

PROPERTY MANAGEMENT AGREEMENT

The business of Property Management covers many issues and The Holton-Wise Property Group wants to make it as clear as possible to our clients the level of service we provide and the type of charges that you may incur. We are here to help make your investment as pleasant and profitable as possible. Please feel free to ask any questions at any time.

This property management agreement is between The Holton-Wise Property Group (Hereinafter called "Broker") &

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(Hereinafter called "Owner") & applies to the real property at:

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2.	
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4.	
5.	

The term of this agreement shall commence on the following date

Month:	Date:	Year:
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This agreement is automatically renewable, upon expiration for 36 monthly periods unless terminated by either party giving 30-days' written notice to the other party in advance of such termination date. This agreement can be terminated early at any time giving a 30 days written notice. In the event Owner terminates this agreement early, an early termination fee equal to one month's rent for occupied units and \$295 for vacant units will be charged to Owner for every unit managed by Broker. The early termination fee will be waived if the management agreement is ended early because the Owner sold the property(s) using The Holton-Wise Property Group's brokerage services. **The termination of this Agreement will end all of Broker's responsibilities for any and all rental agreements entered into by Broker, on behalf of the Owner during the term of this Agreement.** However, the termination of this agreement shall not affect the right of Broker to receive leasing commissions or management fees which have accrued on the date specified in such notice and have not yet been paid. Nor shall it affect the right of Broker to receive a full month's management fee for the management of any property that Broker managed for a portion of any month.

In consideration of the management and leasing functions to be performed by Broker under this agreement, Owner agrees to pay Broker a fee or fees for services rendered at the rates hereinafter set forth. Owner recognizes Broker as agent in any negotiations relative to said property or any part thereof, and if consummated, shall compensate Broker in accordance with the rates hereinafter set forth. Such compensation is due and payable on demand and may be deducted by Broker from gross receipts. Unless otherwise specified in writing additional properties that Broker manages for Owner will be performed on an implied contract under the same terms and conditions contained herein this agreement.

Duties and responsibilities of Broker in connection with the management of said property(s) are as follows:

1. Broker shall advertise the availability for rent of the property or any part thereof and to display advertisement signage thereon; to show property to prospective tenants; to execute leases; renewals or cancellations of leases relating to said property; to terminate tenancies and to sign and serve for Owner such notices as Broker deems appropriate; to institute legal actions in the name of Owner; to evict tenants and recover possession of said premises; to recover rents and other sums due, and to settle, compromise and release such actions. All expenses of litigation, including costs and attorney fees shall be paid by the Owner. Broker may select a qualified outsider provider of its choice to handle such litigation. Broker may advertise vacancy in one or more publications at its discretion. Internet advertising, personal networking, lockbox service, and signage are provided at no cost to owner. Rent rates are determined by market conditions (location, property features, condition, price, season and terms) unless requested in writing Broker will establish the rental rate based on its best judgment. Broker's goal is to rent the property within 30 days of becoming ready to rent. Broker does not guarantee that a property will rent at any particular price point or in any time frame. Broker will be selecting tenants using its best judgment. Applicants will complete a rental application that allows Broker to run a credit check and verify income and rental history. Broker will adhere to all Fair Housing guidelines. Broker will provide a Lead Based Paint disclosure form & booklet to all tenants.
2. Broker shall have the authority to negotiate, prepare, execute, modify and cancel all leases as agent for the Owner.
3. Broker shall take all reasonable steps to collect and enforce the collection of all rentals and other charges due Owner from tenants of said property in accordance with the terms of their tenancies. Broker has the right to dictate and retain all late fees, move in fees and miscellaneous fees charged by Broker and collected from the tenant.
4. Broker shall deposit gross revenues collected into a special trust account whose deposits are insured by the Federal Deposit Insurance Corporation. Broker shall have authority to draw on such account any payment to be made by Broker to discharge any of the liabilities or obligations incurred by Broker pursuant to this agreement. Broker shall retain all security deposits in the Trust Account until allocated and disbursed at the termination of the Tenancy according to applicable law and the terms of the rental agreement or at the termination of this Property Management Agreement.
5. Broker shall arrange all repairs, replacements and decorating necessary to maintain said property in good condition and for the operating efficiency of said property. This includes, but is not limited to cleaning, painting, decorating, plumbing, carpentry, ground care, and such other maintenance and repair as may be necessary subject to any limitations imposed by the Owner in writing. The expense of any one item of maintenance shall not exceed the sum of **\$300.00** unless authorized by Owner in writing or unless Broker determines it to be an emergency. Owner approval is not required in the event of an emergency where immediate repairs are required to preserve the property, continue essential services to the property, avoid danger to life or property, or to comply with federal, state, or local law & housing authority. Expenses associated with maintenance and repair shall be paid out of the Trust Account, subject to account balances. Broker has its own "in house" maintenance staff. Unless otherwise requested by Owner, in writing, Broker reserves the right to perform all maintenance and repair issues "in house." In the event there is a repair or renovation that Broker is unable to perform "in house" Broker will Sub Contract the job. Broker will charge Owner a Fee of 5% of any Sub Contractor's invoice. In no case is Broker obligated to furnish multiple bids for maintenance work. Broker will charge owner a Bid Fee for every job that is bid by Broker. Fees are indicated on page 3. In the event the Owner does not want to have Broker perform maintenance and repair issues "in house." Owner has the option to use other outside vendors for any maintenance/repair work. Broker takes no responsibility for the quality of any maintenance or performed by outside vendors. Owner will be solely responsible for obtaining bids as well hiring & making payment to outside vendors. Broker's only role will be to provide access to outside vendors for any work owner has hired them to do & perform an inspection after work is completed by outside vendors to verify that the work meets the minimum rent ability standards of Holton-Wise. A coordination fee of \$295 will be charged to Owner for every outside vendor Broker must coordinate with in addition, Outside Site Visit Fee applies. Fees are indicated on page 3. There is no fee to grant access or to verify that work has been adequately performed when it has been performed by the Brokers "in house" maintenance staff.
6. Broker shall maintain accurate records of all moneys received and disbursed in connection with its management of said property, and such records shall be open for inspection by Owner at all reasonable times. Broker shall provide monthly reports of all financial activity to the Owner. Broker shall make every effort to provide owner with a monthly accounting statement & any profit disbursements by the end of the 1st week of the following month.
7. Broker will provide a 1099 every January as required by the IRS. Upon account cancelation Broker will provide owner with a final accounting that includes the last monthly statement, year to date statement and a final disbursement of all of the owners funds held by Broker. For this Broker will charge the Owner a \$295 final accounting fee.

