



RESIDENTIAL MANAGEMENT AGREEMENT

This Agreement is made by and between _____ hereinafter referred to as Agent and, _____ hereinafter referred to as Owner to secure the services of the Agent in the management of real property hereinafter referred to as the Premises, for a period beginning on ____ / ____ /2018 and shall be for an Initial term of thirty (30) days plus days to the end of the month (terms ends on the last day of the month) and shall renew in thirty (30) day increments automatically unless thirty (30) days' notice is given prior to any expiration date of intent to terminate Agreement by either party and subject to paragraph 3. This Agreement shall be binding when it has been signed and dated by Owner and Agent and subject to the following terms and conditions.

Addresses of Premises:

1. APPOINTMENT AND AUTHORITY OF AGENT:

- a) Owner hereby appoints Agent as the sole and exclusive Agent to rent, lease, manage, collect and receipt for rents and operate the Premises. The Owner, however, retains the right to make management decisions concerning establishing parameters for new tenants, rental terms, and capital or repair expenditures as described in paragraph 4, and must advise Agent of these terms at onset of the Agreement. Agent is authorized to negotiate, prepare, and execute all leases, including renewals and extensions of leases, and to cancel and modify existing leases, utilizing Agent forms and Agreements exclusively. Owner agrees to all terms and provisions within Agent forms and Agreements pertaining to tenants and prospective tenants, and Agent may be referred to as "Landlord," "Management," and/or "Agent for Owner."
- b) During the term of this Agreement, Owner shall not authorize any other persons to negotiate or act as rental agent with respect to any leases for the Premises. Owner, or any third party acting on Owner's behalf shall not have any contact whatsoever with any tenant, nor shall Owner visit the Premises unannounced or without proper notice given to tenant by Agent.
- c) Agent and Owner agree to follow all Federal and Local Fair Housing Laws.
- d) It is agreed that Agent is entitled to compensation as provided herein in connection with any lease that may be executed during the term of this Agreement, even if said lease was negotiated by the Owner or any other party. Agent shall be paid compensation at the rate as provided herein in connection with any lease which is being negotiated at the time of termination of this Agreement if the tenant was introduced to the Premises by Agent.
- e) Owner warrants that Owner is the sole Owner of the Premises, or has unconditional authority to execute this Agreement on behalf of any Co-Owner and that the Premises are not subject to current legal action or foreclosure. Any individual Owner shall have authority to hereafter take action and enter into further agreements with Agent on behalf of all Co-Owners.
- f) Agent is authorized to place a lock box on the Premises when vacant.
- g) Agent is not responsible for damage that occurs at the Premises while vacant.
- h) Owners of new accounts or in any circumstance where the Premises is Tenant occupied, agree to provide an accounting of all security deposits, and to supply Agent with matching funds prior to the execution of this Agreement.

2. RENTAL TERMS:

- a) The rent is to be agreed upon in writing or via e-mail. Rent may be further adjusted with permission of the Owner.
- b) Availability of rental shall be for a minimum term of one (1) year, unless otherwise approved by the Owner.
- c) Security Deposit: With respect to any security deposit to be paid by tenant pursuant to the Lease of Premises, Owner authorizes Agent to hold such deposit in Agent's Trust account and all interest earned on said account is the property of the Agent with proper notification to the Tenant.

3. TERMS:

- a) In the event that the premises are rented or leased through the agent and the lease term runs longer than the terms of the agreement, agents shall continue to be compensated as stated in paragraph 6.

- b) In the event that the Premises is not rented or leased within sixty (60) days of the date of this Agreement, or remains vacant without being subject to a lease for any sixty (60) day period, either party may terminate this Agreement upon written notice to the other party of such intention to terminate, provided that such written notice is delivered to the other party **prior** to the rental or lease of the Premises through the efforts of Agent. If the Premises contain multiple rental units, the termination provisions of this section will only apply if all units were not rented or leased within sixty (60) days of the date of this Agreement, or all units remained vacant for any sixty (60) day period. Termination of this Agreement shall not adversely affect the rights of tenants under existing leases.
- c) If the agreement is terminated prior to a lease being signed, the Owner shall compensate the agent \$500.00 plus any out of pocket expenses incurred while attempting to rent premises, including but not limited to re-keying, and utilities.
- d) In the event of termination by the Owner, or expiration of this agreement, agent shall receive the balance of any management fees due under existing leases.

