

Non-Exclusive Transaction Brokerage Agreement For a Managed Lease

This agreement is to be used when the Property Owner wants the Broker to supply Real Estate Services without signing an Exclusive Agreement. Under this agreement, the Property Owner retains their rights to continue to market their property and obtain their own Customer without paying the Broker any fees. The Property Owner will only owe the Broker a fee if the Broker “brings” their Customer to the Property Owner and the Property Owner accepts a Lease Application (and signs a Lease) presented by the Broker’s Customer. Or if the Property Owner requests that the Broker process a Lease Application and execute a Lease for a Potential Tenant that the Property Owner has already obtained.

The Broker will not allow the Rental Customer to pay a fee and have their credit reports pulled until there is a reasonable chance that the two parties can enter into an “agreement in principle”. In order for this to happen, the Broker needs to ask you what some of your preferences would be in the Lease. There are many responsibilities that can be reasonably assigned to either party in the Lease.

In addition, there are also important disclosures that the Broker needs to make known to you before we proceed any further.

When the Broker screens a Potential Tenant on or off a Listing Agreement, the Potential Tenant must qualify on the Broker’s Published Minimum Requirements for Lease Application Approval. If the Potential Tenant does not qualify, the Broker will automatically issue a FCRA Adverse Action Notice on behalf of the Owner, without presenting the Application to the Owner. If the Potential Tenant does qualify according to the Published Minimum Requirements for Lease Application Approval, then the Broker will forward the Application to the Owner for review. You can review all of the Broker’s published requirements for Lease Application Approval at <https://birminghamhomeleasing.com/published-minimum-requirements-for-lease-approval/>.

DO NOT proceed with completing this agreement and submitting it if you are not ready to approve a qualified Lease Application. If you ignore a qualified Lease Application, you potentially expose the Broker and yourself to a Fair Housing complaint and/or legal action. Birmingham Home Leasing does not provide legal services. If you have questions or concerns about your rights and responsibilities as a Landlord, please consult with your Attorney.

_____  **FAIR HOUSING:** It is illegal to discriminate in the sale or lease of real property based on race, color, religion, sex, handicap, national origin or familial status.

Brokerage Fee

The Brokerage Fee for this service is 25% of the first month's rent, which is collected at Lease execution from the initial funds presented by the new Tenant. For this fee, the Broker will:

- Show the property
- Process a Lease Application
- Forward "qualified" Applications to the Owner to review and approve
- Draft a Lease for both parties to review and sign online
- Receive the initial funds from the Tenant in the form of Cashier's Checks
- Property Move In and Move Out Condition Reports

There are no hidden or additional fees unless you decide to also contract for Monthly Property Management. Monthly Property Management requires a separate contract and costs \$100 per month for homes 1 to 30 years old (see chart below for older homes).

- \$100 per month – 1 to 30 years old
- \$150 per month – 31 to 40 years old
- \$200 per month – 41 to 50 years old
- \$250 per month – 51 to 60 years old
- \$300 per month – 61 to 70 years old

Utilities

Please list the name of the utility providers that service your rental property. Put "N/A" for any utilities that are not offered at the property. Please note if any of the utilities are included in your Taxes or HOA Fees and the Tenant is not responsible for paying for it.

Power: _____

Natural Gas or Propane: _____

Water: _____

Septic Tank or Sewer Company: _____

Garbage Collection: _____

Communication Services (Internet, TV, Phone, etc.): _____

Other: _____

Included Appliances

Please select all the appliances that are present in the property. You are required to maintain the operation of all supplied appliances.

stove/oven/range top

refrigerator

dishwasher

microwave

garbage disposal

washer

dryer

trash compactor

jetted bathtub(s)

other: _____

Please Indicate Whether Certain Appliances are Gas or Electric

Appliance	Gas	Electric	?	N/A
Furnace				
Oven				
Cooktop				
Water Heater				
Dryer Hookup				
Fireplace				

HOA's and CC&R's, etc

If your property is subject to Homeowners Association Rules or Covenants, Codes & Restrictions or an equivalent, it is your duty to provide a copy of those rules to your Tenant. The Lease will mandate that the Tenant obey those rules. If you do not provide a copy to your Tenant, the Tenant can challenge their responsibility to obey the rules.

This property is not subject to HOA, CC&R type rules or their equivalent.