Duties of the Owner:

1. Owner agrees to maintain a minimum balance of **\$2,500.00** in Broker's trust account. In the event the amount falls below such minimum balance, Owner agrees to pay such excess promptly upon the request of the Broker. Broker reserves the right to replenish this amount from rents collected prior to any owner disbursements being made.
2. Owner agrees to take notice of the condition of the property and establish goals to upgrade and maintain the property. In the event the property condition worsens to the point where it is no longer rentable & owner does not wish to perform repairs necessary to bring it up to rentable standards Broker can cancel this contract with a 30 day written notice.
3. Owner agrees to make available to Broker all data, records, and documents pertaining to the property which Broker may require to properly exercise Broker's duties hereunder.
4. Owner shall complete and submit a lead-based paint disclosure if property is residential and built prior to 1978.
5. Owner agrees to hold Broker harmless from any and all costs, expenses, attorney fees, suits, liabilities, damages or claims for damages, including but not limited to those arising out of any injury or death to any person or persons or damage to any property of any kind whatsoever and to whomsoever belonging, including Owner, in any way relating to the management of the premises by the Broker or the performance or exercise of any of the duties, obligations, powers or authorities hereafter granted to Broker.
6. Owner agrees to carry, at Owner's sole cost and expense, such public liability and property damage insurance as shall be adequate to protect the interests of the Broker and Owner, the policies for which shall name the Broker as well as the Owner as the party insured. **OWNER TO PROVIDE BROKER WITH A CERTIFICATE OF INSURANCE SHOWING A MINIMUM OF \$300,000 LIABILITY COVERAGE** within 14 days of execution of this contract. No rental disbursements will be sent to owners until Broker has been provided with the certificate of insurance showing a minimum of \$300,000 liability coverage.
7. **UTILITIES, TAXES, & PROPERTY INSURANCE SETUP & EXPENSES WILL BE THE SOLE RESPONSIBILITY OF THE OWNER. CLEVELAND OHIO HAS INCLEMENT WEATHER THAT CAN CAUSE BUILDINGS WITHOUT HEAT TO HAVE THE WATER PIPES FREEZE & BURST CAUSING EXTREME DAMAGE TO THE BUILDING.** Broker strongly recommends setting up a landlord policy with the gas provider so that the gas will automatically revert back to the owners name after a tenant takes it out of their own name. Broker recommends that the owner contact both gas & electric provider to insure utilities are on in the owner's name **IMMEDIATELY** after every tenant turnover & or property acquisition. Broker is not liable for any damage caused to any property because of burst water pipes or anything else in relation to the utilities not working properly. Utility company contact information can be found on the FAQ at HoltonWise.com

