



# Property Management INC.

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**PMI BREWDER REALTY**

## **PMI Property Management Agreement**

### **PMI Brewer Realty**

15117 Main St  
Suite 205-872  
Mill Creek, WA 98012

(425) 329-4100

Prepared for: **[Portfolio or Property Name]**

Prepared on: **[Today's Date]**

Contract start date: **[Date as Agreed with Owner]**

# PMI Property Management Agreement

## 1. PARTIES

The parties to this agreement are:

### 1.1. OWNER

Name(s): Owner name as shown on deed, can be a legal entity

If Legal Entity, Name & Title of Representative: Name, Title

Mailing Address: Street & Unit/Suite

City, State, Zip: City, State, Zip

Mobile Phone: Mobile Phone #

Email: Email Address

If Owner is not an individual, Owner is a:

estate

trust

limited liability company (LLC)

corporation

partnership

limited liability partnership (LLP)

other \_\_\_\_\_,

which was chartered or created in State. The individual signing this agreement for the owner represents to Broker that he or she has the authority to bind Owner to this agreement, to act for Owner, and is acting under his/her capacity as Title for the Owner.

### 1.2. PROPERTY MANAGER (“Manager” or “Broker”)

Name: [PMI Brewder Realty](#)

Address: [15117 Main St, Suite 205-872](#)

City, State, Zip: [Mill Creek, WA 98012](#)

Phone: [425-329-4100](#) Email: [brent@pmibrewderrealty.com](mailto:brent@pmibrewderrealty.com)

Owner appoints Property Manager as Owner’s sole and exclusive leasing and managing agent of the real property described in Paragraph 2 and in any addendum to this agreement.

## 2. PROPERTY

“Property” means:

Address: Street, Unit/Suite, City, State, Zip

Address: \_\_\_\_\_

Address: \_\_\_\_\_

Notes on Properties: \_\_\_\_\_

“Property” also includes any other Property described in any attached Multiple Property Addendum.

Initials: Property Manager \_\_\_\_\_ Owner(s) \_\_\_\_\_

**3. TERM**

**3.1. Primary Term**

The primary term of this agreement begins on the "Contract Start Date" and runs for 12 consecutive months. The expiration date is noted as exactly one year from contract start date.

**3.2. Automatic Extension**

If neither party provides written notice of termination to the other party prior to the Expiration Date, this agreement will automatically renew on a monthly basis until notice is received.

**3.3. Notice of Cancellation**

If Manager determines that Manager cannot continue to effectively provide leasing and management services to Owner for any reason at any time during this agreement Manager may terminate this agreement by providing at least 30 days written notice to Owner. If Owner chooses to cancel this agreement at renewal or when contract is on a monthly basis, they may cancel with 60 days prior written notice.

**3.4. Fees Upon Termination**

At the time this agreement ends, Owner must pay Manager amounts specified in Section 12.

**4. AUTHORITY OF MANAGER**

**4.1. Leasing and Management Authority**

Owner grants to Manager the following authority which Manager may exercise when and to the extent Manager determines to be in Owner's interest:

- 4.1.1. Advertise the Property for lease at Owner's expense by means and methods that Manager determines are reasonably competitive, including but not limited to creating and placing digital and/or print advertisements which include interior and exterior photographic and/or audio-visual images of the Property;
- 4.1.2. Place "For Lease" signs or other signs on the Property in accordance with applicable laws, regulations, ordinances, restrictions, and owners' association rules;
- 4.1.3. Remove all other signs offering the Property for sale or lease;
- 4.1.4. Submit the Property as a listing with one or more Multiple Listing Services (MLS) at any time the Property is marketed for lease and to change or terminate such listings;
- 4.1.5. Authorize other brokers, their associates, inspectors, appraisers, and contractors to access the Property at reasonable times for purposes permitted by this agreement and to lend keys and disclose security codes to such persons to enter the Property;
- 4.1.6. Duplicate keys, remotes, and any additional access devices, at Owner's expense;
- 4.1.7. Place a key box on the Property;
- 4.1.8. Utilize self-showing software to allow prospective tenants access to the property unaccompanied;
- 4.1.9. Process Rental Applications and solely make decisions on placement of new prospective tenants in compliance with Fair Housing Law;
- 4.1.10. Negotiate and execute leases on Owner's behalf for the Property at market rates and on competitively reasonable terms for initial terms in accordance with any instructions in Section 25;

