



HMS Credit Services™

A Division of Home Marketing Systems, Inc.

A Special Services Real Estate Company

935 John Street, Kalamazoo, MI 49001
Phone: 269-342-1488 - Fax: 269-385-2089

END USER VERIFICATION AND INVESTIGATION REQUIREMENTS

Comment [HMS1]: This document is meant to educate prospective PMCSA members on the requirements for being part of our association and having the ability to request informational reports.

This document must be signed by prospective member and returned to HMS Credit Services Company before membership status can be obtained.

Each and every potential End User to whom information would be provided must be investigated to ensure that it 1) identifies type of business location; 2) will be accessing information for purposes allowed by the Federal Fair Credit Reporting Act and CSC policy; 3) is an acceptable business type and is not a business which CSC does not do business with as identified below or on the Customer Alert notifications; 4) is accessing information for permissible purposes only; 5) is a bona fide business entity; 6) has knowledge of the FCRA; and 7) provides access security. Please ensure that all investigation requirements are completed prior to allowing information access. If any of these requirements are not met, do not proceed with the membership process.

Each of the following tasks must be documented and made available to CSC upon request for auditing purposes. Consumer Reporting Agencies must, at a minimum, be responsible for the tasks noted below.

1. GENERAL INVESTIGATION REQUIREMENTS

1.1 Verify that the company is not a CSC unauthorized End User which include the following types of companies:

- Bail Bond companies
- Credit Repair companies, including credit counseling and credit clinics
- Law enforcement (except for employment screening)
- Any company or individual who is known to have been involved in fraud or other unethical business practices
- Companies listed on Customer Alert Report notifications
- Businesses operating out of a residence except as provided by CSC Policy
- Dating Services
- Asset Location Services (does not include collection agencies)

1.2 Maintain a completed and signed membership application and service agreement. The application and service agreement may be combined or separate documents, but must provide for the End User to:

- Describe the specific purpose(s) for which the credit information will be used
- Describe their type of business
- Acknowledge End User responsibilities under FCRA
- Acknowledge End User responsibilities for access security
- Certify that the client is the End User and will not further sell the information

1.3 Verify the End User's business location type, commercial or residential. If residential, see End User Operating from a Residence, section 2.

1.4 Verify and document the company telephone listing with a competent third party authority, including the method of verification, name of verifying entity, date verified, and initials of person conducting the verification. Examples include a copy of the current yellow pages advertisement, or other method approved by the compliance officer of Credit Services Co. prior to implementation.

1.5 Verify that the End User is a bona fide business entity, conducting business as disclosed on application and is properly licensed for the kind of business indicated on the customers' application/ agreement and meets state and local law requirements. (For example: verification of mortgage license for mortgage companies, etc.). Please be sure to verify the actual company applying for membership, and not just the individual applicant where applicable.

The following are acceptable End User documents:

- a) If the state(s) in which the End User operates and/or resides requires a specific industry license (i.e. mortgage license).
 - Business license status from appropriate issuing authority attained through a government web site (please include entire web page print out); or
 - Business license, copy or documented verification with appropriate issuing authority; or
- b) If the state in which the End User operates and/or resides does not require a specific industry license (this exclusion requires an alternate method proving bona fide business from this section is utilized)
 - Business license status from a government web site (please include entire web page print out); or
 - Business license, copy or documented verification* ; or
 - Business Credit Report that verifies the company is in business; or
 - Documented corporation verification* with state or federal government; or

*Documented verification must include:

 - .. Name of institution
 - .. Name of person interviewed
 - .. Phone number of institution
 - .. Verification of Business Name
 - .. Name of person who conducted the verification
 - .. Date verification was conducted
 - Copy of Articles of Incorporation with proof of filing
 - State and/or federal tax records originating from the state or federal government; or
 - Approved Association Membership listing, examples include:
 - Accurint, American Financial Directory, Dun and Bradstreet, Hoovers, etc.

Comment [HMS2]: Prospective member must be able to supply documentation to verify business entity.

← See examples of acceptable documentation for specific end users in Sections 2-6.

Note: Sections 2-6 outline acceptable documentation for different end users. Be sure to identify the category that fits your situation best. For example, there are different requirements outlined below for a publically traded company vs. someone operating out of a home.

1.6 When warranted, perform a thorough check of the business premises by conducting a physical inspection of the End User's business space to validate the requirements. Listed are methods to complete this requirement:

- Conduct a personal inspection of the business premises using an approved inspection form; or
- Contract with an approved vendor to perform the physical inspection, using an approved inspection form.