This property is subject to HOA, CC&R or equivalent rules and I will immediately send the Broker a copy.

This property is subject to HOA, CC&R or equivalent rules. I do not currently possess a copy, but I will immediately obtain a copy and forward them to the Broker.

HVAC

How many HVAC return vents does your property have? _____

Are all of your HVAC return vents inside and easily accessible for changing the filters? _____

Are any of your HVAC return vents outside, in the attic, or in a crawlspace? _____

HVAC Filter Delivery Service

The Broker recommends that the Landlord consider subscribing to a HVAC filter delivery service. Subscribing to such a service can serve as a valuable reminder to your Tenant to replace the filters on a periodic basis. There are many services like this available that you can find with an online search. While the Broker doesn't recommend any particular service, a vendor that advertises with the National Association of Residential Property Managers (NARPM) is a company named Filter Easy, <https://www.filtereasy.com/>. Two other companies that advertise this service are Air Filters Delivered, <https://www.airfiltersdelivered.com/> and Filter Buy, <https://filterbuy.com/>.

_____ ON A MANAGED LEASE, BROKER WILL NOT OBEY INSTRUCTIONS FROM THE LANDLORD TO MAKE DEDUCTIONS FROM THE TENANT'S SECURITY DEPOSIT FOR SUBJECTIVE ISSUES: If you've never leased a property before with a Professional Property Manager, you may be surprised to learn that there are some instructions that you can give to your Broker that he will not obey. These instructions include, but are not limited to telling the Broker to make deductions from the Tenant's Security Deposit for house cleaning, carpet cleaning or issues related to the maintenance and care of the lawn and landscaping. If you want to reserve the right to judge whether or not the Tenant returned your property to you in the "Move-In Condition" with reasonable wear and tear expected, then do not sign the optional Management Agreement.

If you sign the Management Agreement, you will agree to abide by whatever decision the Broker makes concerning any deductions to the Tenant's Security Deposit. One of the most common Court Trials concerning Real Estate occurs when a Tenant challenges the Landlord's deduction from their Security Deposit which they do not feel is justified. Please consult with your own Attorney for a legal opinion on this matter, but it is the Broker's understanding that it is unlikely that a Landlord or a Broker representing a Landlord will prevail in a legal action against a Tenant concerning a subjective issue. In other words, it is subjective whether or not the Owner considers that the Tenant has returned the home to them as clean as it was when they delivered it to the Tenant. Even if time-stamped photographs were taken before and after, this is a difficult issue to "prove" in Court. Therefore, the Broker will not obey instructions from a Landlord to take a deduction from the Tenant's Security Deposit if he believes he will not prevail in a legal action and only waste money on legal fees.

If you sign a Management Agreement with the Broker, you will agree to pay for professional house cleaning before the Tenant takes occupancy and provide a receipt to the Broker to include in the Move-In Condition Report (which both parties will receive a copy of). In turn, the Broker will place a clause in the Lease requiring the Tenant to agree to pay for professional house cleaning when they eventually vacate. If the Tenant does not order and pay for professional house cleaning and you instruct the Broker to deduct the fee for professional house cleaning from the Tenant's Security Deposit, then the Broker will obey those instructions. The same principle works for carpet cleaning.

If you sign a Management Agreement with the Broker, the Lease will specify that the Tenant is responsible for mowing the lawn only. The Lease will specify that you are responsible for all other lawn

care and landscaping, including but not limited to: 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; and edging the lawn. The Broker recommends that you hire a professional vendor to perform those tasks at least once a year and preferably twice a year (Fall and Spring).

If you sign a Management Agreement with the Broker and wish to assign all of the lawn care and landscaping responsibilities to your Tenant, you may do so with the understanding that you will not request that the Broker make deductions from the Tenant's Security Deposit if you find their care and maintenance of the lawn and landscaping unsatisfactory.

If you do not sign a Management Agreement, you will hold the Tenant's Security Deposit and you may take whatever deductions from the Tenant's Security Deposit that you feel is appropriate, but you will be assuming the complete risk for paying legal fees if the Tenant challenges you in Court. On an Unmanaged Lease, the Move-Out Condition Report provided by the Broker will not make any determination or recommendations to the Landlord concerning justifiable deductions from the Tenant's Security Deposit. If you attempt to involve the Broker in a legal action against your Tenant concerning deductions from the Tenant's Security Deposit, the Broker will not support you and the Broker will cancel the business relationship. If you want to hold the Tenant's Security Deposit and make deductions, the Broker strongly recommends that you do this with the assistance of an Attorney.

