



PROPERTY MANAGEMENT **CONNECTION**

LEASING & SERVICES AGREEMENT

This Leasing & Services Agreement (this “Agreement”) is made and entered on the _____ day of _____, 2019, (the “Effective Date”), by and between _____ (“Property Owner”) and The Property Management Connection, LLC (“Broker”).

1. **APPOINTMENT OF BROKER.** Property Owner hereby appoints and grants Broker the exclusive right to rent and lease the property located at _____ (“Property”) and provide non-exclusive services at the Property, upon the terms below, for the period commencing on the Effective Date.
2. **BROKER ACCEPTANCE.** Broker hereby accepts the appointment in paragraph 1 above and agrees to use commercially reasonable efforts in the performance of its obligations under this Agreement.
3. **TERM.** Either party hereto may terminate this Agreement upon at least 30 days advance written notice to the other party.
4. **AUTHORITY AND POWERS.** Property Owner hereby grants Broker the authority and power to undertake the following activities on his, her or its behalf with respect to the Property:
 - (a) **ADVERTISING.** Broker will work diligently to procure qualified tenants at fair market rents through standard and customary practices. Use standard marketing procedures to attract, qualify and secure tenants, this may include venues such as Postlets, Zillow, Hotpads and RealTracs Multiple Listing Service. Property Owner agrees that any advertising or leasing expenses incurred at the direction of the Property Owner are the responsibility of Property Owner and shall be reimbursed to Broker. Broker will provide professional photos of the Property at no cost to Property Owner.
 - (b) **RENTAL; LEASING.**
 - (1) Broker will act on behalf of the Property Owner. Property Owner will pay a rate equal to 100% of the first full month’s rent as a tenant acquisition fee (e.g., the fee for a monthly lease of \$2,000 would be \$2,000) with a minimum tenant acquisition fee of \$1,000. All showings to a prospective tenant will be performed with a licensed agent. Property Owner authorizes Broker to offer this fee to the broker who represents the tenant, to pay a third party marketing company and/or to retain a portion of this fee for services rendered in obtaining a qualified tenant.
 - (2) It is understood and agreed that this property will be rented in accordance with Fair Housing Laws without regard to race, religion, sex, disability, familial status, color or national origin, or any other class protected by law. Broker shall use commercially reasonable efforts to lease the Property. Broker does not guarantee the payment of rent by the tenant and cannot guarantee that the tenant will not damage the property in excess of normal wear and tear.

- (3) Property Owner and Broker will agree on a monthly rental rate (“Market Rate”) prior to listing the property for rent.
- (4) Property Owner will provide Broker written screening qualifications at the execution of this Agreement for Broker to screen and select a tenant. If Property Owner fails to provide screening qualifications, Property Owner authorizes Broker to utilize Broker’s standard screening procedures.
- (5) Broker will collect a security deposit from the tenant equal to one month’s rent. The Broker will transfer the security deposit to the Property Owner upon tenant taking possession of the Property. If Property Owner engages Broker for the optional Rent Collection service under section 4(d), Broker will hold the security deposit for the term of the lease under the provisions of paragraph 4(d)(2).
- (6) Broker will prepare a Lease to be signed by the tenant(s) and Property Owner. The Broker will utilize the Tennessee Association of Realtors residential lease unless the Property Owner provides their own lease for utilization.
- (7) Broker will not commence leasing activities on the Property until the prior tenant(s) has vacated the Property.

(c) **REPAIR; MAINTENANCE.**

- (1) This agreement is for procurement of a tenant at the property only and does not include the performance or coordination of any maintenance nor repairs to the Property. Broker is not responsible for discovering nor investigating any damage, potential damage or deferred maintenance at the Property.
- (2) The Property Owner should prepare the Property to “rent ready” condition prior to Broker listing the Property for rent.
- (3) The Property Owner accepts any and all responsibility for safety issues at the Property. This includes ensuring the Property has the required smoke and carbon detectors. Furthermore, the Property Owner agrees to hold the Broker harmless against any claims of negligence made by the tenant(s).

(d) **RENT COLLECTION - OPTIONAL SERVICE.** The following rent collection optional services will be performed by the Broker when requested by the Property Owner.

