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MANAGEMENT AGREEMENT – TN

1. AGREEMENT

This Agreement is entered into this «Prep Date» day of «Prep Month» 2013.

2. PARTIES

This Agreement is by and between Chattanooga Property Management, hereafter referred to as “Agent”, and «First Name» «Last Name», hereafter referred to as “Owner”.

3. PROPERTY

For the purposes of this Agreement, “Property” and “Properties” shall be interchangeable terms, hereafter referred to as “Property”, and services shall be provided for the Property identified by address and legal description as:

«Address 1», «City 1», «State 1» «Zip 1»

Legally described as: «Legal Descr 1»

4. TERM

The term of this Agreement shall initially be for a period of one (1) year, commencing on the «Term Begin Date» day of «Term Begin Month» «Term Begin Year» and shall be automatically renewed from year to year unless terminated by either party upon written notice to the other party in accordance with the termination provision in this Agreement.

5. OWNERSHIP

Owner attests and warrants that he or she is the legally titled Owner of record of named Property. All parties on title of Property agree to be bound by this Agreement and must sign this Agreement.

6. EXCLUSIVE AGREEMENT

A. During the term of this Agreement, Owner shall not authorize any other person or company to negotiate or act as rental agent or Property Manager with respect to any leases for the Property referenced herein.

B. Agent shall act as Owner’s Agent exclusively under this Agreement, and will not represent any other party involving the Property covered by this Agreement without fully disclosing it, in writing, prior to the event.

C. Agent may provide assistance to prospective Tenants without violating any duties to Owner. Agent may provide assistance to Tenants by performing such ministerial acts as preparing leases, locating nearby services. Performing such ministerial acts shall not be construed to violate the exclusive agency created under this Agreement, nor shall it be construed to create a brokerage Agreement with the Tenant.

D. Agency Exhibit attached and incorporated into this Management Agreement.

7. AUTHORITY OF AGENT

Agent’s authority to act on behalf of Owner is limited to specified permissions outlined within this Agreement. No other authorities are assumed. Owner agrees to assume all expenses related to activities which Agent is authorized to perform herein.

>>>>> Owner initials _____ <<<<<<

8. CONTRACT FOR SERVICES

Agent is authorized to make contracts or enter into agreements for electricity, gas, water, housekeeping, carpet cleaning, painting, trash removal, irrigation, yard care and other services Agent shall deem advisable to properly maintain and manage the Property. Agent may utilize a company in which Agent may have a financial interest in for maintenance and repair, painting, cleaning or other such purposes. All vendors or companies shall adhere to the same licensing or insurance requirements. All contracts are awarded on the merit of expertise, suitability for the project, workmanship history, reputation and cost.

9. INTEREST ON ACCOUNTS

Owner agrees that any interest that is or may become payable on funds held in Management Trust Account, Management Escrow Account or Operating Account shall be retained by Agent.

10. BANKING

A. Agent shall use its Management Trust Account for the deposit of receipts and collections as described herein. Funds in this account shall remain the property of Owner, subject to disbursement of expenses by Agent, per this Agreement.

B. Agent’s Management Trust Account is a common account used for all Owners represented by Agent.

C. Management Trust Account is an account separate from Agent’s personal or operating account.

D. Agent shall not be held liable in the event of bankruptcy, failure or insolvency of bank or depository.

INITIALS _____

11. PROPERTY PAYMENTS

Owner hereby expressly authorizes Agent to deduct from Owner's funds amounts needed to pay the following expenses (collectively referred to as "Expenses"):

- A.** Management, leasing or renewal fees; commissions and other amounts owing to Agent;
- B.** Agent's out-of-pocket expenses associated with managing the Property including, but not limited to copies, postage, mileage expenses at the current IRS rate, costs associated with evictions, etc.;
- C.** All costs to maintain, repair and improve the Property (including emergency repairs) to the extent approved in writing by Owner or to the extent the same have been approved elsewhere herein;
- D.** All amounts needed to pay utility bills for which Owner is responsible for under any lease of the Property, to facilitate maintenance or repairs, to protect Property from damage due to extreme temperatures, or to accommodate property showings and leasing; and
- E.** All amounts needed to pay for those specific items detailed on the Property Payments Addendum, which is attached and herein incorporated into this Agreement.

12. ROUTINE PROPERTY MANAGEMENT EXCLUSIONS

Routine property management does not include providing on-site management services; property sales; refinancing; costs of physically preparing Property for rental, sale, or refinancing; coordinating or supervising modernization, rehabilitation, renovation, fire or major damage restorations; obtaining income tax, accounting or legal advice; advising on proposed new construction, debt collection, counseling; obtaining or preparing sales comps or sales market analysis; or attending homeowner's association meetings and the like. If Owner desires Agent to perform services not included in routine property management or specified above, a fee shall be agreed upon for these services before work commences, as shown on the Schedule of Fees Addendum.

13. RECEIPT OF FUNDS

Agent is authorized to collect rents, charges and other amounts receivable on Owners account in connection with the management of the premises. Such receipts shall be deposited into Agents Management Trust Account. Owner authorizes Agent to endorse any and all payment instruments that may be payable to Owner for deposit to such Management Trust Account.

14. SECURITY DEPOSITS

- A.** Agent shall comply with all applicable federal, state and local laws concerning responsibility for security deposit funds.
- B.** Security deposits shall be deposited into Management Escrow Account.
- C.** Agent shall collect and maintain all tenant deposits, such as security deposits, cleaning or damage deposits, pet fees or deposits, and any other deposits which Agents deems necessary to collect from Tenant.
- D.** At no time will Agent disburse any deposit funds to Owner for any reason during the term of the lease or rental Agreement.
- E.** Owner shall submit all security deposit funds held to Agent at time of execution of this Agreement.
- F.** If Management Agreement is terminated during the term of an existing Lease, Owner shall designate another real estate broker in Tennessee to hold the security deposit and shall give written notice to Agent of the same. Upon receipt of such notice, Agent shall, within thirty (30) days thereafter, transfer the security deposit to the newly designated Broker. Owner does hereby consent to such a transfer and agree that Agent shall thereafter be relieved of any and all responsibility and liability for the same. If Owner does not designate a new Broker to hold the security deposit within thirty (30) days of the date of termination of the Management Agreement with Agent, then Owner shall be obligated to pay Agent a monthly fee as listed on Schedule of Fees Addendum for each month following Management Agreement termination during which Agent acts as the escrow agent with respect to the security deposit, until tenant has vacated and security deposit is disbursed pursuant to state and local laws.

