



PROPERTY MANAGEMENT AGREEMENT

1. Parties:

1.1 The parties to this agreement are: **Owner:**
Broker: RiverTown Realty, LLC. ("Broker"),

1.2 Owner warrants that Owner is the sole Owner of the Property or has unconditional authority to execute this Agreement on behalf of any Co-Owner.

1.3 Employment of the Broker: Owner hereby employs the Broker as Owner's sole and exclusive Agent and Broker to rent, manage, maintain and operate the property described below.

2. Properties to be managed:

Building Address

Name Address Address cont. City County State Zip Country

3. Term: This agreement shall commence on and shall automatically renew on a month-to-month term until either party terminates by providing at least 30 days written notice prior to the end of the month to the other party.

4. Compliance with the Law: The parties will comply with all obligations, duties, and responsibilities under all Tennessee, Mississippi and Federal laws, including fair housing laws, and any other statute, administrative rule, ordinance, or home owner's association covenant applicable to the property. Owner acknowledges that as a Tennessee and Mississippi property management company, Broker is subject to regulation by the Tennessee and Mississippi Real Estate Commissions and must comply with Tennessee and Mississippi Real Estate Commission rules and regulations in the formation of this contract, and the performance of its duties under this Agreement.

5. Authority of the Broker:

5.1 Leasing and Management Authority: Owner grants to Broker the following authority, which Broker will exercise at Brokers discretion:

A. Advertise and show the Property for rent at Owner's expense by means and methods that Broker determines are reasonably competitive.

B. Negotiate and execute leases on Owner's behalf for the Property at market rates and on competitively reasonable terms. Broker shall, at Brokers discretion, establish, maintain and terminate tenancies with tenants of the Property. The Broker shall have sole responsibility for establishing the terms and conditions for tenancies of the Property, including but not limited to approving applicants, establishing rents, deposits, fees, pet terms, and lease terms and conditions. Broker shall not be required to present all offers to lease.

C. Terminate leases for the Property, negotiate lease terminations, and serve notices of termination; Settle, compromise, or withdraw any eviction or collection action; Negotiate and make reasonable concessions to tenants or former tenants in the Property;

D. Security deposits shall be held by Broker in a trust account on behalf of Owner and financial responsibility of such security deposits is that of Broker. The

disposition of the security deposits of all tenants, whether the deposit is held by the Broker or the Owner, shall be the sole discretion of Broker. Any trust account Broker maintains under this agreement may be an interest-bearing and Broker may retain any interest.

E. Institute and prosecute, at Owner's expense, actions to evict tenants in the Property, recover possession of the Property or hire collection agency to recover lost rent and other damages; Broker shall have authority on behalf of the Owner to terminate any lease or rental agreements covering the Property, to execute and serve such legal or other notices as Broker deems appropriate, to institute legal actions for the benefit of, and the expense of, Owner for the purpose of evicting tenants in default and to recover possession of the Premises, to recover unpaid rents and other sums due from any tenant to settle, compromise and release claims by or against any tenant, and to employ attorneys for payment of rent. Owner agrees that Broker is not responsible for the collection of delinquent accounts. Broker assumes no liability for monies that are uncollectible or for any damages or costs related to the tenancy and the property.

F. Owner agrees to accept the terms of the collection agency's standard contract when executed for Owner by Broker. When acting in a collection capacity to collect funds due from ex-tenants, Broker will, at Brokers expense, pay all legal fees associated with the collection of such account and Broker will retain 40% of all funds collected for this service in addition to the management fee as listed in Section 10.

G. Hire contractors to repair, maintain, or alter the Property provided that Broker does not expend more than \$350 for any single repair, maintenance item, or alteration without Owner's consent.

H. Hire contractors to make emergency or necessary repairs to the Property and do whatever is necessary to put and keep the premises in a fit and habitable condition as per the Tennessee Uniform Residential Landlord and Tenant Act. Section 66-28-304, without regard to the expense limitation above, that Broker determines are necessary to protect the Property or the health or safety of a tenant. Broker may contract for annual preventative maintenance at the expense of the Owner with owner approval.