2. END USER OPERATING FROM A RESIDENCE

When an End User is operating from a residence, a more in-depth investigation is required due to the greater security risk from casual disclosure or access, and the mobility of the business. More stringent documentation is also reasonable with these End Users. Each End User must be identified as operating from a residence and notified in order for auditing. In addition to requirements 1.1 through 1.6, the following items are required to further document the End User:

- 2.1 Corporation verification with state or federal government, where applicable
- 2.2 Sole proprietorships/partnership verification of business license from county or state government, where applicable
- 2.3 Verification of business or vendor references
- 2.4 Verification that business has separate business phone line, listed in the name of the business

3. PUBLICLY TRADED COMPANIES

3.1 If an End User is a publicly traded company, the following items are acceptable methods for verifying that the End User is a bona fide business entity:

- Certified copy of audited annual or quarterly statements submitted to the Securities Exchange Commission;
- Documentation of ticker symbol information from trading website

4. NATIONAL/REGIONAL COMPANIES

4.1 National/Regional are large companies that are non-publicly traded but are well known nationally or regionally. Examples of national/regional companies are banks; mortgage companies, or insurance companies. The state or federal government usually regulates these types of companies. Evidence of the type of banking charter such as documents showing membership with the FDIC, verification through the Accurint, American Financial Directory, Dun and Bradstreet, Hoovers, A.M. Best Insurance rating or state insurance department is the type of documentation which must be included in the file to establish that these companies are legitimate businesses. Requirements numbered 1.5 and 1.6 above are waived for these companies as long as documentation is in file establishing the company as a national/regional entity. A master agreement may be put into place with additional affiliate, branch or department memberships opened as long as the affiliation is adequately documented.

4.2 AFFILIATEBRANCH OFFICES AND DEPARTMENTS - Affiliate is generally a company whose name differs from the corporate company name, is generally located in a separate physical location and generally has a different function or permissible purpose. A branch is generally defined as a separate physical location of the same controlling entity. A department is generally in the same physical location, but has a different function or permissible purpose. Once a corporate or main office file has already been established as reseller client, the following membership information must be documented in each file for affiliates, branches or departments:

- Location type, including address and phone number
- Corporate authentication of request
- Permissible Purpose
- Business Type
- FCRA Requirements Acknowledgment
- Access Security Requirements Acknowledgment

5. TENANT SCREENING

5.1 If End User is an INDIVIDUAL LANDLORD, APARTMENT MANAGEMENT COMPANY OR APARTMENT COMPLEX: Maintain a completed and signed membership application and service agreement. The application and service agreement may be combined documents or separate documents, but must allow the End User to:

- Describe the specific purpose(s) for which the credit information will be used
- Describe their type of business
- Acknowledge End User responsibilities under FCRA
- Acknowledge End User responsibilities for Access Security
- Certify that the client is the End User and will not further sell the Information.

5.2 If End User is an APARTMENT MANAGEMENT COMPANY or APARTMENT COMPLEX, verify bona fide rental business obtain one of the following:

- Minimum of 3 completed (signed) rental applications (either existing tenants or new applicants is acceptable); or
- Document filings in Landlord/Tenant Court with proof of filing; or
- Verify membership in local/regional/national Apartment Association AND In addition to one of the items listed above, one of the following items must also be obtained:
- Approved Business Credit Report that verifies the company is in business; or
- Business license status from government web site (please include entire web page print out); or
- Business license, copy or documented verification* with issuing authority; or
- Documented corporation verification* with state or federal government; or

*Documented verification must include:

- .. Name of institution
 - .. Name of person interviewed
 - .. Phone number of institution
 - .. Verification of Business Name
 - .. Name of person who conducted the verification
 - .. Date verification was conducted
- Copy of Articles of Incorporation (with proof of filing); or

- State and/or federal tax records originating from the state and/or federal government perform a thorough check of the business premises by conducting a physical inspection of the End User's business space to validate the requirements. Listed are methods to complete this requirement:
- Conduct a personal inspection of the business premises using an approved inspection form; or
- Contract with an approved vendor to perform the physical inspection, using an approved inspection form

5.3 Verify and document telephone listing with competent third party authority including the method of verification, name of verifying entity, date, and initials of person conducting the verification. Examples include Accurant, directory assistance, a copy of the current yellow pages advertisement, etc.

5.4 If End User is an APARTMENT MANAGEMENT COMPANY: Maintain a signed list of all apartment complexes under the apartment management company.

