

RENEW Real Estate Services

203 Point East Drive • Nashville, TN 37216
(615) 800-8490



1. PROPERTY MANAGEMENT AGREEMENT - Parties & Terms

1.1 PARTIES

In consideration of the covenants herein contained, <<Owner Name(s)>>, hereinafter referred to as "Owner," and Renew Real Estate Services, LLC, hereinafter called "Agency," agree as follows:

1.2 EXCLUSIVITY

The Owner hereby employs the Agency exclusively to rent, lease, operate, and manage the property(s) known as: <<Property Address>>

Additional properties placed under management after the establishment of this agreement will be considered a part of the agreement and subject to the same terms established here within.

1.3 RENEWAL TERMS

This Agreement shall be effective as of <<Management Start Date>> and continue for a term of one year.

This Agreement shall renew annually and automatically on the anniversary of the effective date above at midnight unless terminated in writing by either party and delivering such written notice at least 30 days prior to the expiration of the agreement. Termination terms will apply.

1.4 TERMINATION TERMS

This agreement may be terminated by *mutual agreement* of the parties at any time with no less than 30 days advance and written notice. In the event the Owner wishes to take an occupied property out of Agency's management so that the property may be managed by another party or themselves, Owner agrees to give 30 day notice and pay Agency funds equivalent to the combined monthly management fee for the remainder of the current lease term or not less than \$500 per unit if no lease is in place. Multi-family properties with 4 or more units are not subject to the above fee provided they were under active management for no less than one year.

By initialing below, you acknowledge and agree to the terms in Section 1.

X _____
Initial Here

2. PROPERTY MANAGEMENT AGREEMENT - Authorization and Responsibilities of Agency

2.1 INITIAL WALK-THRU

If necessary, agency may meet with Owner prior to leasing the property in order to evaluate the property and make recommendations regarding preparations to prepare the property in an effort to secure a maximum monthly rental amount. If unit is occupied, walk-thru may be conducted when unit is vacated.

2.2 ADVERTISING

Agency agrees to advertise the property for rent. Owner hereby agrees to allow Agency to place a "FOR RENT" sign on the property. Agency may list property on the Multiple Listing Service as well as on the firm's websites. Agency may also advertise the property on various other websites, social media sites and through additional electronic medium at no charge to Owner and shall be considered the customary means of advertisement. Any and all forms of marketing beyond the customary means of advertisement that may carry additional costs will be coordinated by the agency at the sole expense of the Owner.

2.3 LOCKBOXES

Agency reserves the right to affix a lockbox or other means of access and/or check out keys for contractors and/or potential tenants.

2.4 LANDLORD LOCKS

Agency will install landlord locks on the property prior to new tenants moving in. Landlord locks are a one-time fee of \$60 per exterior door deadbolt (\$25 Passage Knob, if needed) plus an install labor charge and will be returned to the agency at the end of the management agreement, if requested. There will not be a material charge for future rekeys or charge will be minimal if there is damage to the locks.

2.5 SHOWING THE PROPERTY AND PROCESSING APPLICATIONS

Agency agrees to promptly pursue all leads and inquiries regarding the leasing of the property and will arrange showings as well as prepare, collect and process rental applications.

2.6 TENANT SCREENING

Agency shall screen all applicants and potential lessees interested in the property. The screening shall include the checking of credit, criminal and eviction history. Agency will verify applicant's employment and income as well as check listed references. In addition, Agency may contact previous landlords to verify applicant's payment history and care of property. Applicants failing to meet the Agency qualification standards will not be approved.

2.7 RENTING THE PROPERTY

Owner authorizes Agency to enter into and execute rental agreements on behalf of Owner. Agency, at his or her sole discretion, will lease the property on the terms and conditions he/she negotiates. Agency will make every effort to meet or exceed minimum rental amount guidance as provided by Owner, however, rental amount may be dictated by market conditions at the time of vacancy. At the termination or expiration of any lease and without the approval of Owner, the Agency holds the right to raise or lower the rent up to and including a factor of ten percent of the previous rental amount so as to update the subject property's fair market rental price when necessary. Once the property is leased, Agency may negotiate all extensions and renewals of said lease.

