

PROPERTY MANAGEMENT AGREEMENT

Background

- A. This is an agreement ('The Agreement') to appoint an agent to manage property according to the terms set out below.
- B. The Owner, the Property Manager and the Premises are as set out in Schedule 1 of this Agreement.
- C. Collectively, the Owner and the Property Manager will be referred to as 'The Parties'.
- D. The Date of the Agreement is set out in Schedule 1 of this Agreement.

IN CONSIDERATION OF the Owner appointing the Property Manager to manage the Premises, both parties agree to keep, perform and fulfil the following promises, conditions and agreements:

Appointment of Agent

1. The Owner hereby appoints and grants the Property Manager the exclusive right to rent, lease, operate and manage the Premises.

Term

2. This Agreement shall run from the Property Management Start Date to the Property Management End Date. Both dates are set out in Schedule 1.
3. By agreement of the Parties prior to the Property Management End Date and subject to the remainder of this Agreement, the Property Management End Date may be amended to a new date appointed by the Parties.
4. If the Property Management End Date is reached with no amendment, the Agreement will terminate.

No Right to Terminate before Term Over

5. During the Term of this Agreement, neither Party may terminate this Agreement and both Parties must satisfy the terms and conditions of this Agreement until the expiration of the Term.

Leasing

6. The Owner hereby grants the Property Manager power to create rental agreements related to the Premises.
7. The permitted rental agreements are specified in Schedule 1 to this Agreement.

Rental Amount

8. The Owner hereby grants the Property Manager power to create rental agreements related to the Premises.
9. Unless the Owner gives express written permission to the contrary, all rental agreements created by the Property Manager under clause 8 of this Agreement must be for market rent.

Security Deposits

10. The Owner hereby grants the Property Manager power to collect security deposits from the tenants on the Property. Returning said security deposit shall be the responsibility of the Property Manager for returning to vacating tenants.

Distribution to Owner

11. The Parties agree that the Property Manager shall make the following distributions to the Owner with each payment made by a tenant of the Premises on a timely basis: Any unpaid amount from the Agent to the Owner shall be held by the Agent and designated for other fees, expenses, distributions, or other items related to the Property. Any such remaining amounts shall be distributed to the Owner upon the termination of this Agreement.

Property Manager's Compensation

12. The Owner agrees to pay the Property Manager the Property Management Fees itemised in Schedule 1 for the services provided.

Sale of the Premises

13. In the event the Premises is marketed to be sold by the Owner during the Term of this Agreement, the Property Manager shall derive no rights to sell the Premises under any circumstance, terms or conditions of this Agreement.
14. The Owner may, at their sole discretion, invite the Property Manager to negotiate a further agreement to manage such a sale of the Premises.

Key Safe/Lockbox

15. The Property Manager shall not install or cause to be installed a key-safe/lockbox to allow entry into any part or parts of the Premises without the Owner's express written consent.

Repairs/ Maintenance

16. The Owner hereby gives power to the Property Manager to supervise repairs, improvements, alterations, and decorations to the Property as well as purchase and pay bills for services and supplies. The Property Manager shall obtain prior approval of the Owner for all expenditures over \$100 USD for any single item ('the Maximum Discretionary Spend').
17. The Owner may, from time to time, notify the Property Manager, in writing, of a change to the Maximum Discretionary Spend.
18. Prior approval for lesser amounts than the Maximum Discretionary Spend shall not be required for monthly or recurring operating charges or if emergency expenditures over the maximum are, in the Property Manager's opinion, needed to protect the Premises from damage, prevent injury to persons, avoid suspension of necessary services, avoid penalties or fines, or suspension of services to tenants required by a lease or rental agreement or by law, including, but not limited to, maintaining the Premises in a condition fit for human habitation as required by applicable law.

Lead Based Paint

19. The Owner shall be responsible for providing information about the Premises in regard to lead-based paint. It is understood that in accordance with 42 U.S. Code § 4852d that all occupants of residential property must be made aware of the existence of lead-based paint in residential dwellings built prior to January 1, 1978.

Financial Statements to Owner

20. The Property Manager shall render statements of receipts, expenses, and other charges for the Premises as requested by the Owner with no more than one (1) statement per month.

Other Compensation

21. Unless otherwise stated, this Agreement does not include the Property Manager's service of preparing the Premises for sale or refinance, modernization, fire or major damage restoration, rehabilitation, financial accounting or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, attending any Association or Condominium meetings, and any other obligation not listed as a Service. If the Owner requests the Property Manager to perform services not included in this Agreement, a fee shall be agreed upon before such services are performed.

