



Property Management Agreement

This Agreement made and entered into this date: _____,
by and between (list all OWNERS) _____,
hereinafter referred to as "OWNER" and "REAL ESTATE SOLUTIONS" hereinafter referred to as "MANAGER", for
and in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

EXCLUSIVE RIGHT TO LEASE AND MANAGE: The OWNER hereby employs the MANAGER exclusively, giving the MANAGER the exclusive right to Lease and Manage under the terms and conditions as set forth in this Agreement for the OWNER's property described as:

Complete Address (including unit if applicable) _____
County _____

It is understood and agreed that the MANAGER is the sole procuring cause of any lease, written or oral that may be negotiated during this agreement, even if said lease may have been negotiated either directly or indirectly by the OWNERS themselves.

TERM: It is mutually agreed by and between the parties that this Management Agreement shall be binding upon the parties' successors, estate and assigns and shall remain in full force and effect until termination pursuant to the terms of this paragraph. This agreement is entered into by the parties hereto for not less than twelve (12) months and automatically renews on each yearly anniversary date. MANAGER reserves the right to cancel this agreement with 30 days written notice, or immediately, if MANAGER deems OWNER's action(s) or inaction(s), as it pertains to this agreement and/or the property being managed, is unsuitable, illegal, unethical or otherwise unacceptable. OWNER may cancel by providing 30 days written notice and paying any cancellation fees and outstanding invoices, if applicable.

CANCELLATION BY OWNER:

-Definition of terms, "Rent Ready", "Leased": "Rent ready" shall refer to a property that is: vacant, clean (to include paint and flooring), priced within reasonable market parameters as determined by MANAGER and without any mechanical or structural defects that would prevent occupancy. Any vacant property shall be assumed to be rent ready for the purposes of the cancellation clauses below unless MANAGER notifies OWNER in writing of any terms or conditions preventing the property from being rent ready. "Leased" shall be defined as MANAGER having approved prospective tenants and collected a HOLDING FEE.

-Cancelling before 60 calendar days of rent ready condition: Should OWNER choose to cancel this agreement before MANAGER has had a 60 day opportunity to lease the property and the property has been in rent-ready condition, OWNER shall pay a cancellation fee of \$250 to offset MANAGER's expenses in Marketing said property.

-Cancelling after 60 days of "rent ready", property has not been leased: If the property has been rent ready as defined above, for 60 calendar days or more and MANAGER has been unsuccessful in leasing the property, OWNER may cancel without penalty.

-Cancelling before 12 months of management, property has been leased: This clause shall apply whether OWNER or MANAGER leased the property. OWNER shall pay MANAGER a cancellation fee of 50% of one month's market rent, whether or not the property is occupied at the time of cancellation. If MANAGER has managed the property for 12 months or more, there is no cancellation fee. Should OWNER cancel management after MANAGER has collected application fees from prospective tenants but before said prospective tenants have had an opportunity to lease the property, OWNER shall reimburse said prospective tenants for any costs incurred during the application process.

MANAGEMENT COMPENSATION:

In consideration of the services to be rendered by the MANAGER, the OWNER agrees to pay the MANAGER any and all of the following forms of compensation as may be applicable:

- A. FOR MANAGEMENT: The greater of: seven percent (7%) or \$100 of gross rentals collected during occupancy each month. OWNER may receive their funds via direct deposit from MANAGER at no charge.
- B. FOR LEASING: There is NO FEE charged the OWNER when MANAGER leases the property.
- C. LEASE RENEWALS/EXTENSIONS: OWNER shall pay \$100.00 upon each lease renewal, unless MANAGER does not perform a renewal inspection (as directed by OWNER.) OWNER shall be notified of any lease renewal attempts by MANAGER. Any extension of the tenants lease for six months or more shall be deemed a renewal of the previous rental term for the purpose of renewal compensation. MANAGER may at MANAGER's discretion renew or terminate existing leases, unless otherwise directed by OWNER in writing prior to the executed renewal.
- D. LEASE BREAK BY TENANT: If OWNER's tenant defaults on their lease and consequently forfeits their security deposit, AND if MANAGER successfully and quickly re-leases OWNER's property, resulting in a windfall to OWNER—"windfall" defined as more funds than OWNER would have received, had the tenants fulfilled their lease term—MANAGER will retain \$250 of the windfall proceeds to offset MANAGER's efforts in coordinating the move out inspection, marketing, showings, new tenant screening, and rent-ready work. MANAGER will ONLY collect this \$250 fee if doing so does not result in reduced proceeds to OWNER than otherwise would have been expected, had the tenants fulfilled their lease.
- E. FOR SALE TO TENANT: If a sale or exchange of the managed property is effected to a tenant procured by MANAGER or anyone acting on the tenant's behalf, MANAGER shall be considered the procuring cause of such sale and MANAGER shall be paid a commission of three percent (3%) of the gross sales price or valuation upon the close of the transaction. This provision for sales commission shall apply to any tenant procured by MANAGER who has occupied the property within 365 days of a sales contract between OWNER and said tenant.
- F. OTHER MANAGER COMPENSATION (NOT at the expense of the OWNER): The OWNER agrees that MANAGER may collect and retain the following fees from tenants as additional revenue to MANAGER: application fees, convenience fees (for online rent payments), late fees, pet fees, or other fees paid by tenants to MANAGER.

