

PROPERTY MANAGEMENT AGREEMENT

IN CONSIDERATION of the covenants contained herein _____,
(hereinafter "Owner") and HUNEYCUTT REALTORS, (hereinafter "Agent") agrees as follows:

1. **Property.** Owner hereby employs the services of Agent exclusively to manage, operate, control, rent and lease the following described property, herein after "Property":

2. **Term of Agreement.** This agreement shall be affected for a term of _____ months beginning on the _____ day of _____, 20__ and expiring on the _____ day of _____, 20__. Upon expiration of above initial term this agreement shall automatically be renewed and extended for a like period of time unless and until terminated in writing by either party by providing written notice thirty (30) days prior to the date for such termination.

3. **Compensation.** Owner agrees to compensate the Agent as follows:

- a. *Lease Commission.* Owner agrees to pay Agent, or to Agent's order, an amount equal to ten percent (10%) of the rental rate as commission for obtaining the lease.
- b. *Management Fee.* Owner agrees to pay the Agent, or to the Agent's order, ten percent (10%) of all rents collected, (minimum \$40.00 per month), as a fee for managing the property, which fees, plus any repair expenses, may be deducted by the Agent from rents, and further agrees to abide by the conditions set forth by the Agent to the tenant on the Owner's behalf.
- c. *Sales Commission.* In the event Owner sells, or desires to sell, the property, Owner agrees to pay the Agent a commission of six percent (6%) of the gross sale price for services rendered in relation to the sale of the property.

4. **Responsibilities of Agent.** Owner hereby appoints Agent 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:

- a. *Advertisement.* Agent agrees to advertise for tenants and to advertise the availability of the property for rent including, but not limited to displaying "For Rent" signs upon the property. Agent will advertise and set rent that, in the opinion of the Agent 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 Agent to the contrary, as to the amount of the initial rent and any subsequent increases as may from time to time be appropriate. Notwithstanding the preceding, in no event shall rent be set or advertised in an amount less than \$_____ per month, without the express written consent of the Owner.
- b. *Screening.* Agent agrees to accept applications for tenancy to the property to screen tenants by process to be determined by the Agent and to select tenants of suitable credit worthiness.

- c. *Collection.* Agent agrees to collect rent at the beginning of each month unless a tenants lease specifically provides for a collection due date other than the beginning of the month. All amounts collected will be deposited in a trust account in a qualified financial institution including a bank chartered under either Federal law or Tennessee state law. Such accounts shall remain separate from Agent's personal account or general business account. Agent may also collect additional fees, including, but not limited to, application fees, late fees, pet fees, etc., which Agent shall retain for cost recoupment and as additional consideration for this Agreement.
- d. *Accounting and Disbursement.* On or before the 15th day of each month agent shall prepare and provide to Owner a statement showing an accounting of receipts, expenses, and charges relating to the Owner's account and to disperse net income to the Owner or to the Owner's order according to the total amount receivable by the Owner on said statement. In the event, that the monthly statement shows a deficiency Owner shall be responsible for paying any said deficiency and the same shall be immediately due and payable to the Agent. Nothing herein contained shall obligate the Agent to advance its own funds on behalf of the Owner. A service charge of one and one-half percent (1.5%), eighteen percent (18%) annually, will be charged each month to all overdrawn accounts. Service charges shall be charged on all balances due as to the last day of each month.
- e. *Maintenance.* Agent is authorized to take any remedial actions or steps necessary to prepare the property in anticipation of renting, said actions being at Owner's expense. Agent is further authorized, at Owner's expense, to hire, discharge, and pay all engineers, janitors and other employees; to make or cause to be made all ordinary repairs and replacement necessary to preserve the Premises in its present condition and for the operating efficiency thereof and all alterations required to comply with lease requirements, and to do decorating on the Premises (at Agent's discretion); to negotiate contracts for non-recurring items not exceeding \$300.00 and to enter into agreements for all necessary repairs, maintenance, minor alterations and utility services; and to purchase supplies and pay all bills. Owner agrees that Agent may maintain not less than \$300.00 in Owner's account for repairs and maintenance.
- f. *Services.* Agent is authorized to make contracts for electricity, gas, fuel, water, telephone, window cleaning, as or rubbish hauling, and other services or such of them as the Agent shall deem advisable; the Owner to assume the obligation of any contract so entered into at the termination of this agreement.
- g. *Security Deposits.* Agent shall collect security deposits from tenants that move in and return said security deposits at move-out less any amounts allowed by applicable law to be withheld. Said security deposits shall be kept in a separate account specifically to house security deposits as per Tennessee law.
- h. *Bond.* Agents and all of Agent's employees who handle and/or are responsible for the safe keeping of any monies of the Owner shall be covered by a fidelity bond in an amount and with a company determined by the Agent at no cost to the Owner.
- i. *Pets.* Unless exhibit A, attached hereto, specifies or agrees otherwise pets are not allowed on the property during the rental term.
- j. *Termination of Tenancies.* Agent is hereby authorized and may terminate leases that are in default under the terms² of any lease signed for the property, and may serve such notices as are deemed needful by the Agent. Further, Agent may institute and prosecute actions, to oust tenants and to recover possession of said premises, to sue for and recover rents and when expedient to settle, compromise,

5. **Responsibilities of Owner.** During the term of this agreement, Owner shall be responsible for the following:

- a. *Condition of Premises.* Prior to move-in of any tenants, Owner shall ensure that the property is clean, that all carpets are shampooed, and that any and all personal items are removed. **Agent shall not be responsible for any remaining personal items on the property.**
- b. *Separate Payments.* Owner shall remain responsible for and continue to pay for the following items: mortgage, real estate taxes, any credit reports required, expenses relating to advertising, and upkeep of the premises (said advertising and maintenance expenses to be deducted from the rent), and any additional liability insurance Owner desires to keep on the property.
- c. *Inspection.* Owner has the right to inspect the property. However, due to the lease that the tenant has with the Agent, proper notice must be given to the tenant before the house is inspected. A two week written notice from the Owner of desire to inspect is required in our office at least two weeks prior to Owners arrival date.

6. **Liabilities of Agent and Owner.**

- a. *Compliance.* The Agent does not assume and is given no responsibility for compliance of any building on the Premises or any equipment therein with the requirements of any statute, ordinance, law or regulation of any governmental body or of any public authority or official thereof having jurisdiction, except to notify the Owner promptly or forward to the Owner any complaints, warnings, notices or summonses received by it relating to such matters. The Owner represents that to the best of his/her knowledge the Premises and such equipment comply with all such requirements and authorizes the Agent to disclose the ownership of the Premises to any such officials and agrees to indemnify and hold harmless the Agent, its representatives, servants and employees, of and from all loss, cost expense and liability whatsoever which may be imposed on them or any of them by reason of any present or future violation or alleged violation of such laws, ordinances, statutes or regulations.
- b. *Effect of Noncompliance.* In the event it is alleged or charged that any building on the Premises or any equipment therein or any act or failure to act by the Owner with respect to the Premises or the sale, rental or other disposition thereof fails to comply with or is in violation of any of the requirements of any constitutional provision, statute, ordinance, law or regulation of any governmental body or any order or ruling of any public authority or official thereof having or claiming to have jurisdiction there-over, and the Agent, in its sole and absolute discretion, considers that the action or position of the Owner or registered management agent with respect thereto may result in damage or liability to the Agent, the Agent shall have the right to cancel this Agreement at any time by written notice to the Owner of its election so to do, which cancellation shall be effective upon the service of such notice. Such notice may be served personally or by registered mail on or to the person named to receive the Agent's monthly statement at the address designated for such person as provided in Paragraph 11 herein, and if served by mail shall be deemed to have been served when deposited in the mails. Such cancellation shall not release the indemnities of the Owner set forth in Paragraph 7 and shall not terminate any liability or obligation of the Owner to the Agent for

any payment, reimbursement or other sum of money then due and payable to the Agent hereunder.

7. **Indemnification.** Owner hereby agrees to hold Agent harmless from, and to defend Agent against, any and all claims, charges, debts, demands and lawsuits. Owner agrees to pay Agent's attorney's fees related to Agent's management of the herein-described property and any liability for injury on or about the property which may be suffered by any employee, tenant or guest upon the property. Owner agrees to maintain sufficient and prudent all risks property insurance and that the Agent shall be an additionally named insured. Owner shall provide a copy of such insurance policy to the Agent for the Agent's records.

8. **Title.** Owner represents that Owner is lawfully seized of the property and has clear title to lease the property subject only to any mortgages on the property which shall be disclosed to Agent in writing and agrees to defend and hold harmless Agent from any and all claims relating to title to the property.

9. **Cancellation of Agreement.** This Agreement may be terminated by mutual agreement of the parties at any time. Furthermore, Owner and Agent shall have the right to cancel upon providing at least thirty (30) days written notice at which time Owner shall also pay one hundred percent (100%) of any fees, commissions and expenses due to the Agent under the terms of this agreement or which would be owing to the Agent had the agreement been executed to the completion of the term. After termination of this agreement, Owner shall recognize Agent as the broker and in any negotiates of said premises or any part thereof initiated during the term of this agreement and in the event of the consummation thereof, Owner shall pay to the Agent a commission therefore at the rate prescribed in Paragraph 3 herein. Furthermore, in the event the premises not rented within a 90 day period of entering into this agreement or a vacancy continuing for a period of longer than 90 days Owner and Agent reserve the right to declare this agreement void. In the event of a complete condemnation or destruction of the property this agreement shall immediately terminate and both parties shall be relieved of any further obligations under this agreement.

10. **Additional Terms.** The parties hereby agree to and include any terms listed on exhibit A attached hereto. In the event of the conflict between the terms of this agreement and the terms of exhibit A, the terms of exhibit A shall control.

11. **Notices.** To the following addresses:

Huneycutt Realtors _____
1715 Fort Campbell Blvd. _____
Clarksville, TN 37042 _____

12. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Manager and the heirs, administrators, successors, and assigns of the Owner. Notwithstanding the preceding sentence, Manager 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, Manger shall be released from all liability under this Agreement upon the express assumption of such liability by its assignee.

13. **Entire Agreement.** This document, including any attachments or exhibits hereto, represents the entire Agreement between the parties hereto.

IN WITNESS WHEREOF, the parties fixed or caused to be fixed their respective

signatures as of the date of execution of this agreement.

_____, OWNER

Date: _____

HONEYCUTT REALTORS, AGENT

By: _____

Date: _____