>>>>> Owner initials _____ <<<<<<

15. VACANCY

In order to prepare for the expenditures necessary during a period of vacancy, Owner may elect to authorize Agent to hold the most recent month's proceeds in escrow to apply toward authorized expenses. Otherwise, when Agent notifies Owner of immediate or pending expenditures, Owner shall expedite payment via online payment, personal check, cashier's check, or money order. Owner may choose the method of payment; Agent will proceed as soon as funds are received. Owner must keep account funded in order for Agent to manage vacancy issues.

16. SERVICE CHARGE

Any account balance outstanding for Owner, and remaining unpaid beyond the last day of the calendar month shall be subject to assessment of a monthly service charge until paid in full. Mailing, emailing or faxing a copy of Owner Statement showing a deficit balance shall be deemed sufficient notice to Owner.

17. FINANCIAL STATEMENTS

Agent shall make available to Owner online access to itemized accounting of income and expenses. Because this is a perpetual, real-time accounting portal, balances reflected are subject to change from day to day, depending upon financial activity related to the property and/or tenant.

18. OWNER DISBURSEMENTS

Positive cash balances shall be disbursed to Owner on or by the 20th day of each month. Expenses occurring after the 20th day of the month, in excess of reserve funds available on account, shall require payment from Owner to resolve. Early disbursement may be available for additional fee (see Schedule of Fees Addendum).

19. MULTIPLE PROPERTY OWNERSHIP

- A.** Separate accounting shall be provided for every individual Property, even Properties under the same ownership.
- B.** Should one or more Properties have a negative balance, Agent is authorized to transfer monies from one Property to another to cover said negative balance. This is limited to Properties under identical ownership.

INITIALS _____

20. INDEPENDENT CONTRACTOR

In operating and managing the Property, Agent is an independent contractor and is not acting as partner, joint venture, or lessee of Owner and nothing herein shall be construed as reserving to Owner the right to control Agent's business or operations or the manner in which the same shall be conducted.

21. OWNER-TENANT CONTACT

Direct contact between Owner and Tenant is prohibited, unless otherwise agreed to in writing. Furthermore, Owner agrees and understands if Owner has any contact with the Tenant(s) in person, by mail, by phone, by email or otherwise, in the event of a legal dispute which results in litigation, Owner shall be required to appear in person in court. All contact between Owner and Tenant shall be made by and through Agent. Owner agrees that contact with the Tenant is considered grounds for Agent terminating this Agreement.

22. MARKETING

- A.** Agent is authorized to market Property in such venues and publications as Agent shall deem appropriate for the location, price and type of Property being advertised. Agent is further authorized to display signs on Property, unless prohibited by covenants or restrictions of applicable subdivision or homeowners association.
- B.** No fees shall be charged for routine marketing efforts by Agent. Print newspaper and national rental sites have consistently failed to provide adequate return on investment for leasing purposes, therefore these venues shall not be utilized by Agent unless specifically requested by Owner, and additional fees shall apply.
- C.** Agent is authorized to negotiate incentives, discounts, concessions or other promotions that may be deemed reasonable or customary from time to time, up to a cumulative limit of half of one month's rent.
- D.** Additional advertising, incentives, concessions, discounts or promotions shall be with Owners' written authorization.
- E.** Owner does hereby authorize Agent to place a lockbox on the Property to be used in connection with the marketing, inspection and leasing of the Property, unless specifically restricted by some other provision of this Agreement. There have been isolated instances of crimes occurring against property and persons where a key from the lockbox was alleged to have been used for a criminal purpose.
- F.** Agent agrees to file the listing with the following multiple listing service(s): Greater Chattanooga Association of Realtors MLS. Owner acknowledges that the Service is not a party to this Agreement and is not responsible for errors or omissions on the part of Owner or of Agent. Owner agrees to indemnify the Service from and against any and all claims, liabilities, damages or losses arising out of or related to the listing and lease of the Property. Upon listing the Property with the MLS Service, the compensation for third-party real estate professionals to show and facilitate a lease for the Property shall be offered as shown on the Schedule of Fees Addendum. This shall be in addition to the Lease Procurement Fee stipulated under the Agent's Fees section of this Agreement.

23. PROPENSITY OF FLOODING

Owner hereby certifies to Agent the following: some portion or all of the living space or attachment thereto on Property **has OR has not** been flooded at least three times within the last 5 (five) years immediately preceding the execution of this Management Agreement. Flooding is defined as the inundation of a portion of the living space caused by an increased water level in an established water source such as a river, stream, or drainage ditch, or as a ponding of water at or near the point where heavy or excessive rain fell. >>>>> Owner initials _____ <<<<<<

24. YARD AND LAWN CARE

Yard and Lawn Care Addendum is attached and hereby incorporated into this Agreement.

25. LEASING

- A.** Agent is authorized to negotiate lease term, rental amount, or other terms that may be deemed reasonable or customary from time to time, unless specifically restricted by some other stipulation of this Agreement. Lease term shall be at the discretion of Agent, unless otherwise directed by some other stipulation of this Agreement. Term shall be based on season, activity volume, and Prospect request.
- B.** Agent is further authorized to sign, renew and/or cancel leases; to collect rents due or to become due and give receipts of same; to terminate tenancies; to execute, sign and serve in the name of, or on behalf of, Owner such notices as deemed necessary by Agent; to institute and process actions; to evict tenants and to recover possession of premises; to sue for and recover rents and other sums due; to settle, compromise and release such actions or reinstate such tenancies when expedient to do so.
- C.** Agent is also authorized to determine the final distribution of the security deposit.