5.5 If End User is an INDIVIDUAL LANDLORD obtain proof of property ownership for each rental property:

- Copy of filed property title; or
- Copy of filed property tax records; or
- Public records search; or
- Property insurance documents from the county/city/state; or
- Other method approved by Securint prior to implementation

5.6 Obtain a copy of a completed (signed) rental application or agreement for each rental property.

5.7 Verify prospective End User's (property owner's) identification and document a copy prior to allowing access:

- Compare photo ID with applicant (verification must be documented); or
- Obtain and document a verified banking reference*

*Documented verification must include:

- .. Name of institution
- .. Name of person interviewed
- .. Phone number of institution
- .. Name of person who conducted the verification
- .. Date verification was conducted

5.8 If End User is an INDIVIDUAL LANDLORD OPERATING UNDER A BUSINESS NAME in addition to items 1., 2., and 5.1 through 5.3 above, any of the following items are required to further document the End User Business:

- Approved Business Credit Report that verifies the company is in business; or
- Business license status from government web site (please include entire web page print out); or
- Business license, copy or documented verification* with issuing authority; or
- State and/or federal tax records originating from the state or federal government; or
- Fictitious Business Name filing with proof of filing

5.9 If End User is an INDIVIDUAL LANDLORD ACCESSING CREDIT REPORTS OUT OF A RESIDENCE in addition to items 1., 2., and 5.1 through

5.3 above, the following items are required to further document the End User:

- Physical inspection specifically designed to address physical separation from living quarters and security measures restricting access for business needs only
- Each End User must be identified as operating from a residence and Securint notified in order for tracking and monitoring.

6.0 If End User is an INDEPENDENT REAL ESTATE AGENT CONTRACTED WITH A REAL ESTATE FIRM FOR TENANT SCREENING PURPOSES in addition to items 1. through 4. above, the following items are required to further document the End User:

- Real Estate Broker's license status from government web site (please include entire web page print out); or
- Real Estate Broker's license, copy or documented verification with issuing authority; AND
- Documented verification/confirmation of the business relationship from the real estate firm.

My signature below constitutes my acknowledgement that I have been provided with a copy of the END USER VERIFICATION AND INVESTIGATION REQUIREMENTS. I am acknowledging with my signature that I have reviewed and understand the rules, regulations and required documentation for membership outlined in this document.

Please identify which end user statement which most closely pertains to your needs:

- 3.1 - END USER IS A PUBLICALLY TRADED COMPANY
- 4.1 - END USER IS A NATIONAL OR REGIONAL, LARGE, NON-PUBLICLY TRADED COMPANY SUCH AS A BANK; MORTGAGE COMPANY, OR INSURANCE COMPANY
- 4.2 - END USER IS AN AFFILIATE BRANCH OFFICE AND/OR DEPARTMENT
- 5.1 - END USER IS AN INDIVIDUAL LANDLORD, APARTMENT MANAGEMENT COMPANY OR APARTMENT COMPLEX
- 5.2 - END USER IS AN APARTMENT MANAGEMENT COMPANY OR APARTMENT COMPLEX RENTAL BUSINESS
- 5.4 - END USER IS AN APARTMENT MANAGEMENT COMPANY
- 5.5 - END USER IS AN INDIVIDUAL LANDLORD
- 5.8 - END USER IS AN INDIVIDUAL LANDLORD OPERATING UNDER A BUSINESS NAME
- 5.9 - END USER IS AN INDIVIDUAL LANDLORD ACCESSING CREDIT REPORTS OUT OF A RESIDENCE
- 6.0 - END USER IS AN INDEPENDENT REAL ESTATE AGENT CONTRACTED WITH A REAL ESTATE FIRM FOR TENANT SCREENING PURPOSES

Comment [HMS3]: The Section numbers listed to the left of each end user category are reference numbers from the documentation that needs to be presented to HMS Credit Services Company along with the other documentation required for PMCSA membership.

Statement of Intent:

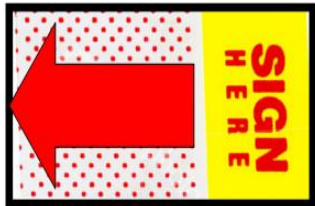
I estimate that I will use _____ informational reports per month and anticipate my access will be primarily: - Local, - Regional, - National.

Comment [HMS4]: Please indicate your anticipated usage and access area.

Signature

Name of Business

Date





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BY-LAWS OF THE PROPERTY MANAGERS CREDIT SERVICES ASSOCIATION, INC.

Comment [HMS5]: This document is meant to educate prospective members of PMCSA on the rules and regulations of this association.

This document must be signed by prospective member and returned to HMS Credit Services Company before membership status can be obtained.

ARTICLE I OFFICES

1.01 *Principal Office.* The principal office of the corporation shall be at such place within the state of Michigan as the board of directors may determine from time to time.

1.02 *Other Offices.* The board of directors may establish other offices in or outside the state of Michigan.

ARTICLE II NON VOTING MEMBERS

2.01 *Eligibility for Membership.* To be eligible for non voting membership in the corporation, an individual must satisfy the following requirements:

1. Own rental property
2. Pay the initial membership fee
3. Sign the subscriber agreement

2.02 *Membership Dues.* The board of directors shall establish the initial and annual dues for membership in the corporation. The billing and collection of dues shall be in a manner prescribed by the board of directors.