2.8 MAINTENANCE

Agency will request and supervise all necessary repairs and modifications of the property. Owner hereby authorizes Agency to purchase supplies and pay all debts incurred for such repairs or modifications. Owner understands and agrees that all such debts are the sole expense of the Owner. Routine maintenance shall not require the Owner's approval. All expenditures in excess of \$1000 for any one item will be presented to Owner for approval with the exceptions of monthly or recurring operating charges and/or emergency repairs if, in the opinion of the Agency, such emergency repairs are necessary to protect the property from damage or to maintain essential services to the tenants as outlined in the lease. If requested by the Owner, the approval threshold may be removed and repairs and expenditures will be completed at the sole discretion of the Agency. Various vendors, subcontractors and maintenance professionals may be used to meet the maintenance needs of the property. All maintenance vendors are vetted by Agency. All expenses incurred in maintaining the property will be paid for by Owner and will be deducted from Owner's monthly income. In the event that the maintenance expenses for a given month exceed the Owner's rental income and/or trust account balance, the Agency may invoice the Owner for the balance. In-house maintenance calls will be billed at \$60/hour plus material. Third party vendor invoices will be assessed a 10% supervisory fee.

2.9 ANNUAL MAINTENANCE

All properties may receive at owner's request an annual preventative maintenance check. The charge for this evaluation will be dependent upon the scope of work requested and the size of the home.

2.10 SECURITY DEPOSIT

Agency will maintain an escrow account for the purpose of depositing and holding security deposits at Regions Bank, 1025 Joyce Ln, Nashville, TN 37216. Unless specially agreed in advance, any and all security deposits held by Owner prior to this agreement will be transferred to Agency and deposited in the escrow account. In accordance with TCA Title 66-28-301(a), at the time of expiration or termination of this agreement, security deposits may be released to the tenant, used to cover the cost of repairs, used to pay any outstanding rent or invoice or any combination of the three. Owner understands and agrees that funds may be withheld for a period not to exceed thirty days after the expiration or termination of the agreement so that Agency may satisfy outstanding bills related to the management of the Property.

2.11 LATE FEES AND RETURNED CHECKS

Agency shall deduct and retain any and all late fees. If, after Agency has paid Owner proceeds based off checks issued by tenant, and the checks that the tenant issued are returned for insufficient funds, Agency may reimburse him or herself with the Owner's future proceeds or by invoicing Owner. Agency may charge and retain a fee to tenant for any Returned Check.

2.12 OUTSTANDING OWNER BALANCES

A service charge of ten percent (10%) per month may be added to balances not brought current within 15 days of notice to Owner. If Owner has multiple properties under management, funds may be transferred from other properties to pay outstanding balances.

2.13 FINAL WALK-THRU

Agency shall evaluate property upon termination or expiration of a lease to assess possible damages. Damages may or may not be deducted from the tenant's security deposit, depending on the nature of the damages. The Agency will decide what, if any, deductions are to be applied to the security deposit to cover the cost of repairing damage or replacing fixtures.

2.14 MONTHLY STATEMENT

Agency will send Owner income payments around the 10th and 25th of every month. Electronic Owner statements and reporting will be sent to accompany the payment on the 10th as well as a full month version after period close.

2.15 YEAR END REPORT

Agency will compile and deliver a "Year End Report." Agency will also produce and deliver a 1099 tax form, no later than the 31st of January of the following year as required by the IRS. It is the responsibility of the Owner to ensure that Agency records reflect an accurate mailing address for all tax related documents.

2.16 AUTHORITY

Owner grants Agency the authority to hire, discharge, and supervise all labor, subcontractors and employees required for the operation and maintenance of the premises. It is further agreed that all such employees and subcontractors shall be deemed in the employ of the Owner and not employees of the Agency. Owner grants Agency the authority to make contracts for electricity, gas, fuel, water, telephone, cleaning, rubbish hauling and other services that Agency considers advisable. At the termination of this agreement, Owner shall assume the obligation of any contract previously entered into by Agency. Additionally, Owner hereby gives Agency the authority to sign, renew, and/or cancel leases for the property, to collect rents, issue receipts, terminate tenancies and to sign and to serve, in the same name of the Owner, such notices Agency deems appropriate; to institute and prosecute actions to evict tenants and to recover possession of said premises, recover rents and other sums due as well as to settle, compromise, and/or release such actions or suits or reinstate such tenancies in connection with the property.

2.17 COMPENSATION

Owner agrees to pay Agency a Lease Processing Fee equal to Lease Up Fee at the signing of every new lease. Owner agrees to pay Agency Management Fee Percent of gross income from the property or a minimum monthly charge of Minimum Monthly Fee, whichever is greater. Gross income is defined as all monies collected including but not limited to rent, pet fees and any non-refundable tenant deposits. Agency shall retain all application fees. The management fee will be withdrawn immediately upon Agency receiving any income from the property. All other bills and/or payments will be paid after Agency. A leasing commission of Lease Renewal Fee will be charged for every lease renewed for another full term. Owners will be assessed a One-Time administrative fee of Administrative Set Up Fee to set up their account. After the initial term of this agreement is completed, the agency reserves the right to change compensation terms with notice to owner of not less than 60 days.

