

Seller Income Streams

How to Use Seller Rent to Own Programs to Create Multiple Income Streams in Your Business

By Rob Minton

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Foreword

In this short guide, you'll learn how to generate income from sellers without having to sell their homes. This is important for several reasons.

1. It's challenging to get listings sold in the current real estate market.
2. There's a large supply of foreclosures on the market, which offer attractive options for buyers.
3. It's harder for buyers to qualify for financing today.
4. Buyers are hesitant about buying because of the economy and the high unemployment rate.

Each item listed above presents an obstacle you must overcome when working with sellers. It's important to think about your business and ways to eliminate various obstacles. Don't continue doing the same things you've always done expecting a different result. Don't continue copying other agents in your area hoping they know what they're doing.

They don't.

The good news is the strategy outlined in this guide will set up three different income opportunities. These income streams are:

1. Rent to Own Listing Fee
2. Monthly Property Management Income
3. Commission on Future Sale of Home

You'll have to decide if you want to go after each income stream or not. Property Management can be a little challenging, but it does provide recurring, somewhat recession-proof income.

The Story...

Several months ago, one of my agents received a seller referral from a past client. The person he was referred to had moved out of her home and had it listed for sale. It was on the market for over 100 days, and it looked as though the seller had an unrealistic price for their home. The home was listed with another agent, and this agent was frustrated with the listing, probably because he realized it wouldn't sell. The home was listed for \$100,000 and was probably over-priced because of foreclosures in the area.

During this time, the seller's home was vacant and they were covering their monthly mortgage payment of \$600, plus utilities and maintenance out of pocket.

The reason my agent was referred to this seller was because he helps get homes rented in our property-management business. The seller was interested in renting their home to offset their mortgage payment and utilities.

My agent explained he could promote the seller's home on a Rent to Own Program. He would show the home to prospective tenant-buyers and would handle the screening and lease agreement. The fee we would charge the seller was \$3,000, and we would provide monthly property management at the rate of \$99 a month.

Within a two weeks, my agent had a tenant-buyer lined up for this listing. The monthly rental income to the seller was \$850, and the tenant-buyer paid \$2,000 down to move into the home. More importantly, the tenant-buyer agreed to a future purchase price of \$117,495 as part of the Rent to Own Program.

Most importantly, the seller was extremely happy!

Here's why...

1. The seller didn't have to pay our fee out of their pocket. Our Rent to Own Listing fee actually came from the tenant-buyer. The seller used the \$2,000 upfront payment and the first month's rent to pay our fee.
2. The seller will receive \$751 a month (after our management fee) hassle-free. This is \$150 more than their mortgage payment. Before us, the seller was

paying this out of their pocket. We have eliminated this massive financial drain.

3. The tenant-buyer will pay all utilities and will be responsible for snow removal and lawn care.
4. If the tenant-buyer buys the home during the Rent to Own Program, the seller will sell the home at a significantly higher price than currently listed.

In the process, we generated a \$3,000 Rent to Own Listing fee. This fee was split with our agent, so our business netted \$1,500. We also will receive \$99 a month to manage this property on behalf of the seller. This will bring in an additional \$1,200 a year for as long as the home is in property management.

Not too bad, huh?

We could create one more income stream from this transaction. We could help the buyer purchase the home during the Rent to Own Program and earn a future commission for this when the property ultimately sells. Or, if the tenant decided not to buy the home at the end of the Rent to Own Program, we could list the home on behalf of the seller. Or we could simply help the seller secure a new tenant-buyer and earn another Rent to Own Listing fee. This model gives you several options:

1. **Rent to Own Listing without Management:** You could simply offer help the seller sell their home with a Rent to Own Program and you would collect a fee for your services. The seller would manage their home during the rental period. You could help them process the sale when the renter bought, or help them sell their home if the renter doesn't buy.
2. **Rent to Own Listing with Property Management:** You would help the seller sell their home with a Rent to Own Program and would manage their home throughout the entire rental period. You would collect a fee for your service and a monthly management fee. The majority of sellers don't want to be landlords and would prefer to have you manage their homes giving you the opportunity for recurring monthly income in your business.
3. **Commission on Future Sale:** When the tenant-buyer purchases the home outright during the Rent to Own Program,

you can charge the seller a commission on the sale. You can set your commission rate at whatever you want. There is no co-broke to deal with. Or, if the tenant moves out without purchasing, you might be able to list the home for the seller.