Carpet Cleaning & House Cleaning

The Broker does not officially recommend third party vendors or guarantee the satisfactory performance of their services. These services will have to be performed by the Landlord since they will take place before the Tenant begins occupancy and the Management Contract between the Broker and the Landlord is signed.

The Broker recommends that the carpets only be cleaned by "hot water extraction method", also known as "steam cleaning". The Broker does specifically advise Landlords to not use Stanley Steemer. We have received complaints from almost all Landlords that have used their services.

Please remember when ordering Maintenance, Service, Repair, Remodeling, etc., that it is your responsibility to be sure that the Vendor has:

1. A valid Business License.
2. Proof of Liability Insurance.
3. Worker Compensation Coverage.
4. The correct type of Contractor License.

W & S Professional Carpet Cleaning

Angie's List - "A" Rating with 114 reviews
<http://www.wandscarpetcleaning.com/>
205-477-8257

Dad's Carpet Cleaning

Angie's List - "A" Rating with 63 reviews
<http://www.dadscarpetcleaning.com/>
(205)664-5559

When you order house cleaning, it is very important to be specific in describing exactly what you want cleaned. Many house cleaning services have different ideas about how to clean a house. Based on the complaints we've received over the years, it has become clear to us that the most common things a new Tenant will check for are:

- A clean refrigerator (inside and outside)
- A clean stovetop
- An oven that has been "wiped clean". We do not recommend that you use the oven's self-cleaning feature or instruct a cleaning service to do so.
- Clean toilets
- Clean bathtubs and showers

Again, the Broker does not officially recommend third party vendors or guarantee their services, but the two vendors below are well-rated according to Google, HomeAdvisor, and/or Angie's List.

Two Maids & a Mop

Angie's List - "A" Rating with 146 reviews
Google - 4.6 out of 5 Stars with 177 reviews
(205) 940-2292
<https://twomaidsbirmingham.com/>

MaidPro of Birmingham

Home Advisor - 4.53 out of 5 stars with 55 reviews
Google - 4.8 out of 5 stars with 50 reviews
(205) 358-1800
<https://www.maidpro.com/birmingham/>

_____ I understand and agree not to ask the Broker to make any deductions from the Tenant's Security Deposit for house and carpet cleaning issues if I do not pay for these professional services before the Tenant is placed and provide a receipt to the Broker.

_____ THE BROKER WILL NOT BE RESPONSIBLE FOR MONITORING OR MANAGING THE CONDITION OF THE LAWN AND/OR LANDSCAPING: The Broker strongly recommends that the Owner contract with trusted lawn care and landscaping Vendors to monitor and manage the condition of the lawn and landscaping while the property is being leased. The Owner may pay these fees or require the Tenant to pay these fees (if it is disclosed in the advertising). While the Owner retains the right to assign lawn care and landscaping duties to their Tenant and/or make the Tenant pay a Vendor, the Broker will not be responsible for the condition of the lawn and landscaping. If the Owner assigns some or all of the lawn and landscaping responsibilities to the Tenant, on a Managed Lease, the Owner will agree not to request deductions from the Tenant's Security Deposit for any of these issues if the lawn and landscaping was not considered to be maintained satisfactorily. In addition, the Owner will agree in the Rental Management Agreement to hold the Broker harmless for any damage caused by the negligence or direct action of the Tenant. Owners interested in requiring their Tenants to pay for professional lawn care and landscaping must disclose the exact monthly cost for these services before the online advertising begins.

Assignment of Lawn Care & Landscaping Responsibilities

Assigned Responsibility:	Tenant is Responsible for doing the work personally or hiring a Vendor to do the work:	Tenant is Responsible for paying a Vendor hired by the Landlord to do the work:	Landlord is Responsible for hiring a Vendor to do the work:
Mowing the lawn			
Fertilizing the lawn & treating for weeds & fire ants			
Replenishing flower beds with mulch, pine straw, etc. at least once/year			
Trimming the shrubs & weeding the flowerbeds at least once/year			
Maintaining a raked lawn at least once/year			
Edging the lawn at least once/year			

Again, the Broker does not officially recommend third party vendors or guarantee their services, but the three vendors below are well-rated according to Google, HomeAdvisor, and/or Angie’s List.

