

RESIDENTIAL MANAGEMENT AGREEMENT

With Limited Power of Attorney (\$1,000) for Ordering Repairs & Maintenance Services

This agreement is made by and between Birmingham Home Leasing, hereinafter referred to as BROKER and _____, hereinafter referred to as OWNER to secure the services of the BROKER for management services of real property known as: _____, hereinafter referred to as the PREMISES, for a period beginning on _____, 2018, and ending on _____, 2019, and subject to the following terms and conditions:

1. RENT COLLECTION & ACCOUNTING SERVICE - AUTHORITY & RESPONSIBILITY OF THE BROKER:

- a. COLLECTING & TRANSFERRING RENT: The OWNER appoints the authority and responsibility to the BROKER to collect and receipt for rents and transfer it to the OWNER.
- b. ACCOUNTING: The OWNER appoints the authority and responsibility to the BROKER to provide monthly and annual accounting (with IRS Form 1099).
- c. LEGAL NOTICES: The BROKER is empowered to serve notices in behalf of the OWNER, including but not limited to:
 - i. Notice of Lease non-renewal
 - ii. Termination of Lease (at the expiration of the initial term)
 - iii. 7 Day Notice to Remedy or Vacate

2. RENT COLLECTION & ACCOUNTING SERVICE - LIMITATIONS OF THE AUTHORITY & RESPONSIBILITY OF THE BROKER:

- a. REPRESENTATION ON BEHALF OF THE OWNER NOT PROVIDED IN THIS AGREEMENT: The OWNER understands and agrees that representation at court hearings, rent board hearings, depositions, homeowner meetings, property tax assessment appeal hearings, insurance claim related paperwork and estimates, department of building inspection director hearings and other exceptional building related events are not covered by the Monthly Management Fee.
- b. LEGAL PROCEEDINGS: The BROKER does not provide legal services. If necessary, the OWNER agrees to hire an attorney for any legal actions that need to be taken against the Tenant, such as filing for unlawful detainer, eviction, etc.
- c. ACCOUNTING SERVICE: No accounting services are provided for any payments made by the OWNER, including, but not limited to, repair and maintenance, Mortgage, Taxes, HOA Fees, Insurance, etc.

3. OWNER'S RESPONSIBILITIES:

- _____
- a. **LAWN CARE, LANDSCAPING, HOUSE CLEANING, CARPET CLEANING:**
 - i. The BROKER strongly recommends that the OWNER consider hiring a trusted lawn care and landscaping Vendor to monitor and maintain the condition of the lawn and landscaping to their own satisfaction.
 - ii. Lawn care and landscaping responsibilities include but are not limited to: Mowing the lawn; Fertilizing the lawn and treating for weeds and fire ants; Replenishing the flower beds with mulch or pine straw; Trimming the shrubs and weeding the flower beds; Maintaining a raked lawn; Edging the lawn.
 - iii. In the situation where the OWNER instructs the BROKER to assign some or all of the lawn care and landscaping responsibilities to the Tenant and the Tenant does not maintain the lawn and landscaping to the satisfaction of the OWNER, then the OWNER agrees not to instruct the BROKER to make deductions from the Tenant's Security Deposit for these issues and the OWNER agrees to hold the BROKER harmless for any damage caused to the lawn and landscaping by the negligence or direct action of the Tenant.
 - iv. The BROKER strongly recommends that the OWNER hire a professional house cleaner and carpet cleaner to clean the premises before the Tenant moves in (and provide a receipt to the BROKER).
 - v. In the situation where the OWNER does not hire a professional house cleaner and/or carpet cleaner (and provide a receipt to the BROKER) and the Tenant does not clean the property to the satisfaction of the OWNER, then the OWNER agrees not to instruct the BROKER to make deductions from the Tenant's Security Deposit for these issues and the OWNER agrees to hold the BROKER harmless for any unsatisfactory condition of cleanliness due to the negligence or direct action of the Tenant.
 - b. **COMPLIANCE WITH HOA AND/OR MUNICIPAL CODES, RULES, REQUIREMENTS, ETC.:** The OWNER agrees to maintain the premises in accordance with all applicable codes, rules, requirements for the governing HOA, municipality, etc.
 - c. **DEBTS & ACCOUNTS RELATED TO THE PREMISES:** The OWNER declares that all debts and accounts related to the premises are current, including but not limited to:
 - i. Maintenance
 - ii. Repairs
 - iii. Mortgage(s)
 - iv. Property Taxes
 - v. Fire Dues
 - vi. HOA Dues, Fees and Fines
 - vii. Termite Bond
 - viii. Property Insurance
 - b. Failure by the OWNER to keep all accounts related to the premises current shall be cause for the BROKER to cancel this agreement.

