

Notice: State law may require that Property Managers be licensed Real Estate Brokers

Property Manager and Property Owner agree as follows:

1. APPOINTMENT OF PROPERTY MANAGER: The Owner hereby appoints and grants the Property Manager the exclusive right to rent, lease, operate and manage the property known as:

and any additional property which may later be added to this Agreement (collectively known as "Property") under the terms below, for the period beginning _____, 20__ and ending _____, 20 __ at 11:59 p.m.

However, either Owner or Manager may terminate this Agreement on at least 30 days written notice after the expiration of ____ months of the original term.

2. MANAGER ACCEPTANCE: Property Manager accepts the appointment and grant by the Property Owner and agrees to:

- (a) Use due diligence in the performance of this Agreement.
- (b) Furnish the services of the Manager and its organization for the rental, leasing, operating, and management of the property.

3. AUTHORITY AND POWERS: Owner grants to Manager the authority and power, at Owners expense to:

- (a) **Advertising:** Display "for rent", "for lease", and similar signs on the property, advertise the availability for rental or lease of the property or any part of it.
- (b) **Rental/Leasing:** Initiate, sign, renew or cancel rental agreements and leases for the Property or any part of it. Collect and give receipts for rents, other charges and security deposits. Any lease executed by Manager for Owner shall not exceed ____ year(s). Rent shall be at least \$_____ per month, unless Owner authorizes a lower amount. See attachment(s)
- (c) **Tenancy Termination:** Sign and serve in Owner's name, notices that are required or appropriate. Commence and prosecute actions to evict tenants, recover possession of the property in owner's name, recover rents and other sums due, and when expedient, settle, compromise, and release claims, actions and suits and/or reinstate tenancies.
- (d) **Repair/Maintenance:** Make, cause to be made, and/or supervise repairs, improvements, alterations, and decorations to the Property. Purchase and pay bills for services and supplies. Manager shall obtain prior approval of owner on all expenditures over \$ _____ for any one item. Prior approval shall not be required for monthly or recurring operating charges, or if in Manager's opinion, emergency expenditures over the maximum is needed to protect the Property, or other properties from damage, prevent injury to persons, avoid unnecessary services, avoid penalties fines, or suspension of services to tenants called for in a lease or rental agreement or by law. Manager shall not be required to advance Manager's own funds in connection with the Property or this agreement. However, if Manager elects in advance any funds, owner shall promptly repay to Manager, on request, the amount advanced.
- (e) **Contract/Services:** Contract, hire, supervise and/or discharge firms and persons, including utilities, required for the operation and maintenance of the property. Manager may perform any of Manager's duties through attorneys, agents, employees, and independent contractors, and shall not be responsible for their acts, omissions, defaults, negligence, and/or costs of same, except for persons working in Manager's firm.
- (f) **Expense payments:** Pay expenses and costs for the property from owner's funds held by Manager, unless directed otherwise by Owner, including but not limited to property management

fees and charges, expenses for goods and services, property and other taxes, utilities, association dues, assessments, and insurance premiums.

(g) Trust Funds: Deposit all receipts collected for owner, less any sums properly deducted or disbursed, in a financial Institution whose deposits are insured by an agency or the United States Government. The funds shall be held in a trust account separate from Manager's personal accounts. Manager shall not be liable in event of bankruptcy or failure of a financial institution.

(h) Tenant Deposits: Handle tenant security deposits as follows:

(1) Hold such deposits In Manager's trust account and return the deposits to tenants, as required by law, OR

(2) Remit Security Deposit to the Owner upon receipt from the Owner of a surety bond, if permitted by state law. Owner shall be responsible to Manager and tenants for the refund of all security deposits held by Owner unless forwarded to Manager.

(i) Reserves: Maintain as reserves in the Manager's trust account the minimum amount of \$_____. The Property Owner agrees that The Property Manager will retain the interest earned from these accounts as additional compensation for maintaining said accounts, and it is in addition to the monthly management fee charged by the Property Manager.

DISCLOSURE: Tenant deposits and owner reserves are held in separate interest bearing escrow account.

(j) Owner statements: Render monthly, statements of receipts, expenses and charges for each property

(k) Owner Distribution: Remit funds monthly to owner, in accordance with paragraph 3

(l) Disbursements: Disburse owner's funds in the following order.

(1) Fees, charges and reimbursements due under this agreement.

(2) All other operating expenses, costs, and disbursements payable from owner's funds held by Manager.

(3) Reserves.

