



Property Management Agreement

Property Owner:

Property Address:

Prepared by:

Date:

This Agreement is made between OWNER NAME (Owner) and Renaissance Properties Management LLC (Manager). Owner employs the services of Manager to manage, operate, control, rent, and lease the following described property: PROPERTY ADDRESS

Responsibilities of Manager

Owner hereby appoints Manager 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:

- » **Collection and Disbursement.** Manager agrees to collect all rents as they become due; to render to Owner a monthly accounting of rents received and expenses paid; and to remit to Owner all income, less any sums paid out. Manager agrees to collect the rents from the tenant and to disburse funds by ordinary mail or as instructed by the Owner on or before the 20th day of the current month, provided, however, that the rent has been received from the tenant. All security deposits shall be held by Manager in separate account to be refunded to tenants after successful completion of the lease term, if property is left in desirable condition. Deposits are only to be released to owners in the event of tenant default or property damage caused by tenant.
- » **Maintenance and Labor.** Manager agrees to maintain and to repair the property and to hire and to supervise all employees and other needed labor. Manager will handle and dispatch routine maintenance phone calls including plumbing leaks, electrical problems, and other small items. Any repair will have to be approved by Owner prior to dispatch and repair by Manager. Any repairs that are necessary will be contracted out to Manager's employees and/or independent subcontractors and billed and paid accordingly. Owner will have the option of hiring and coordinating his/her own maintenance personnel.
- » **Advertisement and Legal Proceedings.** Manager agrees to advertise for tenants, screen tenants and select tenants of suitable credit worthiness. Manager will set rent at the range of \$XX.XX - \$XX.XX or as agreed upon by the owner. Manager agrees to rent the property; to sign, renew, and to cancel rental agreements for the property. If attorney is provided by Owner, Manager agrees on behalf of Owner to sue and recover for rent and for loss or damage to any part of the property and/or furnishings thereof; and, when expedient, to compromise, settle, and release any such legal proceedings or lawsuits.

Liabilities of Manager

Owner hereby agrees to hold Manager harmless from, and to defend Manager against, any and all claims, charges, debts, demands, and lawsuits in connection with the Manager fulfilling the duties and responsibilities under this agreement, except any criminal or acts of negligence made by Manager.

- » **Vacancy during winter.** If the property comes vacant during winter months, it is Owner's responsibility to winterize or keep the utilities turned on within the property. If any damages occur due to weather conditions, Manager will not be held liable.
- » **Damages.** Manager will not be held liable for any physical or financial damages to the property. Every reasonable effort will be made to carefully screen tenants and avoid detrimental situations; however, no guarantees are made.
- » **Lead.** If the property was built prior to 1978, Manager will provide all tenants with "Protect Your Family From Lead In Your Home" brochure to comply with the law (Title X). It is Owner's responsibility to provide Manager with proper disclosure about lead-based paint and hazards in order for Manager to include this information in lease paperwork. Manager will not be held liable for failure to disclose known information on lead-based paint and hazards before leasing the property to tenants nor will Manager be responsible for any lead-related law suits filed by tenants.

Responsibilities of Owner

In consideration of the property management services to be rendered by Manager under this Agreement, Owner agrees:

- » **Relevant Information.** Owner agrees to give copies of all relevant information to Manager.
- » **Paying mortgage/taxes.** Owner agrees that Owner is solely responsible for making all mortgage, property tax and insurance payments regarding the subject property on a timely basis. Manager assumes absolutely no responsibility for same.
- » **Reimbursement of monies above rent.** Owner agrees to reimburse Manager, upon demand, or from rent collected, to the full extent of all monies advanced by Manager for Owners account in carrying out the purpose of this Agreement; it being understood however, that Manager is not obligated to make such advances.
- » **Responsibility for reading/understanding communication.** Owner agrees that Owner is responsible to read and understand all agreements, messages, invoices, and updates from the Manager. (As with any financial transaction or agreements Renaissance Properties Management recommends securing the services of an accountant to assist in these matters.)
- » **Disclosure about intent to sell.** Owner agrees to tell Manager if Owner is going to sell the Property at least 10 days before listing date.

Compensation of Manager

Owner agrees to compensate Manager as follows:

- » **One-time set up fee.** An up-front fee of \$100.00 to cover the initial cost of opening a file is required.
- » **Monthly Management Fee.** Our property management fee for a single occupied unit is equal to 10% of monthly rental income. This fee is collected even if the property is vacant with a monthly minimum fee of \$65.00 per month.
- » **Initial Leasing Fee.** 100% of the first month's rent for acquiring, screening, and renting the premises for an initial tenant acquired since the date this agreement is signed. Note: Only paid to Manager once the property is leased and all funds are collected from the tenant.
- » **Subsequent Leasing Fee.** 50% of the first month's rent as a subsequent fee for re-renting of the premises by a new tenant no earlier than twelve (12) months after the initial lease agreement was signed.
- » **Lease Renewal Fee.** When a tenant's lease expires and Renaissance Properties is able to obtain a lease renewal from the existing tenant then 25% of the first month's rent as a subsequent lease renewal fee will apply for renewing the existing tenants lease.
- » **Web Site & Newspaper Advertising Fee.** If owner decides to utilize our web site and advertisement in the local newspaper then the monthly fee for this will for \$50.00 while the property is vacant.
- » **Other Fees.** In order to minimize the fee Manager charges Owner, Manager might collect and retain for themselves from tenant(s) all or any of the following: credit report fees, late rent fees, check collection charges, fees for serving notices and/or any administrative charges.
- » **Property Repair and Maintenance Reserve.** Renaissance Property Management LLC requires that the owner keep a minimum of \$250.00 in reserve funds which is to be held in the owners escrow account set up by the property manager. In addition, the property manager has the authority to authorize up to \$100.00 in approval for any and all repairs needed for the maintenance of the property. Any repair expenditure over and above the \$100.00 threshold limit will need written approval and authorization from the property owner.

Terms of Agreement

This Agreement shall be effective as of DATE and shall expire on DATE at midnight. Upon expiration of the above initial term, this Agreement shall automatically be renewed and extended for a month to month period of time unless terminated in writing by either party by providing written notice thirty (30) days prior to the date for such renewal. This agreement may also be terminated by Manager with a thirty days written notice. This agreement may also be terminated by mutual agreement of the parties at any time. If Owner prematurely terminates this agreement, then Owner shall pay to Manager any fees, commissions and expenses due to Manager under the terms of this Agreement, which are owed to Manager. If Owner does not fulfill the terms of this agreement, then it is said that Owner is liable to Manager for a buy-out penalty. The buy-out penalty is the number of months remaining to the end of the contract multiplies by the monthly management fee. If the property is vacant then the buyout condition will not apply.

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 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, Manager shall be released from all liability under this Agreement upon the express assumption of such liability by its assignee.

Additional Services

If Owner requires Manager to provide services that are beyond the scope of this agreement, and thus deemed outside the normal scope of the day-to-day management of the property, then Manager will charge a consultation fee of \$80.00 per hour for these services. Examples of work that falls outside this agreement include:

- » Property renovations
- » Non-trivial property repairs
- » Project management of above

Manager will get Owner's written approval for any work that falls in the Additional Services category.

This document represents the entire Agreement between the parties hereto. IN WITNESS WHEREOF, the parties hereto hereby execute this Agreement on the date written below.

Owner(s) [NAME]

Paul Medvin, Property Manager & Principal Broker
Indiana Real Estate Principal Broker License
#PB21200090

Date

Date