- 4.1.11. Negotiate and execute any amendments, extensions, or renewals to any leases for the Property on Owner's behalf;
- 4.1.12. Terminate leases for the Property, negotiate lease terminations, and serve notices of termination;
- 4.1.13. Collect and deposit rents, security deposits, and other funds related to the Property in a trust account and pay from that account:
  - any compensation and reimbursements due Manager under this agreement; and
  - other persons as this agreement may authorize.
- 4.1.14. Account for security deposits that Manager holds in trust to any tenants in the Property in accordance with applicable law, this agreement, and any lease of the Property and make deductions from the deposits in accordance with the lease and applicable law;
- 4.1.15. Collect administrative charges including but not limited to, application fees, returned check fees, and late charges from tenants in the Property or from prospective tenants;
- 4.1.16. Institute and prosecute, at Owner's expense, actions to:
  - evict tenants in the Property;
  - recover possession of the Property; or
  - recover lost rent and other damages;
- 4.1.17. Settle, compromise, or withdraw any action described in Section 4.1.16;
- 4.1.18. Negotiate and make reasonable concessions to tenants or former tenants in the Property;
- 4.1.19. Report payment histories of current tenants to consumer reporting agencies;
- 4.1.20. Obtain information from any holder of a note secured by a lien on the Property and any insurance company insuring all or part of the Property;
- 4.1.21. Hire contractors to repair, maintain, redecorate, or alter the Property provided that Manager does not expend more than \$500 for any single repair, maintenance item, redecoration, or alteration without Owner's consent;
- 4.1.22. Hire contractors to make emergency repairs to the Property without regard to the expense limitation in Section 4.1.21 that Manager determines are necessary to protect the Property or the health or safety of an ordinary tenant;
- 4.1.23. Contract, at Owner's expense, in either Manager's or Owner's name, for utilities and maintenance to the Property during times that the Property is vacant, including but not limited to, electricity, gas, water, alarm monitoring, cleaning, pool and spa maintenance, yard maintenance, and other regularly recurring expenses that Manager determines are reasonable to maintain and care for the Property; and
- 4.1.24. Perform other necessary services related to the leasing and management of the Property.

## 4.2. Record Keeping

Manager will:

- 4.2.1. Maintain accurate records related to the Property and retain such records for not less than 3 years;

- 4.2.2. File reports with the Internal Revenue Service related to funds received on behalf of Owner under this agreement (for example, Form 1099); and
- 4.2.3. Remit, each month, the following items to Owner:
  - funds collected by Manager for Owner under this agreement, less authorized deductions and rents not yet due according to the terms of the Owner's agreement with a tenant; and
  - a statement of receipts, disbursements, and charges. Owner may instruct Manager in writing to remit the items to another person or address.

#### **4.3. Security Deposits**

- 4.3.1. During this agreement, Manager will maintain security deposits received from tenants in a trust account and will account to the tenants for the security deposits in accordance with the leases for the Property.
  - Tenant Trust Account is located at  
**People's Bank at 15506 Main St, Suite 105, Mill Creek, WA 98012.**
- 4.3.2. Except as stated in Section 4.8, Upon cancellation of this agreement, Property Manager will deliver the security deposit held by Property Manager under the effective lease of the Property, less deductions authorized by this agreement to Current Tenant or the Current Tenant's designee, and will send written notice to the Owner that states the following:
  - that this agreement has ended;
  - the exact dollar amount of the security deposit returned to Tenant;
  - the contact information for the Tenant or the Tenant's designee;
  - Details stating Tenant is responsible for providing the Owner with a security deposit for the premises if requested.
- 4.3.3. If Property Manager complies with this Section 4.3, Owner will indemnify Manager from any claim or loss from a tenant for the return of a security deposit. This Section 4.3 survives termination of this agreement.

#### **4.4. Deductions and Offset**

Manager may disburse from any funds Manager holds in a trust account for Owner:

- any compensation due Manager under this agreement;
- any funds Manager is authorized to expend under this agreement; and
- any reimbursement Manager is entitled to receive under this agreement.

#### **4.5. Insurance and Attorneys**

- 4.5.1. Manager may not file a claim for a casualty loss with the carrier insuring the Property. Manager may communicate with the carrier to facilitate the processing of any claim Owner may file or other matters that Owner instructs Manager to communicate to the carrier.
- 4.5.2. Manager may not directly or indirectly employ or pay a lawyer to represent Owner, except in the case of filing for the eviction of a tenant. Manager may communicate with Owner's attorney in accordance with Owner's instructions.

#### **4.6. Trust Accounts, MLS, Keybox and Listing Content**

#### 4.6.1. **Trust Accounts**

A trust account must be separate from Manager's operating account and must be designated as a trust, property management, or escrow account or another similar name. Manager may maintain one trust account for all properties Manager leases and manages for others.

- Property Management Trust Account is located at  
**People's Bank at 15506 Main St, Suite 105, Mill Creek, WA 98012.**

#### 4.6.2. **MLS**

MLS rules require Manager to accurately and timely submit all information the MLS requires for participation including leased data. Subscribers to the MLS and appraisal districts may use the information for market evaluation or appraisal purposes. Subscribers are other brokers and other real estate professionals such as appraisers. Any information filed with the MLS becomes the property of the MLS for all purposes. *Submission of information to MLS ensures that persons who use and benefit from the MLS also contribute information.*