(4) Balance to Owner.

4. OWNER RESPONSIBILITIES: Owner shall, as required by Manager to manage and operate the property;

(a) Provide all necessary documentation and records, and

(b) Indemnify and hold harmless Manager and all persons in Manager's firm, from all costs, expenses, suits, liabilities, claims of every type including but not limited to those arising out of injury or death of any person(s), or damage to any real or personal property of any person(s) including owner, in any way relating to the management, rental, or operation of the property by Manager or any person in Manager's firm, or the performance or exercise of any of the duties, powers, or authorities herein or hereafter granted to Manager, except to the extent due to the negligence of Manager or any person in Manager's firm.

(c) Secure and pay for public and premises liability, property damage, and worker's compensation insurance adequate to protect the interests of owner and Manager, and shall name both as insured parties.

(d) Pay any late charges, penalties, and/or interest imposed by lenders or other parties caused by a lack of owner's funds held by Manager and available for payment to same parties.

5. COMPENSATION:

(a) Owner agrees to pay Manager fee, as indicated for:

(1) Management: ___% of the total monthly rent collected unless otherwise written.

(2) Renting or leasing: 100% of the first full months rent, not to be recharged within 12 months.

- (3) **Evictions:** Prosecution at \$40 per hour. Attorney's fees and court costs not included.
- (4) **Inspecting Property for rental, lease or sale:** Included in placement fee.
- (5) **Managing Property during extended period of vacancy:** Not included.
- (6) **Lease Renewal:** Re-negotiate, rewrite leases - \$75.
- (7) **Specific Advertising:** If an owner desires specific placement or custom art-work and narratives - actual dollar costs will be billed.
- (8) **Overhead:** The customary overhead and service fee usually added to the cost of all work performed by or at the direction of Manager - included in management fee.
- (9) **Other:** Major or unusual renovation/consultation at \$40.00 per hour.

(b) Normal property, management does not include providing on-site management services, property sales, refinancing, preparing property for sale or refinancing modernization, fire or minor damage restoration, rehabilitation, obtaining income tax accounting or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling attending owner's association meetings, or, if owner requests Manager to perform services not included in normal property management or specified above, but allowed by law, a fee shall be agreed upon for these services before the work begins.

(c) Owner further agrees that:

(1) Manager may receive fees and charges from tenants for:

- (a) Requesting an assignment of lease or sublease of the property,
- (b) Processing credit applications,
- (c) Returned checks,
- (d) Other services that are not in conflict with this agreement.

(2) Late fees are the property of the owner but Manager has authority to wave tenants late fees as a matter of convenience or expedience,

(3) Manager may perform any of its duties and obtain necessary products and services, through affiliated companies or organizations in which Manager may own an interest, and may receive fees, commissions, and profits from these affiliated companies or organizations. However, Manager shall disclose such relationships to owner.

(4) Manager may divide compensation fees and charges due under this agreement, in any Manner acceptable to Manager,

(5) Owner to provide certificate of property, insurance to Manager.

6. FUDUCARY RELATIONSHIP: Manager agrees to act as the agent of Owner in any lease or rental transaction involving any property covered by this agreement.

7. NOTICES: Any written notice to Owner or Manager required under this agreement shall be served by sending such notice in first class mail to that party at the address below, or at any different address which the parties may later designate for this purpose, and shall be deemed received three business days after deposit in to the United States mail.

8. BINDING AGREEMENT:

This Agreement shall be binding upon and shall inure to the benefit of Owner and Manager and their respective heirs, administrators, executors, successors and assigns.

EQUAL HOUSING OPPORTUNITY: The Property is offered for rent in compliance with federal, state, and local anti-discrimination and fair housing laws.

ARBITRATION OF DISPUTES: Any dispute or claim under law or equity between Owner and Manager arising out of this contract or any resulting transaction shall be decided by neutral, binding arbitration and not by court action, except as provided by state law for judicial review of arbitration proceedings.

The arbitration shall be conducted in accordance with the rules of the American Arbitration Association (AAA). Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The parties shall have the right to discovery in accordance with Code of Civil Procedure. The filing of a judicial action to enable the recording of a notice of pending action for order of attachment, receivership injunction or the provisional remedies shall not constitute a waiver of the right to arbitrate under this provision.

ATTORNEY'S FEES: In any action, proceeding or arbitration arising out of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs.

We have read the foregoing prior to execution and have received a copy of this agreement on this ____ day of _____, 20__.

