

RESIDENTIAL MANAGEMENT AGREEMENT



This agreement is made by and between 4M Property Management hereinafter referred to as BROKER and, SAMPLE hereinafter referred to as OWNER to secure the services of BROKER in the management of real property know as: _____ hereinafter referred to as the **PREMISES**, for a period beginning on _____ and ending on _____

which shall be for an initial term of ninety (90) days terms to end on the last day of the month and shall automatically renew for a month-to-month agreement unless a thirty (30) day notice is provided in writing with intent to terminate prior to the either the original expiration date or during any extension by either party, and is subject to compensation as stated below and in paragraph 3. This agreement shall be binding when it has been signed and dated by the Owner and Broker and subject to the following terms, and conditions.

IN THE EVENT THAT THE PREMISES ARE RENTED OR LEASED THROUGH THE BROKER, AND THE LEASE TERM RUNS LONGER THAN THE TERMS OF THE AGREEMENT, OR THE TENANT RENEWS THE LEASE, BROKER SHALL CONTINUE TO BE COMPENSATED AS STATED IN PARAGRAPH 3.

1. APPOINTMENT AND AUTHORITY OF BROKER

- a. OWNER hereby appoints BROKER as the sole and exclusive BROKER to establish parameters for new tenants, approve rental applications, rent, lease, manage, collect and receipt for rents, negotiate reasonable concessions, and operate the PREMISES. The OWNER, however, retains the right to make all management decisions concerning rental terms and capital expenditures in excess of \$ 350.00 and must advise BROKER of these terms in writing at onset of Agreement.
- b. BROKER is authorized to change or rekey all locks after tenants vacate at OWNER'S expense.
- c. BROKER is authorized to bring current any delinquent or outstanding Association Dues and fees to avoid fines or other legal action on behalf of the OWNER
- d. BROKER is authorized to secure the services of other real estate agents and conduct other marketing activities for the purposes of securing a new tenant.
- e. It is agreed that the BROKER is entitled to compensation as provided herein in connection with any lease that may be executed during the term of this agreement, even if said lease was negotiated by the OWNER or any other party. BROKER shall be paid compensation at the rate as provided herein in connection with any lease which is being negotiated at the time of termination of this agreement if the tenant was introduced to the PREMISES by BROKER.

2. TERMS

In the event that the PREMISES is not rented or leased within sixty (60) days of the date of this Agreement, or remains vacant without being subject to a lease for any sixty (60) day period, either party may terminate this Agreement upon thirty (30) days written notice to the other party of such intentions to terminate, provided that such written notice is delivered to the other party prior to the rental or lease of the premises through the efforts of BROKER. If the PREMISES contain multiple rental units, the termination provisions of this section will only apply if all units were not rented or leased within sixty (60) days of the date of this Agreement, or all units remained vacant for any sixty (60) day period. Termination of this Agreement shall not adversely affect the rights of tenants under the existing leases.

LEASING GUARANTEE

The Broker is confident in the screening and tenant selection process and fully expect the tenants to honor the terms of the entire lease. With the Leasing Guarantee the Broker will find you a new qualified tenant for free if the tenant secured by the Broker does not fulfill 100% of the lease term.

Conditions

- a. The Guarantee applies only to tenants the Broker has placed in the property, and not to those tenants that have been "inherited" from either you as the OWNER or another management company.
- b. The Guarantee does not apply to those tenants who must vacate due to military orders.
- c. The Guarantee does not apply to natural or man-made disasters over which BROKER has no control and which result in tenants being forced to vacate.

3. BROKER'S COMPENSATION

In consideration of the services rendered by BROKER, OWNER agrees to pay BROKER the following forms of compensation:

- a. FOR MANAGEMENT – a fee equal to 8 % of gross receipts collected including all sums collectible under any leases, with a minimum monthly fee of \$ 90.00 Per Unit.
- b. FOR LEASING – a fee equal to \$ 500.00 of the first full month's rent for each new tenant's lease shall be paid to

BROKER, in addition to the management fee provided for in paragraph 3a above but shall not be payable in connection with renewals.

c. FOR LEASE RENEWAL – A FEE EQUAL TO \$ 199.00 OF THE FIRST FULL MONTH’S RENT FOR EACH NEW TENANT’S LEASE RENEWAL SHALL BE PAID TO BROKER, IN ADDITION TO THE MANAGEMENT FEE PROVIDED FOR IN PARAGRAPH 3a ABOVE.

d. CHARGES TO TENANTS –Administrative Fees, Returned Check Fees, Lease Break Fees, Application Fees, Pet Fees/Rent, Early Termination Fee, Tenant Benefits Packages or any other fees, excluding rent, are the property of BROKER to offset expenses in enforcing the respective provisions. Late Fees are split 50/50 between the Broker and Owner.