#### 4.6.3. **Keybox**

A keybox is a locked container placed on the Property that holds a key to the Property. A keybox makes it more convenient for Managers, their associates, inspectors, appraisers, and contractors to show, inspect, or repair the Property. The keybox is opened by a special combination, key, or programmed device, so that authorized persons may enter the Property. Using a keybox will probably increase the number of showings, but involves risks (for example, unauthorized entry, theft, property damage, or personal injury). *Neither the Association of REALTORS® nor MLS requires the use of a keybox.*

#### 4.6.4. **Listing Content**

- "Listing Content" means all photographs, images, graphics, video recordings, virtual tours, drawings, written descriptions, remarks, narratives, pricing information, and other copyrightable elements relating to the Property. "Owner Listing Content" means Listing Content provided by Owner to Manager or Manager's associates. "Broker Listing Content" means Listing Content that is otherwise obtained or produced by Broker or Broker's associates in connection with this agreement.
- Owner grants Manager a non-exclusive, irrevocable, worldwide, royalty-free license to use, sublicense through multiple tiers, publish, display, and reproduce the Owner Listing Content, to prepare derivative works of the Owner Listing Content, and to distribute the Owner Listing Content, including any derivative works of the Owner Listing Content. Section 4.6.4. survives termination of this agreement.
- All Broker Listing Content is owned exclusively by Broker, and Owner has no right, title, or interest in or to any Broker Listing Content.
- Owner understands and agrees that both the Owner Listing Content and Broker Listing Content, including any changes to such content, may be filed with the MLS, included in compilations of listings, and otherwise distributed, publicly displayed, and reproduced.

#### 4.7. **Performance Standard**

Manager will:

- use reasonable care when exercising Manager's authority and performing under this

agreement; and

- exercise discretion when performing under this agreement in a manner that Manager believes to be in Owner's interest, provided that Manager will treat any tenant honestly and fairly.

#### **4.8. Foreclosure**

If Manager receives notice of the Owner's delinquency in the payment of:

- any mortgage or other encumbrance secured by the Property;
- property taxes;
- property insurance; or
- owners' association fees.

Manager may give Owner **15 days** to cure the delinquency during which period Owner authorizes Manager to freeze any funds held by Manager and no disbursements will be made to Owner related to this agreement or the Property. If after the 15-day period, the delinquency is not cured, and the foreclosure process is initiated, Owner authorizes Manager to deduct from any other funds being held by Manager for Owner any remaining Broker Fees or funds due to Manager related to services performed under this agreement. Additionally, Owner authorizes Manager to return any security deposit being held by Manager to a tenant of the Property in addition to any prorated amount of rent being held by Manager and Manager may terminate this agreement. This Section does not preclude the Manager from seeking any other remedies under this agreement or at law that may be available to the Manager.

### **5. LEGAL COMPLIANCE**

The parties will comply with all obligations, duties, and responsibilities under the Washington state Property Code, fair housing laws, and any other statute, administrative rule, ordinance, or restrictive covenant applicable to the use, leasing, management, or care of the Property.

### **6. RESERVES**

Upon execution of this agreement, Owner agrees the greater of the following amount will be held in a trust account as a reserve for Owner: **\$500 for each unit or property being managed**. Manager may, at Manager's discretion, use the reserve to pay any expense related to the leasing and management of the Property(s) (including but not limited to Broker's fees). If the balance of the reserve becomes less than the amount stated, at any time, Manager may:

- 6.1.** deduct an amount that will bring the balance to the amount stated from any subsequent rent received on behalf of Owner and deposit the amount into the reserve; or
- 6.2.** notify Owner that Owner must promptly deposit additional funds with Manager to bring the balance to the amount stated.
- 6.3.** Owner authorizes Manager to auto-draft funds from a linked bank account or credit card to pay bills due and to replenish funds up to the reserve amount.

### **7. ADVANCES**

Owner will, in advance, provide Manager all funds necessary for the leasing and management of the Property. Manager is not obligated to advance any money to Owner or to any other person.

**8. OWNER'S REPRESENTATIONS**

**8.1. General**

8.1.1. Except as disclosed in Section 25, Owner represents that:

- (i) Owner has fee simple title to and peaceable possession of the Property and all its improvements and fixtures, unless rented, and the legal capacity to lease the Property;
- (ii) Owner is not bound by:
  - a. another agreement with another broker for the sale, exchange, lease, or management of the Property that is or will be in effect during this agreement; or
  - b. an agreement or covenant that prohibits owner from leasing the property;
- (iii) no person or entity has any right to purchase, lease, or acquire the Property by an option, right of refusal, or other agreement;
- (iv) Owner is not delinquent in the payment of any property taxes, owners' association fees, property insurance, mortgage, or any encumbrance on or affecting the Property;
- (v) the optional user fees for the use of common areas (for example, pool or tennis courts) in the Property's subdivision will be promptly delivered, in writing, to the manager.
- (vi) all information related to the Property that Owner provides to Manager is true and correct to the best of Owner's knowledge; and
- (vii) the Owner Listing Content, and the license granted to Broker for the Owner Listing Content, do not violate or infringe upon the rights, including any copyright rights, of any person or entity.