26. INSURANCE

Owner agrees to carry, at Owner's expense, bodily injury, property damage and personal injury public liability insurance in the amount of not less than \$500,000 per person (\$1,000,000 if Property contains a spa, pool or pond). Owner shall name Agent as additional insured and provide Agent with copy of said insurance coverage. If evidence of coverage is not provided, or if Agent is not named as additional insured, this Agreement is subject to termination. >>>>> Owner initials _____ <<<<<<

27. ELECTRONIC DELIVERY OF SIGNED DOCUMENTS

Owner and Agent agree that this Agreement can be signed by duplicate originals. Faxed signatures are deemed originals. Documents that are signed, scanned and emailed shall also be considered originals. Electronically signed documents have also been deemed legally binding by applicable authorities.

28. HAZARDOUS WASTE

If at any time during or after the term of this Agreement, the Property is found to be contaminated with hazardous waste, Owner agrees to indemnify and hold Agent harmless from all claims, demands, actions, liabilities, costs, expenses, damages and obligations of any nature arising from or as a result of said hazardous waste. The foregoing indemnification shall survive the termination or expiration of this Agreement.

29. PROPERTY CONDITION SURVEYS

A. Agent shall conduct, or cause to be conducted, drive-by visual surveys of the Property approximately monthly. Items of concern shall be addressed directly with Tenant or brought to the attention of Owner, based on nature of issue. Tenant-related issues shall cause Agent to initiate an interior survey of the Property to ensure proper compliance with the Lease Agreement by Tenant.

B. An interior and exterior visual survey of each unit shall be conducted by Agent at the renewal date of any Lease Agreement. Renewal terms of Tenant's Lease may be affected by condition of Property. Agent shall report to Owner any findings that are less than satisfactory, and shall recommend proposal for resolution.

C. Scheduled Condition Surveys are available, with formal report of findings delivered via upload to online owner portal. Condition Survey Addendum is attached and hereby incorporated into this Agreement.

30. ARBITRATION

All claims arising out of or relating to this Agreement and the alleged acts or omissions of any or all the parties hereunder shall be resolved by arbitration in accordance with the Federal Arbitration Act 9 U.S.C. § 1 et. seq. and the rules and procedures of the arbitration company selected to administer the arbitration. Upon making or receiving a demand for arbitration, the parties shall work together in good faith to select a mutually acceptable arbitration company with offices in Tennessee to administer and conduct the arbitration. If the parties cannot mutually agree on an arbitration company, the company shall be selected as follows. Each party shall simultaneously exchange with the other party a list of three arbitration companies with offices in Tennessee acceptable to that party to administer and conduct the arbitration. If there is only one (1) arbitration company that is common to both lists, that company shall administer and conduct the arbitration. If there is more than one arbitration company that is common to both lists, the parties shall either mutually agree on which arbitration company shall be selected or flip a coin to select the arbitration company. If there is not initially a common arbitration company on the lists, the parties shall repeat the process by expanding their lists by two each time until there is a common name on the lists selected by the parties. The decision of the arbitrator shall be final and the arbitrator shall have authority to award attorneys' fees and allocate the costs of arbitration as part of any final award. All claims shall be brought by a party in his or her individual capacity and not as a plaintiff or class member in any purported class or representative proceeding. The arbitrator may not consolidate more than one person's claims, and may not otherwise preside over any form of a class or representative. Notwithstanding anything to the contrary contained herein, this agreement to arbitrate shall not apply to: (1) any claim regarding the handling and disbursement of earnest money; and (2) any claim of Agent regarding the entitlement to or the non-payment of a real estate commission hereunder.

31. LEGAL FEES

A. Owner agrees to pay for all expenses incurred by Agent including, but not limited to, reasonable attorney's fees for counsel employed to represent Agent or Owner in any proceeding or suit involving the Property or the Agent's management or control of the Property in regard to disputes, proceedings or suits for alleged violations of any constitutional provision, statute, ordinance, law or regulation of any governmental body pertaining to Fair Housing Laws or otherwise, and nothing herein contained shall require Agent to employ counsel to represent the Owner or the Agent in any such proceeding or suit. Owner shall not hold Agent liable for any error of judgment or mistake of law except in cases of willful misconduct or sole gross negligence.

B. If Owner or Agent shall bring any legal action or proceeding to enforce any part of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs in addition to any and all other relief.

C. Should Agent deem it necessary to bring any action or suit against Tenants of the Property, for the purposes of recovering possession, rents or other monies due, or judgment for damages, repairs or other Tenant-related issues, Owner agrees to be responsible for applicable attorney's fees, court filing fees, writ of possession fees, process server fees, or other fees as may be required to pursue and prosecute said suit or action. Costs for eviction and court action are shown on the Schedule of Fees Addendum.

D. Agent shall turn over judgments to a collection service (statistics show that very few are ever collected). Owner agrees that Agent is not responsible for collection of delinquent balances, as Agent is not in the business of debt collection. Further, Agent assumes no liability for monies that are uncollectible. In the event delinquent funds are collected and remitted to Agent on behalf of Owner, said payments shall be treated as though paid directly by Tenant, and applied to Tenant's outstanding balance. Normal management fees shall apply to delinquent payments under the same terms as any other Tenant-remitted funds as provided herein.

32. CONDITION OF PROPERTY

A. Owner certifies that, to the best of Owner's knowledge, all systems are in working order, including, but not limited to, heating, cooling, plumbing, electrical, and appliances.

B. Owner certifies that, to the best of Owner's knowledge, the roof does not leak and that water does not enter living or basement areas from rain or other subterranean sources.

C. Owner certifies that, to the best of Owner's knowledge, the Property is in good and habitable condition.

D. Owner shall at all times, while this Agreement is in effect, be responsible for ensuring the good, safe and habitable condition of the Property, properly maintained and in compliance with all applicable laws, ordinances, and regulations of all government authorities.