4. SPECIFIC AUTHORITY FOR REPAIR AND ALTERATIONS:

- a) In the event that Owner's Premises is covered under warranty, Owner agrees at the onset of this Agreement to supply Owner's with all such warranties, including but not limited to any and all warranties for appliances; major equipment such as heating, air, electrical, and plumbing; structural integrity, etc.
Agent agrees to first attempt coordinating necessary repairs through such applicable warranties and related vendors or contractors, only if the tenant's repair request is not an emergency or if the Agent does not feel it is in the best interest of the Premises and Owner.
- b) When an item, circumstance, or needed repair is not covered by an above mentioned warranty, or if Owner does not provide any and all applicable warranties at the onset of this Agreement, or if Agent does not receive a timely response after first attempt from the applicable warranty process and/or the related vendors/contractors, or tenant's repairs request is an emergency, or the Agent feels immediate action is needed to mitigate further damage to Premises, Owner hereby gives Agent the following authority and powers and agrees to pay promptly on demand all legitimate expenses in connection with the following: purchase necessary supplies; to contract for such utility services as Agent may deem advisable; to make Owner authorized alterations and decorations; to make necessary repairs to the Premises without the express written consent of Owner, limited to \$350.00 per incident, except that in the case of an emergency, Agent may, without prior approval, make whatever expenditures on behalf of Owner that are reasonably necessary to preserve the Premises or prevent further damage from occurring. In addition to other authority of Agent, Agent may pay or incur without limitation on behalf of Owner monthly or recurring operating charges and/or emergency repair, if, in the reasonable opinion of the Agent, such repairs are necessary to protect the Premises from damage or maintain services to the tenants as called for in state law or Rental Agreement. Specifically, the agent shall have the consent of the Owner to replace a water heater or any other items deemed an emergency if those items require repair. Those items are not to be limited by other Owner repair restrictions in this paragraph. Agent is authorized on behalf of Owner to hire, discharge, supervise and pay any employees or contractors for work performed. All providers of services shall be deemed to be acting on behalf of the Owner and not the Agent. Agent will not be liable to the Owner or others for any act, default or negligence on the part of such persons, contractors or other workmen, providing Agent has taken reasonable care in engaging them or their employees.
- c) Anytime an Owner wishes to do his own make ready, the Agent will not market the property until it has passed the Agents make ready inspection. The first make ready inspection and list of what needs to be done comes at no charge to the Owner. The re-inspection is also at no charge providing that everything is completed satisfactory. In the event that the make ready is not complete and subsequent make ready inspections are required, there will be a \$50.00 charge for each additional inspection. The property will be put on the market when it has passed the make ready criteria. If the Agent is responsible for the make ready, the Agent will put the property on the market as soon as it receives the funds to do the make ready and not wait until they are completed.
- d) Owner and Agent agree that any such charges related to tenant negligence or any act thereof will be paid by the Owner initially and then charged-back to Tenant.
- e) Owner authorizes Agent to contract for services to include but not limited to, water, sewer, garbage, gas, electric, irrigation, yard care/grounds keeping, and maintenance agreements. Owner agrees to assume the obligation of any contract entered.
- f) **SUPERVISION OF RESTORATION/IMPROVEMENTS:** Agent shall be paid a 10% third party contractors fee of the cost of any and all construction, repairs, and capital improvements made to the Premises during the term of this Agreement in excess of \$350.00.
- g) Owner agrees that upon authorization of repairs, or in the event of emergency repairs of an amount more than the net rent proceeds for one month the Owner shall provide funds to the Agent immediately.

- h) **SMOKE ALARMS:** Premises is to having working hard wired or 10 year lithium battery smoke alarms properly, Carbon Monoxide located in each location as required by the International Housing Code and a fire extinguisher in each unit. Owner authorizes Agent to install/replace as necessary.
- i) Owner agrees that Agent shall have full authority to perform or to cause to be performed such maintenance of the property as is reasonable and necessary for the safety of the tenants and the preservation of the property.
- j) Owner agrees that Agent may, at his sole discretion, install new dead-bolt locks and passage knobs on all exterior doors on the property at Owner's expense.
- k) Owner agrees that Agent may, at his sole discretion, inspect the property to determine what maintenance needs to be performed to the property.
- l) **GUTTERS:** Are to be cleaned twice per year at the expense of the Owner.
- m) In the event of Agent's termination, should there be any outstanding and unpaid obligations, debts, or charges due Agent, any amounts on account or received by Agent on account or otherwise due Owner shall be applied first to satisfy those obligations and then disbursed to Owner. Owner waives all protest and defenses against Agent for such lawful disbursements. Agent's lien rights against the subject property shall not be waived by this provision. Agent shall retain a reserve based on the number of properties managed by Agent.