8.1.2. Manager may disclose to a tenant or to a prospective tenant any information related to the representations made in this Section 8.

**8.2. Property Condition**

Owner and Manager are obligated under law to disclose to a tenant or to a prospective tenant any known condition that materially and adversely affects the health or safety of an ordinary tenant. Owner is obligated under the Property Code to repair any such condition for a tenant. Owner represents that:

- 8.2.1. any pool or spa and any required enclosures, fences, gates, and latches comply with all applicable laws and ordinances; and
- 8.2.2. Owner is not aware of a condition concerning the Property that materially affects the health or safety of an ordinary tenant, except as stated below, in this agreement, or in any addendum:

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**8.3. Lead-Based Paint**

If the Property was built before 1978, Owner will complete and attach to this agreement an addendum regarding lead-based paint and lead-based paint hazards that will be made part of any lease of the Property. If the Property was built before 1978, federal law requires the Owner (before a tenant is obligated under a lease) to:



- provide the tenant with the federally approved pamphlet on lead poisoning prevention;
- disclose the presence of any known lead-based paint or hazards in the Property; and
- deliver all records and reports to the tenant related to such paint or hazards.

**9. OWNER'S COOPERATION**

Owner agrees to:

- cooperate with Manager to facilitate the showing, marketing, and lease of the Property;
- not rent or lease the Property to anyone without Manager's prior written approval;
- not negotiate with any prospective tenant who might contact Owner directly, but refer all prospective tenants to Manager;
- not deal with or negotiate with any tenant in the Property concerning any matter related to the management or leasing of the Property but refer all such dealings to Manager;
- not enter into a listing agreement or property management agreement with another broker for the rental, leasing, or management of the Property to become effective during this agreement;
- provide Manager with copies of any existing leases or rental agreements related to the Property;
- provide Manager with keys and access devices to the Property;
- provide Manager with copies of all warranties related to the Property or any item in the Property;
- tender to Manager any security deposits paid by any existing tenants in the Property;
- complete any disclosures or notices required by law or a lease of the Property;
- amend applicable notices and disclosures if any material change occurs during this agreement; and
- notify Manager if Owner becomes delinquent in the payment of:
  - any mortgage or other encumbrance secured by the Property;
  - property taxes;
  - property insurance; or
  - owners' association fees.

**10. INSURANCE**

**10.1.** At all times during this agreement, Owner must maintain in effect:

- 10.1.1. a public liability insurance policy that names Manager as a co-insured or additional insured and covers losses related to the Property in an amount of not less than \$500,000 for single family homes, \$600,000 for 2 to 4 unit properties, \$1,000,000 for single-family home with a pool or spa, and \$1,000,000 for commercial buildings, per occurrence basis; and
- 10.1.2. an insurance policy for the Property in an amount equal to the reasonable replacement cost of the Property's improvements and that contains endorsements which contemplate the leasing of the Property with vacancies between lease terms.
- 10.1.3. Owner will name PMI Brewder Realty as an additional insured on their general liability policy and instruct insurance company to notify Manager of any changes to or termination of policy.

- 10.2.** Not later than the 15th day after the Commencement Date, Owner must deliver to Manager copies of certificates of insurance evidencing the coverage required under Section 10.1. If the coverage changes at any time during this agreement, Owner must deliver to Manager a copy of the insurance certificate evidencing the change not later than 10 days after the change.
- 10.3.** If Owner fails to comply with Section 10.1 or 10.2, Manager may:
- 10.3.1. purchase insurance that will provide Manager the same coverage as the required insurance under Section 11.1, A. and Owner must promptly reimburse Manager for such expense; or
- 10.3.2. exercise Manager's remedies under Section 17.

## 11. MANAGER'S FEES

This Section 11 survives termination or expiration of this agreement regarding fees earned during this agreement which are not payable until after its termination. Manager may deduct any fees under this Section 11 from any funds Manager holds in trust for Owner. Fees collected by Manager from Tenant are retained by management company. **If more than one property or unit is made part of and subject to this agreement, each of the provisions below will apply to each property or unit separately.**

### 11.1. Property Management Fee:

11.1.1. **Monthly Management Fee\***. Each month Owner will pay Manager the greater of \$155 (minimum management fee) or 8% of the gross monthly rents collected for property management services. Manager will:

- Act as agent for the Owner;
- Enforce lease and collect rent;
- Manage all Tenant communications;
- Manage maintenance and repair requests;
- Provide access to preferred Vendors for maintenance and repair work;
- Ensure Tenants and Vendors are properly insured and have any required licenses;
- Manage utility transfers and payments;
- Perform accurate and timely accounting services;
- Review reserve accounts;
- Manage security deposits; and
- Perform owner draws.
- Includes PMI Brewder Realty Guarantees, see addendum.

\*Monthly management fees are calculated on a calendar basis, using the greater of the minimum management fee, or a percentage of gross monthly rents collected.

