

RESIDENTIAL MANAGEMENT AGREEMENT



This agreement is made by and between **Scott Properties of Charleston, LLC** hereinafter referred to as PROPERTY MANAGER and, _____, hereinafter referred to as OWNER to secure the services of PROPERTY MANAGER in the management of real property known as:

hereinafter referred to as the PREMISES, for a period beginning on _____ and ending on _____, and subject to the following terms and conditions. Management agreement will automatically renew upon anniversary date each year unless written notice to cancel is received 60 days prior to anniversary date.

1. APPOINTMENT AND AUTHORITY OF PROPERTY MANAGER

- a. OWNER hereby appoints PROPERTY MANAGER as the sole and exclusive PROPERTY MANGER to rent, lease, manage, collect and receipt for rents and operate the PREMISES. The OWNER, however, retains the right to make all management decisions concerning establishing parameters for new tenants, rental terms, and capital or repair expenditures in excess of **\$250.00** in any [] month [] year and must advise PROPERTY MANAGER of these terms at onset of Agreement.
- b. PROPERTY MANAGER is authorized to secure the services of other real estate agents and conduct other marketing activities for purposes of securing a new tenant.
- c. It is agreed that the PROPERTY MANAGER is entitled to compensation as provided herein in connection with any lease that may be executed during the term of this agreement, even if said lease was negotiated by the OWNER or any other party. PROPERTY MANAGER shall be paid compensation at the rate as provided herein in connection with any lease which is being negotiated at the time of termination of this agreement if the tenant was introduced to the PREMISES by PROPERTY MANAGER.

2. **TERMS: IN THE EVENT THAT THE PREMISES ARE RENTED OR LEASED THROUGH THE EFFORTS OF PROPERTY MANAGER, AND THE LEASE TERM RUNS LONGER THAN THE TERMS OF THE AGREEMENT, PROPERTY MANAGER SHALL CONTINUE TO BE COMPENSATED AS STATED IN PARAGRAPH 5.** In the event that the PREMISES is not rented or leased within ninety (90) days of the date of this Agreement, or remains vacant without being subject to a lease for any ninety (90) day period, either party may terminate this Agreement upon thirty (30) days written notice to the other party of such intention to terminate, provided that such written notice is delivered to the other party prior to the rental or lease of the premises through the efforts of PROPERTY MANAGER. If the PREMISES contain multiple rental units, the termination provisions of this section will only apply if all units were not rented or leased within ninety (90) days of the date of this Agreement, or all units remained vacant for any ninety (90) day period. Termination of this Agreement shall not adversely affect the rights of tenants under then existing leases.

3. SPECIFIC AUTHORITY FOR REPAIR AND ALTERATIONS

- a. OWNER hereby gives PROPERTY MANAGER the following authority and powers and agrees to pay promptly on demand all legitimate expenses in connection with the following: to purchase necessary supplies; to contract for such utility services as PROPERTY MANAGER may deem advisable; to make necessary repairs to the PREMISES without the express written consent of OWNER, limited to **\$250.00** in any [] month [] year, and to make Owner authorized alterations and decorations. In addition to other authority of PROPERTY MANAGER, PROPERTY MANAGER may pay or incur without limitation on behalf of OWNER monthly or recurring operating charges and/or emergency repair, if, in the reasonable opinion of the PROPERTY MANAGER, such repairs are necessary to protect the property from damage or maintain services to the tenants as called for in state law or Rental Agreement. PROPERTY MANAGER is authorized on behalf of OWNER to hire, discharge, supervise and pay any employees or contractors for work performed. All providers of services shall be deemed to be acting on behalf of the OWNER and not the PROPERTY MANAGER. PROPERTY MANAGER 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 PROPERTY MANAGER has taken reasonable care in engaging them or their employers.
- b. A Reserve Fund will be established and maintained from property proceeds in the amount of **\$000.00**, to be paid (a) 0% from first rental payments, or (b) **\$000.00** per month from rental proceeds.

[_____] OWNER, [_____] OWNER AND [_____] PM HAVE READ THIS PAGE
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4. PROPERTY MANAGER RESPONSIBILITIES

In addition to the foregoing, the PROPERTY MANAGER will perform the following functions on OWNER'S behalf:

- a. Make reasonable efforts to collect all the rents and other fees due from tenants when such amounts become due, and deposit same into an agency account maintained on behalf of the OWNER, but PROPERTY MANAGER does not guarantee the payment of any tenant's rent;
- b. Withdraw from such account all funds needed for proper disbursements for expenses payable by the OWNER including without limitation, PROPERTY MANAGER compensation; and remit balance of rent to OWNER at OWNER'S address set forth in Paragraph 9 with a written statement within 30 days of rent receipt, indicating said receipts and disbursements; and
- c. Collect and place into escrow accounts, as required by law, security deposits under any lease. PROPERTY MANAGER is authorized to disburse the security deposit at such times and to such persons as PROPERTY MANAGER shall in good faith believe to be entitled to such funds in accordance with the South Carolina laws governing security deposits. Any interest earned on said deposits, shall with tenant's permission belong to PROPERTY MANAGER.

