

PM# _____

PROPERTY MANAGEMENT AGREEMENT

This Agreement, dated _____ between _____ herein after called the Owner, and Red Door Residential LLC, herein after called the Agent:

WITNESSETH:

FIRST: The Owner hereby appoints the Agent, as an independent contractor, to rent, manage and direct the operation of the Owner's property located at: _____

The initial term of this agreement shall commence on _____ and shall end on _____, subject to automatic renewal unless either party provides 30 days written notice as described below. During the initial terms and renewal, either party may terminate this management agreement by giving the other not less than 30 days' written notice, delivered by certified mail with return receipt requested. If no such notice is given, this agreement shall remain in effect until either party terminates it by giving the other not less than 30 days' written notice, delivered via certified mail with return receipt requested. The date of termination set forth in any termination notice given shall be the last day of a calendar month. Upon the giving of such notice, it shall become the responsibility of the Agent to provide to the Owner, not later than 60 days after the effective date of the termination any un-obligated funds due to the Owner under the agreement and not later than 90 days after the effective date of the termination provide the owner with a final accounting of the Owner's ledger account, the amount of any un-obligated funds held in the property manager's "Clients Trust Account" under the agreement, a statement of why the obligated funds are being held by the property manager and a statement of when and to whom the obligated funds will be disbursed by the property manager. The Agent shall also deliver to the Owner, copies of all property rental agreements, keys held by the Agent for the property, unpaid bills, and any other documents of paperwork related to the property.

SECOND: The Agent accepts this appointment and agrees:

1. To use Agents best skills and efforts to serve present tenants and to obtain suitable new tenants for vacancies in the premises, to furnish all services required therefore, and for the management of the premises, and to supervise all labor required for its operation and maintenance, with due diligence to fulfill the Agent's responsibilities in conformity with applicable laws, statutes, and regulations.

2. To promptly report to the Owner any conditions at, on or about the premises which, in the opinion of the Agent require the attention of the Owner.

3. To keep full, detailed and adequate accounts and records maintained in client ledger with reference to Agent's receipts from and disbursements with reference to the Owner's property, and to permit the Owner and/or Owner's representatives to examine the same at any time during business hours.

4. To deposit any receipts or revenues collected in a "Client Trust Account" in a federally insured financial institution, All such receipts or revenues shall be deemed to be trust funds held in trust for the Owner and for the Owner's account, to be disbursed as hereinafter set forth.

5. The Agent shall render to Owner a monthly statement showing all amounts received and disbursed for the period reported. After deducting all expenses, reserves, and any other sums required by law, including any earned management fees for current month, a check in the net amount of all funds collected for Owner's account shall be remitted monthly by Agent to Owner, at the address designated as the Owner's mailing address.

6. Such monthly statement and net amount of Owners funds shall be delivered on or before the 20th of each month thereafter at the address designated as the Owner's mailing address.

7. Property management records may be destroyed after six (6) years from the date of transaction.

THIRD: The owner hereby gives to the Agent the following authority and powers:

1. To take sole, entire and exclusive charge of the premises.

2. To offer the premises for rent; to display "Now Renting" signs thereon and to rent and lease the same and in the name of the Owner, to negotiate leases on the premises, together with renewals of the same.

3. To collect all rents due or to become due for the premises; and to deposit rents in the Agent's "Client Trust Account" as stated above under the provisions of the First Part.

4. In the name of the Owner, and in conformity with applicable laws and regulations, to sign and serve such notices to delinquent tenants as the Agent may deem necessary or proper and, with the Owner's prior approval and in the Owner's name: (a) to sue for and to recover any of the rents which are past due; (b) to attach, garnish and levy upon the property of any delinquent tenant and to recover possession of any part of the premises therefrom; and (c) to settle, compromise and adjust such actions, suits or proceedings and the matters involved therein.

5. When the services of other parties are required in the maintenance of the property, the Agent shall utilize independent contractors that are covered by their own commercial insurance policy and the Agent shall use his best efforts to secure such services at the best price available, taking into consideration the quality of work done by and the reliability of such independent contractors; however the agent shall not be held responsible for any of their acts, defaults or negligence or for any error of Judgment or mistake of the law or of fact in connection with said employment, conduct or discharge.

6. To make or cause to be made all repairs and alterations; to do all decorating and to purchase all materials deemed necessary by the Agent for the maintenance of the premises including the building and any associated property such as fences or lawns or driveway; to purchase all supplies, fixtures and equipment deemed necessary by the Agent for the operation of the premises; provided always, that the Agent shall obtain the Owner's prior approval on all expenditures in excess of \$ 300 for any one item, except monthly or recurring operating charges and except emergency repairs if the Agent deems such repairs necessary to protect the property from damage.

7. When an owner has more than one property/account and a particular property/account has a zero balance and funds are needed to pay misc. expenses, such as repairs, advertising, utilities, etc., Owner grants permission for Agent to transfer funds from one property/account to another in order to pay for such expenses.