11.1.2. **Onboarding Fee** of \$275 for first property and \$175 for each additional property due at time of execution of this agreement. This fee is one-time only. Manager will:

- perform initial property assessment and provide recommendations for improving property's condition for rentability and long-term asset protection;
- establish maintenance schedule and budget;

- activate utility management service;
- setup property in manager's system and online Owner Portal; and
- other administrative services as may be required for onboarding.

11.1.3. **Condition Assessment Fee** of \$125 per assessment billed at time of assessment. Manager will:

- coordinate assessment with Tenant;
- conduct assessment respectfully and according to Landlord-Tenant laws;
- inspect and test smoke and carbon monoxide alarms;
- check air filter(s) and replace if required;
- check other required maintenance items per schedule;
- confirm Tenant is properly maintaining the Property and not causing undue damage;
- look for other issues or concerns as they become apparent; and
- report findings to Owner and issue correction notices to Tenant as necessary.

**One** assessment per year (minimum required under this Agreement). Assessment will be performed approximately 60-90 days prior to end of lease term.

**Two** assessments per year (minimum recommended by Manager). First assessment will be performed approximately 4-5 months after lease term begins and second will be performed approximately 60-90 days prior to end of lease term.

**Four** assessments per year (highly recommended by Manager). Assessments will be performed quarterly.

11.1.4. **Monthly Utility Management Fee:** The Manager's Utility Management Policy, see addendum, creates substantial efficiency, convenience, and risk control for the Owner, Tenant, and Manager by using a third-party service who are experts at it. Utilities under this policy include water, sewer, garbage, electricity, and/or gas.

All Owner fees under this policy are covered in the fees defined in Sections 11.1.1, 11.1.2, and 11.2.1 or are paid by the Tenant. Property will be automatically enrolled unless the Owner opts out or is not eligible to enroll in the service for any reason.

**OPT OUT option 1, Owner to coordinate utilities during vacancy: No fee.**

**OPT OUT option 2, Manager to coordinate utilities during vacancy: Fee of \$75** each time the utilities are transferred plus \$15 per invoice processed.

11.1.5. **Repair and Maintenance Fees** will be per PMI Brewder Realty Time and Expense policy, see addendum. Manager will endeavor to collect these costs from Tenant that are allowed under the Lease Agreement and per Landlord-Tenant laws.

11.1.6. **Optional Premium Management Services:**

Pricing for Owner-selected additional services are detailed below.

Owner initial here  
if accepted

Owner initial here  
if accepted

Owner initial here  
if accepted

Owner initial here  
if accepted

Owner initial here  
if accepted

Owner initial here  
if accepted

**Additional Pet Protection Guarantee:** Additional pet protection can be purchased for \$15 per month per Property which extends the protection to a total of \$6,000 total for the Property. Other conditions remain the same as base guarantee, see addendum.

Owner initial here  
if accepted

**Additional Eviction Guarantee:** Additional eviction protection can be purchased for \$15 per month per Property which extends the protection to include costs for removal of Tenants' personal property and damages caused by Tenants in excess of the Security Deposit up to \$3,000. Other conditions remain the same as base guarantee, see addendum.

Owner initial here  
if accepted

**Manage Owner's Property Payments:** \$75 setup fee plus \$15 per month per Property. Includes: mortgage, insurance, property taxes, HOA dues, amenity fees, & special assessment fees.

- If this service is selected, an additional reserve fund will be created and maintained in the Property Management Trust Account. PMI Brewder Realty will perform a reserve analysis to determine the appropriate monthly amounts required to make timely payments. Owner will be responsible to fund these amounts although typically these will be reduced from the Owner's monthly draw. Owner may also be responsible to provide initial funding for reserves depending on reserve analysis and when certain payments are due.

## 11.2. Leasing Fees for New Tenancies:

11.2.1. **Leasing and Tenant Placement** with ongoing property management services under Section 11.1, each time the Property is leased to a new tenant, Owner will pay Manager a leasing fee equal to the greater of:

- \$500 (minimum leasing fee); or
- 50% of one full month's rent to be paid under the lease.

Leasing Fees are due at the time the lease is executed.

11.2.2. **Leasing and Tenant Placement only\***. If Owner chooses to only use leasing services, Owner will pay Manager a leasing fee equal to the greater of:

- \$1,000 (minimum leasing fee); or
- 100% of one full month's rent to be paid under the lease.

\*Does not include any other ongoing property management services or guarantees as may be defined elsewhere in this Agreement.

## 11.3. Renewal or Extension Fees:

Each time a tenant in the Property renews or extends a lease, Owner will pay Manager a renewal or extension fee equal to \$250 per executed renewal or extension. These fees are earned and payable at the time the renewal or extension is executed. For the purposes of this Section, a new lease for the same Property with the same tenant then occupying the Property is an extension or renewal. This Section does not apply to month-to-month renewals or month-to-month extensions.

## 11.4. Service Fees:

Each time Manager arranges for the Property to be repaired, maintained, redecorated, or altered as permitted by this agreement, Owner will pay Manager for time and expenses incurred per PMI

Brewder Realty Time and Expense policy, see addendum. Payment is due at time of Manager's invoice.