Reserve schedule:

Number of Properties	Amount for each property
1	\$300.00
2-3	\$250.00
4-5	\$200.00
6-7	\$150.00
8-9	\$100.00
10-up	\$00.00

5. AGENT'S RESPONSIBILITIES:

In addition to the foregoing, the Agent will perform the following functions on Owner's behalf:

- a) **ADVERTISING FOR TENANT:** Agent shall advertise for Tenant in accordance with Agent's marketing plan. Owner may advertise at Owner's expense or instruct Agent to advertise in a certain publication with actual expenses of said advertising being the Owner's responsibility.
- b) **SCREEN APPLICANTS/TENANTS:** Agent shall screen all applicants/prospective tenants that are 18 years of age or older by obtaining a **credit report, criminal background report, current landlord references, and verification of employment and income**. Dependent children over 18 will be screened if their income is to be used to pay rent. Agent is not liable for information unavailable at the time of leasing or a change in the tenant's status during the lease. Owner understands and agrees that any private information of the tenant shall remain with the Agent and shall not be disclosed to the Owner.
- c) **SECURITY DEPOSIT:** Collect and place into escrow accounts, as required by law, security deposits under any lease. Agent is authorized to disburse the security deposit at such times and to such persons as Agent shall in good faith believe to be entitled to such funds in accordance with the Michigan laws governing security deposits. Any interest earned on said deposits, shall, with tenant's permission, belong to Agent. No fees or rents may be deducted from any tenant security deposit until the termination of the tenancy.
- d) **COLLECTION:** Make reasonable efforts to collect all the rents and other fees due from tenants when such amounts become due, and deposit same into an agency account maintained on behalf of the Owner, but Agent does not guarantee the payment of any tenant's rent, late fees, charge-backs, etc.
- e) **DISBURSEMENT OF BALANCE OF RENT:** Withdraw from such account all funds needed for proper disbursements for expenses payable by the Owner including without limitation, Agent's compensation. Agent shall remit balance of rent to Owner at Owner's address set forth in Paragraph 9 on or before the 10th of the following month.
- f) **NEGOTIATE PARTIAL REFUNDS WITH TENANTS:** If, in Agent's reasonable opinion, the Tenant's use and enjoyment of the Premises has been or will be materially and adversely affected as a result of a defect in the condition of the Premises (such as a repair to the electrical, plumbing, sanitary, heating or ventilating facilities or a major appliance that cannot be made reasonably and promptly due to the Owner).
- g) **INSTITUTE THIRD PARTY COLLECTION EFFORTS:** Should a tenant move out with an outstanding balance. Agent shall be paid 10.00% of any such collections received after any applicable third party collection fees are deducted.

Collection efforts shall survive this term or expiration of this Agreement. Owner may not accept any payment from Tenant for any outstanding balance due. Should Owner ask Agent to collect for monies owed to Owner prior to the date of this agreement, Agent shall be paid 30% of any such collections received after any applicable third party collection fees are deducted.

- h) **INSPECTIONS:** Agent shall conduct inspections in accordance with Paragraph 6-g and shall provide Owner with written documentation of said inspections.

Normal property management services DO NOT include the following:

- a) Showing Premises to real estate agents, inspectors, appraisers, or prospective buyers while Premises is rented or for sale.
- b) Representation at court hearings and dispositions (other than for collection purposes), homeowner meetings, providing on-site management, refinancing, preparing Premises for sale or refinancing; supervising and coordinating modernizations, rehabilitations, fire or major damage restoration projects; obtaining income tax accounting or legal advice; advising on proposed new construction, assessment appeals, and counseling.
- c) Removing Owner or other management company placed Tenants through eviction or other means.
- d) Should Owner request Agent to perform services not included in normal property management, a fee based at \$35.00 per hour, with a 1 hour minimum, may be assessed at Agent's discretion.

6. AGENT'S COMPENSATION:

- a) **FOR MANAGEMENT:** A Monthly fee equal to 10.00% of gross rents collected per unit. There is no management fee charged while the Premises are vacant. The monthly fee includes collecting the rent; enforcing timely payments; managing non-payments; issuing and collecting late fees; disbursing proceeds to Owner along with a detailed statement showing month-to-date accounting; providing all tenants with emergency service for any and all emergencies and dispatching maintenance personnel; and receiving and managing all tenant issues, complaints, problems, etc.
- b) **FOR LEASING:** A one-time fee equal to 60% of one full month's rent for each new tenant's leases shall be paid to Agent, but shall not be payable in connection with tenant renewals. The leasing fee shall be deducted from the Owner's first rental proceeds disbursement and is non-refundable. This fee is for advertising the Premises, coordinating showing the Premises to prospective tenants, processing tenant applications, screening tenants, drafting tenant leases, assisting tenants with moving into and or out of the Premises. The exception to this paragraph: This fee shall not be charged to a new tenant if a new tenant moves into the Premises within the term of a current lease.
- c) **LEASE RENEWAL:** An administration fee of 20% of one full month's rent will be charged for all lease renewals.
- d) **LATE FEES:** Agent shall retain all late fees collected from tenant in accordance with the lease shall be paid to the Agent.
- e) **CHARGES TO TENANTS:** Returned check charges and associated late fees, administrative fees charged to tenants, and application fees paid by tenants under any lease are the property of Agent to offset expenses in enforcing the respective provisions.
- f) **SALE TO TENANT:** If a sale or exchange of the Premises to the Tenant, or to anyone acting for or on behalf of a tenant or to any member of a tenant's immediate family is contracted for or effected during the term of this agreement or within 2 months of its termination, The Agent will be paid by the Owner promptly a commission of 2.5% of the sales price. Should a co-op Agent represent the Tenant in a sale, each Agent shall be paid 2.5% of the sales price for a total commission of 5.0%.
- g) **INSPECTIONS:** Agent shall enforce tenant's lease provisions by viewing the interior and exterior of the Premises at 120 days after move in, annually or at Agent discretion. During each review, Agent shall enforce the specific terms of Tenant's lease and assess overall cleanliness and condition of the Premises. Agent is not a licensed home inspector.