- c. Failure by the OWNER to promptly notify the BROKER that any accounts related to the premises are late, past due, in default, etc. shall be cause for the BROKER to cancel this agreement.
 - d. OWNER/LENDER DISPUTES: In the event that the OWNER'S Lender(s) makes a demand that the BROKER deliver future rent payments to the lender instead of the OWNER because the lender is exercising their rights under relevant clauses in the Mortgage, Promissory Note, etc., such as "Assignment of Rents", "Lease Restrictions", etc., then the OWNER agrees to allow:
 - i. The BROKER to immediately cancel this Management Agreement in order to limit the BROKER'S liability.
 - ii. The BROKER to set up an interpleader with the court and the OWNER agrees to be responsible for legal fees in cases where the Lender has demanded a rent payment before the BROKER had a chance to transfer the rent payment to the OWNER.
 - e. REPLIES TO BROKER'S COMMUNICATIONS ARE REQUIRED: If a situation develops where the BROKER needs the OWNER'S permission in order to fulfill his responsibility under this contract and the OWNER does not promptly reply to the BROKER'S attempt to communicate and obtain that permission, the BROKER will cancel this agreement. If the OWNER establishes a pattern or history of ignoring the BROKER'S attempts to communicate, the BROKER will cancel this Agreement.
 - f. DISCLOSURE CONCERNING OWNER'S RESPONSIBILITIES TO KEEP DATA & RECORDS: The OWNER agrees to make available to the BROKER, all data, records and documents pertaining to the property, which the BROKER may require to properly exercise his duties hereunder.
 - g. ELECTRONIC TRANSFER OF RENT: The OWNER shall provide to the BROKER a voided check or sufficient bank information for the purpose of facilitating electronic transfer of monthly rent payments.
 - h. IRS: The OWNER agrees to complete IRS Form W-9 provided.
4. **REPAIR & MAINTENANCE ORDERING - AUTHORITY, RESPONSIBILITY & LIMITATIONS OF THE BROKER:**
- a. ORDERING REPAIRS & MAINTAINING THE PREMISES - THE BROKER'S AUTHORITY TO ORDER REPAIRS & MAINTENANCE SERVICE SHALL NOT EXCEED \$1,000 PER INCIDENT:
 - i. The BROKER'S authority to order repairs and maintenance service shall not exceed \$1,000 per incident.
 - ii. The BROKER will obtain quotes for the OWNER to approve for repairs and maintenance service that would reasonably be estimated to cost more than \$300.
 - iii. When the BROKER orders a service call for a Vendor to make an estimate and the estimate to complete the repair is less than \$300 (including the service call) and the BROKER determines that it is not cost effective to order additional service calls (when the service calls are not

free), then the OWNER authorizes the BROKER to use their discretion to approve the repair without contacting the OWNER.