**11.5. Fees Related to Insurance and Legal Matters:**

- 11.5.1. If Owner requests or instructs Manager to coordinate or communicate with any insurance carrier regarding any casualty to or on the Property, Owner will compensate Manager for Manager's time expended in such matters and in preparation of such matters per PMI Brewder Realty Time and Expense policy, see addendum. Payment is due at time of Manager's invoice.
- 11.5.2. If Owner requests or instructs Manager to appear in any legal proceeding or deposition related to the Property (including, but not limited to, evictions, tenant disputes, security deposit disputes, and suits for damages), Owner will compensate Manager for Manager's time expended in such matters and in preparation of such matters per PMI Brewder Realty Time and Expense policy, see addendum. Payment is due at time of Manager's invoice.

**11.6. Fees in the Event of a Sale (Brokerage Services):**

- 11.6.1. **Fee if a Tenant Purchases Property:** If Owner sells the Property to a tenant who occupied the Property during the term of this agreement not later than the time the tenant vacates the Property, Owner will pay Manager a fee equal to 4.5% of the sales price. Minimum Broker fee is \$1000.
- 11.6.2. **Fee if Buyer is Procured through Broker:** If during this agreement, Owner agrees to sell the Property to a person other than a tenant who occupied the Property and Broker procures the buyer, directly or through another broker, Owner will pay Broker a fee of 5.5% of the sales price. Minimum Broker fee is \$1,500.  

Fees under this Section are earned at the time Owner agrees to sell the Property and are payable at the time the sale closes.
- 11.6.3. **Sale Coordination Fees:** If at any time during this agreement Owner agrees to sell the Property and Broker is not paid a fee under Section 11.6, Owner will compensate Broker for Broker's time and expenses to coordinate showings, inspections, appraisals, repairs, and other related matters per PMI Brewder Realty Time and Expense policy, see addendum. Fees under this section are earned at the time such services are rendered and payable upon Owner's receipt of Broker's invoice.
- 11.6.4. **Definition:** "Sell" means to agree to sell, convey, transfer, or exchange any interest in the Property whether by oral or written agreement or option.
- 11.6.5. **Separate Listing Agreement Controls:** If Owner sells the Property and pays Broker the fee under a separate written listing agreement between Owner and Broker: this Section will not apply.

**11.7. Returned Payment Fee:**

Owner will pay costs, plus an administrative fee of \$15 for each payment of any kind Owner tenders to Manager which is returned or not honored by the institution on which it is drawn for any reason.

**11.8. Payment Processing Fee:**

Owner will pay broker \$0 to cover the cost of processing electronic payment transactions (ACH) and ensuring the funds are transported to the Owner's bank account, or Owner will pay Manager \$15 processing fee for paper payment transaction (Check) and ensuring the funds are mailed to

the Owner.

## 12. FEES UPON TERMINATION

At the time this agreement ends, Owner must pay Manager all amounts due Manager under this agreement. If more than one property or unit is made part of and subject to this agreement, this Section applies only to those properties or units then leased and applies to each property or unit separately.

- 12.1. All current lease balances will be resolved by using a discount on the tenant ledger. Owner or Owner's designee then has responsibility for collecting the discount amount from the tenant after the termination of this agreement. All fees owed manager on discounted amount will be reflected on the final statement.
- 12.2. All leases fully executed by the manager shall incur management fees under Section 11 of this contract, through the end date of the fully executed lease agreement.

## 13. FUNDS RECEIVED AFTER TERMINATION

Except as provided in Section 3, if Manager receives any funds on behalf of Owner after this agreement ends (for example, rent, damages, past due amounts, and others), Manager will deposit those funds in Manager's trust account and will:

- 13.1. pay in accordance of this Management Agreement to Manager as compensation for services rendered at that time; and
- 13.2. pay the balance of the funds to Owner.

This provision survives termination of this agreement.

## 14. SERVICES TO BE PERFORMED BY MANAGER

- 14.1. Manager, on a best effort basis, shall attempt to make owner payments ("Owner Draws") to Owner by the 10th of each month (excluding weekends and holidays), when Owner's account has clear and available funds.
- 14.2. Manager may from time to time be required at the request of the Owner to travel to the Property for various reasons outside the general scope of this Agreement (i.e. maintenance oversight, project management, etc). In such cases, Manager shall obtain the Owner's approval to visit the Property, and Manager reserves the right to charge the Owner and be compensated for Manager's time and expenses per PMI Brewder Realty Time and Expense policy, see addendum.

## 15. COOPERATION WITH OTHER BROKERS

When the Property is marketed for lease, Manager will allow other brokers to show the property to prospective tenants. If the other broker procures a tenant who leases the Property, Manager will offer to pay the other broker a fee out of the compensation Manager receives under Section 11.2. As of the date this Agreement is signed, Manager's policy is to offer other brokers the following amounts. Manager may change the amounts disclosed below without notice, provided that Manager will offer competitively reasonable amounts to other brokers.