OTHER ANTICIPATED OWNER EXPENSES:

- A. HOA EXPENSES (if applicable): If OWNER's property is in an HOA (Home OWNER Association) requiring any move in or move out application fees, other fees or deposits for tenants moving in or out of a property, OWNER agrees that these will be an OWNER expense. MANAGER may pay these expenses, if applicable, from OWNER funds. Should OWNER's tenants actually cause damage to the property or common area, MANAGER will take reasonable steps to recoup the actual cost to repair said damage from tenant's security deposit to reimburse OWNER.
- B. TURNOVER EXPENSES: OWNER agrees that MANAGER shall take reasonable steps to prepare the property between tenants, at OWNER's expense, in accordance with "Management Authority" paragraph C below. Said reasonable steps generally include but are not limited to: lock changes upon move out, activation in utilities in the name of OWNER or MANAGER, inspection of smoke and/or carbon monoxide detector(s), verifying presence and operation of equipment included with the property. Depending on the utility activation/transition challenges posed by some local utility companies, OWNER may be requested to initiate service directly with their utility provider during any vacancy period.
- C. KEYS AND EQUIPMENT: OWNER shall provide or bear the cost of providing all keys to the premises, to include the following minimum expected equipment: One full set of keys for each tenant and one set for MANAGER, to include garage openers (one opener shall be required for each garage stall/space to park a vehicle), mailbox keys (one per tenant), amenities cards/passes (one per tenant), and any other keys/openers/passes that may reasonably be expected by tenants. **MANAGER shall maintain and inventory all keys/openers/passes.**

MANAGEMENT AUTHORITY: The OWNER expressly grants to the MANAGER the following authority:

- A. MARKETING, SHOWINGS, TENANT SCREENING: To place a lockbox on OWNER's property, to market and show OWNER's property to prospective tenants, as well as to screen applicants and approve or deny applicants for OWNER's property in accordance with MANAGER's rental application criteria and processes.

