

# Management Agreement

\_\_\_\_\_, herein known as "Owner" and **NashDom Realty**, a Pennsylvania Limited Liability Company, herein known as "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: \_\_\_\_\_, \_\_\_\_\_, County of **Erie**, and any additional property that may later be added to this Agreement (collectively "Property"). This is in accordance with the terms listed in this agreement, for the period of **12** months, beginning \_\_\_\_\_ and ending \_\_\_\_\_.
2. **Continuation or Termination:** At the end of this term, this agreement becomes a month-to-month agreement. Either Owner or Broker may terminate the month-to-month agreement by a written thirty-day notice of cancellation to either party.
3. **Notifications:** Owner agrees to allow Broker to notify Owner by mail, email, or telephone. Owner will supply all necessary information available from Owner.
4. **Broker Acceptance:** Broker accepts the appointment and grant and agrees to:
  - (a) Use due diligence in the performance of this Agreement.
  - (b) Furnish the services of its organization for the rental, leasing, operating, and management of the Property.
5. **Authority and Powers:** Owner grants Broker the authority and power, at Owner's expense to:
  - (a) **Advertise:** Display "for rent," "for lease," and similar signs on the Property; advertise the availability for rental or lease of the Property or any part of it.
  - (b) **Rental/Leasing:** Initiate, sign, renew, or cancel rental agreements and leases for the Property or any part of it; collect and give receipts for rents, other charges, and security deposits. Any lease executed by Broker for Owner shall not exceed one year.
  - (c) **Tenancy Termination:** Sign and serve in Owner's name with Owner authorization, notices which are required or appropriate; commence and prosecute actions to evict tenants with Owner authorization; 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 and/or reinstate tenancies.
  - (d) **Repair/Maintenance:** Broker will make and/or supervise repairs, improvements, alterations, and decorations to the property; Broker will purchase and pay bills for services and supplies. Broker shall obtain prior approval of Owner on all expenditures over **\$300** for any one item. Prior approval shall not be required for monthly or recurring operating charges. In addition, if in Broker's opinion emergency expenditures over the maximum are needed to protect the Property, or other property from damage, prevent injury to persons, avoid suspension of necessary services, avoid penalties, fines, or suspension of services to tenants called for in a lease or rental agreement or by law. Broker will not advance Broker's own funds in connection with the Property or this Agreement.

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- (e) **Contracts/Services:** Broker will contract, hire, supervise, and/or discharge vendors and persons, including utilities, required for the operation and maintenance of the Property. Broker may perform any of Broker's duties through attorneys, agents, employees, and independent contractors, and shall not be responsible for their acts, omissions, defaults, negligence, and/or costs of same, except for persons working in Broker's firm.
  - (f) **Inspections:** Broker or Broker's agents or employees will conduct annual property inspection at each anniversary if this Management Agreement and a drive-by inspections every six months.
  - (g) **Expense Payments:** Pay expenses and costs for the Property from Owner's funds held by Broker, unless directed otherwise by Owner; including but not limited to property management fees and charges, expenses for goods and services, property and other taxes, Association dues, assessments, loan payments, and insurance premiums.
  - (h) **Trust Funds:** Deposit all receipts collected for Owner, less any sums properly deducted or disbursed, in a financial institution whose deposits are insured by an agency of the United States government. The Broker holds all funds in a trust account separate from Broker's personal accounts. Broker shall not be liable in event of bankruptcy or failure of a financial institution.
  - (i) **Tenant deposits:** Handle tenant security deposits as follows:
    - 1) Broker will hold the security deposit in a trust account until it is required to account for and return them to tenants, as required by law.
    - 2) Or, forward such deposits to Owner within 30 days of termination of account with owner.
    - 3) Owner shall be responsible to Broker and tenants for the refund of all security deposits
  - (j) **Reserves:** Maintain monthly, as a reserve in the Broker's trust accounts, a minimum of **\$200 per unit**
  - (k) **Owner Statements:** Render one monthly statement for each Property. Owner's Statement can be delivered via e-mail, mail or fax at Broker's discretion.
  - (l) **Owner Distribution:** Remit funds monthly, to Owner, in accordance with Paragraph 5-(l)
  - (m) **Disbursements:** Disburse Owner's funds in the following order:
    - (1) Fees, charges, and reimbursements due under this Agreement
    - (2) All other operating expenses, costs, and disbursements payable from Owner's funds held by Broker
    - (3) Reserves
    - (4) Balance to Owner
- 6. Owner Responsibilities:** Owner shall:
- a) Provide all documentation and records required by Broker to manage and operate the Property.
  - 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), or damage to any real or personal property of any person(s). This includes the Owner, in any way relating to the management, rental, or operation of the Property by Broker or any person in Broker's firm, or 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 negligence of Broker or any person in Broker's firm.
  - c) Agree to comply with all aspects of Fair Housing.
  - d) Carry and pay for public and premises liability, property damage, and any other insurance adequate to protect the interests of Owner and Broker, and shall name both as insured parties.
  - e) Pay any late charges, penalties, and/or interest imposed by lenders or other parties caused by a lack of Owner's funds held by Broker and available for payment to same parties.
  - f) Notify Broker if owner has an extended vacation and emergency information.