Equal Housing Opportunity

22. The Premises is offered in compliance with Federal, State, and local anti-discrimination laws.

Responsibilities of the Owner

23. The Owner agrees to:
- a. Provide all documentation, records, and disclosures as required by law or required by the Property Manager to manage and operate the Premises, and immediately notify the Property Manager if the Owner becomes aware of any change in such documentation, records or disclosures, or any matter affecting the habitability of the Premises;
 - b. Indemnify, defend, and hold harmless the Property Manager, and all persons in the Property Manager's firm, regardless of responsibility, from all costs, expenses suits, liabilities, damages, attorneys fees, and claims of every type, including, but not limited to, those arising out of injury or death of any person, or damage to any real or personal property of any person, including the Owner, for: (1) Any repairs performed by the Owner or by others hired directly by the Owner; or (2) Those relating to the management, leasing, rental, security deposit, or operation of the Premises by the Property Manager, or any person in the Property Manager's firm, or the performance or exercise of any of the duties, powers, or authorities granted to the Property Manager. This sub-clause, and all rights to the Property Manager's indemnification, shall be considered void if the Property Manager exemplifies any wilful acts of gross negligence.
 - c. Maintain the Premises in a condition fit for human habitation as required by applicable Federal, State and local laws;
 - d. Pay all interest on Tenants' security deposits if required by applicable laws;
 - e. Carry and pay for:
 - i. Public and premises liability insurance in an amount of no less than one million dollars (\$1,000,000.00); and
 - ii. Property damage and worker's compensation insurance adequate to protect the interests of the Owner and the Property Manager. The Property Manager shall be, and the Owner authorizes the Property Manager to be, named as an additional insured party on the Owner's policies; and
 - f. Pay any late charges, penalties and/or interest imposed by lenders or other parties for failure to make payment only if the failure is due to insufficient funds in the Property Manager's trust account available for such payment. In addition, the Owner agrees to

replace any funds required if there are insufficient funds in the Property Manager's trust account to cover such responsibilities of the Owner.

Representations of the Owner

24. The Owner represents, unless otherwise specified in writing, to be unaware of the following:
 - a. Any recorded Notice of Default affecting the Premises;
 - b. Any delinquent amounts due under any loan secured by the Owner or other obligations affecting the Premises;
 - c. Any bankruptcy, insolvency, or similar proceeding affecting the Premises;
 - d. Any litigation, arbitration, administrative action, government investigation, or other pending or threatened action that does or may affect the Premises or Owner's ability to lease the Property or transfer possession of ownership; and
 - e. Any current, pending, or proposed special assessments affecting the Premises.
25. The Owner shall promptly notify the Property Manager in writing if the Owner becomes aware of any of the aforementioned items in Clause 24 during the Term of this Agreement.

Tax Withholding

26. The Owner shall be responsible for all tax withholding and payments of revenues and incomes to local, State, and Federal authorities.

Accordance with Federal and State Law

27. All services provided by the Property Manager shall comply with federal, State, or local law requiring the delivery of agreements, reports, notices, and/or the posting of signage or notices.

Evictions

28. The Owner hereby gives power to the Property Manager to sign and serve notices on the Owner's behalf and prosecute actions to evict tenants; recover possession of the Premises; recover rents and other sums due; and, when expedient, settle, compromise and release claims, actions, and suits and/or reinstate tenancies.

Lease Alterations

29. The Owner hereby gives power to the Property Manager to initiate, sign, renew, modify, or cancel rental agreements and leases for the Premises, or any part thereof and collect and give receipts for rents, other fees, charges, and security deposits.

Due Diligence

30. The Property Manager accepts the appointment of the Owner and agrees to use due diligence in the performance of this Agreement while furnishing their services to properly lease, maintain, and continue the operation and management of the Premises.

Trust Funds

31. The Owner hereby gives power to the Property Manager to deposit all receipts collected for the Owner, less any sums properly deducted or disbursed, in a financial institution whose deposits are insured by an agency of the United States government. The funds shall be held in a trust account separate from the Property Manager's personal accounts. The Property Manager shall

not be liable in the event of a bankruptcy or failure of a financial institution. All funds managed under this section must be done so in accordance with applicable law.

Advertising

32. The Owner grants the Property Manager the right to display "For Rent / Lease" and similar signage on the Premises and advertise the availability of space through publications and online marketing methods.

Hiring Contractors

33. The Owner hereby gives power to the Property Manager to contract, hire, supervise and/or discharge firms and persons, including utilities, required for the operation and maintenance of the Premises. The Property Manager may perform any of the Property Manager's duties through attorneys, agents, employees, or independent contractors and, except for persons working in the Property Manager's firm, shall not be responsible for their acts, omissions, defaults, negligence and/or costs of same.