- 15.1. MLS Participants: If the other broker is a participant in the MLS in which the listing is filed, Manager will offer to pay other broker \$250.
- 15.2. Non-MLS Brokers: If the other broker is not a participant in the MLS in which the listing is filed, Manager will offer to pay the other broker \$250.

## 16. LIABILITY AND INDEMNIFICATION

- 16.1.** Manager is not responsible or liable in any manner for personal injury to any person or for loss or damage to any person's real or personal property resulting from any act or omission not caused by Manager's negligence, including but not limited to injuries or damages caused by:
- 16.1.1. other brokers, their associates, inspectors, appraisers, and contractors who are authorized to access the Property;
  - 16.1.2. acts of third parties (for example, vandalism, theft, or other criminal acts);
  - 16.1.3. freezing or leaking water pipes;
  - 16.1.4. failure to properly water the foundation of the Property;
  - 16.1.5. a dangerous condition or environmental condition on the Property; or
  - 16.1.6. the Property's non-compliance with any law or ordinance.
- 16.2.** Manager is not responsible or liable in any manner for:
- 16.2.1. any late fees or other charges Owner incurs to any creditor caused by late or insufficient payments by any tenant in the Property; or
  - 16.2.2. damages to Owner caused by a tenant's breach of a lease.
- 16.3.** Owner agrees to protect, defend, indemnify, and hold Manager harmless from any damage, costs, attorney's fees, and expenses that:
- 16.3.1. are caused by Owner, negligently or otherwise;
  - 16.3.2. arise from Owner's failure to disclose any material or relevant information about the Property;
  - 16.3.3. are caused by Owner giving incorrect information to any person; or
  - 16.3.4. are related to the management of the Property and are not caused by Manager, negligently or otherwise.
- 16.4.** Owner is responsible and liable for all contracts and obligations related to the Property (for example, maintenance, service, repair and utility agreements) entered into before or during this agreement by Owner or by Manager under Manager's authority under this agreement. Owner agrees to hold Manager harmless from all claims related to any such contracts.

## 17. DEFAULT

A party is in default if the party fails to cure a breach within 10 days after receipt of written demand from the other party. If either party is in default, the non-defaulting party may:

- terminate this agreement by providing at least 10 days written notice;
- recover all amounts due to the non-defaulting party under this agreement;
- recover reasonable collection costs and attorney's fees; and
- exercise any other remedy available at law. Manager is also entitled to recover any compensation Manager would have been entitled to receive if Owner did not breach this agreement.

## 18. USE OF OWNER PREFERRED THIRD-PARTY VENDORS

Owner-preferred third-party vendors must be licensed, bonded and insured and all proper documents

(License #, Certification and proof of insurance over \$1,000,000.00) must be provided to Manager and must complete a vendor onboarding package including a vendor agreement and W-9 in order to utilize Owner's third-party vendors. If proper documents listed above are not provided, Owner waives right to use their preferred vendor until proper documents have been provided. A \$75 set-up fee shall be charged for each Owner third-party vendor added, this may be paid by the vendor or the Owner if Vendor refuses.

## 19. RENTAL PROPERTY CODE WORK

- 19.1. Smoke and carbon monoxide alarms must be located in specific areas of the housing unit and inspected and tested between each tenancy. These will be replaced at Owner's expense if found to be inoperable or beyond the manufacturer's recommended functional life, which is typically about 8 years past the year of manufacture.
- 19.2. Smoke and carbon monoxide alarm batteries are also replaced at different times during the management of the property. If a smoke alarm is found to have a non-functioning battery it will be replaced and charged to the Owner, without notice. If the battery replacement is caused by the tenant or neglect, Manager will then attempt to reimburse the Owner from funds received from the causing tenant.
- 19.3. The Property Code requires the Property to be equipped with "adequate" locks, which is generally interpreted to mean (with some exceptions): (1) window latches on each window; (2) a keyed deadbolt lock on each exterior door; and (3) a sliding door pin lock on each exterior sliding glass door of the dwelling. To ensure compliance, PMI Brewder Realty re-keys the security devices each time a new tenant occupies the Property.
- 19.4. Homes may be rekeyed into the Manager's key system, a review scheduled, and any code work needed will be addressed. Rekeying and Code work will be completed at owner's expense. A typical work order for setting locks to the PMI keying system is about \$150 per door.
- 19.5. These charges for code work can come up at many different times during a tenant's lease and during the management agreement. Most of the code work is completed during the rekeying of the property for a new tenant but smoke alarm expirations will be found, during move-in evaluations, move-out evaluations, periodic property reviews during the tenant's lease & when damage occurs to an exterior door on the property.
- 19.6. Code work is a form of maintenance work that CAN NOT be delegated to a preferred vendor of the Owner. Manager will complete the necessary code work even if the owner wants to use a preferred third-party vendor for their maintenance work or if the Owner completes maintenance work on their own. Code work is also work that will be done without notice if an Owner prefers to be notified before any maintenance work is completed on their property.
- 19.7. If the current Tenants Security Deposit and/or Owners Reserve is not submitted to Manager before the first month's rent is collected, the owner proceeds from that month will be applied to those outstanding deposits.