- iv. The OWNER grants permission to the BROKER to expend the \$300 Repair Reserve in the case of an emergency where the OWNER cannot be reached to approve the expenditure and the condition of the property or the safety of the Tenant may be at stake.
- b. **\$300 REPAIR RESERVE:** The OWNER shall fund and maintain a \$300 Repair Reserve. The Repair Reserve is to be used for ordering work estimates or emergency services. In most cases, the Repair Reserve will be funded from the second month's rent collected from the Tenant and replenished from future months' rent as needed.
- c. **THE BROKER DOES NOT EMPLOY A HANDYMAN:** The BROKER shall have no duty under this agreement to provide "in house" Handyman Services. The BROKER relies on Third Party Vendors for Handyman Services.
- d. **THE BROKER SHALL HAVE NO DUTY UNDER THIS AGREEMENT TO EXPEND FUNDS IN ORDER TO FULFILL THE BROKER'S DUTIES & RESPONSIBILITIES SPECIFIED IN THE AGREEMENT:** Under this agreement, the BROKER does not have any duty to initially pay for service calls, inspections, repairs, etc., and obtain reimbursement from the next month's rent receipt. The BROKER reserves the right to demand payment in advance before ordering service calls, inspections, repairs, etc.
- e. **OWNER INITIATED CONTRACTS:** Contracts or services arranged directly by the OWNER without the involvement of the BROKER are the sole responsibility of the OWNER. The BROKER will not be required to show the cost of OWNER-initiated contracts in the accounting statements for the managed premises.
- f. **THE BROKER HAS NO DUTY TO ADVISE THE OWNER ON PREVENTIVE MAINTENANCE:** Without written instructions from the OWNER, the BROKER shall have no duty under this agreement to order periodic inspections or preventive maintenance. This includes but is not limited to gutter cleaning, roof inspections, chimney cleaning, annual HVAC service, duct cleaning, dryer exhaust cleaning, etc.
- g. **ATTENDANCE AT SERVICE CALLS DURING TENANCY:** During the time that a Tenant occupies the premises and/or has personal property remaining in the premises, the BROKER shall have no duty under this agreement to be present at service calls for service ordered by the OWNER or the BROKER. It shall be the sole responsibility of the Tenant to be present and remain present during all service calls. Any request or demand by the OWNER for the BROKER to attend a service call shall be cause for the BROKER to immediately cancel this agreement.

5. REPAIR & MAINTENANCE - OWNER'S RESPONSIBILITIES:

- a. **OWNER REQUIRED TO MAINTAIN HABITABILITY:** Even though the BROKER cannot order maintenance or repairs without the approval of the OWNER, the BROKER is jointly responsible under the Law for maintaining habitability. In the event that the OWNER cannot or will not order repairs or maintenance that the BROKER deems important to maintain habitability, the BROKER will immediately cancel this Management Agreement in order to limit the BROKER'S liability. The OWNER should consult with an Attorney about if or how this could affect the OWNER'S liability in a situation where the Tenant takes legal action.
 - i. **FAILURE TO PROMPTLY REPLY TO BROKER'S NOTIFICATIONS ON REPAIRS & MAINTENANCE WILL BE DEEMED BY THE BROKER AS REFUSAL TO MAINTAIN HABITABILITY:** When the OWNER fails to promptly reply to the BROKER'S notifications of the Tenant's request for needed repairs and/or maintenance, then the BROKER may deem that the OWNER is not fulfilling their lawful obligation to maintain habitability. Since this increases the BROKER'S liability, the BROKER will, at his discretion, cancel this Management Agreement.
- b. **OWNER AGREES TO BE RESPONSIBLE FOR COORDINATING MAINTENANCE & REPAIR SERVICE PROVIDED BY THEIR ANNUAL HOME WARRANTIES:** The OWNER agrees to take full responsibility for coordinating maintenance and repair service provided by their Annual Home Warranty Policy (when applicable). This is accomplished by providing the vendor selected by the Home Warranty Provider with the Tenant's contact information and instructing the vendor to contact the Tenant directly and schedule an appointment time that is acceptable to both parties. There is a tendency for Annual Home Warranty Companies and their selected vendors to rely on the OWNER'S BROKER for this coordination, but since the BROKER is not a party to the contract (between the OWNER and the Home Warranty Company), then the BROKER cannot be held responsible for facilitating the service call for maintenance and/or repairs. When the Annual Home Warranty Company or the Home Warranty Company's selected vendor requires a service call fee, then the OWNER is responsible for making that payment directly to the Annual Home Warranty Company or their vendor. The OWNER agrees not to instruct the BROKER to pay service call fees related to the OWNER'S Annual Home Warranty Policy.
- c. **PREVENTIVE MAINTENANCE & PERIODIC INSPECTIONS:** The OWNER is solely responsible for ordering preventive maintenance and periodic inspections to maintain the good working order of the premises. The BROKER will accept and obey written instructions from the OWNER to order these services.