Many lawn care and landscaping vendors offer a Spring and Fall “clean up special”. Be sure to request the special when you ask for a quote.

Sharper Image Turf Care

Home Advisor - 4.2 out of 5 stars with 53 reviews
<http://www.sharperimageturfcare.com/>
 (205) 542-6236

Gardner Landscaping

Angie’s List - “A” Rating with 40 reviews
 Google - 4.9 out of 5 stars with 10 reviews
<https://www.gardnerlandscapingllc.com/>
 (205) 401-3347

Alapro Lawns, LLC

Home Advisor - 4.39 out of 5 stars with 16 reviews
<https://www.alaprolawns.com/>
 (205) 834-1470

_____ I understand and agree that while the Broker allows me to assign some or all of the lawn and landscaping responsibilities to the Tenant, that I will not request that the Broker make deductions from the Tenant’s Security Deposit for these issues if I find that the lawn and landscaping was not maintained to my satisfaction. In addition, I agree to hold the Broker harmless for any damage caused by the negligence or direct action of the Tenant.

_____ **CAUTION ABOUT MAINTAINING A WELL-WATERED LAWN:** In the Broker's opinion, if you have a large lawn and you do not have an in-ground sprinkler system installed and functional, it is unreasonable to expect a Tenant to manually water a large yard, especially during times of drought. The Broker will put a clause in the Lease to require Tenants to pay for water service when the property has an in-ground sprinkler system installed and functional. If the property does not have an in-ground sprinkler system installed and functioning and the yard is damaged by drought, on a Managed Lease the Broker may not follow instructions from the Owner to make deductions from the Tenant's Security Deposit to repair the yard.

COLLECTING INFORMATION ABOUT YOUR LAWN:

1. Do you have an in-ground sprinkler system installed? _____
 2. If you have an in-ground sprinkler system installed, does it cover the entire yard? _____
-

Gutter Cleaning

For practical and legal reasons, the Broker will not allow the Owner to assign gutter cleaning to the Tenant on a Managed Lease.

In the experience of the Broker, Tenants seldom remember to clean the gutters and this is critical to maintain a good roof condition.

From a legal standpoint, the liability exposure to the Owner and the Broker on requiring the Tenant to clean the gutters is not reasonable.

Important Information about Annual Home Warranties

The Broker does not recommend that Landlords purchase an Annual Home Warranty and the Broker will not be responsible for facilitating service calls with the Tenant when an Annual Home Warranty is being used. The Broker will not be responsible for the performance of vendors that are sent by the Landlord's Annual Home Warranty.

In addition, the Broker has noticed a tendency for vendors sent by an Annual Home Warranty provider to overcharge for services when the vendor discovers that the Landlord has a Property Manager. This is because most Property Managers have Absolute Power of Attorney to order and pay for repairs and maintenance services. Unscrupulous vendors frequently try to take advantage of this situation.

OWNER'S DUTY & RESPONSIBILITY TO DISCLOSE IMPORTANT PROPERTY CONDITIONS

The Owner has an Affirmative Duty to disclose any property conditions that could affect the health or safety of the Tenant. The types of conditions that should be disclosed include but are not limited to: Lead-based paint, Asbestos, Radon, Toxic Mold, Bed Bugs, Fleas etc.

____ I am not aware of any dangerous conditions in the property that would affect the health or safety of the Tenant.

____ I am aware of potentially dangerous conditions that possibly could affect the health and safety of the Tenant. Please contact me so that I can make a complete disclosure.

____ CONDITIONS THAT COULD POTENTIALLY INTERRUPT THE TENANCY: The Owner affirms that they are not aware of any conditions that could interrupt a Tenancy, including but not limited to:

- An order from a governmental authority to repair or to demolish,
 - The need for Chinese drywall testing or remediation,
 - The need for a roof or foundation repair or replacement, etc.
-

____ 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: Mortgage(s), Property Taxes, Fire Dues, HOA Dues, Termite Bond, and Property Insurance.

