



Revised March 08

PROPERTY MANAGEMENT AGREEMENT

(This is intended to be a legally binding contract - Please read it carefully)

_____, herein called "Owner" or "Landlord" and Richard A. Beaumont dba Beaumont Property Management, herein called "Broker" agree as follows:

1. **Appointment of Broker:** The Owner hereby appoints and grants Broker the exclusive right to rent, lease, operate and manage the Property known as: _____ and any additional property which may later be added to this agreement, upon the terms below, for the period beginning _____ and ending _____ at 2359 hours. Thereafter, this agreement shall renew for thirty-day periods or through the termination date of subsequent contracts with the residents if the Broker is compensated under the provisions of paragraph 5. (a) (1) below. Owner or Broker may terminate this agreement at any time by giving a written thirty-day notice of intent to terminate to the other party. If the Owner desires to terminate a continuing monthly management contract per 5.(a)(1) below; the Owner agrees to pay the Broker the unpaid portion of the scheduled property management fees through the termination date of lease contracts or those fees which would have been paid for 12 months from the start date of month-to-month contracts. The Owners written notice will be accompanied by the payment of these scheduled management fees.
2. **Broker Acceptance:** Broker accepts the appointment and granting and agrees to:
 - a. Use due diligence in the performance of this agreement.
 - b. Furnish the services of its organization for the rental, leasing, operation and management of the Property.
3. **Authority and Powers:** Owner grants to Broker the authority and power, **at Owner expense** to:
 - a. **Advertise:** Display "For Rent" or "For Lease" and other appropriate signs on the Property as permitted by local ordinance, association rules, etc: advertise the availability of the Property or applicable portions thereof.
 - b. **Rent or Lease:** Initiate, sign, renew or cancel rental contracts for the Property; collect and give receipts for rents, security deposits and other charges. The initial rental contract executed by the Broker for the Owner shall not exceed _____ months. The initial asking rent shall be at least \$ _____ per month. Broker has the authority to adjust rents up or down as market conditions warrant in order to attempt to produce the greatest possible income for the Owner. Only _____ people and _____ pet(s) _____ will be allowed. Smoking will _____ be allowed within the living areas of the Property. As used in this agreement the word "Owner" also means "Landlord" and the word "Resident" also means "Tenant"
 - c. **Terminate Residency:** Sign and serve in the Owner's name notices which may be required or appropriate; commence and prosecute actions to evict Residents; recover possession of the Property in Owner's name; recover rents and other sums due and when expedient: settle, compromise and release claims, actions and suits or reinstate Residents.
 - d. **Repair and Maintain:** Make, cause to be made and / or supervise repairs, improvements, alterations, and decorations to the Property. Purchase and pay invoices for services and supplies. Broker shall obtain prior approval of Owner for expenditures over \$ _____ or \$500 for any one project. Prior approval shall **not** be required for monthly or recurring operating charges or if, in the Brokers opinion, **emergency** expenditures over \$500 are required or needed to protect the premises or other property from damage, prevent injury to persons, avoid suspension of necessary services, avoid penalties, fines or suspension of services to Residents called for in the rental contract or by law. Broker shall not be required to advance Broker's own funds in connection hereto. However, if Broker elects to advance any funds, Owner shall promptly repay to Broker, on request, the amount advanced.
 - e. **Contract or Service:** Contract, hire, supervise and / or discharge firms and persons, including utilities, required for the operation and maintenance of the Property. Broker may perform any of the Broker's duties through attorneys, agents, employees and independent contractors and shall not be responsible for their acts, omissions, defaults, negligence and / or costs for same except for persons working in the Broker's firm.

