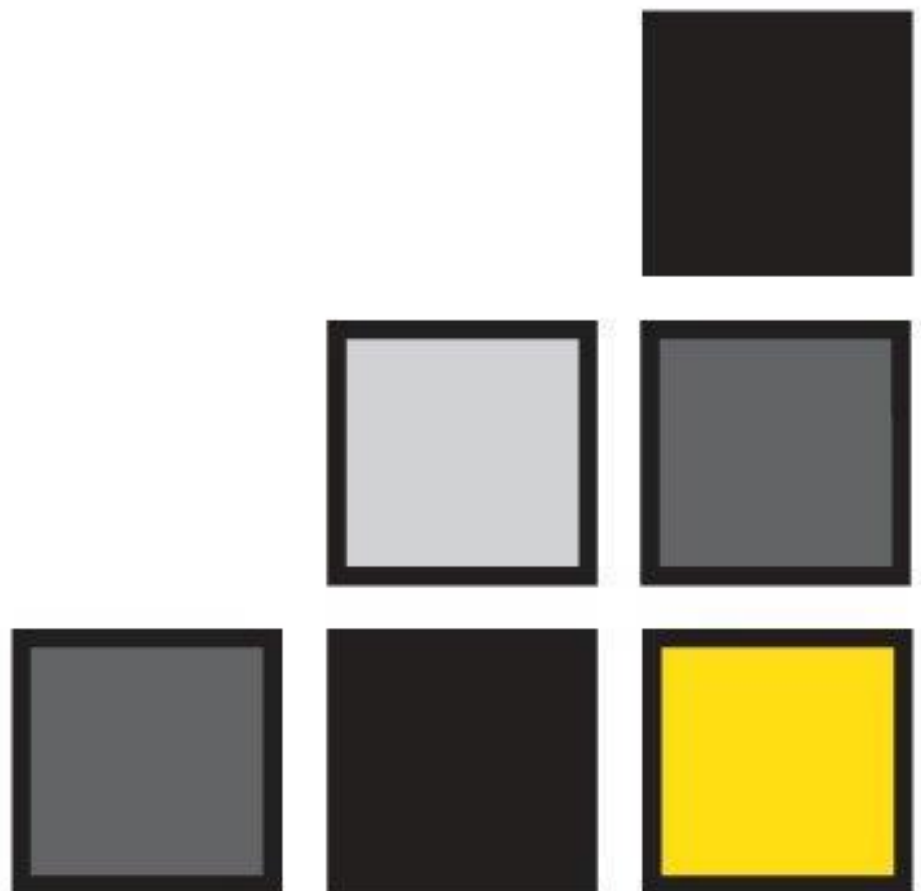


cornerstone management

Residential Management

“your investment is our priority”



AT CORNERSTONE MANAGEMENT WE BELIEVE IN PROVIDING THE ULTIMATE INVESTOR EXPERIENCE

- We provide free property consultations to advise you on the current rental market and how to best rent your property, allowing for a clear picture of what to expect of your investment.
- Upon signing a management agreement, we assume all the work of getting your property rented, including securing photos for advertising, scheduling viewings and handling all general inquiries.
- We maximize your properties exposure online by advertising on popular Edmonton websites like RentFaster, Kijiji, Pad Mapper, Zumper, RentBoard and many more.
- To ensure quality tenants, we provide an application form to each potential tenant, allowing us to view their current job and salary range, run a basic credit check and contact previous landlords for reference checks.
- Upon approval of an applicant, we arrange for the signing of the lease, perform a move in inspection allowing us to record the current state of the unit and keys provided, which is followed up by a move out inspection upon termination of the lease.
- During the tenancy, we collect and hold in trust the security deposit, collect monthly rents, handle all tenant inquiries/concerns and arrange for repairs and maintenance as required.
- Because communication is incredibly important to us, each month you will receive a detailed statement highlighting rents received and expenses incurred allowing easy tracking of your investment.
- In the event of a vacancy we will do everything in our power to drive interest to the property, following up on every inquiry and viewing.
- We also deliver eviction notices, handle any items, situations, or disputes pertaining to the Landlord and Tenancy Act as well as court settlements if necessary.