Expense Payments

34. The Owner hereby gives power to the Property Manager to pay expenses and costs for the Premises from the Owner's funds held by the Property Manager, unless otherwise directed by the Owner. The expenses and costs may include, but are not limited to, property management compensation, fees and charges, expenses for goods and services, property taxes and other taxes, association or condominium dues, assessments, loan payments, and insurance premiums.

Tenant Fees

35. Owner agrees that the Property Manager may receive and keep fees and charges from tenants for:
- a. Requesting an assignment of lease or sublease of the Premises;
 - b. Processing rental applications for credit and background checks;
 - c. Returned (NSF) checks;
 - d. Late payments; and
 - e. Any other services that are not in conflict with this Agreement.

Agency Relationships

36. If permitted by applicable law, the Owner hereby consents to the Property Manager acting as a dual agent for the Owner and any tenant(s) or buyer(s) resulting in a real estate transaction. The Owner understands that the Property Manager may have or obtain property management agreements on other properties and that potential tenants may consider, make offers on, or lease through the Property Manager property the same as or similar to the Premises. The Owner consents to the Property Manager's representation of the other owners' properties before, during, and after the expiration of this Agreement.

Notices

37. Any written notice to the Owner or the Property Manager required under this Agreement shall be served by sending such notice by Certified Mail with return receipt. Such notice shall be sent to the respective address in Schedule 1 of this Agreement.

Arbitration

38. All disputes arising under this agreement shall be governed by and interpreted in accordance with the Governing Law, without regard to principles of conflict of laws. The Parties to this agreement will submit all disputes arising under this agreement to arbitration before a single arbitrator of the American Arbitration Association (“AAA”). The arbitrator shall be selected by application of the rules of the AAA, or by mutual agreement of the Parties, except that such arbitrator shall be an attorney admitted to practice under the State of Governing Law. No Party to this agreement will challenge the jurisdiction or venue provisions as provided in this section. Nothing contained herein shall prevent the Party from obtaining an injunction.
39. The following matters shall be excluded from arbitration hereunder:
- a. A judicial or non-judicial foreclosure or other action proceeding to enforce a deed of trust or mortgage;
 - b. An unlawful detainer action;
 - c. The filing or enforcement of a mechanic’s lien;
 - d. Any matter that is within the jurisdiction of a court of probate, small claims, and/or bankruptcy; and
 - e. Any other matter that cannot be arbitrated under Federal, State or local law.
40. The filing of a court action to enable the recording of a notice of pending action for an order of attachment, receivership, injunction, or other provisional remedies shall not constitute a waiver of Clauses 38 and 39.

Attorney Fees

41. In any action, proceeding, or arbitration between the Parties regarding the obligation to pay compensation under this Agreement, the prevailing Party shall be entitled to reasonable attorneys’ fees and costs from the non-prevailing Party.

Governing Law

42. This Agreement shall be governed by the law of the State of Jurisdiction set out in Schedule 1.
43. If there is uncertainty as to the State of Jurisdiction, the Governing Law will be that of the State in which the Premises stand.

Additional Terms and Conditions

44. The Additional Terms and Conditions set out in Schedule 1 will be incorporated into this Agreement.

Entire Agreement

45. This Agreement contains all the terms agreed to by the Parties relating to its subject matter including any attachments or addendums. This Agreement replaces all previous discussions, understandings, and oral agreements. The Owner and Property Manager agree to the terms and conditions and shall be bound until the end of the Term.

Schedule 1

Agreement Date	
Address of Premises	
Owner Name	
Owner Address	
Owner Phone No.	
Owner Email	
Property Manager Name	
Property Manager Address	
Property Manager Phone No.	
Property Manager Email	
Property Management Start Date	
Property Management End Date	
Permitted Rental Agreements *1	

Itemised Fees *2	Management Fee New Lease Fee Renewal of Lease Fee Eviction Fee Preparing the Property for Leasing Fee Other Fees (Specify)
State of Jurisdiction	
Additional Terms and Conditions *3	

NOTES

*1 Permitted rental agreements could include: Fixed- Term arrangements not exceeding a specified number of months, month to month rental arrangements in accordance with the Governing Law, vacation rentals or other rental periods.

*2 Property Management Fees could be for: Management Fee, New Lease, Renewal of Lease, Eviction Fee, Preparing the Property for Leasing, Other.

*3 If there is not enough space to fit in all that you want to say, attach the additional terms and conditions to the contract and label them Exhibit A. Write 'Attached as Exhibit A' into the 'Additional Terms and Conditions' box.

IN WITNESS WHEREOF the Parties have duly affixed their signatures under hand and seal on the Agreement Date as specified in Schedule 1.

Owner (or on their behalf)

Property Manager (or on their behalf)

Witness

Witness