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**7. COMPENSATION:**

- (a) Owner agrees to pay Broker fees as indicated for the following:
    - (1) **Management: 10% of the gross scheduled rent no less than \$65 a month per unit regardless the rent collection or occupancy.**
    - (2) **Rental/leasing fee: 100% of the first month rent no less than \$600, this fee is due and payable if owner discontinues management for any reasons while broker has been marketing the property for rent.**
    - (3) **Lease renewal fee: 50% of the first month rent no less than \$300.**
    - (4) **Eviction fee is \$350.**
    - (5) **Vacancy fee is \$65.**
    - (6) All advertising at the Broker's cost while Broker is marketing the property for rent
    - (7) Evictions: authorization by owner by mail, telephone, facsimile or e-mail
    - (8) Preparing Property for sale: **15%** of all invoices
    - (9) An overhead and service fee added to the cost of all work performed by or at the direction of Broker: **15%** for extraordinary maintenance when authorized by owner. See paragraph **7-c** for definition of extraordinary maintenance.
    - (10) Extraordinary postage/telephone/fax: Regular postage and business calls for notifications, statements, etc. are not extraordinary; (company initials) considers overseas postage/telephone, and fax extraordinary.
  - (b) Owner further agrees that normal Property Management does not include providing on-site management services, property sales, refinancing, preparing property for sale or refinancing, modernization, fire or major damage restoration, rehabilitation, obtaining income tax, accounting, or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, attending Homeowner Association meetings. If Owner requests Broker to perform services not included in normal property management or specified above, Owner and Broker will agree to a fee for these services *before* the work begins.
  - (c) The definition of extraordinary maintenance is rehabilitation work that exceeds **\$500.00**, insurance claims, and major systems replacements. (Examples are roof replacement, major tree work, exterior painting, vandalism, fire or flood damage etc.)
  - (d) Owner further agrees that Broker may perform any of its duties, and obtain necessary products and services, through affiliated companies or organizations in which Broker may own an interest, and may receive referral fees, commissions, and/or profits from these affiliated companies or organizations. Broker shall disclose to Owner any such relationship. Broker shall not receive fees, commissions, or profits from unaffiliated companies in the performance of this Agreement without prior disclosure to and agreement of the Owner.
  - (e) Owner further agrees that broker may divide compensation fees and charges due under this Agreement, in any manner acceptable to Broker.
  - (f) Owner further agrees that Broker may receive fees and charges from tenants for:
    - 1) Processing credit applications,
    - 2) Returned checks, late fees, or service fees
    - 3) Mortgage verifications
    - 4) Re-renting fees from tenant when breaking a lease
    - 5) Other services not in conflict with this Agreement
- 8. Agency Relationships:** Broker agrees to act as the agent of Owner in any resulting lease or rental transaction involving any Property covered by this Agreement. It may be necessary or appropriate for Broker to act as agent of both Owner and tenants, or one or more additional parties, in any resulting lease transaction, in which case Broker will seek Owner's consent to Broker's representation of additional parties as soon as practicable. However, if Broker is the listing Broker and/or property manager for a different property in which a tenant is interested, Owner understands that Broker may act as agent of that tenant and/or other property owner with respect to a transaction involving that other property. For one-to-four unit residential property, Broker shall provide agency relationships disclosure as required by law.

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**9. 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 address below, or at any different address which the parties may later designate for this purpose, and shall be deemed received three business days after deposit into the United States postal service.

**10. Binding Agreement:** This agreement shall be binding upon and shall inure to be benefit of Owner and Broker and their respective heirs, administrators, executors, successors, and assigns.

**11. Equal Housing Opportunity:** Broker and the Owner offer the Property in compliance with federal, state, and local anti-discrimination laws.

**12. Mediation disputes: broker and owner agree to mediate any dispute or claim between them arising out of this contract or any resulting transaction before resorting to arbitration or court action.** Mediation is a process in which parties attempt to resolve a dispute by submitting it to an impartial, neutral mediator authorized to facilitate the resolution of the dispute but who is not empowered to impose a settlement on the parties. Mediation fee, if any, shall be divided equally among the parties involved. Before the mediation begins, the parties agree to sign a document limiting the admissibility in arbitration or any civil action of anything said, any admission made, and any documents prepared, in the course of the mediation. 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 (s) or judge, that party shall not be entitled to recover attorney's fees. However, the filing of a judicial action to enable the recording of a notice of pending action for order of attachment, receivership, injunction, or other provisional remedies, shall not in itself constitute a loss of the right to recover attorney's fees under this provision. The following matters are excluded from the requirement hereunder: (a) judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or installment land sale contract, (b) an unlawful detainer action, (c) the filing or enforcement of a mechanic's lien, and (d) any matter which is within the jurisdiction of a probate court,

**13. Attorneys Fees:** In any action, proceeding, or arbitration arising out of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs.

**14.** The owner agrees to fill out the Broker's Owner Information sheet.

**15.** The owner agrees to fill out Internal Revenue Service form W-9 for the Broker.

**16.** The owner agrees to allow Broker to notify them by email notifications and provide their email address.

**OWNER AFFIRMS, BY SIGNING AND EXECUTING THIS AGREEMENT THAT HE/SHE HAS READ THE ENTIRE AGREEMENT, AND FULLY UNDERSTANDS ALL OF ITS PROVISIONS. BROKER AND OWNER HAVE PREPARED THIS WRITTEN DOCUMENT IN ORDER TO SPECIFY, CONFIRM, AND MAKE THEIR AGREEMENT KNOWN, AND HAVE SIGNED AND SEALED IT BELOW, BOTH INTENDING TO BE LEGALLY BOUND BY ALL OF ITS COVENANTS AND PROVISIONS.**

_____	_____	_____
Owner	Date	NashDom Realty, LLC
_____		2820 W 23rd St
Owner		Erie, PA 16506
		Bus 888-520-1707
		Cell 814-440-7411
		Email: <a href="mailto:olgaea@roadrunner.com">olgaea@roadrunner.com</a>