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Property Management Agreement

Entered into this ___ by and between

___ ("Owner") and **Mak Gregor Management** ("Agent").

1. Appointment and Acceptance. Owner appoints Agent as exclusive Agent for the management of the property, and Agent accepts the appointment, subject to the terms and conditions set forth herein.

2. Description of Property. The property consists of the land, buildings and other improvements located at:

and includes:

3. Rentals. The following provisions will apply:

- a. Agent will follow a tenant selection policy stipulated and performed
- b. by Agent.
- c. Agent will show the premises to prospective tenants.
Agent will take and process applications for rentals. If an application is rejected, the rejected application will be kept on file for one (1) year.
- d. Agent will prepare all dwelling leases, and will execute the same in
- e. its name, identified thereon as Agent for Owner.
Owner will provide copies or originals of all current leases and applications upon acceptance of contract. Owner will retain or provide Agent with all current security deposits for all current residents.
- f. Agent may place resident managers on site, as Agent deems
- g. necessary, in properties with 8 or more units.
- h. Agent will negotiate concession agreements; will execute the same in its name, identified thereon as Agent for Owner.
Agent will collect, deposit and disburse security deposits, if required, in accordance with the terms of each tenant's lease.

4. Collection of Rents and Other Receipts. Agent will collect when due all rents, charges and other amounts receivable on the Owners account in connection with the management and operation of the Project. Such receipts will be carried in the Agent's trust account. Agent will retain all late fees collected per the terms of the lease agreement.

5. Enforcement of Leases. Agent will seek full compliance by each tenant with the terms of his/her lease. Nevertheless, Agent may lawfully terminate any tenancy when, in Agent's judgment, sufficient cause (including but not limited to nonpayment of rent) for such termination occurs under the terms of the tenant's lease. For this Agent is authorized to consult with legal counsel to be designated by Agent to bring action for eviction and to execute notices to vacate and judicial pleadings incident to such actions. Attorney's fees and other necessary costs incurred in connection with such actions will be paid by management out of the project owner's Property Management Account.

6. Maintenance and Repair. Agent will cause the project to be maintained and repaired in accordance with Owner's requirement and local codes, and to be in a condition at all times acceptable to Owner. Such repair and maintenance shall include but not be limited to cleaning, painting, decorating, plumbing, carpentry, ground care and such other work as may be necessary. With regard thereto, the following provisions will apply:

- a. Attention will be given to preventative maintenance, and to the extent feasible, the services of regular maintenance will be used.
- b. Agent will contract with qualified independent contractors for the maintenance and repairs beyond the capability of regular maintenance.
- c. Agents will systematically and promptly receive and investigate all service requests from tenants, take such action as may be justified, and will keep records of the same.
- d. Agent is authorized to purchase all materials, equipment, tools, appliances, supplies and services necessary for proper maintenance and repair. The prior approval of Owner will be required for any expenditure which exceeds **\$1000** in any one instance for labor, materials, or otherwise in connection with the maintenance and repair of the Project, except for recurring expenses within the limits of the operating budget or emergency repairs involving manifest danger to persons or property, or which are required to avoid suspension of any necessary service to the Project. In the latter event, Agent will inform Owner of the facts as promptly as possible.

7. Utilities and services. In accordance with Owner's merits and the operating budget, Agent will make arrangements for water, electricity, gas, fuel, oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities and telephone service as needed.

8. Disbursements from Management Account.

- a. From the funds collected, Agent will make the following disbursements promptly when payable:
 - 1) First reimbursement to the Agent for his Management Fees, as defined in Section 15, Agents Compensation.
 - 2) Next payment of services and supplies contracted in the Agent's name and for which the Agent is liable.
 - 3) Next to the mortgage payment for the property. (If paid by agent)
 - 4) Next to all other services and suppliers to the property.
 - 5) Next, to Owner over minimum balance.
 - 6) Owners Minimum balance to be **\$750 per unit \$5K Max.** plus all resident's security deposits.
- b. In the event that the balance in the Management Account is at any time insufficient to pay disbursements due and payable under Subsection 8a above, Agent will inform Owner of that fact and Owner will then remit to Agent sufficient funds to cover the deficiency and leave minimum amount in account. In no event will Agent be required to use its own funds to pay such disbursements.