2.03 *Termination of Membership.* Membership may be terminated by the board of directors on the occurrence of any of the following events:

- (a) Failure to pay dues within 15 days after written notice of payment due.
- (b) Failure to satisfy the requirements of section 2.01 of this article.

ARTICLE III BOARD

3.01 *General Powers.* The business, property, and affairs of the corporation shall be managed by the board of directors.

3.02 *Number.* There shall be not less than 1 nor more than 3 directors on the board as shall be fixed from time to time by the board of directors.

3.03 *Tenure.* Each director of the Corporation shall hold office until the director's death, resignation, or removal.

3.04 *Resignation.* Any director may resign at any time by providing written notice to the Corporation. The resignation will be effective on receipt of the notice or at a later time designated in the notice. A successor shall be appointed as provided in section 3.06 of the bylaws.

3.05 *Removal.* Any director may be removed with cause by the remaining directors on the board.

3.06 *Board Vacancies.* A vacancy on the board may be filled with a person selected by the remaining directors of the board.

3.07 *Annual Meeting.* An annual meeting shall be held each year on *December 30, 9 am.* If the annual meeting is not held at that time, the board shall cause the meeting to be held as soon thereafter as is convenient.

3.08 *Regular Meetings.* Regular meetings of the board may be held at the time and place as determined by resolution of the board without notice other than the resolution.

3.09 *Special Meetings.* Special meetings of the board may be called by the president or any two directors at a time and place as determined by those persons authorized to call special meetings. Notice of the time and place of special meetings shall be given to each director in any manner at least three days before the meeting.

3.10 *Statement of Purpose.* Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in the notice for that meeting.

3.11 *Waiver of Notice.* The attendance of a director at a board meeting shall constitute a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. In addition, the director may submit a signed waiver of notice that shall constitute a waiver of notice of the meeting.

3.12 *Meeting by Telephone or Similar Equipment.* A director may participate in a meeting by conference telephone or any similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.

3.13 *Quorum.* A majority of the directors then in office constitutes a quorum for the transaction of any business at any meeting of the board. Actions voted on by a majority of directors present at a meeting where a quorum is present shall constitute authorized actions of the board.

3.14 *Consent to Corporate Actions.* Any action required or permitted to be taken pursuant to authorization of the board may be taken without a meeting if, before or after the action, all directors' consent to the action in writing. Written consents shall be filed with the minutes of the Board's proceeding.]

ARTICLE IV COMMITTEES

4.01 *General Powers.* The board, by resolution adopted by a vote of a majority of its directors, may designate one or more committees, each committee consisting of one or more directors. The board may also designate one or more directors as alternate committee members who may replace an absent or disqualified member at a committee meeting. If a committee member is absent or disqualified from voting, then members present at a meeting who are not disqualified from voting may, whether or not they constitute a quorum, unanimously appoint an alternate committee member to act at the committee meeting in place of the absent or disqualified member. All committees designated by the board shall serve at the pleasure of the board.

A committee designated by the board may exercise any powers of the board in managing the corporation's business and affairs, to the extent provided by resolution of the board. However, no committee shall have the power to:

- (a) amend the articles of incorporation;
- (b) adopt an agreement of merger or consolidation;
- (c) amend the bylaws of the corporation;
- (d) fill vacancies on the board; or
- (e) fix compensation of the directors for serving on the board or on a committee.

ARTICLE V OFFICERS

5.01 *Number.* The officers of the corporation shall be appointed by the board. The officers shall be a president, a secretary, and a treasurer. There may also be a chairperson, vice president, and such other officers as the board deems appropriate. The president shall be a voting member of the board. Two or more offices may be held by the same person, but such person shall not execute, acknowledge, or verify an instrument in more than one capacity if the instrument is required by law or by the president or by the board to be executed, acknowledged, or verified by two or more officers.

5.02 *Term of Office.* Each officer shall hold office for the term appointed and until a successor is appointed and qualified. An officer may resign at any time by providing written notice to the corporation. Notice of resignation is effective on receipt or at a later time designated in the notice.

5.03 *Removal.* An officer appointed by the board may be removed with or without cause by vote of a majority of the board. The removal shall be without prejudice to the person's contract rights, if any. Appointment to an office does not of itself create contract rights.

5.04 *Vacancies.* A vacancy in any office for any reason may be filled by the board.

5.05 *President.* The president shall be the chief executive officer of the corporation and shall have authority over the general control and management of the business and affairs of the corporation. The president shall have power to appoint or discharge employees, agents, or independent contractors, to determine their duties, and to fix their compensation. The president shall sign all corporate documents and agreements on behalf of the corporation, unless the president or the board instructs that the signing be done with or by some other officer, agent, or employee. The president shall see that all actions taken by the board are executed and shall perform all other duties incident to the office. This is subject, however, to the president's right and the right of the board to delegate any specific power to any other officer of the corporation.