How to Earn a Rent to Own Listing Fee

Earning a Rent to Own Listing fee is not very challenging. Simply follow the steps outlined in the Complete Rent to Own System, which has been included for you!

The steps outlined in the Complete Rent to Own System work. We've used this process over 500 times to sell homes with Rent to Own Programs. The basic system is as follows:

1. Advertise the home as "Rent to Own" in the "homes for rent" section of your newspaper.
2. Capture messages from prospective tenant-buyers.
3. Call prospective tenant-buyers and have them come to the home for a group showing.
4. Collect rental applications.
5. Screen rental applications for the most qualified tenant-buyer.
6. Collect upfront payment, sign lease and disclosures.
7. Repeat several times a month.

I'm not going to spend too much time in this guide with the details of the Rent to Own Program. Instead, I'm going to handle the business side for you, so you'll be able to turn this into a profitable opportunity for your business.

Based on my experience with offering Rent to Own Programs, the average upfront payment received is around 3 percent of the value of the home. Obviously, it's more or less with some properties. We have had several tenant-buyers pay \$20,000 to \$30,000 down.

You get to decide what fee you'll charge for providing this Rent to Own Listing service. You can charge a flat, fixed fee or you can charge a percentage of the value of the home. We charge a flat fee of \$3,000, but this doesn't mean you should charge the same fee. We operate in an area where homes are priced in the \$80,000 to \$120,000 range. This may be different for you. Your fee may be higher or lower depending on your market and the services you decide to perform.

My suggestion is to structure the fee you charge for this service so that it's covered by the upfront payment paid to the seller from the tenant-buyer. The reason I suggest this is because it will help you get

more sellers to move forward with this service, simply because they won't have to pay several thousand dollars out of their pocket to hire you.

The goal is to make this a "no-brainer" for the seller. They hire you to sell their home on a Rent to Own Program without having to write you a big check. **They have nothing to lose and everything to gain.** This will help you get more seller clients to hire you for your Rent to Own Listing service.

Your fee would be paid when the buyer pays the seller their upfront payment as part of the Rent to Own Program. Here's an example of what I mean:

You help a seller by placing a new tenant-buyer in their \$150,000 home. Your Rent to Own Listing fee is 3% of the value of the home, or in this case \$4,500. The tenant-buyer agrees to pay \$5,000 upfront for this home. You receive \$4,500 and the seller receives \$500.

NOTE: To protect your fee, you should have the tenant-buyer pay their upfront payment into your company's trust account. You can disperse the funds to the seller directly from your trust account. If the tenant-buyer pays the seller directly the \$5,000 upfront fee, you'll have to collect your fee from the seller. Try to completely eliminate this and control the fee when the tenant-buyer pays it.

You might also consider charging the seller a small upfront fee to help offset your advertising costs. The goal is to engineer this opportunity to eliminate negative cash flow. Maybe charge the seller \$200 upfront and use this to run "Rent to Own" advertisements for the seller's home in your local newspaper.

If you were to follow this advice, you would subtract this amount from the fee due when the tenant-buyer pays their upfront payment. If your fee is \$4,500, you would collect \$200 at the time of listing and \$4,300 when the tenant-buyer moved into the home.

On the next page, I've included a sample Rent to Own Listing Agreement. I have included a digital version of this for you with this program. **You should have your attorney and/or Broker review this agreement before using it to make sure it's appropriate for your business.**

WARNING: Before taking a Rent to Own Listing try and see if the seller is current on their mortgage payment. You don't want to sell a home to a tenant-buyer that is headed into foreclosure. The tenant-buyer should be protected to make sure they don't lose the home after paying as agreed.