FREQUENTLY ASKED QUESTIONS

How do I pay for repairs and maintenance to my property?

- All maintenance and repair invoices will be paid by Cornerstone Management from rental monies collected. If rental amounts are insufficient you will be contacted to forward the balance to our office.

Why can't I pay the trades people myself?

- We carefully screen the contractors who do our maintenance and value their workmanship. The volume of business in which Cornerstone Management engages can mean savings for our clients. To retain contacts and maintain a good relationship we need to ensure our trades people are paid promptly.

What if I want to do the repair work myself?

- We discourage owners from doing their own repairs, having learned from past experiences that tenants will automatically call you in the future for any maintenance requests, whether valid or not. Also, if you have work performed by a contractor other than one on our approved list, we cannot be held responsible for the quality or timeliness of work.

When will I receive my rental balance money?

- This will be automatically deposited into your bank account by the last day of each month.

Why can't I receive my rent money at the beginning of the month?

- The office account schedule is as follows. Please note that statements detail transactions regarding your Trust Account for the entire month. Therefore, statements cannot be delivered until the month ends and any money collected after owner bank deposits have gone out will appear on your statement as "Ending Balance".

1 st – 10 th	(8 business days) Reconciliation of previous month Bank Trust Accounts. Delivery of Owner Statements for previous month, Rent collection, bank deposits, final accounting on security deposit returns.
11 th – 25 th	(5 business days) Payment of all bills from Rents Trust – utilities, trades people, management fees.
26 th – 28 th	(3 business days) Preparation of all owner draws and direct deposits to owner accounts.
28 th – 31 st	(3 business days) Preparation (fax, e-mail or mail) of all owner statements.

All owner statements will be delivered in the first week of the following month.

PROPERTY MANAGEMENT AGREEMENT

This Agreement made in duplicate this _____ day of _____, 20 ____

Between: _____

(hereinafter called "the OWNER")

AND

CORNERSTONE MANAGEMENT
(hereinafter called "the BROKERAGE")

Whereas the OWNER is the registered OWNER of the lands and premises located either at

_____ and/or per Addendum "D"

(hereinafter called "the PROPERTY")

NOW THEREFORE IN CONSIDERATION OF THE TERMS AND THE MUTUAL COVENANTS AND AGREEMENT HEREINAFTER CONTAINED, the OWNER hereby appoints the BROKERAGE as sole and exclusive BROKERAGE of the OWNER to rent, administer, and manage the PROPERTY heretofore set forth upon the terms and conditions herein contained from the _____ day of _____ 20__ until the _____ day of _____ 20__ and continuing thereafter on a monthly basis subject to Section 12.

Owner agrees to provide a current copy of the title of the property and item of picture ID.

1. a) The BROKERAGE agrees to use its best efforts to obtain tenants from time to time as vacancies occur, to negotiate the rent, the duration, the terms and conditions, applications or agreements of all leases, and renewals thereof, to collect all rents in accordance with the terms of the respective tenancies or leases, now in force or hereafter entered into by the BROKERAGE. The BROKERAGE may conduct reference or credit checks and at its discretion, adjust, compromise, sue for, and arrange settlement of monies due or becoming due to the OWNER.

- b) The BROKERAGE shall arrange for necessary repairs, winterization, lock changes if needed, and management of the PROPERTY. No expenditure estimated to exceed \$500.00 will be approved without written consent of the OWNER, unless it is an emergency. All such costs will be assumed by the OWNER and paid out of rent monies collected and/or the management reserve if sufficient funds are available. If such expenses exceed the OWNER's account balance, the OWNER agrees to immediately forward the brokerage the entire sum needed. For any estimate which exceeds the management reserve, the OWNER agrees to forward the estimated amount before work can be scheduled.

- c) The BROKERAGE at the expense of the OWNER may install a secured key box at each property to facilitate repairs and emergency service (only if necessary).