>>>>> Owner initials _____ <<<<<<

33. UTILITIES

Agent shall cause all utilities to be turned on at time of Property vacancy, and they shall remain on until Property is leased and Tenant assumes possession. Utility connection fees, deposits and usage charges for vacancy periods shall be at Owner's expense. Thermostats shall be set to 55° in cold-weather months and to 80° in warm-weather months to prevent damage to Property and to facilitate comfortable conditions for showing and marketing.

34. LISTED PROPERTY

A. Should a valid, active listing of specified Property exist at the inception of this Agreement, Owner attests that the listing real estate agent or broker has been advised of Owner's intent to enter into this Management Agreement, and said listing real estate agent or broker has agreed to withdraw listing of Property in the event a Tenant is located and a lease is signed prior to a sales contract being accepted. Agent agrees to cancel this Agreement, with no penalty, as it pertains to specific listed Property in the event a sales contract is accepted prior to a Tenant being secured and a lease is signed. Owner shall bear any financial or other liability owed to listing real estate agent or broker in the event of any breach created by Agent's placement of tenant into an actively listed Property. Owner is advised to consult legal counsel for clarification of rights and advisement on legal aspects. >>>>> Owner initials _____ <<<<<<

B. Should Owner elect to list the Property covered by this Agreement, and uses Agent for said listing, Agent agrees that the sales commission shall be 5%, in appreciation of the existing business relationship.

C. Should Owner list Property with another agency or brokerage, Owner understands and agrees that the coordination of showings by other agents shall be coordinate with Agent and not directly with Tenant. Agent shall be responsible for facilitating showing appointments by listing agent or other real estate professionals. A fee shall apply, as shown on the Schedule of Fees Addendum, for each visit to the Property by Agent for the purposes of facilitating access, obtaining photos, or any other reason related to listing or sale of the Property.

D. No sign or lockbox shall be utilized while Property is occupied by a Tenant during the term of this Agreement.

E. Owner further acknowledges that it is not in the best interest of the occupying Tenant to list property, and agrees to hold Agent harmless for any early termination effected by Tenant as a result of listing Property.

35. FORECLOSURE

A. Owner attests that all mortgages, liens or other debt secured by the Property are current and in good standing at the inception of this Agreement.

B. Owner agrees to immediately inform Agent of any failure to service mortgage debt, to remove liens, or any other act or failure to act which may result in initiation of foreclosure action or otherwise materially affect Tenant's use and enjoyment of Property.

C. Agent shall comply with the Tenants in Foreclosure Act in regard to treatment of Tenant and the handling of any existing Lease Agreements for Property.

D. Upon notification of foreclosure proceedings, Agent, at its sole discretion, may do any or all of the following, and shall be released from any fiduciary obligation to Owner for the following:

- 1) immediately increase owner reserve requirement to an amount equal to one months' rent for the Property, as determined by active lease(s);
- 2) release Tenant from Lease Agreement;
- 3) refund entire security deposit to Tenant without requiring vacancy or conducting move-out inspection;
- 4) enter into new lease with Tenant on another available Property managed by Agent;
- 5) refer Tenant to another real estate professional for housing solutions;
- 6) advise Tenant to seek legal counsel;
- 7) any other act or service to treat Tenant in a fair and equitable manner;
- 8) collect management fees through balance of Lease Agreement, as stipulated under Termination paragraph of this Agreement. >>>>> Owner initials _____ <<<<<<

36. LEAD BASED PAINT DISCLOSURE

A. Lead Based Paint Addendum is attached and hereby incorporated as part of this Agreement.

B. Property built prior to 1978 must be lead-paint tested prior to conducting any maintenance or repairs that fall under the EPA RRP rule. Agent shall utilize only certified vendors for work on pre-1978 properties.

37. PERSONAL PROPERTY

Owner acknowledges that all personal property belonging to Owner has been removed prior to the Property being placed on the rental market, including any contents of "owners' closets" or other areas, and if any personal property has been left behind, Agent, its employees, agents, representatives and successors are released and discharged for and from any and all obligations to undertake any accounting of this Property. Owner shall indemnify, defend, hold and save Agent harmless for and from any and all liabilities, damages, claims, actions, causes of action, costs and expenses, including, but not limited to, window coverings, refrigerator, grills, lawn equipment, and ceiling fans, or any insect, rodent, weather or water damage occurring to any personal items left in the Property.

38. NON-DISCRIMINATION

Both Agent and Owner must fully comply with all laws and regulations, which prohibit discrimination on the basis of race, color, familial status, religion, national origin, sex or handicap. Owner shall have no input in the process of qualifying Tenant and is relying on Agent to use good judgment and knowledge of the laws that govern this business in approving or denying applicants and managing the Property.

39. OWNER RESERVE FUND

Owner shall submit, at time of inception of this Agreement, a reserve fund amount of **\$«Res »** for Property subject to this Agreement. Reserve fund shall serve as incidental funding of account to comply with trust account laws. Reserve shall be utilized for expenses when no rental proceeds are available on the account. Typical expenses paid with reserve funds may include, but are not limited to, utility bills or advertising during vacancies or minor repairs during periods of occupancy. >>>>> Owner initials _____ <<<<<<

40. SURVIVORSHIP

All provisions of this Agreement that require Owner to have insured or to defend, reimburse or indemnify Agent shall survive any termination and if Agent is or becomes involved in any proceeding or litigation by reason of having been the Owner's Agent, such provision shall apply as if this Agreement were still in effect.

INITIALS _____

41. MAINTENANCE AND REPAIRS

A. Agent is authorized to make or cause to be made, through contracted services or otherwise, all ordinary decorations, repairs and replacements reasonably necessary to preserve and maintain the Property in an attractive condition and in a good state of repair for the operating efficiency of the Property, and all alterations required to comply with lease requirements, governmental regulations, or insurance requirements. Agent is further authorized to purchase or rent, on Owner's behalf, all appliances, materials, supplies and other items necessary for the management, maintenance or operation of the Property. Such decorating, maintenance or repairs shall be paid for by Owner. Owner authorizes Agent to make all necessary repairs to the Property as either general maintenance or as emergency services, at Agent's discretion, and holds Agent harmless from any cost incurred from making the aforementioned decision. Agent shall not be liable to Owner for any act, omission or breach of duty by any independent contractor or suppliers.