6. OWNER AGREES TO INDEMNIFY THE BROKER:

- a. The OWNER agrees that all providers of repair and maintenance services shall be deemed to be acting on behalf of the OWNER and not the BROKER. The BROKER will not be liable to the OWNER or others for any act, default or negligence on the part of such persons, contractors or other workmen, providing the BROKER has taken reasonable care in engaging them or their employers.
- b. The OWNER agrees to hold harmless and indemnify the BROKER and the BROKER'S employees, agents and representatives from all loss, expense, damage, claim suits and costs whatsoever (including without limit attorney's fees and expenses) incurred and arising from performance or attempted performance by the BROKER of his duties and powers hereunder whether for personal injury and/or property damage suffered by any person whomsoever on or about the premises or otherwise. The BROKER also shall not be liable for any error of judgment or for any mistake of fact or law or for anything; which, the BROKER may do or refrain from doing, hereinafter, except in cases of willful misconduct or gross negligence. The BROKER shall not be responsible for any damage to the premises, under any circumstance, caused by the Tenant or others.
- c. The OWNER agrees to maintain homeowner's insurance for the premises so long as the BROKER manages the subject premises on behalf of the OWNER. The OWNER agrees to immediately advise their homeowner's insurance company that they have leased the premises. In addition, the OWNER will include the BROKER as an additional insured under the liability portion of this policy with a minimum limit of no less than \$300,000. Said policies shall be written to protect the BROKER in the same manner and to the same extent as the OWNER. The OWNER shall provide to the BROKER evidence of insurance naming the BROKER as additional insured within 15 days of the date of this agreement and at time of each renewal.
- d. The OWNER agrees that if problems arise in the future and lawsuits are brought based on the BROKER'S work, the OWNER will pay for all legal fees and any related damages.

7. SECURITY DEPOSIT ESCROW & MOVE-IN/MOVE-OUT CONDITION REPORT - AUTHORITY & RESPONSIBILITY OF THE BROKER:

- a. SURVEYING THE PREMISES: The OWNER appoints the authority and responsibility to the BROKER to conduct a Move-In and Move-Out Condition Report if time in between Tenants allows.
- b. ACCOUNTING: The OWNER appoints the authority and responsibility to the BROKER to provide accounting related to the deposit and return of the escrowed funds (Tenant's Security Deposit and Pet Deposit, if applicable).
- c. ESCROW & RETURN OF THE TENANT'S SECURITY DEPOSIT:
 - i. ESCROW: The OWNER appoints the authority and responsibility to the BROKER to Escrow the Tenant's Security Deposit.

- _____ ii. RETURN: The OWNER appoints the authority and responsibility to the BROKER to return the Tenant's Security Deposit according to Alabama law. The BROKER shall have sole reasonable discretion to apply Security Deposit funds under the Lease and to refund Security Deposit funds to the Tenant. The OWNER shall be bound by any such decision of the BROKER.

8. SECURITY DEPOSIT ESCROW & MOVE-OUT CONDITION REPORT - LIMITATIONS OF THE AUTHORITY & RESPONSIBILITY OF THE BROKER:

- a. EXPENSES OWED BY THE TENANT AFTER THE BROKER RETURNS THE SECURITY DEPOSIT: The BROKER shall not be held responsible for expenses incurred by the Tenant after the BROKER returns the Tenant's Security Deposit. This includes expenses such as utility bills, lawn care, pest control, etc.
- b. ESCROWED FUNDS: The BROKER shall not incur any liability for bankruptcy or failure of the BROKER'S financial depository.

9. BROKER'S COMPENSATION: In consideration of the services rendered by the BROKER, the OWNER agrees to pay the BROKER a monthly fee of \$100.00.

10. COMMUNICATIONS/NOTICE: The OWNER agrees to receive any and all communications from the BROKER at the address, phone and the email address below. Any notice required or permitted to be given pursuant to the provisions of this agreement shall be deemed given (1) when delivered personally, or (2) on the date such notice is sent with UPS, FedEx, US Postal Service with Tracking Service, at following addresses.

OWNER: _____

Address: _____

City: _____

State: _____ Zip Code: _____

Phone: _____

Email: _____

11. FORCE MAJEURE: Any delays in the performance of any responsibility of the BROKER under this Agreement shall be excused to the extent that such delays are caused by wars, national emergencies, natural disasters, strikes, labor disputes, utility failures, governmental regulations, riots, adverse weather, and other similar causes not within the control of the BROKER, and any time periods required for performance shall be extended accordingly.