9. Records and Reports. In addition to any other requirements specified in this agreement, Agent will have the following responsibilities with respect to records and reports:

- a. Agent will establish and maintain a comprehensive system of records, books, and accounts. They will be subject to examination at reasonable hours by the Owner or any authorized representative of Owner upon 24 hour written notice to management.
- b. Agent will prepare a Monthly Statement of Operations, and will remit each such report to Owner on the last day of the month via email or at address furnished to Agent by Owner.

10. Bids, Discounts, Rebates, Etc. Agent will obtain contract materials, supplies, utilities, and services on the most advantageous terms to the Project and is authorized to solicit bids for those items which can be obtained from more than one source.

11. Insurance. Owner will inform Agent of insurance to be carried with respect to the Project and its operations, and Agent will cause such insurance to be kept in effect at all times. The insurance will include public liability coverage, with Agent designated as one of the insured, in amounts acceptable to Agent as well as Agent will investigate and furnish Owner with full reports as to all accidents, claims, and potential claims for damage relating to the Project, and will cooperate with Owner's insurers.

12. Compliance with Governmental Orders. Agent will take such action as may be necessary to comply promptly with any and all governmental orders or other requirements affecting the Project, whether imposed by federal, state, county or municipal authority. Nevertheless, Agent shall take no such action so long as Owner is contesting, or has affirmed its intention to contest, any such order or requirement. Agent will notify Owner promptly in writing of all notices of such orders or other requirements.

13. Non-Discrimination. in the performance of its obligations under this agreement, Agent will comply with the provisions of any federal, state or local law prohibiting discrimination in housing.

14. Term of Agreement. This Agreement shall be in effect for a period of 12 **(Twelve Months)**, unless terminated earlier as provided below, beginning. After the expiration of its initial term, this agreement is subject to cancellation by either party with (60) sixty days advance written notice on the 1st day of the month to allow adequate time to prepare all paperwork and to notify vendors and residents. This agreement shall also terminate upon sale of the property under management and Owner agrees to pay one additional month's management fee after the month the property sale closes in. Owner shall advise the Agent in writing immediately when the property is listed for sale and under contract to be sold. Within (60) sixty of days of closing on the sale of the property the Agent shall submit to the Owner all the final reports.

15. Interpretative Provisions.

- A. At all times, this agreement will be subject and subordinate to all rights of the Mortgagee, and will constitute a binding obligation upon the Parties, and their respective successors and assigns.
- B. This Agreement constitutes the entire agreement between Owner and Agent, with respect to the management and operation of the Project, and no change will be valid, unless made by written agreement executed and approved by the Parties.
- B. This contract, in its entirety, may be assigned at any time at the discretion of the management company/agent.
- C. This Agreement has been executed in several counterparts, each of which shall constitute a complete original Agreement, which may be introduced in evidence or used for any other purpose without production of any of the other counterparts.

16. Agent Liability: The Agent shall not be liable to the Owner or any other parties by reason of any error of judgment or for any act done or omitted by it in good faith or for any mistake of fact or law unless caused by or arising out of its own willful misconduct. The Owner shall indemnify and hold harmless the Agent from any and all claims, liabilities, losses, expenses, actions, suits, or proceedings at law or in equity, or any other expenses, fees, or charges of any character or nature whatever, which it may incur by reason of its acting as Agent under this agreement.

Property Managed Address: _____

SIGNED: _____

OWNER/Print: _____ **DATE:** _____

ADDRESS:

PHONE:

TID:

Owners E-Mail Address/Website:

Security Deposits Held by: Owner or Management

Pets: Pets welcome with Restrictions or NO (Service animals are always welcome with proper documentation)

Utilities Paid By Owner via management:

ACH Information for monthly surplus depositing:

Name on Account _____ **Type of account - Checking / Savings**

Account # _____ **Routing #** _____

DATE: _____

Agent for Mak Gregor Management