Paramount Wealth Group

Rent to Own Listing Agreement

FEE: \$3,000 when Lease is signed

- ❖ Complete a 25-point inspection of the property to determine what repairs/work on the property may be required

- ❖ **Notify and coordinate repairs or cleaning companies to do any work to your property during the time we are assisting in the rental process. Fees for repairs and cleaning are billed separate from the \$3,000 fee.**

- ❖ Owner will set up a Phone Number voice mailbox for use in the sign and all advertising, we will prepare a script for the hotline mailbox providing 24/7 access to pre-recorded info on your home. This system allows possible tenants to leave their name and number so we can contact them for a showing.

- ❖ **All advertising specific to the property will be paid directly by home owner via credit card at time of advertising placement. We will prepare and submit the advertising to the newspaper. Attached credit card authorization must be signed.**

- ❖ **Provide a market analysis of your home detailing current rent options and recent rent contracts.**

- ❖ **Provide feature sheets, rent option, applications for people walking through your home.**

- ❖ **Provide lease agreement and option agreement paperwork.**

- ❖ **We will setup Showing appointments to interested parties**

- ❖ **We will show your home and answer any questions from applicants about your property.**

- ❖ **Provide guidance and advice throughout the rental process your home.**

- ❖ **When an interested applicant tenant has filled out the application: We will provide the following to assist in with the tenant-buyer selection:**
 - ❖ **Completed rental application**
 - ❖ **Copy of their most recent paycheck stubs**
 - ❖ **Copy of their Driver's license**
 - ❖ **Copy of their Credit report (\$14.95 per person)****
 - ❖ **Copy of Criminal report (\$14.95 per person)****
 - ❖ **Copy of eviction report (\$8.95 per person)****

****Note these additional fees will be charged to owner's credit card at time of processing. Paramount Wealth Group strongly advises to run a credit report, criminal report and an eviction report before deciding on a tenant for your home.**

- ❖ **At the Closing Meeting, we will do the following:**
 - ❖ **Review credit report**
 - ❖ **Discuss Monthly Rent alternatives**
 - ❖ **Discuss the Down payment and Option to buy process**
 - ❖ **Prepare the lease agreement**
 - ❖ **Discuss move in dates and sign lease dates along with down payment funds.**
- ❖ Once the top tenant is selected:
 - ❖ Have tenant sign lease option agreement
 - ❖ Down payment will be 2 certified checks or funds. (\$3,000 to Paramount Wealth Group and the balance to owner)
 - ❖ **We will inform tenant to call and have utility transfer dates setup**
- ❖ After the Lease and any/all addendums have been signed by all parties, copies of the Lease will be made and distributed to all parties, for their records. This includes all credit reports run for this property.
- ❖ **Finally, we will provide keys to your new tenant after all of the paperwork is finalized and funds have been paid.**

NOTE 1: We are unable to offer Rent to Own Listing services to any home where the mortgage or property taxes are in default. By signing this Rent to Own Listing Agreement, you are indicating that your mortgage and property taxes are current and that you will continue to make these payments throughout the Rent to Own period.

NOTE 2: Under this Rent to Own Listing program, your home will not be listed in the multiple listing service.

Initials X _____ X _____

Paramount Wealth Group is strictly being hired to assist in the Rent to Own Listing process. The company is not providing any property management services after the tenant has moved in and will not be held responsible for any landlord/tenant disputes or legal action. You will be responsible for rent collection and property management, unless you hire us to provide full property management under our property management agreement.

- ❖ **Property Address** _____
- ❖ **This Rent to Own Listing Agreement expires** _____

It is illegal, pursuant to the Ohio Fair Housing Law, Division (H) of section 4112.02 of the Revised Code and the Federal Housing Law, 42 U.S.C.A. 3601, to refuse to sell, transfer, assign, rent, lease, sublease or finance housing accommodations, refuse to negotiate for the sale or rental of housing accommodations, or otherwise deny or make unavailable housing accommodations because of race, color, religion, sex, familial status as defined in Section 4112.01 of the Revised Code, ancestry disability as defined in that section, or national origin or in the provision of real estate brokerage services.