- (1) The Broker will provide payment gateways for the tenant(s) to make rent payments on the Property. Certain payment options will be free to tenant(s) (including, but not limited to, eChecks) while other payment options will require tenant(s) to pay additional fees (including, but not limited to, credit card payments and paper check options).
- (2) Broker will collect rents and all other receipts and deposit monies into the Broker’s trust account, but Broker shall not be responsible for the failure of such depository. The trust account may be an interest-bearing account. Broker will deposit all receipts collected, less any sums properly deducted or disbursed, in a financial institution whose deposits are insured by an agency of the United States government. The funds shall be held in a trust account separate from Broker’s personal accounts. Broker shall not be liable in event of bankruptcy of failure of a financial institution. Broker will hold security deposits received

in a separate trust account for the benefit of the tenants. Broker shall not be liable for tenant damages, including unpaid rent, which exceeds the security deposit. Property Owner authorizes Broker to deposit all trust funds received in connection with this property management service into a trust account. The trust account accrues earnings credits that are used to offset bank services charges assessed to Broker. Any excess earnings credits or funds earned from the analyzed trust account may be paid to Broker or vendors used by the Broker. Such trust account provides Broker with a financial benefit.

- (3) The Property Owner authorizes the Broker to pay any fees and invoices as authorized under this Agreement from the gross rental receipts. Any excess of receipts over disbursements shall be forwarded to the Property Owner via Automated Clearing House (ACH) payment by the 15th of the current month.
- (4) The Broker will provide an online portal for the tenant(s) to submit maintenance request. Within 24 hours of receipt of the maintenance request, the Broker will forward the maintenance request to the Property Owner via e-mail in a PDF format. It is the sole responsible of the Property Owner to determine how to address the request. The Broker does not provide after-hours response to maintenance requests, including those that may be deemed to be an emergency, under this Agreement.
- (5) This additional service is for providing a rent payment and maintenance portal for tenant(s). The Property Owner will still be considered the property manager for the Property. If the tenant(s) contact Broker with questions or requests, the tenant(s) will be instructed to contact the Property Owner. Broker accepts no responsibility for the decisions, or lack thereof, made by the Property Owner. Broker cannot guarantee any rent payments by the tenant(s).
- (6) The Broker will charge the Property Owner \$20.00 per month that the Property is enrolled in this plan.
- (7) The Broker will charge a \$250.00 one-time fee to remove a property from the Rent Collection optional service. This fee will be waived if the Property has been enrolled in the Rent Collection optional service for a minimum of 24 consecutive months.

The Property Owner agrees to the terms of section 4(d) and wishes to enroll in the Rent Collection optional service by initialing here:

(e) **ADDITIONAL OPTIONAL SERVICES.** The following are optional services and are only performed and charged by the Broker when requested by the Property Owner.

- (1) Visual Property Survey - \$75 per survey. This is a visual review of the Property by a property manager employed by the Broker. The Property Owner will be provided with a report from the survey. Note: No maintenance will be performed and this is not an inspection as governed by Tennessee state law.
- (2) Lease Renewal - \$100 per unsuccessful renewal and \$400 per successful renewal. Upon receiving lease renewal terms from the Property Owner, Broker will present the terms to the tenant(s) and perform customary follow-up. If the tenants decline to renew their lease, Property Owner will be charged for an unsuccessful renewal. If tenants accept the lease

renewal, Broker will prepare appropriate lease amendment and the Property Owner will be charged for a successful renewal.

- (3) Handyman - \$90 per hour with 1.5-hour minimum charge plus actual material cost – Property Owner may hire Broker’s handyman to perform small repairs on the Property.
- (4) Hot water heater replacement - \$150 one-time fee plus hourly fees under paragraph 4(e)(3) and materials – Property Owner may hire Broker’s handyman to replace a hot water heater at the Property.
- (5) 3rd Party Contractors – Actual invoice cost plus 15% markup – Property Owner may request that Broker hire a 3rd Party Contractor to perform certain maintenance, repairs or improvements on the Property. The Broker will bill a 15% markup on the invoice to the Property Owner for its vendor relationship and coordination with the vendor and/or tenant(s).
- (6) Move-out walk-through - \$100 per walk-through – Tennessee law requires the Property Owner to give the tenant(s) an opportunity to request a move-out walk-through. The Broker will perform this walk-through with the tenant(s) at the owner’s request.
- (7) Utility Coordination - \$50 per occurrence plus actual utility cost– Property Owner may engage Broker to place utilities into Broker’s landlord accounts between tenants. This fee is to coordinate utilities. Property Owner will also be billed the actual cost of utilities.
- (8) Eviction/Collections Coordination - \$400 per court case filed plus attorney fees – Property Owner may engage Broker to hire an attorney for the goal of evicting the tenant and/or collecting a judgement against a tenant.