e. SALE TO TENANT. If a sale or exchange of the PREMISES to the Tenant, or to anyone acting for or on behalf of a tenant or to any member of a tenant’s immediate family is contracted for or effected during the term of this Management Agreement or within 6 months of its termination, the BROKER will be paid by the OWNER promptly a commission of 3% of the sales price, if the BROKER has a valid South Carolina real estate license for the sale of real property in effect on the date such sale or exchange is closed.

f. SUPERVISION OF INSURANCE CLAIM/RESTORATION/IMPROVEMENTS; BROKER shall be paid 10% of the total cost of any and all insurance claim, new construction, substantial repairs and capital improvements made to premises during the term of this agreement in excess of \$ 1,000 provided that BROKER receives written authorization from OWNER for each specific project. Any such construction shall be scheduled, coordinated and supervised by BROKER on behalf of OWNER. No fee will be charged to owner for routine maintenance and repairs.

g. EARLY TERMINATION – OWNER further agrees to pay BROKER a fee of \$ 600.00 to cancel the Management Agreement for any reason prior to lease signing plus reimburse any pending application fees.

4. PET DAMAGE GUARANTEE

OWNER ____ will OR ____ will not allow pets on the premises. If OWNER does permit pets, BROKER will collect and retain monthly pet fees from a tenant and will remedy any pet damage in excess of a tenant’s security deposit for a maximum of \$1,000.00. This Guarantee is for approved pets only and does not apply to any service/emotional support animals, pets not approved on the lease, and/or pets not approved and accepted by the Broker. The BROKER cannot legally charge any pet rent or fee for service/emotional support animals.

5. SPECIFIC AUTHORITY FOR REPAIR AND ALTERATIONS

a. OWNER hereby gives BROKER the following authority and powers and agrees to pay promptly on demand all legitimate expenses in connection with the following: to purchase necessary supplies; to contract for such utility services as BROKER may deem advisable; to make necessary repairs to the PREMISES without the express written consent of OWNER, limited to \$350.00 for any single repair issue, and to make OWNER authorized alterations and decorations. In addition to other authority of BROKER, BROKER may pay or incur without limitation on behalf of OWNER monthly or recurring operating charges and/or emergency repair, if, in the reasonable opinion of the BROKER, such repairs are necessary to protect the property from damage or maintain services to the tenants as called for in state law or Rental Agreement. BROKER is authorized on behalf of OWNER to hire, discharge, supervise and pay any employees or contractors for work performed. **All providers of services shall be deemed to be acting on behalf of the OWNER and not the BROKER.** BROKER will not be liable to the OWNER or others for any act, default or negligence on the part of such persons, contractors or other workmen, providing BROKER has taken reasonable care in engaging them or their employers.

6. BROKER’S RESPONSIBILITIES:

In addition to the foregoing, the BROKER will perform the following functions on OWNER’S behalf:

a. Advertise and show the property for rent at Owner’s expense by means and methods that Broker determines are reasonably competitive; and

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; and

c. Make reasonable efforts to collect all the rents and other fees due from tenants when such amounts become due, and deposit same into an agency account maintained on behalf of the OWNER, but BROKER does not guarantee the payment of any tenant’s rent;

d. Withdraw from such account all funds needed for proper disbursements for expenses payable by the OWNER including without limitation, BROKER’S compensation; and remit balance of rent to OWNER at OWNER’S email, or address set forth with a written statement within 30 days of rent clearing, indicating said receipts and disbursements; and

e. Collect and place into escrow accounts, as required by law, security deposits under any lease. BROKER is authorized to disburse at the Brokers sole discretion the security deposit at such times and to such persons as BROKER shall in good faith believe to be entitled to such funds in accordance with the South Carolina laws governing security deposits. Any interest earned on said deposits, shall with tenant’s permission belong to BROKER.

f. Conduct periodic service evaluations of rental property to determine if any maintenance or repairs are needed. A third-party maintenance vendor or Broker assigned staff may conduct the inspections and complete the inspection report which will be made

available to OWNER. There is no charge for this service.

7. INDEMNIFICATION

OWNER agrees (a) to indemnify, defend and save the BROKER harmless from all loss, expense, damage, claim suits and costs whatsoever (including without limit attorney's fees and expenses) incurred and arising from performance or attempted performance by BROKER of its duties and powers hereunder whether for personal injury and/or property damage suffered by any person whomsoever on or about the PREMISES or otherwise, and (b) to carry at OWNER'S expense liability insurance of at least \$300,000 to protect the interest of the parties hereto. Policies shall be so written as to protect the BROKER in the same manner and the same extent as they protect the OWNER and will name the BROKER as an additional insured or certified holder of the policy and shall provide a Certificate of Insurance. The BROKER also shall not be liable for any error of judgment or for any mistake of fact or law or for anything which BROKER may do or refrain from doing, hereinafter, except in cases of willful misconduct or gross negligence. The BROKER shall not be responsible for any damage to the PREMISES, under any circumstance, by the tenant or others.