Home Owner

Date

Landlord (if applicable)

Date

Paramount Wealth Group

Date

Credit Card Information
PARAMOUNT WEALTH GROUP
31813 Vine St.
Willowick, OH 44095
440-278-4885

NAME _____
As it reads on your card

MASTERCARD _____ VISA _____

CARD NUMBER _____

CVV2 Code _____
(this is the 3 or 4 digit code after the account number on the back of the card)

EXPIRATION DATE _____

BILLING ADDRESS _____

ZIP CODE _____

* * * * *

ALTERNATE CARD _____

CVV2 Code _____

EXPIRATION DATE _____

**By signing the above, the investor is giving
Paramount Wealth Group authorization to
utilize this credit card account to pay for
advertising expenses for your homes**

As you can see, this Rent to Own Listing agreement does not include property management. We are simply offering a service to find a tenant-buyer for the seller. Once the tenant-buyer moves in and all of the paperwork is finalized, we are out of the picture. In this scenario, the seller will manage their property on their own. This will include collecting rent, handling tenant phone calls and everything else.

This strategy is designed to help you build volume in your business so you can focus on collecting Rent to Own Listing commissions. Your goal should be to do as many of these Rent to Own Listing deals as possible. And believe me, there is a lot of opportunity to do this in today's market.

A word of caution ...

Just because you're not going to offer management in this model doesn't mean you should advise the seller to accept any old tenant-buyer. I've had some ugly situations occur when my agents took the first tenant-buyer simply to get the deal done and earn a commission.

This is not a good idea.

My suggestion is to think of the seller's property as if it were your own. Would you rent to this prospective tenant-buyer? If not, you should advise the seller accordingly.

You should perform all of the due diligence on the prospective tenant-buyer and provide all information to the seller. Have them make the final decision to move forward. This will help you side-step future problems.

Imagine how the seller would feel if you collect your fee and the tenant-buyer doesn't make their first rent payment? It's not good, trust me. Do the right thing and help the seller find a qualified tenant-buyer. It will help you and your business in the long run because you'll set yourself up for a lifetime of referrals and opportunities to keep this client for life!

Commission on Future Sale

In the Complete Rent to Own Program included with this program, you'll see that we use two agreements with our tenant-buyers. These two agreements are a lease and an option agreement.

You may want to add a third agreement to the process. The third agreement would be a purchase agreement. The tenant-buyer and seller could sign the purchase agreement at the time of the lease. This purchase agreement would simply be dated at the end of the Rent to Own Program.

You have the opportunity to charge the seller a commission in the purchase agreement. This is because you'll probably end up helping the tenant qualify for a mortgage. You'll also have to process the sale through closing. You could charge whatever commission you feel is appropriate for the services provided. Understand this commission is not guaranteed. Look it as a bonus, and don't get too worked up over it.

Offer Property Management for Recurring Income

I firmly believe that if you are running a real estate sales business today, the wisest thing you can do is **engineer the business so that your fixed overhead expenses are covered by fixed recurring monthly income.**

And I would tell you to use property management to accomplish this goal.

The idea would be to manage enough homes to provide fixed monthly income to offset the fixed monthly overhead expenses for rent, phones, copier, payroll, utilities, and office-related expenses. This would eliminate overhead and give the business tremendous flexibility.

The reason why I choose property management is because it is somewhat recession-proof. Sellers or investors who do not want to manage their properties (or struggle managing their properties) probably will not change their minds during a recession. I haven't heard of or seen a large fallout on property management contracts because of the recession.

Yes, property management can be challenging, but I believe it's one of the best options for giving your business financial freedom and eliminating your overhead ... all because of the recurring income.

The good news is the Rent to Own approach is designed to minimize the monthly management because the tenant is the buyer. They are responsible for handling minor repairs. In addition, they have a financial incentive to pay on time. If you help the seller select a quality tenant-buyer, your management won't be too complicated.

Here's some advice for you to consider, if you decide to offer property management as part of your Rent to Own Listing service:

1. **Start slow** – Property management requires many “systems” to operate efficiently. These systems are added and improved over time. By starting slow and only accepting a few properties into management, you'll buy yourself time to improve your systems. If you take on too many properties, you'll struggle. I know this from first-hand experience.