I. Contract, at Owner's expense, in Broker's name for all utilities and maintenance to the Property, and other regularly recurring expenses that Broker determines are reasonable to maintain and care for the property. Any multi-family unit where utilities are shared and Broker has utility services in it's name will be billed to the

owner regardless of whether the utility services are billed to the tenant or included in the rent. If the utilities are billed to the tenant separately, every effort will be made to collect. All collected tenant utility payments will be disbursed to the owner.

J. Perform other services deemed necessary by Broker, related to the leasing and management of the Property. Administrative Fees: If Broker collects administrative charges from tenants or prospective tenants, including but not limited to, application fees, posting fees, returned check fees, reletting fees, late charges, or other customary fees, Broker will retain such fees as compensation under this agreement. Broker need not account to Owner for such fees and these administrative fees are earned and payable at the time Broker collects such fees.

5.2 Record Keeping:

A. Broker will maintain accurate records related to the Property and owner agrees to receive Form 1099 electronically.

B. Broker will remit, on the last day of each month, the following items to Owner: funds transferred electronically, collected by Broker for Owner under this agreement less deductions and charges, directly to Owner's bank account; and a statement of disbursements, delivered electronically.

5.3 Deductions and Offset: Broker may disburse from any funds Broker holds in a trust account for Owner: Any compensation or reimbursement due Broker or other vendors under this agreement.

6. Owner's Representations:

A. Owner is not delinquent in the payment of any property taxes, Owner's association fees, property insurance, mortgage, or any encumbrance on or affecting the Property;

B. The Property is not subject to a lis pendens or any legal action;

C. Owner agrees to furnish Broker with funds, as requested by Broker, as needed to cover all fees, repairs, and maintenance.

D. Owner and Broker are obligated under law to disclose to a tenant or to a prospective tenant any known condition that materially and adversely affects the health or safety of a tenant. Owner is obligated under the Tennessee and Mississippi law to repair any such condition for a tenant, Owner represents that Owner is not

aware of a condition concerning the Property that materially affects the health or safety of a tenant.

7. Owner's Cooperation; Owner agrees to:

A. Not hold Broker responsible for personal property left by the Owner on the Property. Owner will remove all personal property from the Property.

B. Not contact, deal with, or negotiate with any prospective or current tenant in the Property concerning any matter related to the management or leasing of the Property, but refer all such dealing to Broker.

C. Not enter into a listing agreement or property management agreement with another Broker for the rental, leasing, or management of the Property to become effective during this agreement.

D. Retain only insured and licensed contractors, sub-contractors and/or vendors to perform repair or maintenance services on the Property.

E. Abide by all Federal, State, and Local Fair Housing Laws.

F. If the Property is vacant, the Owner may choose to coordinate repairs, however during this time period Broker will not advertise the property for rent until the repairs are completed.

G. If Owner does NOT want Broker to perform a lease renewal, Owner must notify Broker in writing a minimum of 60 days prior to the lease expiration date.

H. Owner must inform Broker of any properties with an HOA and provide a copy of the by-laws and contact information.

8. Insurance: At all times during this agreement, Owner must maintain in effect and deliver copies to Broker:

A. A public liability insurance policy (Landlords Policy) that names Broker as a co-insured or additional insured and covers losses related to the Property in an amount of not less than \$500,000 per occurrence.

B. An insurance policy for the Property in an amount equal to the reasonable replacement cost of the Property's improvements and that contains endorsements which contemplate the leasing of the Property with vacancies between lease terms.

C. RiverTown Realty offers a comprehensive master policy tailored to investors through Lipscomb Pitts Insurance. We encourage you to take advantage of this product.

Automatic coverage for 1-4 Family dwellings/condos/apartments

Replacement Cost Coverage Included at a minimum of \$80/sq ft-* Higher limits available

Flexibility with coverage valuations (condos/apartments/dwellings)

Loss of rents coverage included*

\$1,000,000 per occurrence and \$2M Aggregate of General Liability coverage per location, thus providing separate limits for each property

12-month Vacancy Permit Included (No rate changes while the property is vacant)

AAA or better, rated carriers with AM Best

Access to the Lipscomb & Pitts Insurance Claims Department and in-house claims attorney

Email-LPTEAM@lpinsurance.com for a quote or questions.