Initials _____
Owner

Initials _____
Property Manager

- d) The BROKERAGE may, at the expense of the OWNER, employ or retain such trades people or workmen as it may require for the purpose of discharging its duties hereunder and shall not be responsible for any misconduct on the part of any of them, but may act, in good faith, on the opinion or advice of, or information obtained from any of them, for the economical and efficient operation of the PROPERTY.
2. The BROKERAGE shall generally have such powers as are required or incidental to the fulfillment of its obligations under this agreement including but not restricting the generality of the following:
- a) The power to sign, execute and deliver on behalf of and in the name of the OWNER, all leases, service contracts, utility contracts, returns, notices or other documents and to remove and/or cancel leases, or any part thereof at any time.
 - b) The power to advertise the PROPERTY for rent and to display "FOR RENT" signs therein.
 - c) The power to terminate tenancies, and to sign and service in the name of the OWNERS such notices as are appropriate to institute and prosecute actions, evict tenants, recover possessions of such PROPERTY, and the power to sue in the name of the OWNERS and recover rent and other sums due, and when expedient to settle, compromise and release such actions or suits, or reinstate such tenancies.
3. The BROKERAGE shall not be held responsible or have any liability in any way should any insurance be inadequate, or should any type of available coverage not be obtained.
4. The BROKERAGE will not be held responsible for any acts of vandalism, theft or damage done to the PROPERTY by tenants or the public at large.
5. The OWNER agrees to release, indemnify and hold harmless the BROKERAGE from and against any and all claims and damages of each kind attributable to the actions of tenants or the public at large in respect to the OWNER's property. This includes, but is not limited to unpaid rent, utilities and civic fines.
6. All rent monies collected will be deposited in a pooled trust account. **Net balance after expenses will be forwarded to the OWNER by the 28th of each month.**
7. The OWNER agrees that all security deposits will be held in trust by the BROKERAGE and will be disbursed at the BROKER'S discretion as the tenants vacate the property. Interest due to tenants will be paid as per the Residential Tenancies Act.
8. The OWNER agrees to pay the BROKERAGE management fees as per Addendum A (attached) plus GST. The OWNER agrees to be responsible for payment of repair expenses, credit checks, and all other costs that are incurred while managing the property.

Initials _____
OwnerInitials _____
Property Manager

9. Insurance:

- a) The OWNER agrees to pay all insurance premiums and municipal property taxes due on behalf of the PROPERTY. The BROKERAGE shall not be held liable for non-payment of insurance premiums or property taxes.
- b) The OWNER agrees to carry, at their own expense, public liability insurance adequate to protect the interest of the OWNER and the BROKERAGE. Should the OWNER not obtain liability insurance, the BROKERAGE may obtain but not be required to obtain liability insurance at the OWNER'S expense.

Insurance Agent is: _____

Policy No.: _____

Address: _____

Phone: (____) _____ - _____ Fax: (____) _____ - _____

10. Notices given hereunder by the OWNER or the BROKERAGE shall be deemed sufficiently given and served if in writing and delivered or addressed to the OWNERS as indicated in Section 11 and to the BROKERAGE at: CORNERSTONE MANAGEMENT, 6839 - 83 St. Edmonton AB T6C 2X9 Tel: 780 701 7400 Fax: 1-888-520-5035.

11. The BROKERAGE agrees to render statements of receipts, expenses and charges to the OWNER at:

Address: _____

Phone: (____) _____ - _____ Fax: (____) _____ - _____

E-mail: _____

12. The OWNER may terminate this agreement with three month's prior written notice. If the OWNER takes control of the property before expiration of this three-month period, the balance of three months of fees at the most recent full monthly contract rate will be charged against the OWNER's account and reflected on the final statement.

13. The OWNER agrees that all or any interest accrued on a security deposit during a tenant lease will be paid to the BROKERAGE who will in turn pay any interest owing to the tenant upon termination of their lease and any excess earned interest will be retained by the BROKERAGE. The OWNER agrees that any late rental fines and/or NSF fees collected will be payable to and remain the property of the BROKERAGE.

14. Wherever the singular number or neutral gender is used in this agreement the same shall be construed as including the plural and masculine or feminine respectively where the fact or context so required, and where there is more than one OWNER their covenants hereunder shall be deemed to be joint and several.