5. PROPERTY MANAGER COMPENSATION

In consideration of the services rendered by PROPERTY MANAGER, OWNER agrees to pay PROPERTY MANAGER the following forms of compensation:

- a. **FOR SET-UP/ORIGINATION** – a fee of \$ _____ to be paid at the time of execution of the contract for any vacant properties. This fee is charged only if a vacant property is acquired when this property management agreement is signed or if a tenant moves out or is evicted and a new tenant has to be located to occupy the property. The \$ _____ will be deducted **100%** from the tenants first months rent payment.
- b. **FOR MANAGEMENT (Percent of Gross Management Fee)** - a fee equal to _____ of gross receipts collected including all sums collectible under any leases. Management Fee is not due from the property owner / client if rent payment is not collected from the tenant during any given month. In addition to the 10% management fee a \$ _____ fee will be charged EACH YEAR to cover the cost of two property inspections per year. These are very detailed inspections and a copy of these inspection results will be provided to both the property owner and tenants upon completion. There is no charge if additional inspections are done over and above the two per year.
- c. **FOR LEASING** – a fee equal to N/A of the first full month's rent for each new tenant's lease shall be paid to PROPERTY MANAGER, in addition to the management fee provided for in paragraph 5b above, but shall not be payable in connection with renewals.
- d. **CHARGES TO TENANTS** – Late Rent Administration Charge, Returned Check Charges, Releasing Administration Charge and application fees paid by tenants under any lease are the property of the PROPERTY MANAGER to offset expenses in enforcing the respective provisions unless otherwise stipulated in paragraph 15.
- e. **SALE OF PROPERTY** - If a sale, exchange or MLS listing of the PREMISES to the Tenant, or to anyone contracted for or effected during the term of this Management Agreement or within 6 months of the lease termination, the Real Estate Company, Scott Properties of Charleston, LLC will be paid by the PROPERTY OWNER promptly, a N/A commission amount, if the Broker In Charge has a valid South Carolina real estate license for the sale of real property in effect on the date such sale or exchange is closed.
- f. **SUPERVISION OF RESTORATION/IMPROVEMENTS; PROPERTY MANAGER** shall be paid **15%** of the cost of any and all new construction and capital improvements made to premises during the term of this agreement in excess of **\$1000.00**, provided that PROPERTY MANAGER receives written authorization from OWNER for each specific project. Any such construction shall be scheduled, coordinated supervised by PROPERTY MANAGER on behalf of OWNER. No fee will be charged for routine maintenance and repairs.
- g. **OWNER** further agrees to pay PROPERTY MANAGER actual costs for advertising or not more than N/A per N/A, and for all long-distance phone calls and other out-of-pocket expenses actually and reasonably incurred in connection with said PREMISES.

[_____] OWNER, [_____] OWNER AND [_____] PM HAVE READ THIS PAGE

6. INDEMNIFICATION

OWNER agrees (a) to indemnify, defend and save the PROPERTY MANAGER harmless 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 PROPERTY MANAGER of its duties and powers hereunder whether for personal injury and/or property damage suffered by any person whomsoever on or about the PREMISES or otherwise, and (b) to carry at OWNER’S expense liability insurance of at least \$300,000 to protect the interest of the parties hereto. Policies shall be so written as to protect the PROPERTY MANAGER in the same manner and to the same extent as they protect the OWNER, and will name the PROPERTY MANAGER as an additional insured or certified holder of the policy. The PROPERTY MANAGER also shall not be liable for any error of judgment or for any mistake of fact or law or for anything which PROPERTY MANAGER may do or refrain from doing, hereinafter, except in cases of willful misconduct or gross negligence. The PROPERTY MANAGER shall not be responsible for any damage to the PREMISES, under any circumstance, by the tenant or others.

7. LEGAL PROCEEDINGS

PROPERTY MANAGER is empowered to sign and/or cancel leases on OWNER’S behalf, to enforce the provisions of same, to institute legal action or other proper proceedings to collect rents and other sums due, and when expedient, to settle, compromise and release such actions and suits, and to dispossess tenants, and other persons, including without limit institution of eviction proceedings in the name of and on behalf of OWNER. PROPERTY MANAGER may select the attorney of PROPERTY MANAGERS’S choice to handle any such matters and incur court costs at owner’s expense. PROPERTY MANAGER is not responsible for defending owner against any claim brought in a proceeding or court action.

8. BINDING AUTHORITY

This agreement shall be binding upon the successors and assigns of PROPERTY MANAGER, and upon the heirs, administrators, executors, successors, and assigns of OWNER.