5.06 *Vice President.* The vice president, if any, shall have the power to perform duties that may be assigned by the president or the board. If the president is absent or unable to perform his or her duties, the vice president shall perform the president's duties until the board directs otherwise. The vice president shall perform all duties incident to the office.

5.07 *Chairperson.* The chairperson, if elected, shall preside at all board meetings. The chairperson shall have the power to perform duties as may be assigned by the board. If the president is absent or unable to perform his or her duties, the chairperson shall perform the president's duties until the board directs otherwise. The chairperson shall perform all duties incident to the office.

5.08 *Secretary.* The secretary shall (a) keep minutes of board meetings; (b) be responsible for providing notice to each director as required by law, the articles of incorporation, or these bylaws; (c) be the custodian of corporate records; (d) keep a register of the names and addresses of each officer and director; and (e) perform all duties incident to the office and other duties assigned by the president or the board.

5.09 *Treasurer.* The treasurer shall (a) have charge and custody over corporate funds and securities; (b) keep accurate books and records of corporate receipts and disbursements; (c) deposit all moneys and securities received by the corporation at such depositories in the corporation's name that may be designated by the board; (d) complete all required corporate filings; and (e) perform all duties incident to the office and other duties assigned by the president or the board.

ARTICLE VI CORPORATE DOCUMENT PROCEDURE

All corporate documents (including stocks, bonds, agreements, insurance and annuity contracts, qualified and nonqualified deferred compensation plans, checks, notes, disbursements, loans, and other debt obligations) shall not be signed by any officer, designated agent, or attorney-in-fact unless authorized by the board or by these bylaws.

ARTICLE VII INDEMNIFICATION

7.01 *Nondervative Actions.* Subject to all of the other provisions of this article, the corporation shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened, pending, or completed action, suit, or proceeding. This includes any civil, criminal, administrative, or investigative proceeding, whether formal or informal (other than an action by or in the right of the corporation). Such indemnification shall apply only to a person who was or is a director or officer of the corporation or who was or is serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit. The person shall be indemnified and held harmless against expenses (including attorney fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit, or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation. With respect to any criminal action or proceeding, the person must have had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction or on a plea of nolo contendere or its equivalent, shall not by itself create a presumption that (a) the person did not act in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, or (b) with respect to any criminal action or proceeding, the person had reasonable cause to believe that his or her conduct was unlawful.

7.02 *Derivative Actions.* Subject to all of the provisions of this article, the corporation shall indemnify any person who was or is a party to, or is threatened to be made a party to, any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor because (a) the person was or is a director or officer of the corporation, or (b) the person was or is serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether or not for profit. The person shall be indemnified and held harmless against expenses (including actual and reasonable attorney fees) and amounts paid in settlement incurred by the person in connection with such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation. However, indemnification shall not be made for any claim, issue, or matter in which the person has been found liable to the corporation unless and only to the extent that the court in which such action or suit was brought has determined on application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses that the court considers proper.

7.03 *Expenses of Successful Defense.* To the extent that a person has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in sections 7.01 or 7.02 of this article, or in defense of any claim, issue, or matter in the action, suit, or proceeding, the person shall be indemnified against expenses (including actual and reasonable attorney fees) incurred in connection with the action and in any proceeding brought to enforce the mandatory indemnification provided by this article.

7.04 *Contract Right; Limitation on Indemnity.* The right to indemnification conferred in this article shall be a contract right and shall apply to services of a director or officer as an employee or agent of the corporation as well as in such person's capacity as a director or officer. Except as provided in section 7.03 of this article, the corporation shall have no obligations under this article to indemnify any person in connection with any proceeding, or part thereof, initiated by such person without authorization by the board.

7.05 *Determination That Indemnification Is Proper.* Any indemnification under sections 7.01 or 7.02 of this article (unless ordered by a court) shall be made by the corporation only as authorized in the specific case. The corporation must determine that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in sections 7.01 or 7.02, whichever is applicable. Such determination shall be made in any of the following ways:

- (a) By a majority vote of a quorum of the board consisting of directors who were not parties to such action, suit, or proceeding.
- (b) If the quorum described in clause (a) above is not obtainable, then by a committee of directors who are not parties to the action. The committee shall consist of not less than two disinterested directors.
- (c) By independent legal counsel in a written opinion.