B. Agent shall use only duly qualified and insured vendors or contractors. Agent shall always award vendor contracts and otherwise deal with vendors based on the merit of expertise, suitability for the project, workmanship history, reputation and cost.

C. Should Owner delegate to Agent the oversight and supervision of any contracted services utilizing third-party, unknown or outside vendors, beyond Agent's own pool of qualified employees or vendors, at Agent's discretion, up to a 10% oversight and supervisory fee shall be added to gross invoices for said contracted services. This shall apply to labor and materials arranged for and contracted by Agent for remodeling, redecoration or major repair of Property. There is no additional oversight and supervisory fee for ordinary or routine maintenance or repairs affected by Agent's immediate personnel or regular pool of vendors, however, a 10% handling charge is added to all parts or materials required, in an effort to help defray the pickup and delivery costs of said materials. >>>>> Owner initials _____ <<<<<<

D. Agent is authorized to make decisions for maintenance or repairs up to a monthly limit of \$400. Costs anticipated or known to exceed this amount shall first be authorized by Owner. Recurring monthly upkeep or maintenance expenses, emergency repairs, or the inability to reach owner in a timely manner as needed shall be the only specific exceptions to prior approval requirements. >>>>> Owner initials _____ <<<<<<

E. Owner specifically authorizes the re-keying of all exterior doors, including but not limited to, entry doors, garage doors, storage area doors, and outbuilding doors. This re-keying shall take place prior to any new Tenant taking possession. Re-keying will be in compliance with key system in place by Agent. Any double-keyed deadbolts shall be changed to thumb-turn deadbolts to comply with local fire safety codes. Owner shall be responsible for this expense. Nothing in this paragraph is intended to apply to roll-up style or swing-open vehicular access doors on garages.

F. Should Agent be unable to reach Owner for authorization within 24 hours (for non-emergency maintenance only), Agent is authorized to use due diligence and Agent discretion and proceed with repairs.

42. EMERGENCY REPAIRS

Agent is authorized to make or cause to be made emergency repairs that can reasonably be determined to prevent damage to the Property, injury to the Tenant or others, or conditions that may result in damage or injury. Agent is further authorized to make necessary immediate repairs to maintain essential services to the Property until complete substantial repairs can be effected. Essential services are defined as: connection to water and electrical service lines, heat or air conditioning in extreme weather (less than 40° or above 90°), hot water, minimum of one operational toilet, locking or secured doors and windows, or other issues that affect life, health or safety. All emergency repairs will be addressed immediately, with or without prior notification to Owner. After hours, weekend or holiday emergency repairs may possibly not be reported to Owner until next business day. >>>>> Owner initials _____ <<<<<<

43. TENANT CHARGES

In addition to rent, Agent may collect from Tenants any or all of the following, and not be accountable to Owner for reporting any amounts received, as said funds are wholly belonging to Agent.

- A.** Late payment fees
- B.** Non-sufficient funds or stop-payment fees on dishonored checks
- C.** Policy fines or penalties
- D.** Application, credit check and background check fees
- E.** Credit card or online payment convenience fee
- F.** Missed appointment or re-keyed lock fees
- G.** Key replacement or lock out fees
- H.** Early termination penalties.

44. FAIR HOUSING

Owner and Agent agree to abide by all federal, state, and local Fair Housing Laws and Landlord/Tenant Laws. If Owner should, at any time, request or imply that Agent should disregard Fair Housing Laws or Landlord/Tenant Laws, and persists after Agent's refusal or advice to the contrary, this Agreement will be terminated immediately, and the management fees for the balance of the term of this Agreement shall be due.

45. HOLD HARMLESS

Owner agrees to hold Agent harmless and protect Agent from all damage suits in connection with the management of the herein named Property and from liability from injury suffered by any employee or other person whomsoever. Owner shall not hold Agent liable for any error of judgment, or for any mistake of fact or law, or for anything which Agent may do or refrain from doing hereinafter, except in cases of willful misconduct or sole gross negligence. Agent shall not be held responsible for damages to the Property caused by Tenants or contractors selected by the Owner or Agent or caused by any third party.

46. TERMINATION OF AGREEMENT

- A.** Agreement may be terminated by either party, with or without cause.
- B.** Written 30-day notice to terminate is required.
- C.** Should termination be effected within 90 days of inception of this Agreement, and the property has NOT been leased by Agent within that period, Owner shall be obligated only for actual out of pocket expenses incurred by Agent, including but not limited to, advertising, utilities, lawn care, cleaning, carpet cleaning, repairs or other expenditures incurred by Agent under the provisions of this Agreement.
- D.** Should termination be effected more than 90 days from Agreement inception OR the property has been leased by Agent, Owner shall be obligated for all out of pocket expenses incurred by Agent, as outlined previously in this section, as well as management fees through the term of existing leases signed entered into by Agent, plus a termination fee as shown on Schedule of Fees Addendum. This shall be in addition to any other fees due under any other provision of this Agreement. Said fees shall be collected from the final rent payment collectible by Agent prior to termination or due from Owner prior to expiration of termination notice.
- E.** For the purposes of this paragraph, "Leased by Agent" shall be defined as Agent being in receipt of payment of a reservation fee or security deposit from a prospect for the purpose of securing a pending Lease Agreement on the property or by the signing of a Lease Agreement by a prospect.
- F.** Regardless of reason or originating party of termination, Owner agrees to indemnify Agent from any and all claims by Tenant pertaining to the security deposit, move out inspections, and any and all other claims made by Tenant against Agent that pertain to post termination issues.

47. BINDING AGREEMENT

This Agreement shall be binding upon all Owners of said Property and shall inure to the benefits of all parties, as well as their respective heirs, successors and assigns. Should any section or any part of any section of this Agreement be rendered void, invalid or unenforceable for any reason by any court of law exercising competent jurisdiction, such a determination shall not render void, invalid, or unenforceable any other section or any part of any section in this Agreement.

48. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between the parties and no oral statements or representations shall be binding on either party. Any change in this Agreement shall be in writing and signed by both parties.

49. OTHER STIPULATIONS

NO OTHER STIPULATIONS APPLY TO THIS AGREEMENT UNLESS SHOWN IN THIS SECTION.

- 1. PETS - _____
- 2. RENT MINIMUM - _____
- 3. MINIMUM OR MAXIMUM TERM OF LEASE - _____
- 4. _____
- 5. _____

50. ADDENDA

Addendums marked below are referenced herein and attached, and hereby incorporated as part of this Agreement. Items not marked are not part of this Agreement.

- "Lead-Based Paint Addendum"
- "Direct Deposit Addendum"
- "Agency Addendum"
- "Scheduled Condition Survey Addendum"
- "W-9: Request for Taxpayer ID Number"
- "Security Deposits Held Addendum"
- "Yard Care Addendum"
- "Property Payments Addendum"
- "Schedule of Fees Addendum"



Corporate Office: PO Box 28257, Chattanooga, TN 37424
(423) 208-9444 direct (888) 275-1048 toll-free (888) 517-5420 fax
www.chattanoogaapm.com office@chattanoogaapm.com

Lead-Based Paint Addendum

Lead-Based Paint Addendum is hereby attached, in compliance with lead-based paint and/or lead-based paint hazard reporting requirements for specific Property referenced herein, and hereby incorporated as part of the Agreement dated this **«Prep Date»** day of **«Prep Month»** 2013 by and between Chattanooga Property Management (Agent) and **«First Name» «Last Name»** (Owner).

PROPERTY ADDRESS: **«Address 1»** CITY: **«City 1», «State 1»**

OWNER'S DISCLOSURE (Initial)

- ____(A) Presence of lead-based paint and/or lead-based paint hazard **(check one in Section A)**
 Known lead-based paint and/or lead-based paint hazard are present in the housing (explain) _____

 Owner has no knowledge of lead-based paint and/or lead-based paint hazard in the housing.
- ____(B) Records and Reports available to the Owner **(check one in Section B)**
 Owner has provided all available records and reports pertaining to lead-based paint and/or lead-based hazard in the housing (list documents below) _____

 Owner has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

CERTIFICATION OF ACCURACY

The following parties have reviewed the information above and certify, to the best of their knowledge that the information they have provided is true and accurate.

Owner _____ Date _____

Co-Owner _____ Date _____

This Agreement shall be binding, in its entirety, in regard to Property named herein.

INITIALS _____



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www.chattanoogaapm.com office@chattanoogaapm.com

Security Deposits Held Addendum

Security Deposits Held Addendum is hereby attached, listing all security deposits held by Owner for Property referenced in this Agreement, and hereby incorporated as part of the Agreement dated this «Prep Date» day of «Prep Month» 2013 by and between Chattanooga Property Management (Agent) and «First Name» «Last Name» (Owner).

PROPERTY ADDRESS: «Address 1» CITY: «City 1», «State 1»

SECURITY DEPOSITS HELD BY OWNER

Owner hereby releases the following security deposits or pet fees to Agent for Property reference herein. Owner agrees this is an accurate accounting of all security deposits and pet fees held at the time of execution of this Agreement. Owner further agrees that Agent shall have sole discretion over the refund or forfeiture of said funds, in accordance with lease and prevailing law.

TENANT: _____ UNIT: _____

SECURITY DEPOSIT: _____ PET FEE: _____

TENANT: _____ UNIT: _____

SECURITY DEPOSIT: _____ PET FEE: _____

Separate schedule to be attached for multi-unit Property with multiple security deposits or pet fees to be accounted for.

This Agreement shall be binding, in its entirety, in regard to all Properties named. Future security deposits and pet fees received shall be held by Agent without request of or authorization by Owner.

Owner _____ Date _____

Co-Owner _____ Date _____

INITIALS _____



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Direct Deposit Addendum
AUTHORIZATION AGREEMENT FOR AUTOMATED DEPOSITS
(ACH CREDITS)

Direct Deposit Addendum is hereby attached, referencing Owner's election of electronic deposit of proceeds for Properties referenced in this Agreement, and hereby incorporated as part of the Agreement dated this «Prep Date» day of «Prep Month» 2013 by and between Chattanooga Property Management (Agent) and «First Name» «Last Name» (Owner).

PROPERTY ADDRESS: «Address 1» CITY: «City 1», «State 1»

_____ No, I do not wish to participate in automated deposits at this time. Nominal fee applies for paper check processing.

_____ Yes, sign me up for direct deposit of proceeds.

I (we) hereby authorize **Chattanooga Property Management**, hereinafter called COMPANY, to initiate credit entries to my (our) _____ checking account OR _____ savings account (select one) indicated below and the depository named below, hereinafter called BANK, to credit the same to such account.

Bank Name: _____

Transit/ABA (Routing) #: _____ Account #: _____

This authority is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and BANK a reasonable opportunity to act on it.

Owner name (Primary): _____

Email address (for deposit notification): _____

Date: _____ Signature: _____

INITIALS _____



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Yard Care Addendum

Yard Care Addendum is hereby attached, referencing Owner's selection of exterior upkeep options for Property referenced in this Agreement, and hereby incorporated as part of the Agreement dated this «Prep Date» day of «Prep Month» 2013 by and between Chattanooga Property Management (Agent) and «First Name» «Last Name» (Owner).

PROPERTY ADDRESS: «Address 1» CITY: «City 1», «State 1»

Owner shall initial ONE of the following options. Choices not initialed shall not be a part of this Agreement. If no selection is made, Option 1 will be applied to the account by default.

