

Sunflower Properties, LLC

A Property & Construction Management Company

Mailing Address: P.O. Box 1724, Indianapolis, IN 46206-1724

Voice: 317-631-1852 or 866-941-1852 | *Fax:* 866-530-1852

Web Address: www.SunflowerProperties.net - *Email Address:* Mr@DonHawkins.com

Management Agreement (Proposal to Property Owners)

SPL offers Property Owners the following terms and conditions for its services:

1. Property Management:

- SPL Manages all aspects of the Property owned by the Property Owner
 - SPL **will not** own any part of the Property Owner's property
- SPL finds Tenants (through advertising, referrals, etc.) for Property Owners property
 - SPL will pre-screen all tenants for credit and personal references (set minimum requirements – just because it's a friend doesn't mean they have an "easy-in")
 - A credit reporting fee (\$50. to \$100.) will be collected by SPL from each applicant
- SPL will draw up and sign the lease with the Tenant and the Property Owner, which must be accompanied with deposits (security deposit equal to one months rent, plus the first months rent)
 - Pictures will be taken at the "walk thru" – tenant must sign off on the condition of the property before they move in
 - No one gets any free time, everything is pro-rated if they move in during the middle of any month
- SPL Collects monthly rent from tenants
 - All checks from tenants are to be made payable to "Sunflower Properties, LLC"
 - Under no circumstances should the Property Owner pick up rent checks from Tenants during the term of this agreement
 - These rent checks are not the Property Owner's ATM card or a small loan company. If you need short term money, get it somewhere else
 - All correspondence and conversations concerning the rent should be between SPL and the Tenant. If a Tenant calls the Property Owner, the Property Owner should tell the Tenant to call SPL – We don't want the Tenant playing us against each other on what one said or did not say about the rent
 - All checks are first deposited into SPL's Deposit Only account and disbursed when those checks are cleared
 - If Property Owner's tenant does not pay the rent and there is not enough monies in Property Owner's Escrow account to make the mortgage payment, SPL will not make the mortgage payment
 - It is the Property Owner's ultimate responsibility to collect the rent from the tenant if SPL cannot
 - Under no circumstances will SPL use its own monies to make the property owners bank/mortgage payments
- SPL will make monthly mortgage payments (and pay the taxes and insurance - if any). The balance (minus SPL's fees and any additional escrow fees, as agreed to) will be paid to Property Owner, monthly), if any.
 - Property Owner should consider leaving any balance in escrow to pay any future mortgage payments (when Tenant's move out), utilities, stolen property, furnace or other house repairs, etc.

- It is the Property Owner's ultimate responsibility to make all mortgage payments if the tenant does not or can not make them to SPL
- SPL will assist the Property Owner during any collection and/or eviction procedures, if necessary
- SPL takes all maintenance calls from Tenants – If problems arise such as furnaces, water leaks, etc., SPL will try to remedy the problem within the budget of the Property Owner's escrowed monies
 - SPL will not use its own monies to fix problems at Property Owner's property

2. Construction Management:

- SPL Manages the monies for all (pre move-in) Construction Costs
 - An escrow account will be set up for each Property Owner, not for each property
 - The estimated monies needed to fix up a project/property will be deposited into this escrow account.
 - Don Hawkins will make all disbursements
 - If there is not enough monies to complete the construction costs, it is the Property Owner's responsibility to come up with the difference
 - SPL will assume no responsibility for underestimated construction costs
 - If there are any constructions funds left over after the property has been rented, it will be returned to the property owner
 - Each property's balance will be kept on ledger sheets in Microsoft Excel
 - Property Owners can ask for an accounting of the escrowed monies at any time
 - SPL will be responsible for the hiring of the construction crew – carpenters, plumbers, electricians, carpet layers, painters, etc.
 - If the Property Owner has some of the above mentioned workers available, they may or may not be hired by SPL to work on the Property Owner's project/property
 - Either way, all workers will be under the direct supervision of SPL and will be paid out of the escrowed monies for that particular piece of property

3. Compensation to SPL:

Property Management -

- **Set-Up Fees** - SPL charges a one time set-up fee of \$500.00 per property to manage the property, plus a
 - **Monthly Processing Fee** - Plan "A" (after the sale of the property) - SPL retains a monthly processing fee of 8% (or \$35.00 whichever is higher), or Plan "B" (before the sale of the property) - SPL and Property Owner split the Net Profit (the monthly rent, minus the monthly mortgage payment (if there is one), taxes & insurance payments):
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Construction Management -

- **Set-Up Fees** - SPL charges a one time set-up fee of \$350.00 per property to manage the construction of the property, plus a
- **Handling Fee** - SPL retains 5% as a handling fee for managing and securing construction monies

4. SPL Checking Accounts:

- **SPL – Rental Payments & Construction Escrow Account – (one account per client)**
 - Where 3 to 4 months worth of mortgage payments are deposited (from the Property Owner monies after the purchase) – or an amount equal to the estimated time it will take to get the property rentable and rented
 - Where monies are deposited from Tenant’s Monthly payments to pay mortgage payments
 - All rent from all Tenants will be due by the 22nd of each month
 - All mortgage payments will be paid by the 5th of each month to the mortgage companies by SPL
 - Where the extra monies from Tenant’s monthly payment will be held for any emergency expenses such as move-outs (non pay), utilities, tenant’s theft of property, etc.
 - Used only for construction materials and labor needed to ready the property for rent
 - All overages (if any) will be returned to the property owner when the property is rented or ready to be rented

- **SPL - Security Deposit Escrow Account – (if used)**
 - Where the monies from the Security Deposits are deposited
 - Any interest earned is payable to the Tenant and/or the Property Owner, not SPL
 - The Security Deposit stays in this simple interest bearing account until the tenant moves out – no exceptions.
 - If there is property damage: walls, carpet, missing property, etc., these amounts will be deducted from the tenants refund/security deposit, if any.
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5. Notices:

SPL requires that during the term of this agreement that all statements from mortgage companies and banks be sent to:

(Property Owners Name)
c/o Sunflower Properties, LLC
P.O. Box 1724
Indianapolis, IN 46206-1724

This is the only way that we can be sure that the payment dates, exact address and amounts are current. SFP will automatically send Property Owner a copy of that statement, along with the notice of the rent receipt, and the mortgage payment information within five (5) days from the payment being made.

6. Term of this Agreement:

The term of this agreement shall be for a minimum period of six (6) months. The maximum period is when the property is sold. The Property Owner can terminate this agreement anytime after the initial six (6) month period.

7. Approval and acceptance of this “Management Agreement (Proposal to Property Owners”:

The above terms and conditions of this Agreement are hereby agreed to by both parties.

Sunflower Properties, LLC (SPL)

Property Owner

Don E. Hawkins, Founder & CEO

P.O. Box 1724

Indianapolis, IN 46206-1724

317-631-1852 or 866-941-1852

By: _____

By: _____

Dated: _____

Dated: _____

Witness: _____

Witness: _____

8. List of Property Owner’s properties that are to be covered in this Agreement:

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____

Sunflower Properties, LLC (SPL) is an Indiana Limited Liability Company
Federal ID #: 11-3695015 | Indiana Tax ID #: 011-4052859-001