

July 3, 2014

Dear Clients:

As you may be aware, with the proliferation of SaaS-provided business solutions in the marketplace, an increasing number of states and municipalities are reassessing their taxing models to require sales tax on SaaS-hosted solutions, similar to other taxable products and services. In an effort to keep our company and our clients in compliance with local tax codes, we will soon begin collecting and remitting sales taxes on your behalf for all taxable products and services (as defined by your jurisdiction). Because there are over 11,000 taxing jurisdictions in the country, and a nearly endless variety of requirements, this is a complex task. After significant research into the laws affecting our clients, we have contracted with Commerce Clearing House (CCH), a leading provider of tax and audit software, to help determine the taxability of Property Solutions' products and services, to identify any exceptions available for our clients and products, and to help ensure compliance within each taxing jurisdiction.

Because the process is complex, we will begin collecting and remitting taxes in required states over a period of several months. Since the rollout will take some time and the liability is ongoing, please be aware that you will be back-billed for sales taxes in the appropriate jurisdictions and at the appropriate rates for all tax liabilities that existed on or after January 1, 2014. Property Solutions will assume responsibility for, and pay at our own expense, any sales tax obligations that existed for our clients prior to that date.

Through our research, we have determined that our products may be taxable in jurisdictions where you own or manage properties. We have also determined that most jurisdictions do not tax transactional services at this time, and that the taxability of our products should be based upon the individual property addresses where our software is used. Please note that legislative changes in each jurisdiction could affect the taxability of our products at any time.

Your invoices will reflect, as accurately as possible, the sales tax rates applicable to those jurisdictions where properties are located. All sales taxes remitted to Property Solutions will be remitted directly to the jurisdiction assessing those taxes, and do not reflect any changes in the prices we charge our clients.

Upon registering with each taxing jurisdiction, Property Solutions will immediately begin charging applicable sales taxes in that jurisdiction. It is your responsibility to notify any properties you manage of this new process. If you believe you are entitled to any sales or use tax exemption, please notify us in writing and provide proper documentation showing you are entitled to the exemption. Proper documentation includes but may not be limited to the following:

- Properly completed exemption certificates;
- Properly completed resale certificates; and
- Authorized direct pay permits

Please provide us with written notice of your status and attach the documentation substantiating your status for each year you have contracted with Property Solutions. Documentation should be provided by emailing your Client Success Manager, or by mailing the documents to the address listed below:

Property Solutions International, Inc.

Lehi
2912 Executive Parkway
Suite 100
Lehi, UT 84043

Provo
1656 S. East Bay Blvd.
Building F, Suite 200
Provo, UT 84606

Dallas
2801 Network Blvd.
Suite 505
Frisco, TX 75034



Attn: Accounting / Sales Tax
2912 Executive Parkway, Ste. 100
Lehi, UT 84043

If you have any questions about this process or need any additional information, please contact your Client Success Manager or the Property Solutions' Billing Support Department at billing@propertyolutions.com. You may also call 877.826.9700 for assistance.

Sincerely,

Property Solutions International, Inc.