5. **KEYSAFE/LOCKBOX.** Property Owner authorizes the use of a keysafe/lockbox to allow entry into the Property.

6. **COMPENSATION.**

- (a) Property Owner will pay Broker a tenant acquisition fee in accordance with paragraph 4(b)(1).
 - (1) Prior to Broker listing the Property for rent, Property Owner will pay Broker half of the tenant acquisition fee. This payment shall be considered non-refundable for any reason.
 - (2) The remaining half of the tenant acquisition fee is due immediately to the Broker upon the execution of the Lease between the tenant and Property Owner.
- (b) Property Owner will pay Broker for optional services in accordance with section 4(d) and 4(e).
- (c) Property Owner further agrees that Broker may receive and keep fees and charges from tenants for (i) processing credit applications; (ii) payment by non-electronic means; (iii) any returned checks or eChecks; and (iv) any other services that are not in conflict with this Agreement.

7. **PROPERTY OWNER REPRESENTATIONS.**

- (a) Property Owner hereby represents and warrants that he, she or it (i) is the owner of the Property and has the authority to execute this Agreement; (ii) has the right, power and authority to enter into

this Agreement and lease the Property in accordance with the terms and conditions hereof, and the necessary corporate, partnership or trust action to authorize this Agreement has taken place; and (iii) has read, understands, accepts and has received a copy of the Agreement.

- (b) Property Owner further represents and warrants that unless otherwise specified in writing, Property Owner is unaware of: (i) any restrictions, limitations or prohibitions in the applicable HOA governing documents affecting the rental of the Property (ii) any Notice of Default affecting the Property; (iii) any delinquent amounts due under any loan secured by, or other obligation affecting, the Property; (iv) any bankruptcy, insolvency or similar proceeding affecting the Property; (iv) any litigation, arbitration, administrative action, government investigation, or other pending or threatened action that does or may affect the Property or Property Owners ability to transfer it; and (vi) any current, pending or proposed special assessments affecting the Property. Property Owner shall promptly notify Broker in writing if Property Owner becomes aware of any of these items during the term of this Agreement.

8. HOLD HARMLESS. Except for the willful misconduct of Broker, Property Owner shall indemnify, defend and hold Broker (including its shareholders, officers and directors) harmless from all loss, damage, cost expense (including attorneys' fees), liability, claims, investigations and lawsuits by third parties for personal injury or property damage incurred or occurring in, on or about the Property that are connected with the Property, during the term of this Agreement or after its termination, including any liability for error of judgment, a mistake of fact of law, or for anything that Broker may do or refrain from doing hereinafter. Broker, under this Agreement, shall not be responsible for delays in the performance of any obligation unless there is an intentional delay caused by Broker or its employees. Property Owner shall pay, except as provided elsewhere in this Agreement, all expenses incurred by Broker, including, but not limited to, reasonable attorneys' fees and Broker's costs and time in connection with any claim, proceeding, or suit involving an alleged violation by Broker or Property Owner, or both, of any law pertaining to fair employment, fair credit reporting, environmental protection, rent control, taxes, fair housing, including, but not limited to, any law prohibiting, or making illegal, discrimination on the basis of race, religion, sex, disability, familial status, color or national origin, or any other class protected by law; provided, however, that Property Owner shall not be responsible to Broker for any expenses in the event that Broker is finally adjudicated to have personally, and not in a representative capacity, violated any such law, unless such acts and or omissions are outside the course and scope of Broker's duties hereunder. Nothing contained herein shall obligate Broker to employ counsel to represent Property Owner in any such proceeding or suit. Property Owner also agrees to pay reasonable expenses (or an apportioned amount of such expenses where other employers of Broker also benefit) incurred by the Broker in obtaining legal advice regarding compliance with any law affecting the Property or activities related thereto. Broker assumes no responsibility or management of personal property left by Property Owner at the Property. Property Owner shall not hold the Broker liable for any willful neglect, abuse or damage to the Property by tenants or vandals or others nor for loss of or damage to any personal property of the Property Owner or any tenant, including loss due to exchange or theft by tenants or any third party. Further, the Property Owner shall not hold the Broker liable for any error of judgment or mistake of business decision or law except in cases of willful misconduct or gross negligence.