7. INDEMNIFICATION OWNER AGREES:

- a) To indemnify, defend and save the Agent harmless from all loss, expense, damage, claim suits and costs whatsoever (including without limit attorney's fees and expenses) incurred and arising from performance or attempted performance by Agent of its duties and powers hereunder whether for personal injury and/or Premises damage suffered by any person whomsoever on or about the Premises or otherwise, and
- b) To carry at Owner's expense liability insurance of at least \$1,000,000 to protect the interest of the parties hereto. Policies shall be so written as to protect the Agent in the same manner and to the same extent as they protect the

Owner, and will name the Agent as an “interested party” of the policy. Owner shall provide a copy of said insurance policy to the Agent and upon renewal. The Agent shall not be 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 gross negligence.

- c) The Agent shall not be responsible for any damages to the Premises, under any circumstances, by the Tenant or others. Agent assumes no liability for monies that are uncollectible. Agent assumes no responsibility or management of personal property left by Owner at Premises. Owner is solely responsible for payment of any fines from government authorities, code enforcement, homeowners associations, etc. related to said Premises. Such fines or charges incurred from proven tenant negligence will be paid by the Owner and then charged back to the Tenant only if Owner provides Agent with a copy of warning notice(s) and fine notice(s) within 48 hours of receipt of all such notices.
- d) If at any time during or after the term of this Agreement, the Premises are found to be contaminated with hazardous waste or materials, Owner agrees to indemnify and hold Agent harmless from all claims, demands, actions, liabilities, cost expenses, damages and obligations of any nature arising from or as a result of said hazardous material. The foregoing indemnification shall survive the termination or expiration of this Agreement.
- e) Tenant is responsible for all utilities to be placed in tenant’s name upon move-in or reasonably soon thereafter. Should tenant neglect this obligation, Owner assumes responsibility for any bill in full but Agent shall charge-back to tenant, upon receipt of utility bill from Owner, any applicable utility charges incurred by Owner after tenant move-in.

8. LEGAL PROCEEDINGS:

Agent is empowered to sign and/or cancel leases on Owner’s behalf, to enforce the provisions of same, to institute legal action or other proper proceedings to collect rents and other sums due, and when expedient, to settle, compromise and release such actions and suits, and to dispossess tenants, and other persons, including without limit, institution of eviction proceedings in the name of and on behalf of Owner. Agent is not responsible for defending Owner against any claim brought in a proceeding or court action.

9. COMMUNICATIONS/NOTICE:

Owner agrees to receive any and all communications from Agent at the Electronic Mail, mailing address, phone and fax numbers and the email address below. Any notice required or permitted to be given pursuant to the provisions of this Agreement by either party shall be deemed given (1) when delivered personally, or (2) on the date such notice is deposited in the United States Mail, or (3) sent via Electronic Mail, at following addresses:

Agent shall disburse all proceeds to the following address

NAME: _____	E-MAIL: _____
ADDRESS: _____	CITY/ST/ZIP: _____
SSN/TIN#: _____	DATE of birth: _____
PHONENUMBER: _____	PHONE NUMBER: _____

Owner EMERGENCY CONTACTS (someone that does not live with you but would be able to contact you if you were unavailable) _____

10. OWNER REPRESENTATIONS AND WARRANTIES:

- a) Owner represents and warrants to the Agent that, to the best of Owner’s knowledge, the Premises are free of hazardous and/or toxic wastes and/or substances (as such terms are defined under applicable federal and state laws); that the Premises are fit for human habitation; that there are no hidden or latent defects or conditions on or affecting the Premises other than, that the Premises are not the subject of any order to repair or to demolish or other order of any governmental authority; that the Premises comply with all currently applicable laws, statutes and governmental rules and regulations; that the Owner will, at all times during the term of this Agreement, fully and promptly comply with the lawful requirements of all applicable governmental authorities.

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