Initials: Owner _____ Broker _____

- f. **Pay Expenses:** Pay expenses and costs for the Property from Owner's funds held by Broker, including but not limited to property management fees and charges, expenses for goods and services, invoices for repairs and maintenance and other expenses requested by Owner. Owner will normally continue to pay invoices for mortgages, taxes, insurance premiums and homeowner association dues directly from funds held by Owner.
- g. **Deposit Funds:** Deposit all funds collected for Owner in a financial institution trust account whose deposits are insured by an agency of the United States Government. The funds shall be held in a trust account separate from the Broker's personal accounts. Broker shall not be liable in the event of bankruptcy or failure of said financial institution.
- h. **Account for Resident payments:** Resident payments of rents, security deposits, option consideration and other funds collected from residents are normally considered income to the owner when received for accounting purposes. Owner acknowledges receipt of any security deposits. Broker will normally account for and return Resident deposits as required by law if Broker is managing the property and so long as sufficient funds are available to Broker from reserves held by Broker.
- i. **Maintain Reserves:** Maintain as a **minimum cash reserve** in the Broker's trust account an amount equal to Resident security deposit or \$_____.
- j. **Render Statements and Payments:** One statement of income and expenses will normally be prepared and provided to the Owner monthly. Funds in excess of reserves defined above or modified by mutual agreement will normally be paid to Owner monthly.
- k. **Distribute Owner Funds:** Funds received on behalf of the Owner will be dispersed in the following order:
- 1) Fees, charges and reimbursements due in accordance with this agreement.
 - 2) All other operating expenses, costs and disbursements payable from Owner funds held by Broker.
 - 3) Replenishment of reserves defined above.
 - 4) Balance in excess of reserves to be paid to Owner.
4. **Owner Responsibilities:** Owner shall:
- a. **Provide all documentation** and records required by Broker to manage and operate the Property including: document showing how title to property is held by owner (s), copy of declarations page of insurance policy, existing rental contracts, home owner association CC&R's , inventory of furnishings, and other appropriate documents.
- b. **Indemnify and hold harmless** Broker and all persons in Broker's firm from all costs, expenses, suits, liabilities, damages and claims of every type, including but not limited to those arising out of injury or death of any person(s), damage to any real or personal property of any person(s), including Owner's in any way relating to the management, rental or operation of the Property by Broker or any person in Brokers firm, or in the performance or exercise of any of the duties, powers or authorities herein or hereafter granted to Broker, except to the extent due to the gross negligence of Broker or any person in Brokers firm.
- c. **Carry and pay for** public and premises liability, property damage and worker's compensation insurance adequate to protect the interests of Owner and Broker. Owner's insurance policy will name Broker as an "additional insured" and a copy of the policy "declarations page" will be provided to Broker now and at each renewal by insurer.
- d. **Pay any late charges**, penalties and / or interest imposed by other parties caused by a lack of Owner's funds held by Broker for the legitimate invoices presented by these same parties.
- e. **Provide a full set of keys** to the Property plus any garage door transmitters, gate codes, electronic card keys, etc.
- f. **Provide inventory** of the significant contents of the premises which Owner desires to insure against loss in (c).
- g. **Maintain and repair** the premises and furnishings in a manner consistent with the standards of habitability, health and safety expected of residential rental properties in accordance with applicable law.
- h. **Recognize** that the Property is being rented to the public and therefore the amount of wear and tear may be greater than if the Owner occupied the Property.
5. **Compensation:**
- a. Owner agrees to pay Broker for those services desired and selected below (checked and initialed) in accordance with the fee schedule specified for those services as follows:
- (1) _____ / _____ / _____ **Residential Placement plus continuing Monthly Property Management:** A one time **Residential Placement Fee** of 50% of the full monthly contracted rent for the first Resident placed in the property with a minimum fee of \$750. **In addition**, the minimum fee for continuing **Monthly Property Management** will be 11.5%/ _____% of rents collected, with a minimum monthly fee of \$150. Owner to pay a non-refundable \$500 to Broker when this contract is executed. This \$500 is credited toward the Residential Placement Fee. The fee for the second and all subsequent Residents placed in the property to be \$350.

Initials: Owner _____ Broker _____

- (2) _____ / _____ / _____ **Residential Placement only:** The fee for **Residential Placement only** will be 50% of the full monthly contracted rent with a minimum fee of \$750. Owner will assume all property management functions upon receipt of the Residential rental contract. Owner to pay a non-refundable \$500 to Broker when this contract is executed. This \$500 is credited toward the Residential Placement Fee.
- (3) _____ / _____ / _____ **Coordination and Supervision of Repair and Maintenance:** A fee for coordination and supervision of repair and maintenance work of \$_____/hour with a minimum fee of 10.0% of invoices paid. **This fee will only be charged to continuing monthly property management accounts when Broker spends more than 1 hour on the property account in any one month.**
- (4) _____ / _____ / _____ **Evictions:** All costs incurred by Broker to be paid by Owner.
- (5) _____ / _____ / _____ **Continuing Property Management during Extended Vacancies:** A fee \$150 per visit when, by mutual agreement, the property needs to be vacant for more than 30 days and Owner desires Broker to continue in a property management capacity and view the property once per month. The minimum charge will be \$150 per month (beginning the month after vacancy for existing accounts).
- (6) _____ / _____ / _____ **Consulting and Residential Estate Management:** A fee of \$150 per hour plus expenses will be charged for Consulting Services with a minimum fee of \$150. Residential Estate Management services tailored to owner requirements will be expressed in a written addendum attached hereto. The minimum monthly charge for Residential Estate Management will be \$300. Owner will deposit \$1500 upon execution of this contract. Broker will render monthly statements of income and expenses and Owner will replenish the balance to \$1500 whenever the balance in the account falls below \$600.
- (7) **Other fees:** _____

b. Normal property management **does not include** providing on site management services, property sales, refinancing, preparing Property for rental, sale or refinancing; 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, or attending Owner's association meetings and the like. A fee of \$150 per hour will be charged for these services if requested by Owner.