7.06 *Proportionate Indemnity.* If a person is entitled to indemnification under sections 7.01 or 7.02 of this article for a portion of expenses, including attorney fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount, the corporation shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

7.07 *Expense Advance.* Expenses incurred in defending a civil or criminal action, suit, or proceeding described in sections 7.01 or 7.02 of this article may be paid by the corporation in advance of the final disposition of the action, suit, or proceeding, on receipt of

an undertaking by or on behalf of the person involved to repay the expenses, if it is ultimately determined that the person is not entitled to be indemnified by the corporation. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made, but need not be secured.

7.08 *Nonexclusivity of Rights.* The indemnification or advancement of expenses provided under this article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the corporation. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

7.09 *Indemnification of Employees and Agents of the Corporation.* The corporation may, to the extent authorized from time to time by the board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the corporation to the fullest extent of the provisions of this article with respect to the indemnification and advancement of expenses of directors and officers of the corporation.

7.10 *Former Directors and Officers.* The indemnification provided in this article continues for a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors, and administrators of that person.

7.11 *Insurance.* The corporation may purchase and maintain insurance on behalf of any person who (a) was or is a director, officer, employee, or agent of the corporation, or (b) was or is serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise. Such insurance may protect against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the corporation would have power to indemnify against such liability under this article or the laws of the state of Michigan.

7.12 *Changes in Michigan Law.* If there are any changes in the Michigan statutory provisions applicable to the corporation and relating to the subject matter of this article, then the indemnification to which any person shall be entitled shall be determined by such changed provisions, but only to the extent that any such change permits the corporation to provide broader indemnification rights than such provisions permitted the corporation to provide before any such change.

ARTICLE VIII COMPENSATION

When authorized by the board, a person shall be reasonably compensated for services rendered to the corporation as an officer, director, employee, agent, or independent contractor, except as prohibited by these bylaws.

ARTICLE IX FISCAL YEAR

The fiscal year of the corporation shall end on December 31.

ARTICLE X AMENDMENTS

The board of directors at any regular or special meeting may amend or repeal these bylaws, or adopt new bylaws by vote of a majority of the directors, if notice setting forth the terms of the proposal has been given in accordance with any notice requirement for such meeting of the board.

CONFIDENTIALITY:

The information contained in this electronic message and any attachments is intended for the use of the individual or entity to whom it is addressed and may contain legally privileged, confidential information or work product. If the reader of this message is not the intended recipient, you are hereby notified that any use, dissemination, distribution, or forwarding of this e-mail message is strictly prohibited.

PERMISSABLE PURPOSES:

The Federal Fair Credit Reporting Act and a number of similar state laws restrict access to consumer credit information. You must have a permissible purpose to order a consumer report. In general, you may access consumer credit information when someone applies to you for personal, family or household credit, or to rent a house or an apartment. You may also access consumer credit information in order to screen prospective employees, provided you comply with certain additional requirements. If you want a consumer report for reasons other than the purposes expressly listed in the law, you must have the consumer's prior written consent.



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SUBSCRIPTION AGREEMENT

Property Manager Credit Services, L.L.C. ("PMCS")

1. The undersigned ("Subscriber"), desiring to receive various information services, including consumer credit reports, agrees that all PMCS Information Services will be subject to the following conditions:

(PLEASE COMPLETED ONLINE REGISTRATION FOR PRICING INFORMATION.)

Subscriber agrees to pay a one time set up fee of: \$ _____

Subscriber agrees to pay an annual fee of: \$ _____

Subscriber agrees to pay a per report fee of: \$ _____

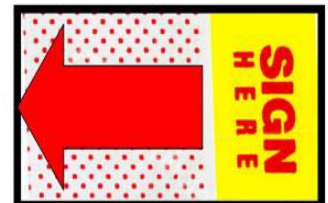
(The above information is determined by the HMS Credit Services Company / PMCS Manager)

Comment [HMS7]: The above fields will be filled in upon completion of other documentation in order to determine rate for membership.