2. **Be conscientious** – Your customers will be sellers who don't want to deal with the headaches of being a landlord – they are doing it out of necessity. That means in order to keep them happy, you have to constantly have this in mind. You have to have a system to handle tenant phone calls, repair or maintenance issues, billing, late payments and more. You or someone on your team must do the work the seller client isn't willing to do.
3. **Be consistent** – You must stick to policy and philosophy with every property you manage. If you mail out rent invoices the 25th of the month, mail them out EVERY 25th of the month. If your policy is to post an eviction notice after the 5th of the month, then post it every time without fail.
4. **Be firm but friendly** – When dealing with tenants – in case you haven't discovered this on your own already – you have to set the tone early as far as what expectations you have of them and what they can expect from you. It is best to keep your expectations firm, but don't make the relationship adversarial. You attract more bees with honey than with vinegar, as the saying goes. You will want a good relationship with the tenant-buyer if for no other reason than cultivating that relationship should increase the chances of them buying the home and you earning a future commission!
5. **Be patient** – It will be a struggle at first. Managing one, two or three properties will not be fun if you're new to it, and the \$300 or so of income it brings in each month won't seem worth it. But be patient; you will discover and develop systems that work. And once you do, it will be easier and easier to add properties into the fold. The fourth property won't be as hard as the third; and the fifth won't be as hard as the fourth, and so on.

Here are the items that will be vital to you immediately in a property management business:

1. A comprehensive property management agreement (I have included an example of mine at the end of this section)
2. A voicemail or answering service for tenant-buyer calls
3. A system for monthly invoicing of tenants and for collecting rent and paying the seller (My advice is to collect the rent yourself, then cut a check to the investor less your monthly fee)
4. A system for invoicing sellers for expenses you incur

5. A list of trusted, reputable contractors to use in case of repairs or ongoing maintenance needs
6. A separate bank account for your property management business. DO NOT co-mingle property management funds. Your State may have various laws for property management services. You should check into these laws and make sure you set things up properly.

As mentioned earlier, you will develop and perfect these systems as you go along ... maybe to the point where this becomes the strongest part of your business. You can start helping sellers sell with Rent to Own Programs and not offer management at first. This can be added later. Don't hold back until you're ready to start management because you'll leave a lot of money on the table.

As promised, on the next page is the property management agreement I use.

PARAMOUNT WEALTH GROUP
Rent to Own
Property Management Agreement

THIS AGREEMENT is made this _____ day of _____, 20 _____ by and between PARAMOUNT WEALTH GROUP hereinafter referred to as "Agent" and _____, hereinafter referred to as "Owner(s)" to secure the services of the Agent in the management of the property located at _____, State of Ohio (hereinafter referred to as the premises), under and subject to the follow terms and conditions.

1. EMPLOYMENT AND AUTHORITY OF AGENT

- a) The owner(s) hereby appoint the Agent as their sole and exclusive agent to operate the premises.
- b) The Agent is empowered on behalf of the Owner(s) to enforce the provisions of the Lease/Rental Agreement, to institute legal action or other proceedings to collect rents and other sums due, and to evict tenants and others from the premises.
- c) In all matters concerning any Public Utility, Owner(s) authorize PARAMOUNT WEALTH GROUP to act as their Agent. After the initial call by investor to utility companies authorizing them to communicate with Paramount Wealth Group and its agents.

2. SPECIFIC AUTHORITY ON REPAIRS, ALTERATIONS AND PAYMENTS

The Owner(s) authorize the Agent to perform the follow services:

- a) The agent is authorized to make all payment as specified on the attached exhibit A, which shall be considered a part hereof. The Agent has no responsibility for making any payment not specifically listed on the attached Exhibit A.
- b) The agent is authorized to purchase necessary supplies, to contract for miscellaneous services as needed, and to make ordinary repairs, and alterations to the premises. The expenditure for any one item shall not exceed \$150.00 without the express consent of the Owner(s), unless the Agent shall consider the circumstances surrounding the request for repairs or services to be an emergency and the Owner(s) express consent is not readily available (without limitation service to hot water tank, plumbing, or heating systems shall be considered to be an emergency nature). The Agent will use reasonable care in contracting for repairs and services and will have the right to hire, discharge and pay any contractors for work performed. The Agent, its officers or employees will not be liable to the Owner(s) or others for any acts misconduct or gross negligence, on the part of such contractors.
- c) The Agent has the authority to make contracts for the Owner(s) as necessary for electricity, gas, fuel oil, water/or sewer, or other such services as Agent may from time to time deem advisable.