 OPTION 1 – VACANCY, PER CUT FEE

For periods of vacancy, within lawn-care season, Agent shall make, or cause to be made, agreement for yard and lawn maintenance, until such time as Tenant assumes responsibility, unless otherwise directed by some other stipulation of this Agreement. The cost for this service shall be \$«Lawn Cut Cost» per cut, with three (3) monthly visits. Lawn care season is loosely defined as mid-March thru mid-November. Per Cut option does not include services for flowerbed maintenance, shrub or tree trimming, leaf, limb or pine straw removal, etc. It is strictly for mowing, weed-eating and blowing off the drive and walkways.

 OPTION 2 – ANNUAL CARE AGREEMENT

For multi-unit properties or single-family homes with professionally landscaped grounds, Agent shall make or cause to be made contract to have the yard, lawn, shrubs and flowerbed areas maintained on an ongoing basis, unless otherwise directed by some other stipulation of this Agreement. The cost for this service shall be \$«Yard » per month (weekly visits for twelve months). Additional services included with Annual Care option are: weed removal, pine straw removal, leaf removal, trash, limbs and other small debris removed, general upkeep of premises, weekly broad visual survey of property. Also, discounts are provided for the following services: mulching, seeding, small tree or shrub removal, gutter cleaning and pressure washing.

 OPTION 3 – NO LAWN OR GROUNDS CARE

For condos, some townhomes or other properties where grounds are cared for by the HOA or other entity, or for properties on which Owner has already entered into a grounds keeping agreement with another company, Agent shall refrain from implementing any yard care whatsoever. Owner shall provide the contact information for the party responsible for the grounds. Owner understands that any company or individual hired to maintain the grounds on a Tenant-occupied Property must be properly insured for property damage and liability. Agent shall be held harmless from any claims or suits arising out of the care of the grounds by anyone outside the control of Agent.

Owner _____ Date _____

Co-Owner _____ Date _____

INITIALS _____



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Agency Addendum (Owner/Landlord and Tenant)

CONFIRMATION OF AGENCY STATUS

Agency Exhibit is attached, in compliance with Tennessee Agency Disclosure requirements for specific Property referenced herein, and hereby incorporated as part of the Agreement dated this **«Prep Date»** day of **«Prep Month»** 2013 by and between Chattanooga Property Management (Agent) and **«First Name» «Last Name» (Owner)**.

This Exhibit sets forth the relationship of the Broker(s) to Owner/Landlord and Tenant for the lease, lease/option, or lease/purchase of real property located at:

PROPERTY ADDRESS: **«Address 1»** CITY: **«City 1»**, **«State 1»**

In this consumer's current or prospective transaction, Agent is serving as:

- Transaction Broker or Facilitator (not an agent for either party).
- Agent for the Landlord/Owner.
- Agent for the Tenant.
- Designated Agent for the Landlord/Owner.
- Designated Agent for the Tenant.
- Disclosed Dual Agent (for both parties), with the consent of both the Landlord/Owner and the Tenant in this transaction.

This form was delivered in writing, as prescribed by law, to any unrepresented **Tenant prior to the preparation of any lease or lease/purchase**, OR to any unrepresented Landlord/Owner **prior to presentation of a lease or lease/purchase**; OR (if the Licensee is listing a property without an agency agreement) **prior to execution of that listing agreement**. This document also serves as confirmation that the Licensee's Agency or Transaction Broker status was communicated orally before any real estate services were provided and also serves as a statement acknowledging that the Landlord/Owner or Tenant, as applicable, was informed that any complaints alleging a violation or violations of Tenn. Code Ann. § 62-13-312 must be filed within the applicable statute of limitations for such violation set out in Tenn. Code Ann. § 62-13-313(e) with the Tennessee Real Estate Commission, 710 James Robertson Parkway, 3rd Floor, Nashville, TN 37232, PH: (615) 741-2273. **This notice by itself, however, does not constitute an agency agreement or establish any agency relationship.**

By signing below, parties acknowledge receipt of confirmation of Agency relationship disclosure by Realtor® acting as Agent/Broker OR other status of Landlord/Owner and/or Tenant pursuant to the National Association of Realtors® Code of Ethics and Standards of Practice.

Owner _____ Date _____

Co-Owner _____ Date _____

Listing Agent _____ Date _____

Leasing Agent _____ Date _____

INITIALS _____



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Property Payments Addendum

Property Payments Addendum is hereby attached, referencing Owner's selection of payments to be made by Agent on behalf of Owner for Property referenced in this Agreement, and hereby incorporated as part of the Agreement dated this «Prep Date» day of «Prep Month» 2013 by and between Chattanooga Property Management (Agent) and «First Name» «Last Name» (Owner).

PROPERTY ADDRESS: «Address 1» CITY: «City 1», «State 1»

Owner hereby expressly authorizes Agent to deduct from Owner's funds amounts needed to pay the following expenses (in addition to any expenses shown in other sections of this Agreement, and collectively referred to as "Expenses"). Any items not selected shall not be the responsibility of Agent to pay. Additional reserve funds may be required.

- A. Owner shall be responsible for providing written authorization to the selected payees, advising that Agent shall be remitting payment.
- B. Statements, coupons, invoices, etc shall be mailed in care of Agent and to Agent's mailing address.
- C. Owner shall also provide payment remittance addresses, account numbers, monthly payment amounts and any other necessary information for Agent to make timely payments on Owner's behalf.
- D. Payments shall be mailed using USPS Priority Mail, with Delivery Confirmation.

OWNER SHALL SELECT ALL PAYMENTS TO BE REMITTED BY AGENT

- Mortgage payments Amount \$ _____ per _____
- Property taxes Amount \$ _____ per _____
- Property Insurance Amount \$ _____ per _____
- Association fees/dues Amount \$ _____ per _____
- _____ Amount \$ _____ per _____
- NONE

E. In order to ensure that payment will still be timely in the event of Tenant default or unexpected vacancy, Agent requires that additional reserve funds be paid into account for the following:

- Mortgage payments require additional reserve funds in an amount equal to one monthly payment, AND;
- Property tax payments require additional reserve funds in an amount equal to two months' payments, AND;
- Property insurance payments require additional reserve funds in an amount equal to two months' payments.