2. Information Services will be requested only for Subscriber's exclusive use and held in strict confidence except to the extent that disclosure to others is required or permitted by law. Only designated representatives of Subscriber will request PMCS Information Services on applicant's for rental units. Subscriber will not disclose PMCS Information to the subject of the report except as permitted or required by law, but will refer the subject to PMCS.
3. Subscriber will hold PMCS and all its agents harmless on account of any expense or damage arising or resulting from the publishing or other disclosure of PMCS Information by Subscriber, its employees, agents, or attorneys, contrary to the conditions of Paragraph 2 or applicable law.
4. Recognizing that information for the PMCS Information Services is secured by and through fallible human sources and that, for the fee charged, PMCS cannot be an insurer of the accuracy of the PMCS Information Services, Subscriber understands that the accuracy of any PMCS Information Service received by Subscriber is not guaranteed by PMCS, and Subscriber releases PMCS and its affiliate companies, affiliated credit bureaus, agents, employees, and independent contractors from liability, even if caused by negligence, in connection with the PMCS Information Services and from any loss or expense suffered by Subscriber resulting directly or indirectly from PMCS Information.
5. Charges for the PMCS Information Services will be invoiced to Subscriber, and Subscriber will be solely responsible to pay PMCS.
6. Written notice by either party to the other will terminate this Agreement effective ten (10) days after the date of that notice, but the obligations and agreements set forth in the second, third and fourth paragraphs above will remain in force.
7. Fair Credit Reporting Act Certification. Subscriber certifies that it will order PMCS Information Services that are consumer reports, as defined by the federal Fair Credit Reporting Act, 15 U.S.C. 1681 et seq. ("FCRA"), only when Subscriber intends to use that consumer report information: (a) in accordance with the FCRA and all state law counterparts; and (b) for one of the following permissible purposes: (i) in connection with a credit transaction involving the consumer on whom the consumer report is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer; (ii) in connection with the underwriting of insurance involving the consumer; (iii) as a potential investor or services, or current insurer, in connection with a valuation of, or an assessment of the credit or prepayment risks associated with, an existing credit obligation; (iv) when Subscriber otherwise has a legitimate business need for the information either in connection with a business transaction that is initiated by the consumer, or to review an account to determine whether the consumer continues to meet the terms of the accounts; or (v) for employment purposes; provided, however, that **SUBSCRIBER IS NOT AUTHORIZED TO REQUEST OR RECEIVE CONSUMER REPORTS FOR EMPLOYMENT PURPOSES** Subscriber will use each consumer report ordered under this Agreement for one of the foregoing purposes and for no other purpose.
8. Limited DTEC and Limited ID Certification. Subscriber certifies that it will order and use Limited-ID or Limited DTEC reports in connection with only one of the following purposes involving the subject of the report and for no other purpose: (a) to protect against or prevent actual or potential fraud, unauthorized transactions, claims or other liability; (b) for required institutional risk control or for resolving consumer disputes or inquiries; (c) due to holding a legal or beneficial interest relating to the consumer, (d) as necessary to effect, administer, or enforce a transaction to underwrite insurance at the consumer's request, for reinsurance purposes or for the following purposes related to the consumer's insurance: account

administration, reporting, investigation fraud prevention, premium payment processing, claim processing, benefit administration or research projects; (e) to persons acting in a fiduciary or representative capacity on behalf of; and with the consent of the consumer or (i) as necessary to effect, administer, or enforce a transaction requested or authorized by the consumer, including location for collection of a delinquent account. Subscriber, if a government agency, certifies it will order and use Limited-ID or Limited DTEC in connection with the following purposes involving the subject and for no other purpose: (y) pursuant to FCRA Section 608 or (z) for an investigation on a matter related to public safety. Subscriber further certifies that it will, with each Limited ID or Limited DTEC inquiry, include the Exception Code required by PMCS that identifies the use for which Subscriber is ordering the information, and that because Limited ID and Limited DTEC reports are not consumer reports Subscriber will not order or use Limited ID or Limited DTEC reports, in whole or in part, to determine eligibility for credit, insurance, or for any other permissible purpose, as defined by the FCRA, for which a consumer reporting agency is permitted to furnish a consumer report. It is recognized and understood that the FCRA provides that anyone who knowingly and willfully obtains information on a consumer from a consumer reporting agency (such as PMCS) under false pretenses shall be fined under Title 18, United States Code, imprisoned for not more than two (2) years, or both." PMCS may periodically conduct audits of Subscriber regarding its compliance with the FCRA and other certifications in this Agreement. Audits will be conducted by mail whenever possible and will require Subscribers to provide documentation as to permissible use of particular consumer, Limited ID, or Limited DTEC reports. Subscriber gives its consent to PMCS to conduct such audits and agrees that any failure to cooperate fully and promptly in the conduct of any audit, or Subscriber's material breach of this Agreement, constitute grounds for immediate suspension of service or, termination of this Agreement notwithstanding Paragraph 6 above. If PMCS terminates this Agreement due to the conditions in the preceding sentence, Subscriber (i) unconditionally releases and agrees to hold PMCS harmless and indemnify it from and against any and all liabilities of whatever kind or nature that may arise from or relate to such termination, and (ii) covenants it will not assert any claim or cause of action of any kind or nature against PMCS in connection with such termination.