3. **OWNER'S RESERVE ACCOUNT AND CHECKING ACCOUNT**

The Owner shall maintain a credit card, in lieu of a cash reserve, for the purpose of funding monthly fess, (\$69.95 per property), any repairs, and all other fees, including but not limited to mailings, that should become necessary. All sign up fees and annual fees will be drawn from this account as well. A checking account through a local bank (Fifth Third Bank 440-585-3311) will need to be opened to facilitate the deposit of rent checks. The Agent is limited to making deposits to the bank account. The Owner will have the only signing capabilities for the bank account. The Owner will be notified by the Bank of any NSF checks that come back and will need to inform Agent. The Agent will then proceed forward with necessary actions. Agent will have say of which Bank is to be used

4. **RESPONSIBILITIES OF THE AGENT**

In addition to the forgoing authorizations, the Agent will perform the following functions on the Owner(s)' behalf.

- a) Collect all rents and income due from the tenants when such amounts become due, said rents to be mailed or delivered to Agent's address at 31813 Vine St. Willowick, OH 44095, and to deposit said rents into Owner's checking account maintained for Property Management at Fifth Third Bank.
- b) Maintain accurate and complete accounting records of all receipts and disbursements.
- c) Agent is authorized and directed to deduct from the credit card any and all expenses incurred and make proper disbursements to any and all contractors. If such expenses exceed credit limit, Owner(s) agree to promptly pay such excess to PARAMOUNT WEALTH GROUP.
- d) If the Agent is found to be in default of their obligations under this agreement, and no reasonable satisfactory terms can be found, then this agreement may be terminated by the Owner.

5. **COMPENSATION OF THE AGENT**

In consideration of the foregoing services to be rendered by the Agent, the Owner(s) agree to pay Agent the following:

- a) **FOR MANAGEMENT** – There shall be a sign-up fee of **\$280** if this agreement is signed and returned within the first 30 days of a signed lease agreement. Any leases exceeding 30 days shall be assessed a sign-up fee of **\$560**. The Agent shall be entitled to a monthly Management Fee for managing the premises regardless of their rental status. Such management fee shall be **\$99.95** and will be drawn on the first of each month. IFL members will receive a \$30 discount per month and will pay \$69.95 as long as their current membership is in good standing.
- b) **MISCELLANEOUS CHARGES** – There are charges for letters, evictions, gas mileage, locks and keys which shall be the responsibility of the Owner and deducted from the credit reserve. There may also be other charges which may be undetermined at this time. Such charges will be disclosed before

any service is performed. A 10% service charge will be assessed to all credit card transactions

- c) **TENANT PLACEMENT** – A list of qualified Tenant Placement People will be sent to the Owner for the sole purpose of showing the home and finding a tenant. Payment for Tenant Placement is between the Owner and the Tenant Placement Person from the list. (See Exhibit D)

6. INDEMNIFICATION

The Owner(s) shall save the Agent, its officers, directors, employees, and agents harmless from: (1) all claims pertaining to events occurring prior to the execution of this Agreement and for claims pertaining to the conduct, acts, and/or omissions of the Owner(s); (2) all actions, claims, or suits for damages of or by third parties arising out of or in connection with the management of the premises; (3) liability for injuries suffered by any person while on the premises; and (4) all actions, claims, expense, damage, or suits arising out of any violation by the Owner(s) of any law, ordinance, regulation, or order of any governmental authority, provided however, that the foregoing shall not apply to any acts or omission of the Agent.

The Owner(s) agree to defend, at their cost, any action arising from the foregoing and indemnify the Agent, its officers, directors, employees, and agents for losses suffered therefrom. The Owner(s) shall carry, at their expense, public liability insurance in amounts acceptable to Agent, naming the Agent as an additional insured.

