

PROPERTY MANAGEMENT AGREEMENT

This Agreement is made and entered in this _____ day of _____, 200__, between _____, hereinafter called the "Owner", and **Krenzer Property Management**, hereinafter called the "Broker".

WITNESSETH:

WHEREAS, Broker is a licensed Real Estate Broker in the state of Tennessee engaged in the business of managing and operating real estate;

WHEREAS, Owner desires to retain the services of Broker, and Broker desires to render management services to Owner,, upon the terms and conditions as contained herein.

NOW, THEREFORE, for and in consideration of the covenants and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Agreement. Owner hereby agrees to employ the services of the Broker to manage, operate, control, rent, and lease the following property/properties:

- 1. _____
- 2. _____
- 3. _____

(Hereinafter, collectively called the "Properties")

2. Responsibilities of Broker. Owner hereby appoints Broker as his lawful agent and attorney-in-fact with full authority to do any and all lawful things necessary for the fulfillment of this Agreement, including the following, and Broker will use due diligence in the performance of this Agreement:

a) Advertising: Display FOR RENT/LEASE and similar signs on the Properties and advertise the availability of the Properties, or any part thereof, for rental or lease. All advertisements are at the expense of the Broker.

b) Rental / Leasing: Initiate, sign, renew, modify, or cancel rental agreements and leases for the Properties, or any part thereof; collect and give receipts for rents, fees, charges, and security deposits. Any lease or rental agreement executed by Broker for Owner shall not exceed _____ years and shall be a minimum of _____ months. Broker will set rents that in the opinion of the Broker at the time of the rent negotiations with the tenant, reflect the market conditions of that time and approximate rents of comparable rental properties, unless expressly instructed in writing by the Owner to the Broker to the contrary, as to the amount of the initial rent and any subsequent increases as may from time to time be appropriate. Owner agrees to permit Broker to screen potential tenants on the basis of credit history, employment status, previous rental history, availability of funds and other criterions Broker deems necessary.

c) Tenancy Termination: Sign and serve in Owner's name notices that are required or appropriate; commence and prosecute actions to evict tenants; recover possession of the Properties in Owner's name; to sue and recover for rent, for other sums due, and for loss or

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damage to any part of the property and/or furnishings thereof and, when expedient, settle, compromise, and release claims, actions, and suits/or reinstate tenancies.

d) Repair; Maintenance: Make, cause to be made, and/or supervise repairs, improvements, alterations, and decorations to the Properties; purchase, and pay bills for, services and supplies. Broker shall obtain prior approval of Owner for all expenditures over \$_____ for any one item. Prior approval shall not be required for monthly or recurring operating charges or, if in Broker's opinion, emergency expenditures over the maximum are needed to protect the Properties or adjacent property(ies) 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 Properties in a condition fit for human habitation as required by the applicable statutes and regulations.

e) Employees; Contracts; Services: Contact, hire, supervise, and/or discharge firms and persons, including utilities, required for the operation and maintenance of the Properties. Broker may perform any of Broker's duties through attorneys, agents, employees, or independent contractors.

f) Reports, Notices and Signs: Comply with federal, state, or local law requiring delivery of reports or notices and/or posting signs or notices.

g) Expense Payments: Pay expenses and costs for the Properties from monthly rental payments received from tenants. If the Properties are vacant at the time the expenses occur, Owner is required to pay said expenses immediately at the time expenses are incurred by Broker and/or at the time of the monthly invoice from Broker. Expenses and costs may include, but are not limited to, property management compensation, fees and charges, utilities or fuel, expenses for good and services, and Home Owner's Association dues. Except as otherwise stated in this Agreement, Broker shall not advance Broker's own funds in connection with the management or maintenance of the Properties or this Agreement.

h) Security Deposits: Receive security deposits from tenants, which deposits shall be given to Owner. Owner shall be responsible to tenants for the return of the security deposits.

i) Disbursements: Disburse Owner's funds, held in Broker's account, in this order: (a) Compensation due to Broker under paragraph 3 (d), and (b) All other operating expenses, costs, and disbursements payable from Owner's funds held by Broker, and (c) Balance to Owner on a monthly basis, if any funds are available.

j) Monthly Statements: Broker will render monthly, along with the disbursed funds, and itemized receipts, expenses, and charges for each of the Properties.

