



RENTAL PROPERTY REQUIRED INSURANCE

Dear RENTAL PROPERTY OWNER,

It is of utmost importance to us that you are adequately covered in the event of an accidental occurrence on your rental property. It is a requirement of the property management agreement that you carry personal premises liability insurance in an amount of no less than \$1,000,000 with property damage insurance for the dwelling adequate to protect your interests. In addition, we as your agent need to be named as an additional insured on the policy.

The good news is that you will no longer need to carry homeowner occupied insurance, but rather a landlord policy. This insurance will protect you as the Owner/Landlord while your home is tenant occupied. You will need to have some personal property coverage as well for items such as appliances that you own. Your insurance broker can explain all the details and make sure that you are adequately covered.

For your convenience, attached is a sample insurance certificate and a copy of page 2 of the property management agreement stating the liability insurance requirements. If the liability amount of your policy is less than \$1,000,000, you will need to provide us with the additional coverage to equal \$1,000,000, with possibly an umbrella coverage certificate.

Thank you so much for your cooperation, and we look forward to managing your rental property for many years to come.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Teri Parker', with a long horizontal flourish extending to the right.

Teri Parker
Broker

P.O. Box 85, Alpine, CA 91903
(619) 562-6660
www.ParkerProperties.NET

Owner Name: _____ Date: _____

- M. **OWNER STATEMENTS:** Render monthly, (or Quarterly or _____), and year end statements of receipts, expenses and charges for each Property.
- N. **PROPERTY MANAGER FUNDS:** Property Manager shall not advance Property Manager's own funds in connection with the Property or this Agreement.
- 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 Property Manager to manage and operate the Property, and immediately notify Property Manager 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 Property Manager, and all persons in Property Manager's firm, as permitted by law, 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 Property Manager, or any person in Property Manager's firm, or the performance or exercise of any of the duties, powers or authorities granted to Property Manager.
- 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 Property Manager. Property Manager shall be, and Owner authorizes Property Manager 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 Property Manager's trust account available for such payment.
- G. Immediately replace any funds required if there are insufficient funds in Property Manager'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 Property Manager 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 Property Manager to withhold and transmit to California Franchise Tax Board ("FTB") 7% of the GROSS payments to Owner that exceed \$1,500 received by Property Manager, unless Owner completes and transmits to Property Manager 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 Property Manager 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 Property Manager a fully completed IRS form W-8ECI, Certificate of Foreign Person's Claim for Exemption From Withholding on Income Effectively Connected With the Conduct of a Trade 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 Property Manager. Further, the Foreign Investor Owner will be responsible for making any necessary estimated tax payments.

7. DISCLOSURE:

A. LEAD-BASED PAINT

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

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

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

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

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 Property Manager fees in the amounts indicated below for:

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

Owner's Initials (_____) (_____)

Property Manager's Initials (_____) (_____)





9800 Fredericksburg Road
San Antonio, Texas 78288

DM-04281

RENTAL PROPERTY INSURANCE

CERTIFICATE OF INSURANCE

04281.49WJP.JSS1568919479.01.01.434
PARKER PROPERTIES

02/16/18

POLICY INFORMATION

Named Insured: FAMILY TRUST		
Policy Number:	Loan Number:	
Policy Form: DP-3	Effective Date: 03/12/18	Expiration Date: 03/12/19

ADDITIONAL INTEREST

Interest: REAL ESTATE MANAGER

Name: PARKER PROPERTIES
Address:

PROPERTY INFORMATION

Location:
Legal Description:

COVERAGE INFORMATION*

Coverage applies only if a limit is shown.

Coverage	Limit	Coverage	Limit
Dwelling:		Personal Liability:	\$1,000,000
Other Structures:		Medical Payments:	\$5,000
Personal Property:			
Deductible: ALL PERILS	\$1,000	Annual Premium:	

POLICY INCLUDES HOME PROTECTOR COVERAGE (25%).

See back of form for an important disclosure.

* Copy of contract available upon request.