Insurance Company _____
Policy Number _____
Insurance Agent _____
Mailing Address _____

Agent is authorized to contact Owner(s)' Insurance Company or Insurance Agent to secure evidence of the Public Liability Insurance required above.

7. TERMS OF AGREEMENT

After an initial trial period of ten (10) days, during which time, this Agreement is terminable, by either party at will, this Agreement will remain in effect for a period of ONE YEAR. Either party may terminate the Agreement at the end of said one-year term by giving to the other party written notice of termination at least thirty (90) days prior to its expiration. In the event of the sale of the property, the contract on that property will be cancelled. In the event of any cancellation, other than the sale of the property, the Agent is to receive the balance of any fees due.

8. VOLUNTARY CANCELLATION BY AGENT

Notwithstanding any other provisions of this Agreement, the Agent may, at its sole option elect to cancel and terminate this Agreement upon the occurrence of any of the following:

- a) If the Owner(s) are in default of their obligations under this Agreement.
- b) In the event of a sale or demolition of the premises.
- c) If a petition for bankruptcy is filed by either the Owner(s) or the Agent, or if either shall make an assignment for the benefit of creditors or take advantage of any insolvency act.
- d) If the Owner(s) shall fail to comply with any rule, order, determination, ordinance or law of any federal, state, or local authority, relating to the operation of the premises.
- e) If the Owner(s) shall fail to provide funds to operate and maintain the premises in a safe and healthy condition and in compliance with all regulatory agencies.

Notice of voluntary cancellation by the Agency must be sent to the Owner(s) in writing at least thirty (30) days prior to cancellation.

9. BINDING AUTHORITY

This Agreement shall be binding upon the successors and assigns of the Agent, and the heirs, administrator, executors, successors and assigns of the Owner(s).

10. COLLECTIONS

The Agent does not guarantee the collection of any rents, income, or other amounts relating to the premises and shall not be responsible for the failure to collect said rents.

11. SAVING CLAUSE

Should any clause of this instrument be found invalid by a court of law, all other components of this instrument shall remain true and valid.

12. LIMITED POWER OF ATTORNEY

Owner(s) hereby make, constitute, and appoint Agent their true and lawful agent and Attorney in Fact, with the power of appointment, to do and perform any and all lawful things necessary for the accomplishment of the purposes of this Agreement.

13. FAIR HOUSING

It is illegal, pursuant to the Ohio Fair Housing Law, Division (H) of Section 4112.02 of the Revised Code and the Federal Fair Housing law, 42 U.S.C.A. 3601, to refuse to sell, transfer, assign rent, lease, sublease or finance housing accommodations, or otherwise deny or make unavailable housing accommodations because of race, color, religion, sex, familial status as defined in section 4112.01 of the Revised Code, ancestry, military status as defined in that section, disability as defined in that section, or national origin or to so

discriminate in advertising the sale or rental of housing, in the financing of housing, or in the provision of real estate brokerage services.

SPECIAL CONDITONS

14. NOTICES

All notices required hereunder shall be deemed given if mailed or telephoned, as required hereunder:

To Agent
PARAMOUNT WEALTH GROUP
31813 Vine St.
Willowick, OH 44095
440-278-4885

Owner Signature

Date

Owner Signature

Date

Print Name

Print Name

Owners Mailing Address

City, State, Zip

Owner – Home Telephone

Owner - Other Telephone

SS# or EIN#

By: _____

EXHIBIT A

PROPERTY ADDRESS _____

Owner authorized payments of:

1. Water/Sewer and Trash removal (if necessary). As billed
2. All Other Utilities (gas, electric). As billed
3. City rental registrations. \$50.00 Plus costs
4. City Inspections/Managed Repairs. \$300.00 Plus Repair Costs
5. Evictions. \$750.00 Plus Court Costs
 - a. If a vehicle is part of the eviction process “Owner” is responsible for towing/storage
 - b. Bailiff Move Outs – “Owner” is responsible for moving and storage of items
6. Lock Changes \$175.00 Two Sets
7. Contractor Price Estimates. \$50.00
8. FedEx/Overnight Deliveries. \$35.00 Plus Costs
9. _____