3. Owner Responsibilities: In the execution of this Agreement, Owner shall:

a) Documentation: Owner will provide Broker with all documentation, records, and disclosures as required by law or required by Broker to manage and operate the Properties, and immediately notify Broker if Owner becomes aware of any change in such documentation, records or disclosures, or any matter affecting the habitability of the Properties.

b) Indemnification and Insurance: Owner hereby agrees to hold Broker harmless from, and to defend Broker against, any and all claims, charges, debts, demands and lawsuits. Owner agrees to pay Broker's attorney's fees related to Broker's management of the herein-

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described Properties and any liability for injury on or about the Properties which may be suffered by any employee, tenant or guest upon the said Properties. Owner agrees to maintain sufficient and prudent all risks property insurance and that the Broker shall be an additionally named insured. Owner shall provide a copy of such insurance policy to the Manager for the Manager's records.

c) **Maintenance.** Maintain the Properties in a condition fit for human habitation and in accordance with all applicable statutes and regulations.

d) **Reimbursement.** Immediately pay Broker for the cost of any services, repairs, and/or utilities incurred by Broker if Properties are vacant and/or the monthly rental payment is not sufficient to cover said costs.

4. **Compensation:** Owner agrees to pay Broker fees in the amounts indicated below for:

<u>Service Description</u>	<u>Fee</u>
1. Management:	_____
2. Renting or Leasing:	_____
3. Evictions:	_____
4. Preparing Property for rental or lease:	_____
5. Lease Renewals:	_____
6. Late Payments:	_____
7. Other: _____	_____

b) **Exclusions:** This agreement does NOT include providing on-site management services, property sales, refinancing, preparing the Properties for sale, modernization, fire or major damage restoration, rehabilitation, obtaining income tax, accounting or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, or attending Home Owner's Association meetings. If Owner requests Broker to perform services not included in this Agreement, a fee shall be agreed upon before these services are performed.

c) **Allocation of compensation:** Broker may divide compensation, fees, and charges due under this Agreement in any manner acceptable to Broker.

d) **Other Sums collected by Broker:** Owner further agrees that Broker may receive and keep fees and charges received from tenants for (i) requesting an assignment of lease or sublease of the Properties, or any part thereof; (ii) processing credit applications; (iii) any returned checks; and (iv) any other services that are not in conflict with this Agreement.

e) **Affiliate Disclosure:** Broker may perform any of Broker's duties, and obtain necessary products and services, through affiliated companies or organizations in which Broker may own an interest. Broker may receive fees, commissions, and/or profits from these affiliated

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companies or organizations. Broker shall disclose to Owner any other such relationships as they occur. Broker shall not receive any fees, commissions, or profits from unaffiliated companies or organizations in the performance of this Agreement, without prior disclosure to Owner.

5. Term of Agreement: The term of this Agreement shall commence on the date set forth above, and end on the _____ day of _____, 20_____. Upon expiration of the above initial term, this Agreement shall automatically be renewed and extended for a like period of time unless terminated in writing by either party sixty (60) days prior to the date for such renewal. This Agreement may also be terminated by mutual agreement of the parties at any time upon payment to Broker of all fees, commissions, and expenses due to Broker under terms of this Agreement.

6. Equal Housing Opportunity: The Properties are offered in compliance with federal, state, and local anti-discrimination laws. Owner agrees that Broker cannot discriminate and screen potential tenants on the basis of race, sexual preferences, ethnicity, family status, religion, age or disability.

7. Miscellaneous: Time is of the essence. This Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of Tennessee. If any provision of this Agreement or the application thereof shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this Agreement nor the application of the provision to other persons, entities or circumstances shall be affected thereby, but instead shall be enforced to the maximum extent permitted by law. The pronouns used herein shall include, where appropriate, either gender or both, singular and plural. The parties hereby agree that this document contains the entire agreement between the parties and this Agreement shall not be modified, changed, altered or amended in any way except through a written amendment signed by all of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Broker and the heirs, administrators, successors, and assigns of the Owner. Notwithstanding the preceding sentence, Broker shall not assign its interest under this Agreement except in connection with the sale of all or substantially all of the assets of its business. In the event of such sale, Broker shall be released from all liability under this Agreement upon the express assumption of such liability by its assignee.

OWNER WARRANTS TO BROKER THAT OWNER IS THE LAWFUL OWNER OF THE PROPERTIES, OR THAT OWNER HAS THE AUTHORITY TO EXECUTE THIS AGREEMENT. OWNER ACKNOWLEDGES THAT OWNER HAS READ, UNDERSTANDS, AND ACCEPTS THE TERMS AND CONDITIONS OF THIS AGREEMENT. OWNER ACKNOWLEDGES THAT IT HAS RECEIVED A COPY OF THIS AGREEMENT.

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

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Owner's Signature: _____ Date: _____
Owner's Printed name: _____
Social Security / Tax ID: _____
Address: _____
Telephone: _____ Fax: _____
E-mail: _____

Broker's Signature: _____ Date _____
Broker's Name Rhonda Krenzer for Krenzer Property Management
Address 525 W. Morris Blvd, Suite C. City Morristown
State TN Zip 37813 Telephone (423) 289-0030 Ext. 14 & 17
Cell (423) 312-4488 Fax (423) 587-9450

Email Address: rhondakrenzer@aol.com Website: <http://www.krenzerproperty.com>
Assistant's Email Address: sara@krenzerproperty.com

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