



## PROPERTY MANAGEMENT AGREEMENT

This Agreement is made and entered into this **23rd** day of **August, 2013** between **John Smith** (Owner) and **Keller Williams Realty**, (Manager).

Owner employs the services of Manager to manage, operate, control, and lease the following described property: **123 Main Street, Millington, TN 38053**.

**Responsibilities of Manager.** Owner hereby appoints Manager as his lawful agent and attorney-in-fact with full authority to do any and all lawful things necessary for the fulfillment of this Agreement, including the following:

A. *Collection and Disbursement.* Manager agrees to collect all rents as they become due; to render to Owner a monthly accounting of rents received and expenses paid; and to remit to Owner all income, less any sums paid out. Manager agrees to disburse said funds by electronic bank transfer on the 30<sup>th</sup> day of the month. If the 30<sup>th</sup> day of the month falls on a weekend or bank holiday, the funds will be sent the first eligible banking day. The owner can either collect a security deposit with first month's rent or first and last month's rent as the move in cost. Security Deposits will be collected and held in an escrow account by management. Last month's rent payments will be forwarded to the owner following the above payment schedule.

B. *Maintenance and Labor.* Management has the authority to make at Owner's expense all ordinary repairs and replacements necessary to preserve the premises in a safe and habitable condition. Management will secure the prior approval of the Owner on all expenditures in excess of \$250.00 for any one time, except monthly recurring operating charges and/or emergency repairs that are necessary to protect the property from damages or to maintain services to the tenants as called for in the rental agreement. Owner gives Manager the right to communicate with insurance agents in the event of a disaster. Owner agrees to maintain \$250 in the depository account to cover any such expenses as stated above.

C. *Advertisement.* Manager agrees to advertise, screen and select tenants for property. Manager will set rents based on current market conditions, unless expressly instructed in writing by the Owner to the Manager.

D. *Legal Proceedings.* Owner agrees to pay a minimum eviction fee of \$495 per tenant, to include court costs, filing fees, attorney fees, processing and administrative fees.

**Liability of Manager.** Owner hereby agrees to hold Manager harmless from, and to defend Manager against, any and all claims, charges, debts, demands and lawsuits. Owner agrees to pay Manager's attorney's fees related to Manager's management of the herein-described property and any liability for injury on or about the property which may be suffered by any employee, tenant or guest upon the property. Owner agrees to maintain sufficient and prudent all risk property insurance (no less than \$300,000) and that the Manager shall be an additionally

named insured. Owner shall provide a copy of such insurance policy to the Manager for the Manager's records.

**Compensation of Manager.** Owner agrees to pay Manager \_\_\_\_\_ for a new one year lease execution. Owner agrees to pay Manager \_\_\_\_\_ for a lease renewal. In addition, owner agrees to pay the Manager \_\_\_\_\_ percent per month of all monies collected from tenants including security deposits forfeited by tenants. If for some reason a tenant moves out shortly after moving in, there will not be a commission charged for the next tenant that moves in.

**Term of Agreement.** This Agreement shall be effective as of the **23rd** day of **August, 2013** and shall expire on the **31st** day of **August, 2016**. Upon expiration of the above initial term, this Agreement shall automatically be renewed and extended for a like period of time unless terminated in writing by either party by providing written notice 60 days prior to the date for such renewal. This Agreement may also be terminated by mutual agreement of the parties at any time. Upon termination Owner shall pay to Manager any fees, commissions and expenses due Manager under terms of this Agreement, which are owing to Manager.

**Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Manager and the heirs, administrators, successors, and assigns of the Owner. Notwithstanding the preceding sentence, Manager shall not assign its interest under this Agreement except in connection with the sale of all or substantially all of the assets of its business. In the event of such sale, Manger shall be released from all liability under this Agreement upon the express assumption of such liability by its assignee.

This document represents the entire Agreement between the parties hereto.

IN WITNESS WHEREOF, the parties hereto hereby execute this Agreement on the date first above written.

\_\_\_\_\_  
Owner \_\_\_\_\_ Date

\_\_\_\_\_  
Manager \_\_\_\_\_ Date