- 12. BINDING EFFECT:** This agreement shall be binding on, and for the benefit of the parties hereto and their respective heirs, successors and assigns.
- 13. BINDING AUTHORITY:** This agreement shall be binding upon the successors and assigns of the BROKER, and upon the heirs, administrators, executors, successors, and assigns of the OWNER.
- 14. GOVERNING LAW:** This agreement shall be governed by, interpreted under and enforced in accord with the law of the State of Alabama.
- 15. SURVIVAL:** Indemnification and other provisions of this Agreement which benefit the BROKER shall survive any termination of this agreement.
- 16. FACSIMILE AND OTHER ELECTRONIC MEANS:** The parties agree that this agreement may be communicated by use of secure electronic means, including but not limited to electronic mail and the internet, and the signatures, initials and handwritten or typewritten modifications to any of the foregoing shall be deemed to be valid and binding upon the parties as if the original signatures, initials and handwritten or typewritten modifications were present on the documents in the handwriting of each party.
- 17. AUTOMATIC EXTENSION OF CONTRACT:** In the event that the PREMISES are rented or leased through the efforts of the BROKER and the Lease Term runs longer than the terms of this Agreement, the BROKER shall continue to be compensated.
- 18. HOLDOVER TENANTS:** A "holdover" Tenant is a renter who remains in a property after the expiration of the Lease at the will of the OWNER. The BROKER will not be required to manage "holdover" Tenants. If the Lease expires without the OWNER requiring the Tenant to sign a new Lease, the BROKER will not be required to accept the next month's rent due on behalf of the OWNER, thereby creating the "holdover" status. The BROKER will direct the Tenant to deliver the next month's rent directly to the OWNER and shall provide the OWNER'S contact information to the Tenant.
- 19. COMPLETION OF CONTRACT:** Alabama Law allows the OWNER/BROKER up to 60 days to return the Tenant's Security Deposit minus any itemized deductions. During this interim period, the BROKER will continue to bill the OWNER the monthly fee. When the Security Deposit is returned and all accounts are settled with the OWNER, this contract shall be considered completed and no longer in effect, and then the OWNER will not be charged the monthly fee and the BROKER will have no management responsibility for the property.
- 20. TERMINATION BY EITHER PARTY WITH 30 DAY WRITTEN NOTICE:** Either party may terminate this agreement for any reason with a 30 day written notice.

21. THE BROKER HAS THE LEGAL RIGHT AND THE ETHICAL DUTY UNDER CERTAIN CONDITIONS TO IMMEDIATELY TERMINATE THE AGREEMENT:

- a. The BROKER may immediately terminate this management agreement with written notice to the OWNER if the BROKER deems the continuation of this agreement is in breach of its duties to the Tenant(s), other parties or the law.
- b. If, in the opinion of the BROKER, the Tenant has failed to fulfill their obligations of the Lease and the BROKER advises the OWNER to hire an Attorney for the purpose of taking legal action against the Tenant and the OWNER refuses to hire an Attorney and take legal action against the Tenant, then the BROKER may immediately cancel this management agreement and transfer the Security Deposit and Pet Deposit (if any) to the OWNER.
- c. The BROKER may immediately terminate this management agreement with written notice to the OWNER if the BROKER deems the continuation of this agreement subjects the BROKER to liability.
- d. Upon written notice of the immediate termination of the management agreement, the BROKER shall not be required to conduct a Move-Out Condition Report and/or be responsible for making determinations about possible deductions from the Tenant's Security Deposit.
- e. Upon written notice of the immediate termination of the management agreement, the BROKER shall transfer the Security Deposit and Pet Deposit (if any) to the OWNER and inform the Tenant.

22. CAPTIONS: Any heading preceding the text of any paragraph hereof is inserted solely for convenience of reference and shall not constitute a part of this management agreement, nor shall they affect its meaning, construction or affect.

23. DISCRIMINATION: BROKER will not discriminate in the sale or lease of real property based on race, color, religion, sex, handicap, national origin or familial status.

24. ENTIRE AGREEMENT: This Agreement contains the entire agreement of the parties, and there are no other promises or conditions in any other agreement whether oral or written concerning the subject matter of this Agreement. This Agreement supersedes any prior written or oral agreements between the parties. This agreement can only be amended through a written agreement signed by both parties.

25. SEVERABILITY: If any provision of this Agreement or the application thereof shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this Agreement nor the application of the provision to other persons, entities or circumstances shall be affected thereby, but instead shall be enforced to the maximum extent permitted by law.

26. REFORMATION OF TIME GEOGRAPHICAL AND OCCUPATIONAL LIMITATIONS; BLUE-PENCILING: In the event that any provision in this Agreement is held to be unenforceable by a court of competent jurisdiction because it exceeds the maximum