- B. LEASE PREPARATION AND EXECUTION: To negotiate and prepare new leases within the rental price parameters set by OWNER, to negotiate lease renewals as well as terminations of existing leases as deemed appropriate by MANAGER. MANAGER is authorized, for and in behalf of OWNER, to execute leases and lease renewals.
- C. LEASE ENFORCEMENT: Full management and control of said property including the enforcement of lease provisions and terms, whether or not tenants have signed MANAGER's lease or another lease. MANAGER has authority to collect all rents and other monies from tenants in the property.
- D. REPAIRS: To coordinate contractual arrangements in the name of the OWNER by independent contractors for any and all repair services deemed necessary by the OWNER and/or the MANAGER. OWNER agrees MANAGER shall pay said independent contractors with OWNER's funds, whether said funds are collected from tenants or from the OWNER, for these services, repairs and improvements.
- E. REPAIRS: MANAGER shall have repair authority of up to \$350 per repair incident. **On each improvement and repair item that exceeds \$350.00 OWNER's approval shall be obtained first.** Exempted from this section are what MANAGER may deem emergency repairs, including repairs where MANAGER believes action must be taken to protect the property and/or health of OWNER's tenants. Also exempted from this section: repairs using funds claimed from the security deposit of OWNER's tenant. These types of repairs may be coordinated as deemed appropriate by MANAGER without limitation based on MANAGER's professional judgment.
- F. SECURITY DEPOSIT DISPOSITION AND REPAIRS: OWNER agrees that MANAGER shall collect a minimum of one month's rent as a security deposit from OWNER's tenants. Upon OWNER's tenants vacating the property, MANAGER shall have sole judgment regarding the disposition of this security deposit. MANAGER shall solely determine whether any claims against the security deposit are to be made for default, for cleaning or damages, or whether no claims are to be made. In the event of tenant default, MANAGER may use claimed security deposit funds to improve OWNER's property as MANAGER deems appropriate, without MANAGER being subject to \$350 per incident repair authority.
- G. REPAIRS (OWNER's preferred vendor or home warranty company): MANAGER may agree to contact OWNER preferred vendor(s) first for repairs with the following caveats: Any OWNER selected Vendors must fill out MANAGER's Vendor/Broker paperwork, selected vendors must have a valid email address and must respond to emailed work orders. If in MANAGER's professional opinion, OWNER or OWNER's vendors do not meet MANAGER's expectations for quality, responsiveness and timeliness, MANAGER reserves the right to use MANAGER's vendor(s) of choice. If an OWNER has a home warranty, MANAGER agrees to contact said home warranty company in the event of a repair. If OWNER's home warranty company is excessively difficult to reach (including excessive hold times, unreturned messages, unresponsiveness, etc.) MANAGER reserves the right to use MANAGER's preferred vendors or direct OWNER to communicate with their home warranty company directly.
- H. WITTHOLDING RESERVE FUNDS: MANAGER may elect to temporarily hold back a reserve fund of \$300 during the last month of a tenant's lease in order to ensure funds are available to pay vendor(s) in the event of repair(s) during the last month of tenancy. OWNER shall be notified of any reserve funds being held, in advance.
- I. NOTICES AND LEGAL PROCEEDINGS: MANAGER has the authority to serve legal notices upon tenant(s) and to prosecute in the name of the OWNER, or in the name of the MANAGER, and at the OWNER's expense legal actions to evict tenants, recover rents and terminate tenancies, employing for these purposes a reputable attorney. **In the event of an eviction, MANAGER shall make a full claim against the tenant's security deposit as income to the owner to help offset the OWNER's eviction-related expenses.** OWNER hereby authorizes MANAGER to employ collection agencies for collection of any outstanding tenant debt due.
- J. LEGAL PROCEEDINGS: OWNER authorizes the MANAGER to compromise and settle claims on the OWNER's behalf as may be necessary in the MANAGER's judgment. OWNER acknowledges that should a legal action against a tenant require a court appearance by OWNER, MANAGER shall not appear on behalf of OWNER unless requested by attorney and allowed by the court. MANAGER shall charge \$100 per court appearance. MANAGER agrees to make reasonable effort to keep OWNER apprised of any forthcoming attorney's fees for legal actions arising out of the eviction or attempted eviction of a tenant and to make every reasonable effort to ensure said fees do not exceed the amount of that tenant's security deposit.

- K. **TRUST ACCOUNTS:** Interest received on the MANAGER's Trust Account, (if any) shall belong to the MANAGER to assist in offsetting the expenses of maintaining the trust account. OWNER agrees that MANAGER may require releases from all parties in the event of a controversy before dispersing trust funds.

MANAGEMENT RESPONSIBILITIES: The MANAGER agrees to accept the following responsibilities:

- A. **MARKETING:** MANAGER shall market the property through all marketing media currently used by MANAGER. Said marketing media generally includes (subject to change at any time without notice): **Zillow, Craigslist, Trulia, Postlets, , Hotpads, Oodle, Vast, the MLS, RESrents.com, as well numerous other online rental marketing websites, and additionally yard and window signage and vehicular advertising.**
- B. **MANAGEMENT:** To use diligence in the management of the premises for the period and upon the terms herein provided, and MANAGER agrees to furnish the services of REAL ESTATE SOLUTIONS, for the renting, leasing, operating and managing of the herein described premises. MANAGER does not guarantee the payment of rentals by the tenant, but will make every reasonable effort to collect same when and as they become due.
- C. **MANAGEMENT:** MANAGER shall maintain systems and equipment necessary to the management of OWNER's property, including 24/7 on call capability for property emergencies. MANAGER will inspect the property as deemed necessary by MANAGER as well as provide security deposit evaluations at the time of a tenancy.
- D. **ACCOUNTING:** MANAGER shall pay third party vendors from OWNER funds, property expenses as soon as funds are available to MANAGER to pay said vendors; and MANAGER will email monthly statements of income, expenses and OWNER draws. If in the MANAGER's judgment, it may be necessary or proper to reserve or withhold OWNER's funds to meet obligations which are or may become due and for which current income will not or may not be adequate, MANAGER may do so.
- E. **ACCOUNTING:** MANAGER shall deposit all funds collected for OWNER in a Trust account separate from MANAGER's personal account. MANAGER shall provide OWNER with a clear accounting of all funds received and disbursed, with the exception that MANAGER shall not be required to report compensation to OWNER where said compensation to MANAGER is not at the expense of OWNER. MANAGER shall not be held liable in the event of a failure of a depository and shall not be liable for bad checks or money not collected. OWNER understands and agrees that rental disbursement will not be made until tenant funds have cleared MANAGER's bank.

