items during the term of this Agreement.

6. TAX WITHHOLDING:

- A. If Owner is not a California Resident or a corporation or LLC qualified to conduct business in California, Owner authorizes Broker to withhold and transmit to California Franchise Tax Board ("FTB") 7% of the GROSS payments to Owner that exceed \$1,500 received by Broker, unless Owner completes and transmits to Broker FTB form 589, nonresident reduced withholding request, FTB form 588, nonresident withholding waiver, or FTB form 590, withholding exemption certificate.
B. If Owner is a nonresident alien individual, a foreign entity, or other non-U.S. person, (Foreign Investor) Owner authorizes Broker to withhold and transmit to the Internal Revenue Service (IRS) 30% of the GROSS rental receipts unless Owner elects to treat rental income as "effectively connected income" by submitting to Broker a fully completed IRS form W-8ECI, Certificate of Foreign Person's Claim for Exemption From Withholding on Income Effectively Connected With the Conduct of a Trade or Business in the United States. A Foreign investor Owner will need to obtain a U.S. tax payer identification number and file a declaration with the IRS regarding effectively connected income in order to complete the form given to Broker. Further, the Foreign Investor Owner will be responsible for making any necessary estimated tax payments.

7. DISCLOSURE:

A. LEAD-BASED PAINT

(1) The Property was constructed on or after January 1, 1978.

OR (2) X The Property was constructed prior to 1978.

(i) Owner has no knowledge of lead-based paint or lead-based paint hazards in the housing except:

(ii) Owner has no reports or records pertaining to lead-based paint or lead-based paint hazards in the housing, except the following, which Owner shall provide to Broker:

B. POOL/SPA DRAIN

Any pool or spa on the property does (or, does not) have an approved anti-entrapment drain cover, device or system.

COMPENSATION:

8. A. Owner agrees to pay Broker fees in the amounts indicated below for:

- (1) Management: 7% of collected Rent
(2) Renting or Leasing: 195.00
(3) Evictions: Included
(4) Preparing Property for rental or lease: Included
(5) Managing Property during extended periods of vacancy: Included
(6) An overhead and service fee added to the cost of all work performed by, or at the direction of, Broker: Included
(7) Other: Included

B. This Agreement does not include providing on-site management services, property sales, refinancing, preparing Property for sale or refinancing, modernization, fire or major damage restoration, rehabilitation, obtaining income tax, accounting or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, attending Owner's Association meetings or

If Owner requests Broker to perform services not included in this Agreement, a fee shall be agreed upon before these services are performed.

Owner's Initials () ()

Broker's Initials () ()



- C. Broker may divide compensation, fees and charges due under this Agreement in any manner acceptable to Broker.
- D. Owner further agrees that:
 - (1) Broker may receive and keep fees and charges from tenants for: (i) requesting an assignment of lease or sublease of the Property; (ii) processing credit applications; (iii) any returned checks and/or (if checked) late payments; and (iv) any other services that are not in conflict with this Agreement.
 - (2) Broker may perform any of Broker's duties, and obtain necessary products and services, through affiliated companies or organizations in which Broker may own an interest. Broker may receive fees, commissions and/or profits from these affiliated companies or organizations. Broker has an ownership interest in the following affiliated companies or organizations:

Broker shall disclose to Owner any other such relationships as they occur. Broker shall not receive any fees, commissions or profits from unaffiliated companies or organizations in the performance of this Agreement, without prior disclosure to Owner.

- (3) Other:
- 9. **AGENCY RELATIONSHIPS:** Broker may act, and Owner hereby consents to Broker acting, as dual agent for Owner and tenant(s) in any resulting transaction. If the Property includes residential property with one-to-four dwelling units and this Agreement permits a tenancy in excess of one year, Owner acknowledges receipt of the "Disclosure Regarding Agency Relationships" (C.A.R. Form AD). Owner understands that Broker may have or obtain property management agreements on other property, and that potential tenants may consider, make offers on, or lease through Broker, property the same as or similar to Owner's Property. Owner consents to Broker's representation of other owners' properties before, during and after the expiration of this Agreement.
- 10. **NOTICES:** Any written notice to Owner or Broker required under this Agreement shall be served by sending such notice by first class mail or other agreed-to delivery method to that party at the address below, or at any different address the parties may later designate for this purpose. Notice shall be deemed received three (3) calendar days after deposit into the United States mail OR

11. DISPUTE RESOLUTION:

- A. **MEDIATION:** Owner and Broker agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction before resorting to arbitration or court action. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 11C.