Initials _____
Owner

Initials _____
Property Manager

15. Now therefore, the said BROKERAGE hereby charges the above described land for the payment of any and all indebtedness which may from time to time be owing by the said OWNER to the BROKERAGE pursuant to the agreement.

16. The BROKERAGE reserves the right to terminate this management agreement upon thirty (30) days written notice.

17. The BROKERAGE may assign your account or this Agreement and all rights and/or obligations hereunder to any third party without notice for any purpose, including, without limitation, collection of unpaid amounts, or in the event of an acquisition, corporate reorganization, merger or sale of substantially all or part of the party's assets to another entity. You hereby consent to such assignment. You must continue making all required payments to the BROKERAGE in accordance with your billing statement, unless notified otherwise.

18. The OWNER agrees not to advertise the property independently or otherwise interfere with the BROKERAGE's processes to market the property for rent. If the OWNER should incidentally encounter a prospective tenant, this person must be directed to call our office to make an appointment to view the property and be qualified as per normal BROKERAGE procedure.

19. The OWNER agrees not to contact tenants by any means. All contact must be made through the BROKERAGE. If the OWNER wishes to make an appointment to inspect the property, an agent of the BROKERAGE must arrange this with the tenant and be in attendance.

20. If the property is vacant upon commencement of this contract, the OWNER promises that it will be in clean and rentable condition. If not, the OWNER agrees to pay the BROKERAGE in advance for the cost of repairs and cleaning necessary to prepare the property for rent. The owner also agrees to provide THREE full sets of entry keys and/or fobs plus adequate garage door openers and mail keys where applicable.

21. The OWNER agrees to pay for utilities during periods of vacancy. The BROKERAGE will transfer utilities into their name upon a tenant vacating the unit and will use funds from management reserve to pay all bills received, if they are insufficient funds in the reserve, the OWNER agrees to forward the required amounts to the BROKERAGE immediately upon request.

22. Upon termination of this agreement the BROKERAGE may hold back funds to cover outstanding expenses. The BROKERAGE will provide a final statement and return the balance of funds to the OWNER within 30 days after the expiration of the contract unless there is an ongoing dispute. The parties have hereunto set their hand, as of the day, month and year first above written.

23. Agreement by:

OWNER	Signature	Date: _____
OWNER	Signature	Date: _____
PROPERTY MANAGER	Signature	Date: _____

ADDENDUM B – ADDITIONAL FEES

Mandatory Management Reserve - (for utility bills & maintenance costs during periods of vacancy)

- (1) Perpetual and funded from first month's rent and balance maintained during lease term from subsequent rental payments.
- (2) Withdrawn from first month's rent after successful lease up.

Condominium Apartment	250	<input type="checkbox"/>
Single family, Duplex & Townhouse Property	500	<input type="checkbox"/>
Multi-Family	1000	<input type="checkbox"/>

Lease up fee for each vacancy - (for showings, credit & reference checks, etc.)	395	<input checked="" type="checkbox"/>
Advertising package – Signs and advertisements, per month while vacant	150	<input checked="" type="checkbox"/>
Preparation and remittance of non-resident tax (per year)	100	<input type="checkbox"/>
Winterization Package (to prepare a vacant property for winter conditions)	200	<input type="checkbox"/>
De-Winterization Package (to prepare a vacant property for occupancy)	150	<input type="checkbox"/>
Annual Administration fee per unit (as a contribution for general overhead and audit)	100	<input checked="" type="checkbox"/>
General Maintenance Costs (large projects subject to negotiable coordination fee)	As Required	<input checked="" type="checkbox"/>
Eviction Package (includes the hiring of third party specialist in extraordinary circumstances)	550	<input checked="" type="checkbox"/>
Additional eviction services, attending court, etc. (per hour for property manager + costs)	50+/hour	<input checked="" type="checkbox"/>

All fees subject to change without notice and exclusive of GST

Owner _____
Signature

Date _____

Owner _____
Signature

Date _____

Agent _____
Signature

Date _____

ADDENDUM C – OWNER BANKING INFORMATION

Owner Name: _____

Address: _____

Postal Code: _____

Phone Number: _____

Fax Number: _____

Email Address: _____

Banking Info

(Please attach a void cheque)

Rental statements are issued at the end of each month.