2.18 MINIMUM BALANCE

For each individual unit being managed, Owner agrees to maintain a minimum balance of Minimum Balance in the Agency's Operating trust account at all times, if specifically requested by the Agency. In the event a required repair exceeds the Owner's trust account balance, Owner agrees to promptly fund the account with the necessary funds.

2.19 UPKEEP OF PROPERTY

During periods of vacancy it is the responsibility of Owner to maintain the property. Utilities are to remain on and landscaping must be maintained in accordance with city codes and/or any Homeowner or Condo associations. During the cold months, Owner may choose to winterize the property at Owner's expense. Owner further agrees to maintain insurance on the property to meet the minimum standards as required by the agency. If Owner refuses to complete repairs that Agency deems necessary, Agency holds the right to release property from management and apply charges as described in the termination terms.

2.20 SALE OF PROPERTY

If the property is simultaneously listed for rent and for sale and a lease is executed then the Owner agrees to immediately terminate the sales listing of the property and furthermore agrees to not list or show the property while the lease is in place. If, at the end of the lease, the Owner wishes to list the property for sale then Owner agrees to provide Agency with no less than forty-five days advance notice so that Agency can provide tenant with 30 days notice. Upon being notified that Owner intends to sell the property, tenant may continue to rent on a month to month basis provided they agree to allow the property to be shown to prospective buyers.

In the event the Owner wishes to sell the property while this agreement is in effect, Owner agrees to enter into an Exclusive Right to Sell Agreement with RENEW Real Estate Services, LLC. If Owner wants their own agent to handle the sale of this property they must wait until the expiration of the Property Management Agreement or Terminate the agreement according to the Termination Terms.

2.21 HOLD HARMLESS

Owner agrees to hold the Agency harmless from all damages and/or suits in connection with the management of the property and from injury suffered by any employee or other person whomsoever, and to carry at his/her own expense, necessary public liability insurance adequate to protect the interest of the parties hereto. The Agency also shall not be liable for any error of judgment or for any mistake of fact of law or for anything which it may do or refrain from doing hereinafter, except in cases of willful misconduct or gross negligence.

2.22 INDEMNIFICATION

Agency shall not be deemed as guarantor for the collection of any rent payment. Owner further holds Agency harmless for any property damage, collection loss, or repair expenses.

2.23 EMPLOYMENT OF AGENCY

Agency is a licensed Real Estate Broker and shall act as exclusive Agency to the Owner when managing the property.

2.24 NOTICES

All notices, including but not limited to those notices described in this agreement, shall be in writing. These notices may be in electronic form, such as email or fax, or they may be hand delivered or delivered by the U.S. Postal Service. Owner must report in writing any errors or discrepancies in the monthly income statement within thirty days of receipt of monthly income statement. Owner waives his or her right to dispute past monthly income statements when more than thirty days has elapsed since the issue date of the statement.

2.25 TRANSFER OR SALE

In the event of name change, merger, transfer or sale of the company or a portion of its assets, all terms of this contract will remain in place for the duration of the agreement.

2.26 ATTORNEY'S FEES

If Agency brings litigation to enforce any of the terms hereof, Owner shall bear costs and expenses of litigation including, but not limited to, reasonable attorney fees. If Owner brings litigation to enforce any terms hereof and Agency is the prevailing party, Owner shall bear all cost and expenses of litigation including, but not limited to, reasonable attorney's fees. Owner understands that any and all costs associated in the eviction of tenants are the sole responsibility of the Owner.

2.27 GOVERNING LAWS

This agreement, the relative rights and obligations of the parties, and all performance hereunder shall be governed by and construed in accordance with the laws of the state of Tennessee. If any part of this agreement is held to be unlawful or unenforceable, the remainder of this agreement shall remain in force.

By initialing below, you acknowledge and agree to the terms in Section 2.

X _____
Initial Here

3. PROPERTY MANAGEMENT AGREEMENT - Sign and Accept

3.1 ACKNOWLEDGEMENT

Owner acknowledges he/she has read this agreement in its entirety, confirms he/she understands it completely and agrees to all terms, provisions and conditions. Owner acknowledges that he/she has the legal authority to enter into this agreement for the property(s) referenced previously.

X

Owner

Date Signed

X

Agent/Broker

Date Signed

SAMPLE