8. To make contracts in the name of the Owner for any needed service, including, but not limited to, cleaning and painting between tenants, public utilities, window cleaning, landscaping, rubbish and garbage disposal and vermin extermination as the Agent shall deem advisable, the Owner agreeing to assume the obligation of any such contracts which are still in effect at the termination of this agreement.

9. To pay out of the "Client Trust Account" established pursuant to the provision of the second paragraph of this agreement all expenses connected with the management, operation and maintenance of the premises, as authorized herein, including advertising expense and the Agent's commissions and compensation as provided for in the fourth paragraph of this agreement.

10. Owner agrees to maintain a minimum balance of \$ 500 in the "Client Trust Account" to cover general operation expenses. Whenever the sums collected by the Agent are insufficient to pay expenses, the Owner agrees to pay the Agent an amount sufficient to pay such expenses and to maintain the above-mentioned minimum balance.

FOURTH: The Owner agrees:

1. To pay to the Agent on or before the 20th of each month for management and operation an % **Management Fee** of the rents collected in the same month.

2. To pay to the Agent, in addition to the foregoing, a commission of **One Half(1/2) of One(1) Months' Rent or a minimum of \$800** for procuring new tenants who rent on a month-to-month basis or for procuring new tenants on a lease basis. This commission shall be paid as soon as funds are available in the Owners account. If tenant stays less than six months, there will be no commission paid for re-renting the premises.

3. To indemnify the Agent for any liability or loss arising from any breach of this Contract by the Owner. Except for claims covered by insurance as described below or fore which Owner bears the risk of loss pursuant to this agreement, the Agent shall indemnify the Owner for any liability or loss arising from a breach of this agreement.

4. To defend and hold the Agent harmless from all claims, actions, and judgments for damages on account of injuries to persons or property suffered or claimed to have been suffered by any person in, on or about the premises, and to defend against the same; to carry and keep in effect at all time, at Owners expense, public liability insurance to protect the interests of the parties hereto: and to cause all policies providing such insurance to be written so as to protect the Agent in the same manner and to the same extent as they protect the Owner, specifically naming the Agent as an additional insured party with one or more certificates of such coverage to be provided to the Agent.

5. The Owner shall and does assume the responsibility for the adequacy, kinds, and amounts of insurance placement, in connection with said premises to include Fire, Liability, etc. *We require a copy of your Landlords-Fire Policy for our records.

Insurance Co Name: _____ Policy No: _____

Agent: _____ Phone No: _____

6. Mortgage payments, insurance, taxes and like assessments imposed by Government authorities, including but not limited to property taxes, shall be paid directly by the Owner.

FIFTH: For the purposes of this agreement, a property manager owes an Owner the following affirmative duties:

1. To exercise reasonable care and diligence.

2. To deal honestly and in good faith.

3. To account in a timely manner for funds received or disbursed on behalf of the Owner.

4. To be loyal to the Owner by not intentionally taking action that is adverse or detrimental to the Owner's interest.

5. To disclose in writing and in a timely manner to the Owner any use of employees, or a business, in which the property manager has a pecuniary interest, to perform work on the Owner's managed property.

6. To notify the Owner to seek expert advise on matters related to property management that are beyond the licensee's expertise.

7. To maintain as confidential financial information obtained from, or about, the Owner, except under subpoena or court order or as otherwise required by applicable law and except as permitted by the Owner, even after the termination of the property management agreement. Agent is not, however, a guarantor of results, and Owner bears the risk of loss related to expenses, claims or damage covered by tenants or others.

SIXTH: Both the Owner and the Agent agree:

1. All inquiries for space in the premises, or part thereof, shall be referred to the Agent, and all persons making inquiries shall be instructed to deal with and through the Agent; all renewals of existing or future lease shall be made solely by and through the Agent.

2. This agreement shall not be capable of assignment without OWNER'S written consent.

3. The provisions hereof shall bind not only the immediate parties but their respective heirs, executors, administrators and successors, and so far as the terms hereof permit assignment, the assigns of the parties as well.

4. In construing this agreement, it is understood that the Owner or the Agent may be more than one person; that either or both may be a corporation; and that generally, all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporation and to more than one individual.

5. Owner and Agent agrees that any funds including any refundable and conditionally refundable deposits received by Red Door Residential LLC will be deposited and held in Red Door Residential LLC "Client Trust Account", and not commingled with other funds of Red Door Residential LLC. Such funds are held in a non-interest-bearing account.

By signing this agreement...I agree to the terms and conditions
of this Property Management Agreement (pages 1 thru 4)
and acknowledge receipt of the copy of this agreement.

X _____ X _____
Owner Signature Date

OWNER(S) Name:
ADDRESS:
PHONE:

X _____
Agent Signature Date

AGENT:
Red Door Residential LLC

TARGET RENT: \$ _____