____ THE BROKER DOES NOT PROVIDE LEGAL SERVICES: The Broker is responsible for producing a "Valid" Lease. A "Valid" Lease is defined as Lease which is legally enforceable in a Court of Law. The Broker is not a party to the Lease and therefore is not responsible for Lease enforcement. If the Tenant fails to perform on their promises agreed to in the Lease, the Owner, not the Broker will be responsible for hiring an Attorney and taking legal action. This includes, but is not limited to, the following situations:

- Evictions
 - Property damage caused by negligence or direct action of the Tenant
 - Tenant leaving before the end of the Lease and/or abandoning the premises
 - Tenant causing bed bug or flea infestation
-

____ DISCLOSURE CONCERNING TENANTS LEAVING THE LEASE BEFORE THE END OF THE INITIAL TERM: Our statistics indicate that approximately 4% of Tenants will request to leave the Lease early before the end of the initial term. Statutes are on the books that govern this situation. Landlords have the right to recover damages (loss of rental income) and Tenants have a responsibility to continue making rent payments unless and until they are replaced. The Broker's Attorney, who is a Lease Law Litigator, has advised the Broker that he's not aware of a situation where a Landlord was awarded more than confiscation of the Security Deposit in Court Trials where the Tenant left the Lease early. (This is not being presented as legal advice but as information only, the Broker advises the Owner to seek legal advice from their own Attorney on this matter.) According to the report of the Broker's Attorney, there

seems to be a significant gap between the Landlord's legal rights and the Landlord's effective rights concerning the situation when a Tenant leaves the Lease early. For that reason, the Lease will contain an early termination clause which basically states that the Landlord agrees to release the Tenant early as long as the Landlord experiences no loss of rental income and/or Brokerage Fees. You may review this clause and the entire (managed) Lease at <https://birminghamhomeleasing.com/wp-content/uploads/2018/11/lease-template-sample.pdf>

_____ KEYS TO SECONDARY LOCKS: It is understood that the Owner will provide the Broker with keys to the primary locks on the premises. When a door has more than one lock on it, the Owner is required to provide all the keys for the locks on primary access doors. This includes keys to storm doors, etc. It is common for Owners or Agents to accidentally lock secondary locks when accessing the premises and make it impossible for the next Agent to gain access. Keys to these secondary locks will be secured on the premises in a second lock box.

OPTIONAL MONTHLY PROPERTY MANAGEMENT FEES ARE DETERMINED BY THE AGE OF THE HOUSE

Unlike most Property Managers, Birmingham Home Leasing does not require Property Owners to contract and pay for monthly Property Management Services in order to use Leasing Service (Tenant Placement Only). For houses 1 to 30 years old, the fee for monthly management is \$100 per month. The fee increases due to the age of the house according to the chart below:

- \$100 per month – 1 to 30 years old
- \$150 per month – 31 to 40 years old
- \$200 per month – 41 to 50 years old
- \$250 per month – 51 to 60 years old
- \$300 per month – 61 to 70 years old

___ I DO NOT request to sign a contract for Optional Monthly Property Management.

___ I DO request to sign a contract for Flat Fee (\$100/month for houses 1 to 30 years old) Optional Monthly Property Management.

_____ THE OWNER WILL BE REQUIRED TO SHOW THE BROKER AS "ADDITIONAL INSURED" ON THEIR HOMEOWNER'S POLICY ON A MANAGED LEASE: The Management Agreement will contain a standard "Indemnification Clause" requiring the Owner to show the Broker as "Additional Insured" on their Homeowner's Insurance Policy. This is a standard practice. If the Owner has questions or concerns about this requirement, they should consult with their Insurance Agent and/or their Attorney.

_____ VERIFICATION OF OWNER'S IDENTITY: Upon request, the Owner agrees to present a Government Issued Photo ID to the Broker for Identity Verification.

_____ This DocuSign “envelope” will expire in approximately 3 days.

_____ Term of This Agreement shall be from _____ to _____ for the property located at _____.

_____ TERMINATION BY EITHER PARTY: Either party may terminate this agreement at any time and for any reason with a written notice.

On a Managed Lease, the Broker requires the Tenant to obtain a Renters Insurance Policy for their personal property and also add the Landlord as “Additional Insured” for up to \$300K in liability coverage.

In order to accomplish this, your mailing address will have to be given to the Tenant’s Insurance Agent.

Your Mailing Address:

Street City State Zip

Owner’s Signature

Agent’s Signature

Owner’s Signature