9. Broker Fees:

This Paragraph 10 survives termination or expiration of this agreement with regard to fees earned during this agreement, which are not payable until after its termination. Broker may deduct any fees from any funds Broker holds in trust for Owner.

A. Management Fees: Each month Owner will pay Broker 10.00% of the gross monthly income collected that month, paid in advance. Gross income shall include all rents and other income including tenant rent credits, move-in specials, forfeited security deposits, funds collected by collection agency, and other miscellaneous income.

B. Marketing: When a property is advertised for rent, Owner will pay Broker a one-time premium marketing investment of \$150.

C. Leasing Fees for New Tenancies: Each time the Property is leased to a new tenant, Broker will retain 50% of the first months rent, or \$350 (whichever is greater) in addition to the monthly management fee for a 12 month lease. For a 24 month lease, Manager will retain 75% of the first months' rent, or \$350 (whichever is greater) in addition to the monthly management fee. For a rental agreement over 24 months, Manager will retain 100% of the first months rent in addition to the monthly management fee. These fees are due and payable at the time the lease is executed.

D. Lease Renewal: Each time a tenant in the Property renews or extends a lease, Owner will pay Broker a renewal fee of \$250, due and payable at the time the lease is executed.

E. Property Condition Report: We provide one yearly property condition report as a service. Upon completion of any additional property condition reports, Owner will pay Broker a property condition report fee of \$79.

F. Vendor Oversight / Repair Coordination: Any vendor invoice may be billed to Owner at a rate of cost plus 10%, or at current market rate, as determined by Broker.

10. Management services do not include:

Normal property management does not include monthly inspections, representation at court hearings, depositions, homeowner meetings, providing on-site management, property sales, preparing Property for sale, supervising and coordinating modernization, rehabilitation, fire or major damage restoration projects; obtaining income tax, accounting or legal advice; advising on proposed new construction, debt collection, counseling, legal proceedings, insurance related paperwork and estimates, property tax payments or meeting the utility company for scheduled utility turn on. If Broker performs services not included in normal property management or specified above, Owner shall pay Broker a fee of \$75 per hour.

11. Liability and Indemnification:

A. Owner is responsible and liable for all contracts and obligations related to the Property (for example, maintenance, service, repair and utility agreements) entered into before or during this agreement by Owner or by Broker under Broker's authority under this agreement. Owner agrees to hold Broker harmless from all claims related to any such contracts.

B. Owner agrees to protect, defend, indemnify, and hold Broker harmless from any damage, costs, attorney's fees, and expenses that:

- (1) Are caused by Owner, negligently or otherwise;
- (2) Arise from Owner's failure to disclose any material or relevant information about the Property;
- (3) Are caused by Owner giving incorrect information to any person; or
- (4) Are related to the management of the Property and are not caused by Broker, negligently or otherwise.
- (5) Owner represents that the Property complies with the legal requirements regarding carbon monoxide.

Landlord agrees to indemnify and hold Broker harmless if the Property does not comply with the legal requirements referenced.

C. Broker is not responsible or liable in any manner for:

(1) Any late fees or other charges Owner incurs to any creditor caused by late or insufficient payments by any tenant in the Property; or

(2) Damages to Property, or Owner, caused by a tenant's breach of a lease.

(3) Any liabilities for bankruptcy or failure of the bank where escrow funds are deposited.

D. Broker is not responsible or liable in any manner for personal injury to any person or for loss or damage to any person's real or personal property resulting from any act or omission not caused by Broker's negligence, including but not limited to injuries or damages caused by:

(1) Other Brokers, their associates, inspectors, appraisers, and contractors who are authorized to access the

Property;

(2) Acts of third parties (for example, acts of God, vandalism, theft, or criminal acts);

(3) Freezing or leaking water pipes including damage to sprinkler systems due to freezing temperatures.