## 20. FAIR HOUSING

Owner understands that state, federal, and some local housing laws prohibit discrimination in the sale or rental of housing on the basis of race, color, religion, creed, national origin, sex, sexual orientation, gender identity/expression, disability, marital/family status, honorably discharged veteran/military status, and/or source of income. PMI Brewder Realty abides by the letter and intent of these laws.



**21. MUTUAL NON-DISPARAGEMENT CLAUSE**

The parties to this agreement mutually agree and covenant not to disparage one-another by publishing to any third-party, verbally or in writing, derogatory statements, "reviews," comments or remarks that are, or could reasonably be construed as being, injurious to the other's business, reputation or property and/or which are false, or would tend to cast a false or negative light on the other, including without limitation, statements of opinion, comparison or evaluation. Without first notifying the other party and attempting to resolve the issue or concern.

**22. DISPUTE RESOLUTION**

The parties agree to negotiate in good faith to resolve any dispute related to this agreement that may arise between the parties. If the dispute cannot be resolved by negotiation, the dispute will be submitted to mediation. The parties to the dispute will choose a mutually acceptable mediator and will share the cost of mediation equally. If parties cannot resolve dispute in mediation then they agree to submit the dispute to binding arbitration. The prevailing party in arbitration shall pay arbitration fees.

**23. ATTORNEY'S FEES**

If Owner or Manager is a prevailing party in any legal proceeding brought as a result of a dispute under this agreement or any transaction related to or contemplated by this agreement, such party will be entitled to recover from the non-prevailing party all costs of such proceeding and reasonable attorney's fees.

**24. ASSIGNMENT**

This Agreement may be assigned by the Manager without the prior written consent of the Owner.

**25. SPECIAL PROVISIONS**

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

**26. ADDENDA**

Incorporated into this agreement are the following addenda, exhibits, and other information:

- A. Multiple Property Addendum
- B. IRS Form W-9
- C. Payment Option Form
- D. Owner Insurance Form
- E. Authorization to Act for Owner Before Owner's Association
- F. Reserved

- G. Owner's Notice Concerning Condition of Property
- H. Reserved
- I. Lead-Based Paint Disclosure
- J. General Information Regarding Anti-Discrimination and Assistance Animals
- K. Reserved
- L. Marketing and Showing Policy and Opt Out Form
- M. Owner Pet Policy and Opt Out Form
- N. Utility Management Policy and Form
- O. Time and Expense Policy
- P. Reserved
- Q. PMI Brewder Realty Guarantees
- R. Reserved
- T. Owner's Manual

## 27. AGREEMENT OF PARTIES

- 27.1. Entire Agreement: This document contains the entire agreement of the parties and may not be changed except by written agreement.
- 27.2. Binding Effect: Owner's obligation to pay Manager an earned fee is binding upon Owner and Owner's heirs, administrators, executors, successors, and permitted assignees.
- 27.3. Joint and Several: All Owners executing this agreement are jointly and severally liable for the performance of all its terms. Any act or notice to, refund to, or signature of, any one or more of the Owners regarding any term of this agreement, its extension, its renewal, or its termination is binding on all Owners executing this agreement.
- 27.4. Governing Law: State law governs the interpretation, validity, performance, and enforcement of this agreement.
- 27.5. Severability: If a court finds any clause in this agreement invalid or unenforceable, the remainder of this agreement will not be affected, and all other provisions of this agreement will remain valid and enforceable.
- 27.6. Notices: Notices between the parties must be in writing and are effective when sent to the receiving party's address or e-mail address specified in Section 1.

## 28. INFORMATION

- 28.1. Manager's fees or the sharing of fees between brokers are not fixed, controlled, recommended, suggested, or maintained by the Association of REALTORS®, MLS, or any listing service.

- 28.2. In accordance with federal, state, and local Fair Housing laws and the National Association of REALTORS® Code of Ethics, Broker's services must be provided, and the Property must be shown and made available to all persons without regard to race, color, religion, creed, national origin, sex, sexual orientation, gender identity/expression, disability, marital/family status, honorably discharged veteran/military status, and/or source of income.
- 28.3. Owner may review the information Manager submits to an MLS or other listing service.
- 28.4. Manager advises Owner to remove or secure jewelry, prescription drugs, and other valuables.
- 28.5. Manager advises Owner to refrain from transmitting personal information, such as bank account numbers or other financial information, via unsecured email or other electronic communication to reduce risk of wire fraud.
- 28.6. Broker cannot give legal advice. READ THIS AGREEMENT CAREFULLY. If you do not understand the effect of this agreement, consult an attorney BEFORE signing.

**PMI Brewder Realty**

**Manager/Broker:**

**Owner:**

\_\_\_\_\_  
(Signature) (Date)

\_\_\_\_\_  
(Signature) (Date)

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Signature) (Date)

\_\_\_\_\_  
(Printed Name)

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