9. This Section 9 applies to any means through which Client orders or accesses the Information Services including, without limitation, system to system, direct access terminal, personal computer or the Internet; provided, however, Client will not order or access the Information Services via the Internet without first obtaining PMCS's written permission. For the purposes of this Section 9, the term "Authorized User" means a Client employee that Client has authorized to order or access the Information Services and who is trained on Client's obligations under this Agreement with respect to the ordering and use of the Information Services, and the information provided through same, including Client's FCRA and other obligations with respect to the access and use of consumer reports. Client will: (a) ensure that only Authorized Users can order or have access to the Information Services and the information provided through same, (b) ensure that Authorized Users do not order credit reports for personal reasons or provide them to any third party, (c) ensure that all devices used by Client to order or access the Information Services are placed in a secure location and accessible only by Authorized Users and that these devices are secured when not in use through such means as screen locks, shutting power controls off, or other commercially reasonable security procedures, and (d) take all necessary measures to prevent unauthorized ordering or access to the Information Services by any persons other than Authorized Users for permissible purposes. Those measures will include, without limitation, limiting the knowledge of the Client security codes, telephone access number(s) PMCS provides, and any passwords Client may use, to Authorized Users and other employees with a need to know, changing Client's user passwords at least every ninety (90) days, or sooner if it is obtained by any third party or an Authorized User is no longer responsible for accessing the Information Services, or if Subscriber suspects an unauthorized person has learned the password, and using all security features in the software and hardware Subscriber uses to order or access the Information Services. Subscriber will monitor compliance with the obligations of this Section 9, and will immediately notify PMCS if Subscriber suspects or knows of any unauthorized access or attempt to access the Information Services. Such monitoring will include, without limitation, a review of each PMCS in-voice for the purpose of detecting any unauthorized activity. Subscriber will not ship hardware or software between Subscriber's locations or to third parties without deleting all PMCS Subscriber number(s), security codes, telephone access number(s) and Subscriber user passwords. If Subscriber uses a third party vendor to establish access to the Information Services, Subscriber is responsible for the third party vendor's use of Subscriber's member numbers, security access codes, or passwords. Subscriber will ensure the third party vendor safeguards Subscriber's security access code(s) and passwords through the use of security requirements that are no less stringent than those applicable to Subscriber under this Section 9. Subscriber will inform Authorized Users and other employees with a need to know that unauthorized access to consumer reports may subject them to civil and criminal liability under the FCRA punishable by fines and imprisonment. If PMCS reasonably believes that Subscriber has violated this Section 9, PMCS may, in addition to any other remedy authorized by this Agreement, with reasonable advance written notice to Subscriber and at PMCS's sole expense, conduct, or have a third party conduct on its behalf, an audit of Subscriber's network security systems, facilities, practices and procedures to the extent PMCS reasonably deems necessary in order to evaluate Subscriber's compliance with the data security requirements of this Section 9.



Subscriber Signature: _____, Printed Name: _____, Date: _____

FCRA Requirements

Federal Fair Credit Reporting Act (as amended by the Consumer Credit Reporting Reform Act of 1996)

Although the FCRA primarily regulates the operations of consumer credit reporting agencies, it also affects you as a user of information. We have included a copy of the FCRA with your membership kit. We suggest that you and your employees become familiar with the following sections in particular:

- § 604. Permissible Purposes of Reports
- § 607. Compliance Procedures
- § 615. Requirement on users of consumer reports
- § 616. Civil liability for willful noncompliance
- § 617. Civil liability for negligent noncompliance
- § 619. Obtaining information under false pretenses
- § 621. Administrative Enforcement
- § 623. Responsibilities of Furnishers of Information to Consumer Reporting Agencies

Each of these sections is of direct consequence to users who obtain reports on consumers.

As directed by the law, credit reports may be issued only if they are to be used for extending credit, review or collection of an account, employment purposes, underwriting insurance or in connection with some other legitimate business transaction such as in investment, partnership, etc. It is imperative that you identify each request for a report to be used for employment purposes when such report is ordered. Additional state laws may also impact your usage of reports for employment purposes.

We strongly endorse the letter and spirit of the Federal Fair Credit Reporting Act. We believe that this law and similar state laws recognize and preserve the delicate balance between the rights of the consumer and the legitimate needs of commerce.

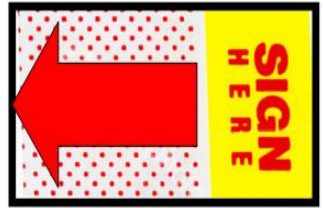
In addition to the Federal Fair Credit Reporting Act, other federal and state laws addressing such topics as computer crime and unauthorized access to protected databases have also been enacted. As a prospective user of consumer reports, we expect that you and your staff will comply with all relevant federal statutes and the statutes and regulations of the states in which you operate.

We support consumer reporting legislation that will assure fair and equitable treatment for all consumers and users of credit information.

My signature below constitutes my acknowledgement that I have been provided with a copy of the FCRA Requirements and that I have reviewed and understand the rules of regulations outlined in this document.

Signature: _____ Date: _____

Printed Name and Title: _____



FCRA requirements in full can be found at:

www.ftc.gov