B. ARBITRATION OF DISPUTES:

Owner and Broker agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 11C.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Owner's Initials / Broker's Initials /

- C. **ADDITIONAL MEDIATION AND ARBITRATION TERMS:** The following matters shall be excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver or violation of the mediation and arbitration provisions.

Owner's Initials () ()

Broker's Initials () ()



Owner Name: *John Smith, Jane Smith*

Date: *January 1, 2018*

- 12. **EQUAL HOUSING OPPORTUNITY:** The Property is offered in compliance with federal, state and local anti-discrimination laws.
- 13. **ATTORNEY FEES:** In any action, proceeding or arbitration between Owner and Broker regarding the obligation to pay compensation under this Agreement, the prevailing Owner or Broker shall be entitled to reasonable attorney fees and costs from the non-prevailing Owner or Broker, except as provided in paragraph 11A.
- 14. **ADDITIONAL TERMS:** Keysafe/Lockbox Addendum (C.A.R. Form KLA); Lead-Based Paint and Lead-Based Paint Hazards Disclosure (C.A.R. Form FLD)

15. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES: Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed except in writing. This Agreement and any supplement, addendum or modification, including any copy, may be signed in two or more counterparts, all of which shall constitute one and the same writing.

Owner warrants that Owner is the owner of the Property or has the authority to execute this Agreement. Owner acknowledges Owner has read, understands, accepts and has received a copy of the Agreement.

Owner					Date
Owner <i>John Smith</i>					
Print Name					
Address			City	Social Security/Tax ID # (for tax reporting purposes)	
Telephone	Fax	Email		State	Zip

Owner					Date
Owner <i>Jane Smith</i>					
Print Name					
Address			City	Social Security/Tax ID # (for tax reporting purposes)	
Telephone	Fax	Email		State	Zip

Real Estate Broker (Firm) <i>Ernst & Haas Management Co., Inc.</i>	Cal BRE Lic. #: <i>01251870</i>
By (Agent) <i>David L. Haas</i>	Cal BRE Lic. #: <i>01126617</i> Date
Address <i>4120 Atlantic Ave.</i>	City <i>Long Beach</i> State <i>Ca</i> Zip <i>90807</i>
Telephone <i>(562)989-9835</i>	Fax <i>(562)989-9166</i> Email <i>Dhaas@ErnstandHaas.com</i>

SAMPLE

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

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Reviewed by _____ Date _____



6 Steps to Professional Management

Getting started is easy!

1. Complete the client information and unit information sheets

2. Provide the following items (if applicable) in order to ensure a smooth transition:

- Copies of all recent bills that you may want management to pay, such as mortgage, property tax, insurance, and utilities
- Names and phone numbers of any preferred vendors, including gardening, trash, and laundry
- Resident Manager information (if applicable)
- Rent roll, including:
 - Names, addresses, and phone numbers of all tenants
 - Copies of leases
 - Amount of security deposit, date and amount of last rent raise, balances owed and last rent payment

3. Provide copies of keys, including any storage or laundry rooms

4. Information regarding any pending 3-day notices and/or evictions

- Copies of 3-day notices served
- Name of tenants under eviction, and name and phone number of attorney handling case
- Pending court dates and lock-outs

5. Pending inspections, if any, such as Section 8, SCEP, and Health Department

6. First page of insurance policy, showing coverage and name and phone number of agent

Some of these items may not be necessary or applicable to your particular property. Please check with our office and we will assist you in determining what is needed to get started.

WHAT WE DO

Exceptional Property Management Services.





Ernst & Haas has a comprehensive understanding of the economic forces at work in the local real estate market. We are able to evaluate a property in terms of operating income, forecast its potential for the future and construct a management plan that reflects our clients objectives.



Ernst & Haas
MANAGEMENT CO.

Leading The Way Home.

CONTACT US

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Long Beach, CA 90807
-  562.989.9835
-  562.989.9166
-  www.ErnstandHaas.com