OWNER RESPONSIBILITIES:

- A. **COMMUNICATION:** OWNER agrees not to communicate with tenants via phone, email or stopping by the property, and that all communication regarding OWNER's property and tenants shall be channeled through MANAGER. OWNER acknowledges and agrees that MANAGER may require, and OWNER agrees to provide, email communication to memorialize certain verbal agreements and discussions between OWNER and MANAGER. These communications may include but are not limited to rental price changes, authorization of repairs that exceed MANAGER's repair authority and other issues that may arise in the course of management. OWNER acknowledges that MANAGER may require email affirmation from OWNER in order to proceed on a given issue.
- B. **FINANCIAL STATUS OF PROPERTY:** OWNER certifies the property is current on all financial obligations. In the event the property becomes subject to a lien or foreclosure proceedings and/or a bank, condominium or home OWNER's association or mortgagee exercises any right to an assignment of rent they may have, OWNER agrees that MANAGER shall comply with any court order and/or at MANAGERS discretion disburse rent monies to the requesting party based on advice of MANAGERS legal counsel. If any of the aforementioned occurs, OWNER gives MANAGER the full right and authority to disburse the security deposit and/or advance rent, if any, held by MANAGER to ANY party including the TENANT even if the TENANT is still residing on the premises or owes rent.
- C. **SALES LISTINGS:** OWNER agrees not to list the property for sale while engaged in the services of MANAGER, unless MANAGER agrees in writing to allow the property to be listed for sale. OWNER hereby affirms the property is not currently listed for sale.

By signing this Agreement, OWNER acknowledges and asserts that OWNER has no knowledge of any environmental hazards related to property and agrees that if any environmental hazards arise that the OWNER takes full responsibility of any cost in removing such hazards.

MANAGER assumes no responsibility for other services than agreed to unless specified in the terms of this Agreement or in writing at a later date.

AGENCY AUTHORIZATION: OWNER hereby constitutes and appoints REAL ESTATE SOLUTIONS and its Agents full power and authority to do and perform all and every act and things necessary for the specific purpose of eviction and/or collection of unpaid rents in regard to the subject property as fully as OWNER might or could do if personally represented with full power of substitution and revocation, hereby ratifying and confirming all that said substitute (REAL ESTATE SOLUTIONS) shall lawfully do or cause to be done by virtue hereof. OWNER hereby grants MANAGER, REAL ESTATE SOLUTIONS the right to enter the property at any time MANAGER deems necessary.

SAVE HARMLESS AND INDEMNITY-HOMEOWNERS POLICY: The OWNER further agrees to save the MANAGER, its agent, independent contractors, and employees, harmless from all damage suits or claims in connection with the management of said property, except in the case of gross negligence or illegal act by the MANAGER, and from all liability for injuries to person or property suffered or sustained by any person whomsoever, and to carry, at his (OWNERS) own expense, homeowner's insurance in sufficient amounts to protect the interest of parties hereto. OWNER agrees to indemnify MANAGER for any damages suffered as a result of any lapse in or failure by OWNER to maintain insurance coverage.

NOTICES: For purposes of this Agreement all notices required herein shall be deemed to have been served upon the other party when e-mailed or otherwise mailed to the following addresses or to such other addresses as shall be changed in writing, properly notifying the other party.

OWNERSHIP: The OWNER hereby represents and warrants to MANAGER that they are the sole OWNERS of fee simple title to the property or is fully authorized to enter into this agreement as a binding enforceable agreement of the OWNER(s) property. OWNER has full right, power and authority to engage and appoint the MANAGER for the purposes and consideration herein set forth and to enter into this agreement.

Rental Range

Please Choose One Of The Following:

MANAGER is to determine rental price, based on MANAGER's expertise and current market conditions.

OWNER will set the minimum price and starting price range for rental of the property
\$ _____ minimum rental amount \$ _____ starting price

Are there any pet restrictions you would like RES to know about, or pet restrictions on your home OWNER's insurance policy or at your HOA (if applicable)? Yes No

If you would like to restrict pets, please indicate your restrictions: _____
(Please note that you may restrict pet types or breeds, but MANAGER will determine pet fees)

PRINT OWNER'S NAME(s): _____

IRS FORM 1099 AND CHECK MAILING:

ADDRESS: _____ CITY: _____ STATE: _____

ZIP CODE: _____

PHONE #'s: _____

PRIMARY EMAIL ADDRESS: _____

SIGNATURE OF ALL OWNERS: _____ **DATE:** _____

SIGNATURE OF ALL OWNERS: _____ **DATE:** _____

MANAGER: _____ **DATE:** _____