9. COMMUNICATIONS/NOTICE

Owner agrees to receive any and all communications from PROPERTY MANAGER at the address, phone and fax numbers 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 deposited in the United States Mail, postage prepaid, certified or registered mail, return receipt requested, at following addresses:

PROPERTY MANAGER

OWNERS

Scott Properties of Charleston, LLC

Scott W. Wallace

Owner & PMIC

Phone: (843) 972-9008, Ext 4

Phone:

Fax: (843) 972-9014

Mobile:

Email: info@ScottRentsCharleston.com

Email:

[____] OWNER, [____] OWNER AND [____] PM HAVE READ THIS PAGE

10. OWNER REPRESENTATIONS AND WARRANTIES

a. OWNER represents and warrants to the PROPERTY MANAGER that, to the best of OWNER'S knowledge, the PREMISES are free of hazardous and/or toxic wastes and/or substances (as such terms are defined under applicable federal and state laws); that the PREMISES are fit for human habitation; that there are no hidden or latent defects or conditions on or affecting the PREMISES other than, that the PREMISES are not the subject of any order to repair or to demolish or other order of any governmental authority; that the PREMISES comply with all currently applicable laws, statutes and governmental rules and regulations; that the OWNER will at all times during the term of this Agreement fully and promptly comply with the lawful requirements of all applicable governmental authorities.

b. OWNER declares that all mortgage payments have been made and account is current.

c. OWNER warrants that there are operating smoke detectors on the premises.

11. LEAD-BASED PAINT DISCLOSURE

For dwellings built before 1978, and as required by applicable law, a Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (the "Disclosure") must be signed by OWNER and attached to this Agreement. OWNER represents that either (1) the improvements on the property were all submitted, commenced, and constructed after December 31, 1977, or (2) the Disclosure has been fully completed and is attached to this agreement. OWNER agrees to provide PROPERTY MANAGER with any such additional information or reports as may come to OWNER'S possession during the term of this agreement. OWNER acknowledges that PROPERTY MANAGER has informed OWNER of the OWNER'S obligations to provide a tenant of the property with the pamphlet "Protect Your Family From Lead in Your Home," to provide information to a Tenant of the property with copies of available records and reports with respect to the property and lead-based paint and lead-based paint hazards, all pursuant to 42USC4582 (d), as amended.

12. FORCE MAJEURE

Any delays in the performance of any obligation of PROPERTY MANAGER 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 PROPERTY MANAGER, and any time periods required for performance shall be extended accordingly.

13. PAYMENT FROM OWNER'S FUNDS

PROPERTY MANAGER shall have no duty to expend PROPERTY MANAGER's individual funds in fulfillment of PROPERTY MANAGER's responsibilities under this agreement. All payments required or permitted to be made by PROPERTY MANAGER shall be made from OWNER'S funds. OWNER agrees to deposit with PROPERTY MANAGER promptly on demand such funds as may be necessary in PROPERTY MANAGER's reasonable judgment for performance by PROPERTY MANAGER as provided in this agreement.

14. AVAILABILITY OF TENANTS

BROKER shall make a good faith effort to obtain tenants for the PREMISES, but PROPERTY MANAGER makes no guarantee that tenants can be found.

15. OTHER STIPULATIONS

Resident is responsible all yard maintenance, pest control & HVAC filter changes. No smoking is permitted inside the home.

16. BINDING EFFECT

This agreement shall be binding on, and for the benefit of the parties hereto and their respective heirs, successors and assigns. This agreement shall be governed by, interpreted under and enforced in accord with the law of the State of South Carolina. This is the entire agreement between the parties and may not be modified except in writing signed by both parties.

17. SURVIVAL

Indemnification and other provisions of this agreement which benefit PROPERTY MANAGER shall survive any termination of this agreement.

18. FACSIMILE AND OTHER ELECTRONIC MEANS

The parties agree that the offer, any counteroffer and/or acceptance of any offer or counteroffer may be communicated by use of a fax or other 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.

If applicable, OWNER hereby acknowledges and agrees that the items listed in the attached **Addendum #A: Property Owner Responsibility Addendum** will be the sole responsibility of the property owner. If any owner responsible items that are identified in the addendum are not completed as required by Landlord Tenant Act, Scott Properties will not be held responsible and more than one violation may result in the termination of the Management Agreement.

WHEREFORE, the parties have executed this Residential Management Agreement or caused the same to be executed by their authorized representative.

THIS AGREEMENT supersedes all prior written or oral agreements and can be amended only through a written agreement signed by both parties.

IN WITNESS WHEREOF, the parties hereto have subscribed their names on this
day, of _____, 20____.

Scott W. Wallace
Owner & PMIC

Date

Property Owner

Date

Property Owner

Date