9. AGENCY RELATIONSHIPS. Broker is acting as an agent for the Property Owner. This paragraph serves as confirmation that the Broker's status was communicated before any real estate services were provided and also serves as a statement acknowledging that the landlord, as applicable, was informed that any complaints alleging a violation or violations of Tenn. Code Ann. 62-13-312 must be filed within the applicable statute of limitations for such violation set out in Tenn. Code Ann. 62-13-313(e) with the Tennessee Real Estate Commission, 710 James Robertson Parkway, 3rd Floor, Nashville, TN 37232, PH: (615) 741-2273.

10. **ACKNOWLEDGEMENT.** Broker represents and warrants that it is a licensed home improvement contractor by the Tennessee Department of Commerce and Insurance.
11. **NOTICES.** Broker may send notices to Property Owner by email. Any and all communication required to be given by Property Owner shall be in writing and mailed to the Broker at: 807 Bradford Avenue, Nashville, TN 37204. Any written notice to Broker required under this Agreement shall be served by sending such notice by first class mail or other agreed-to delivery method to that party at the address below, or at any different address the parties may later designate for this purpose. Notice shall be deemed received three (3) calendar days after deposit into United States mail.
12. **GOVERNING LAW.** This Agreement will be governed by and construed in accordance with the laws of the State of Tennessee, without regard to the principles of conflicts of law thereof.
13. **DISPUTE RESOLUTION.**
 - (a) **MEDIATION.** Property Owner and Broker agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction before resorting to arbitration or court action. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refused to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.** Exclusions from this mediation agreement are specific in paragraph 12(c) below.
 - (b) **ARBITRATION OF DISPUTES.** Property Owner and Broker agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The arbitrator shall be a retired judge or justice, or an attorney with at least five (5) years of residential real estate law experience, unless the parties mutually agree to a different arbitrator. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 13(c) below.
 - (c) **ADDITIONAL MEDIATION AND ARBITRATION TERMS.** The following matters shall be excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction or other provisional remedied, shall not constitute a waiver or violation or violation of the mediation and arbitration provisions.
14. **EQUAL HOUSING OPPORTUNITY.** The Property is offered in compliance with federal, state and local antidiscrimination laws.
15. **ATTORNEY FEES.** In the event of any legal action (including arbitration) by the parties arising out of this Agreement, the losing party shall pay prevailing party reasonable attorney's fees and costs in addition to all other relief. In any action, proceeding or arbitration between Property Owner and Broker regarding the obligation to pay compensation under this Agreement, the prevailing Property Owner or Broker shall be entitled to a reasonable attorney fees and cost from the non-prevailing Property Owner or Broker.

- 16. **CONFIDENTIALITY.** It is understood and agreed upon by the Property Owner and Broker that the terms of this Agreement will remain confidential. Both parties hereby agree that the terms of this Agreement, negotiations that may arise from this Agreement, and any post-closing agreements shall not be disclosed to any entity or person not a party to this Agreement unless agreed upon by Property Owner and Broker in writing or email. In the interest of confidentiality, Property Owner agrees that it will refrain from writing or posting negative reviews regarding the Broker.

- 17. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES.** Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed except in writing. This Agreement and any supplement, addendum or modification, including any copy, may be signed in two or more counterparts, all of which shall constitute one and the same writing.

- 18. **SEVERABILITY.** If any of the provisions of this Agreement, or its application, is held invalid, it will not affect other provisions or application herein which can be given effect without the invalid provision or application. To this end all provisions of this agreement are severable.

- 19. **COUNTERPARTS.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

IN WITNESS WHEREOF, the parties have executed this Leasing & Services Agreement as of the date first written above.

OWNER:

Owner: _____ Date: _____

Print Name: _____

Co-Owner: _____ Date: _____

Print Name: _____

THE PROPERTY MANAGEMENT CONNECTION, LLC:

By: _____ Date: _____

Print Name: _____

Title: _____