A 10% SERVICE CHARGE WILL BE APPLIED TO ALL CREDIT CARD TRANSACTIONS WITHOUT EXCEPTION

PLEASE ENCLOSE A COPY OF YOUR LEASE AGREEMENT WHEN RETURNING THIS AND ALL OTHER FORMS ASSOCIATED WITH THE PROPERTY MANAGEMENT AGREEMENT

EXHIBIT B

Please use the following utility sheet to set up the initial connection of the utilities to the home. At this time, please inform the utility company that you have hired a management company, Paramount Wealth Group and that you authorize Paramount Wealth Group and its agents to receive/handle any inquiries with regards to this property. All bills should be sent to your attention at 31813 Vine Street, Willowick, OH 44095.

THE INITIAL CONTACT BY YOU IS IMPERATIVE SHOULD YOUR TENANTS STOP PAYING, NEVER TRANSFER THE ACCOUNT, ETC. IT'S ONE CALL AND IT CAN SAVE YOU A LOT OF HEADACHES LATER.

UTILITY SERVICES LIST

ELECTRIC COMPANIES

Illuminating Co.	800-589-3101
Ohio Edison	800-633-4766
Cleveland Public Power	216-664-4277

GAS COMPANIES

Dominion East Ohio Gas	216-361-2345
Summit Natural Gas	888-427-2661

WASTE REMOVAL COMPANIES

BFI	888-234-7378
Waste Management Of Ohio	440-355-0750

WATER COMPANIES

LAKE COUNTY	440-918-2070 (FAX: 440-350-2064)
CUYAHOGA DIV WATER	216-664-3130

EXHIBIT C

Credit Card Information
PARAMOUNT WEALTH GROUP
31813 Vine St.
Willowick, OH 44095
440-549-5955

NAME _____
As it reads on your card

MASTERCARD _____ **VISA** _____

CARD NUMBER _____

CVV2 Code _____
(this is the 3 or 4 digit code after the account number on the back of the card)

EXPIRATION DATE _____

BILLING ADDRESS _____

ZIP CODE _____

* * * * *

ALTERNATE CARD _____

CVV2 Code _____

EXPIRATION DATE _____

EXHIBIT D

PERMISSION LETTER FOR CITY DEPARTMENTS

I, _____ grant
permission and legal rights to Paramount Wealth Group Property
Management Division and its agents so they have the right to sign,
review and release any real estate paperwork related to my home
purchase at the following address:

_____ in the City of
_____.

I have attached a copy of my driver's license for photo identification
and verification

This letter is intended to grant permission to handle any legal city
paperwork for the real estate transaction involved.

Your cooperation is greatly appreciated.

Sincerely,

Signature of Owner

In Summary

To review, this system for using seller rent to own programs to create multiple income streams in your business will allow you to generate:

- 1. Present Income**
- 2. Monthly Recurring Income**
- 3. Possible Future Commission Income**

You may not choose to pursue all these income streams, but hopefully you will see the opportunity in helping sellers sell their homes with Rent to Own Programs. This is a largely untapped market without any competition from other agents.

Included within this program, you will find three other manuals:

- **The Complete Rent To Own System for Sellers** – This is the nuts-and-bolts of how to complete a lease-option transaction that’s a win/win for all parties involved. It includes every form you’ll need.
- **How to Generate Seller Rent To Own Leads** – This is a complete lead-generation manual, with done-for-you ads to run in various media in order to attract an unlimited number of seller prospects.
- **How to Automatically Convert Sellers into Rent To Own Listings** – In this manual, you will learn how to convert the leads you generate into paying clients, using done-for-you marketing tools. Copy, implement, and you’re on your way

I want to leave you with a quote from famous motivational speaker Zig Ziglar – a quote that appears in your *Complete Rent To Own System for Sellers* manual – which kind of sums up why this approach is so successful:

“You can have everything you want in life, if you just help enough other people get what they want.”

With this system, you are helping sellers get what they want. You are helping tenant-buyers who can't qualify for a mortgage right now get what they want.

Keep in mind, as you implement the simple and effective strategies in this program, that you are helping people get what they want. In turn, this will help you get what you want in life.