c. Owner further agrees that:

- (1) **Broker may charge and receive fees directly from Applicants and Residents for:** processing applications, negotiating an assignment of the rental contract or early termination of a rental contract; locating replacement residents; collecting late fees, processing returned (NSF) checks, performing services as buyers agent when Resident desires to purchase either the Owner's or any other property and other fees that are not in conflict with this agreement.
- (2) **Broker may collect and deposit directly to Brokers account the following Resident charges and fees:** the late fees specified in Residential contracts; returned (bounced) check or NSF fees specified in the rental contract and like fees.
- (3) **Broker may perform** any of its duties and obtain necessary products and services through affiliated companies or organizations in which the Broker may own an interest. Broker may receive fees, commissions and / or profits from these affiliated companies or organizations. Broker shall disclose to Owner any such relationship. Broker shall not, however, receive fees, commissions or profits from unaffiliated companies in the performance of this agreement without prior disclosure to Owner.
- (4) **Broker may divide compensation,** fees and charges due under this agreement, in any manner acceptable to Broker.
- (5) **This agreement with Owner is fully assignable.**
6. **Agency relationships:** Broker agrees to act as agent of the Owner in any rental contract for any property covered by this agreement. It may be necessary or appropriate for Broker to act as agent of both Owner and Resident or, one or more additional parties, in any resulting rental contract or subcontract, in which case Broker will seek Owner's consent to such agency as soon as practicable. However, if Broker is the listing agent and or property manager for a different property in which the Resident has an interest, Owner understands that Broker may act as agent of the Resident and / or the other property owner with respect to a contract involving that other property.
7. **Notices:** Any written notice to Owner or Broker required under this agreement shall be served by sending such notice by first class mail to that party at the addresses shown herein or by other manner to any different addresses which the parties may later designate for this purpose. Notices shall be deemed received 3 business days after deposit into the United States mail or E-mail to addresses that have been provided by the parties more than 30 days prior to the date of any notice.
8. **Binding agreement:** This agreement shall be binding upon and shall inure to the benefit of Owner and Broker and their respective heirs, administrators, executors, successors and assigns.

Initials: Owner _____ Broker _____

9. **Mediation of disputes:** Owner and Broker agree to mediate any dispute or claim arising between them out of this agreement or any resulting transaction before resorting to arbitration or court action. Mediation is the process by which parties attempt to resolve a dispute or claim by submitting it to an impartial, neutral mediator, who is authorized to facilitate the resolution of the dispute, but who is not empowered to impose a settlement on the parties. Mediation fees, if any, shall be divided equally among the parties involved. If any party commences an arbitration or court action based on a dispute or claim to which this paragraph applies without first attempting to resolve the matter through Mediation, then, in the discretion of the Arbitrator or Judge, that party shall not be entitled to recover attorney's fees and court costs, even if they would have been otherwise available to that party in any such arbitration or court action.
10. **Attorney's and associated fees:** In any court action, litigation proceeding or arbitration arising out of this agreement, both Owner and Broker agree that they will each pay their own legal costs, administrative fees, expenses for attorneys, court costs and other such fees and hereby hold the other harmless for such costs.
11. **Equal housing opportunity:** Owner and Broker agree that the Property is offered in compliance with federal, state and local fair housing laws.
12. **Additional terms:**
- a. Owner agrees to notify Broker at least 60 days prior to offering the Property for sale. Transfer of title to Property is subject to Resident's rights under any existing rental contract.
 - b. Owner agrees **not to enter** the Property without prior consent of the Resident per the terms of the rental contract.
 - c. _____

1. **Acknowledgment and Execution:** We have read, understood and agree to the forgoing prior to execution and have received a copy of this contract this _____ day of _____, 20____.

Beaumont Property Management
Broker

Owner printed name(s)

By: Richard A. Beaumont

Owner signature(s)

Broker – Owner

Address

By:

Address

Property Manager

SSN for tax reporting purposes

Voice numbers

Fax number

Cell phone numbers

E-mail address

Initials: Owner _____ Broker _____