One Time Account Setup Fee:	\$295.00 (Charged once per account. No fee is charged for additional properties added to an existing account.)
Monthly Management Fee:	10% of collected rent (Minimum fee of \$50 per unit per month)
Leasing (Placement) Fee:	1 st full months' rent
Lease Renewal Fee:	\$295.00
Bill Payment Fee:	\$15.00*
Bill Collection Fee:	10% of collected bills**
Outside Site Visit Fee:	\$75.00 per hour***
Long Distance Surcharge:	\$25.00****
Maintenance Tune up & Inspection:	\$99.00 per unit (OPTIONAL)*****
Eviction: (1 st cause only)	\$750.00
Grass cut: Small (under ½ acre)	\$35.00
Grass cut: Medium (½-1 acre)	\$49.00
Grass cut: Large (1 acre +)	\$54.00 + \$25.00 per additional acre
Snow Plow	Cost will vary on an individual basis. See Property Manager for an individual bid

***Bill Payment Fee**

Broker will charge Owner \$15.00 per bill that Broker pays on behalf of Owner. This includes but is not limited to private trash service, utility bills and city rental registration. If the payment of any bill causes Broker or one of Broker's employees to physically leave Broker's office an Outside Site Visit Fee will be added on top of the Bill Payment Fee.

****Bill Collection Fee**

Broker will charge Owner 10% of all monies collected for Owner by Broker. This includes but is not limited to the collection of the following bills from the tenants. Water, sewer, gas and electric as well as but not limited to any fines or citations incurred by Owner for the activities of the tenants such as trash fines, grass fines and inoperable vehicle fines.

*****Outside Site Visit Fee**

Broker will charge owner an Outside Site Visit Fee every time an employee of the Broker has to leave the Broker's office to perform duties related to the property being managed by Broker. This includes but is not limited to the following; Service Call Fee, Maintenance Service Call Fee, Bid Fee, Outside Contractor Access Fee & Utility Turn on Fee. Hourly rate is billed at \$75/hour including drive time to & from Broker's office with a minimum Fee of \$75 per Outside Site Visit.

******Long Distance Surcharge**

Broker will charge Owner a Long Distance Surcharge for any trip made to any property located outside of Cuyahoga County. This includes everything that will be charged via the Outside Site Visit Fee as well as visits to the property performed by Broker's leasing staff.

*******Maintenance Tune up & Inspection**

Broker will perform a property inspection, replace the furnace filter, change out all smoke detector batteries & change CO detector batteries in each unit. This is an optional product. Broker recommends Owner purchase this product at least once every year.

Sale of the property

Owner to pay an additional management fee of \$295 per unit per month when a property is listed For Sale by Owner or with another brokerage besides The Holton-Wise Property Group. This fee is waived if The Holton-Wise Property Group is the listing brokerage. Note that The Holton-Wise Property Group considers coordinating showings of properties to potential buyers a sales activity. If the property is listed by another brokerage besides The Holton-Wise Property Group or For Sale by Owner The Holton-Wise Property Group will not be held responsible for coordinating those showings. The Holton-Wise Property Group will make every effort to get tenant contact information to the owner or the listing agent so that they can coordinate with the tenants directly. An additional fee of 7% of the purchase price or a minimum fee of \$4,995 (whichever is higher) will be due to The Holton-Wise Property Group when the property is sold & title is transferred to the new owner unless The Holton-Wise Property Group was the listing Broker.

Fair Housing: It is illegal, pursuant to the Ohio Fair Housing Law, Division (H) of Section 41 12.02 of the Revised Code of the Federal Fair Housing law, 42 U.S.C.A. 3601, as amended, to refuse to sell, transfer, assign, rent, lease, sublease or finance housing accommodations, refuse to negotiate for the sale or rental of housing accommodations, or otherwise deny or make unavailable housing accommodations because of race, color, religion, sex, familial status as defined in Section 41 12.01 of the Revised Code, ancestry, military status as defined in that section, disability as defined in that section, or national origin or to so discriminate in advertising the sale or rental of housing, in the financing of housing, or in the provision of real estate brokerage services. It is also illegal, for profit, to induce or attempt to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons belonging to one of the protected classes.





Additional terms or limitations:

Parties acknowledge having read the foregoing prior to execution and receipt of a copy of this Agreement.

Owner name (print)	
SSN or Tax ID number	
Mailing Address	
E-Mail	
Phone	
Owner name (sign)	Date
The Holton-Wise Property Group Agent name (sign)	Date

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Property Address: _____

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Landlord's Disclosure

- (a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):
 - (i) _____ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).
 - (ii) _____ Landlord has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- (b) Records and reports available to the seller (check (i) or (ii) below):
 - (i) _____ Landlord has provided the purchaser with all available records and reports pertaining to lead based paint and/or lead-based paint hazards in the housing (list documents below).
 - (ii) _____ Landlord has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Tenant's Acknowledgment (initial)

- (c) _____ Tenant has received copies of all information listed above.
- (d) _____ Tenant has received the pamphlet *Protect Your Family from Lead in Your Home*.
- (e) Purchaser has (check (i) or (ii) below):
 - (i) _____ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
 - (ii) _____ waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

- (f) _____ Agent has informed the landlord of the landlord's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Landlord Date

Landlord Date

Tenant Date

Tenant Date

Agent Date

Agent Date