8. LEGAL PROCEEDINGS

BROKER is empowered to sign and/or cancel leases on OWNER'S behalf, to enforce the provisions of same, to institute legal action or other proper proceedings to collect rents and other sums due, and when expedient, to settle, compromise and release such actions and suits, and to dispossess tenants, and other persons, including without limit institution of eviction proceedings in the name of and on behalf of OWNER. BROKER may select the attorney of BROKER'S choice to handle any such matters and incur court costs at owner's expense. BROKER is not responsible for defending owner against any claim brought in a proceeding or court action by a tenant or other party.

BROKER and OWNER agree to not pursue litigation in the event of a dispute regarding the management of the property until mediation is initiated. Parties, unless agreed upon otherwise, shall mutually agree on selection of mediator and shall equally share in the expenses of such mediation.

9. BINDING AUTHORITY

This agreement shall be binding on, and for the benefit of the parties hereto and their respective heirs, successors and assigns. This agreement shall be governed by, interpreted under and enforced in accord with the law of the State of South Carolina. This is the entire agreement between the parties and may not be modified except in writing signed by both parties.

10. SURVIVAL

Indemnification and other provisions of this Agreement which benefit BROKER shall survive any termination of this Agreement.

11. FACSIMILE AND OTHER ELECTRONIC MEANS

The parties agree that all communication and documentation may be communicated by use of a fax or other secure electronic means, including but not limited to electronic mail and the internet, and the signatures, initials and handwritten or typewritten modifications to any of the foregoing shall be deemed to be valid and binding upon the parties as if the original signatures, initials and handwritten or typewritten modifications were present on the documents in the handwriting of each party.

12. COMMUNICATIONS/NOTICE

OWNER agrees to receive any and all communications from BROKER at the address, phone and email address below. Any notice required or permitted to be given pursuant to the provisions of this agreement shall be deemed given (1) when delivered personally, or (2) on the date such notice is deposited in the United States Mail, postage prepaid, certified or registered mail, return receipt requested, at following addresses.

BROKER <u>4M Property Management</u> <u>106 W. Church Street</u> <u>Greer, SC 29650</u> <u>864-640-8877</u> <u>info@4mpropertymanagement.com</u>	OWNER NAME AND MAILING ADDRESS _____ _____ _____ Phone: _____ Email: _____
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13. OWNER REPRESENTATIONS AND WARRANTIES

a. OWNER has fee simple title and the legal capacity to lease the property.

b. OWNER represents and warrants to the BROKER that, to the best of OWNER'S knowledge, the PREMISES are free of hazardous and/or toxic wastes and/or substances (such as terms are defined under applicable federal and state laws); that the PREMISES are fit for human habitation; that there are no hidden or latent defects or conditions on or affecting the PREMISES other than _____, that the PREMISES are not the subject of any order to repair or to demolish or other order of any governmental authority; that the PREMISES comply with all currently applicable laws, statutes and governmental rules and regulations; that the OWNER will at all times during the term of this Agreement fully and promptly comply with the lawful requirements of all applicable governmental authorities.

c. OWNER declares that all mortgage payments, taxes, insurance, and HOA dues have been made and accounts are current.

d. OWNER declares to be in compliance with local laws regarding operating smoke detectors and carbon monoxide detectors.

e. OWNER agrees not to negotiate with or communicate with prospective tenants or tenants in any way.

f. OWNER is required to provide BROKER with an inventory list of any personal property to remain at the property.

g. OWNER declares to be in compliance with all local rental requirements to include licensing, fees, association permissions, or local taxes.

h. OWNER acknowledges that 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. Security deposits will be forwarded to the Owner at termination of this agreement

14. LEAD-BASED PAINT DISCLOSURE

For dwellings built before 1978, and as required by applicable law, a Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (the "Disclosure") must be signed by OWNER and attached to this agreement. OWNER represents that either (1) the improvements on the property were all submitted, commenced, and constructed after December 31, 1977, or (2) the Disclosure has been fully completed and is attached to this agreement. OWNER agrees to provide BROKER with any such additional information or reports as may come to OWNER'S possession during the term of this agreement. OWNER acknowledges that BROKER has informed OWNER of the OWNER'S obligations to provide a tenant of the property with the pamphlet "Protect Your Family from Lead in Your Home," to provide information to a Tenant of the property with copies of available records and reports with respect to the property and lead-based paint and lead-based paint hazards, all pursuant to 42USC4582 (d), as amended.