F. Agent shall not advance any funds for any payment at any time. Funds must be available for payments to be remitted timely.

Owner _____ Date _____

Co-Owner _____ Date _____

INITIALS _____



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Scheduled Condition Survey Addendum

Scheduled Condition Survey Addendum is hereby attached, for Property referenced in this Agreement, and hereby incorporated as part of the Agreement dated this «**Prep Date**» day of «**Prep Month**» 2013 by and between Chattanooga Property Management (Agent) and «**First Name**» «**Last Name**» (Owner).

PROPERTY ADDRESS: «**Address 1**» CITY: «**City 1**», «**State 1**»

- A. Scheduled Condition Surveys are conducted three times annually, on the 3rd, 6th and 9th monthly anniversary of Tenant's Lease Agreement.
- B. At each visit, HVAC filters and smoke detector batteries will be replaced as needed.
- C. No other maintenance or repairs will be performed at the time of survey.
- D. It shall be the responsibility of the Owner to advise Agent of any issues shown on the report that are to be addressed.
- E. Agent shall address any Tenant-caused issues directly with Tenant for resolution, and shall advise of same on report delivered to Owner.
- F. Should any condition be discovered that presents an immediate hazard or detriment to people or property, or is likely to cause injury or additional damage if not repaired, Agent will contact Owner immediately.
- G. Scheduled surveys are not conducted on vacant units.
- H. Currently, the cost for scheduled condition surveys is \$«**Insp**», per visit, subject to future revision, with written notice to Owner. FOR MULTI-UNIT BUILDINGS: Cost shall be reduced by \$15 for each vacant unit not inspected.

Owner elects to have Scheduled Condition Surveys completed as outlined, and agrees to be responsible for the quoted fee shown herein or on any future amendment of same. Make selection below:

>>> Initial ONLY ONE>>>> YES (survey) _____ or NO (do not survey) _____

Owner _____ Date _____

Co-Owner _____ Date _____

INITIALS _____



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Schedule of Fees Addendum

Schedule of Fees Addendum is hereby attached, for Property referenced in this Agreement, and hereby incorporated as part of the Agreement dated this **«Prep Date»** day of **«Prep Month»** 2013 by and between Chattanooga Property Management (Agent) and **«First Name» «Last Name»** (Owner).

PROPERTY ADDRESS: **«Address 1»** CITY: **«City 1», «State 1»**

The fees shown below are relative to the management of the Property referenced herein. Not all properties or situations are relevant to all of the fees shown within this addendum. This is provided as a disclosure of fees or charges that Owner may find on periodic monthly statements.

ROUTINE PROPERTY MANAGEMENT

- A. Management fee: the greater of **«Mgmt_Fee»**% of gross monthly rents collected or **\$40** per month
- B. Lease procurement fee, per executed lease:
\$300 for a 6-12 mo lease OR **\$400** for a >12 mo lease OR **\$200** for a <6 mo lease
Tenants that do not remain in the Property for the entire term of the lease shall entitle Owner to a prorated credit of **7%** of procurement fee for each unoccupied month, applied toward subsequent procurement fee.
- C. Lease renewal fee of **\$100**, includes an Interior Condition Survey with written report to Owner.
- D. Coordination fee per connect/disconnect per utility – **\$10**
- E. Printed funds disbursement check mailed to Owner – **\$10** per check issued
- F. Funds disbursed prior to 20th of month – **\$10** per disbursement; subject to bank clearance of rent payments

INCIDENTAL OR OCCASIONAL FEES

- A. FedEx Standard Overnight unless the urgency of delivery is directly attributable Agent – **\$35**
- B. Stop payment fee on any check that Owner requests be replaced or reprinted – **\$35**
- C. Researching records or replacing statements that are more than two years in the past – **\$25** per hour
- D. Escrow agent fee with respect to the security deposit held until tenant vacates – **\$25** per month
- E. Service charge for outstanding Owner balance – **\$50** per month
- F. Coordinating or supervising modernization, rehabilitation, renovation, fire or major damage restorations – **10%** oversight and supervisory fee added to gross invoices for said contracted services
- G. Attending homeowner's association meetings – **\$50** each
- H. To file, prosecute and finalize a detainer action – **\$380** for first defendant, **\$75** each additional
- I. Necessary court appearances relative to detainer action – **\$25** per hour
- J. Owner termination fee – **\$100**, in addition to any other fees due under other provision of this Agreement
- K. Obtaining or preparing sales comps or sales market analysis – **\$50**; refunded upon sale of property if Owner selects Agent to list Property for sale
- L. Property sales – 5% of sales price OR if buyer is unrepresented; 3% if buyer is existing Tenant
- M. Obtaining income tax, accounting or legal advice – **\$50** per hour, **plus** actual cost for professional services
- N. Providing on-site management services – **\$200** per month, **plus** actual payroll costs for employee
- O. Visit fee for property listed with outside agency or brokerage – **\$35** per visit
- P. Cooperative commission to third party real estate professional resulting from Property listed in MLS. This shall be in addition to the Lease Procurement Fee stipulated elsewhere in this Agreement.
Percentage of one months' rent based on number of days listed:
1-30 days – **50%** OR 31-60 days – **75%** OR 61+ days – **100%**

Owner _____ Date _____

Co-Owner _____ Date _____

INITIALS _____



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Form **W-9**

Request for Taxpayer Identification Number and Certification

Completed form should be given to the requesting department or the department you are currently doing business with.

Name (List legal name, if joint names, list first & circle the name of the person whose TIN you enter in Part I

Business name, if different from above.

Check the appropriate box: Individual/Sole proprietor Corporation Partnership Other

Legal Address: number, street, and apt. or suite no.

City, state and ZIP code

Phone #

Fax #

Email address:

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN).

For other entities, it is your employer identification number (EIN).

Note: If the account is in more than one name, select one name and enter the number for that name.

Social security number

OR
Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number, **and**
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Services (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, **and**
3. I am an U.S. person (including an U.S. resident alien).

Certification instructions: You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

Sign Here

Authorized Signature

Date

INITIALS _____