(4) A dangerous condition or environmental condition on the Property; or The Property's non-compliance with any law or ordinance.

13. Attorney Fees: If Owner or Broker is a prevailing party in any legal proceeding brought as a result of a dispute under this agreement or any transaction related to or contemplated by this agreement, such party will be entitled to recover from the non-prevailing party all costs of such proceeding and reasonable attorney's fees not to exceed \$1,000.

14. Agreement of Parties:

A. Entire Agreement: This document contains the entire agreement of the parties.

B. Assignments: Broker may assign its rights and delegate its duties under this agreement without Owner's consent, provided that the assignee agrees to assume and perform each and every covenant and term of this agreement applicable to Broker.

C. Binding Effect: Owner's obligation to pay Broker an earned fee is binding upon Owner and Owner's heirs, administrators, executors, successors, and permitted assignees.

D. Joint and Several: All Owners executing this agreement are jointly and severally liable for the performance of all its terms. Any act or notice to, refund to, or signature of, any one or more of the Owners regarding any term of this agreement, its extension, its renewal, or its termination is binding on all Owners executing this agreement.

E. Governing Law: Tennessee and Mississippi law governs the interpretation, validity, performance, and enforcement of this agreement.

F. Severability: If a court finds any clause in this agreement invalid or unenforceable, the remainder of this agreement will not be affected, and all other provisions of this agreement will remain valid and enforceable.

G. Notices: Notices between the parties must be in writing and are effective when sent to the receiving party's address, or e-mail address. All terms and conditions of this agreement are subject to change by Broker, with a 30-day notice to Owner.

H. Sale of Property: If the Owner elects to sell the property and a tenant procured by Broker purchases the property from the Owner during the term of this agreement, or within 12 months after its termination, Broker will be paid a sales commission equal to (3%) of the sales price at the time of closing. Broker may be a Transaction-Broker when selling Owner's property to a tenant.

I. Fair Housing: Federal and State fair housing laws require the Property to be shown and made available to all persons without regard to race, color, religion, national origin, sex, disability, age, familial status, marital status, sexual orientation / transgender status. Owner agrees that Broker has to comply with all fair housing legal requirements at all times. Owner acknowledges that liability for failure to comply with fair housing legal requirements also extends to Landlord. Owner agrees to comply with all fair housing legal requirements at all times. Owner shall not directly or indirectly cause Broker to violate any fair housing legal requirements. Owner shall not issue any directive to Broker, take any action, or exercise any discretion if the result would cause Broker to be liable for violation of any fair housing legal requirement. Owner agrees to not limit Broker's ability to comply with all fair housing legal requirements.

J. Smoke , CO2 Detectors and Fire Extinguishers: Tennessee and Mississippi law requires smoke, carbon monoxide detectors and fire extinguishers be installed in rental property. These devices will be checked, and fresh batteries installed, or devices replaced, each time a new tenant occupies the property, at the Owner's expense.

K. Locks: Locks will be re-keyed each time a new tenant occupies the property, at the Owner's expense.

L. Normal Wear and Tear: The Owner understands that some "wear and tear expenses" will occur and that these costs cannot be charged to a Tenant and realizes Owner will incur these expenses. Upon renting, the law recognizes the property as a business and requires Owner to expect some expenses for cleaning and maintenance as "normal wear and tear" while operating a rental property.

M. Service Animals: Owner understands that state and federal laws govern "service animals" and "emotional support animals", and those animals are NOT legally considered pets, and therefore pet policies do not apply.

N. Termination: If this Agreement terminates before, at the same time, or within 30 days after an expiring tenant lease agreement, the Owner shall be responsible for completing the security deposit disposition to the tenant or ex-tenant. All funds shall be distributed to Owner within 30 days of the termination date.

O. Legal Advice: Broker cannot give legal advice. READ THIS AGREEMENT CAREFULLY. If you do not understand the effect of this agreement, consult an attorney BEFORE signing.

P. In the case of a pending foreclosure, Broker may freeze all Owner related funds and withhold disbursements.