15. FORCE MAJEURE

Any delays in the performance of any obligation of BROKER under this Agreement shall be excused to the extent that such delays are caused by wars, national emergencies, natural disasters, strikes, labor disputes, utility failures, governmental regulations, riots, adverse weather, and other similar causes not within the control of BROKER, and any time periods required for performance shall be extended accordingly.

16. PAYMENT FROM OWNER'S FUNDS

BROKER shall have no duty to expend BROKER'S individual funds in fulfillment of BROKER'S responsibilities under this agreement. All payments required or permitted to be made by BROKER shall be made from OWNER'S funds. OWNER agrees to deposit with BROKER promptly on demand such funds as may be necessary in BROKER'S reasonable judgment for performance by BROKER as provided in this Agreement.

17. AVAILABILITY OF TENANTS

BROKER shall make a good faith effort obtain tenants for the PREMISES, but BROKER makes no guarantee that tenants can be found.

18. LOCKBOXES AND KEY CHECKOUT

BROKER may use an electronic lockbox or allow prospective tenants to check out a key from our office when the property is vacant. Prospective tenants can access the property on their own after providing a copy of their drivers' license and appropriate prescreening documentation that BROKER deems acceptable. LANDLORD shall hold BROKER harmless for claims, damages, vandalism, or theft arising by criminal misuse of the lockbox or key.

19. OWNER PAYMENTS

Owner payments will be made by direct deposit between the 1st – 5th of each month, excluding weekends and holidays, for the prior month's proceeds. Example – January proceeds will be paid between February 1st – 5th.

20. AGREEMENT NOT TO LIST FOR SALE

OWNER agrees not to list the property on the market for sale prior to lease expiration.

21. LEASE RENEWALS

BROKER will actively pursue renewing all leases unless OWNER provides written notification 90 days prior to any lease ending specifically noting otherwise.

22. TERMINATION

If OWNER violates any terms of service contained in this agreement, or BROKER determines that effective management services can no longer be provided, BROKER may terminate this agreement with written notice.

23. MAINTENANCE/ REPAIR AND HOME WARRANTY COMPANIES

For any repairs or maintenance that OWNER or HOME WARRANTY is coordinating that have not been scheduled within 48 hours, BROKER reserves the right to hire, schedule, and coordinate such repairs or maintenance with vendor of BROKER'S choice, at OWNER'S expense. BROKER charges an additional \$75.00 Service Fee for managing each home warranty company claim.

24. MOVE IN, MOVE OUT, AND ROUTINE INSPECTIONS

All properties will be documented before a tenant moves in and after the tenant moves out. In addition, all properties will be periodically

evaluated to ensure that the property is being cared for properly and to make sure that all necessary maintenance is up to date. Each move in and out report will be very thorough and will be uploaded into the owner portal upon completion. The cost of each inspection is listed below.

Move In Inspection: \$ 0 Move Out Inspection: \$ 0 Semi-Annual Inspection: \$ 0 Annual Inspection: \$ 0

25. MEDIATION AGREEMENT FOR ALL AGREEMENTS WITH 4M PROPERTY MANAGEMENT

Except as hereinafter provided, the owner of the property, the renter, and 4M Property Management all hereby agree that, if any dispute or claim arises out of or in connection with the management agreement, rental agreement, breach of the rental agreement, rental checks/deposits, security checks/deposits, condition of the property prior to rental and at the end of the rental period, or any and all other services provided in the rental of this property, the parties shall attempt, in good faith reasonable efforts, to settle the dispute by mediation before resorting to any other procedure. Disputes shall include representations made by the renters, owners of the property, 4M Property Management, or any other person or entity in connection with the rental and/or condition of the rental property to which the rental agreement pertains, including without limitation, allegations of concealment, misrepresentation, negligence and/or fraud. Disputes subject to mediation shall NOT include the issue of the renter's failure to pay rent. 4M Property Management, reserves its right to immediately pursue eviction proceedings through the Magistrate's Court when the renter has failed to timely pay rent.

Further, any dispute where the amount in controversy is less than \$500 shall NOT be subject to mediation unless the parties mutually agree to mediate.

Any dispute subject to mediation shall be submitted to a mediator selected by mutual agreement of the parties. Unless agreed otherwise, the mediator's fee and expenses shall be equally divided among the parties to the dispute and both parties will submit mediation fees and costs to the mediator 10 days in advance of any mediation. Any party may request mediation by written notice to the other party and such mediation shall begin within thirty (30) days of said written notice. If the parties cannot agree on a mediator, then the Upstate Mediation Centre of Greenville or its successor shall mediate the dispute.

WHEREFORE, the parties have executed this Residential Management Agreement or caused the same to be executed by their authorized representative.

THIS AGREEMENT supersedes all prior written or oral agreements and can be amended only through written agreement signed by both parties.

The parties hereto have subscribed their names on this date: _____

BROKER

Owner

Owner