



## BROKERAGE AND MANAGEMENT AGREEMENT

This Brokerage and Management Agreement (this “Agreement”) is made and entered on the 17th day of September, 2020, but effective as of the 1st day of November, 2020 (the “Effective Date”), by and between Hongru Cui (“Property Owner”) and The Property Management Connection, LLC (“Broker”).

**Management Plan Selection:**      All-Inclusive                      Full-Service                      Investor

1. **APPOINTMENT OF BROKER.** Property Owner hereby appoints and grants Broker the exclusive right to rent, lease, operate, and manage that certain property or properties listed on Exhibit A (“Property”) attached hereto, 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.**

**All-Inclusive Plan:** The term of the Agreement runs concurrent with the Tenant’s lease. The Property Owner may not terminate this Agreement during a lease agreement for the Property. The Broker may terminate this Agreement upon at least 30 days advance written notice to the Property Owner.

**Full-Service or Investor Plans:** Either party hereto may terminate this Agreement upon at least 30 days advance written notice to the other party; provided, however, that Property Owner may not terminate this Agreement within the first six (6) months of the effective date of a lease agreement for the Property. If there are multiple properties listed on Exhibit A, a Property may not be removed from management during the first six (6) months of a lease agreement for the Property.

4. **AUTHORITY AND POWERS.** Property Owner hereby grants Broker the authority and power, at Property Owner’s expense, to undertake the following activities on his, her or its behalf with respect to each Property listed on Exhibit A:

(a) **ADVERTISING/LEASING.** Broker will work diligently to procure qualified tenants at fair market rents through standard and customary practices. 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. Broker will use commercially reasonable efforts to screen and select tenants.

Broker will work on behalf of the Property Owner. Property Owner hereby authorizes Broker, as its agent, to execute, negotiate, and sign a lease agreement with tenant on behalf of Property Owner and in the name of Property Owner. It is understood that all such tenants are tenants of Property Owner and not Broker. Broker may initiate, renew, modify or cancel rental agreements and leases for the Property, including executing any and all disclosures and required forms associated with the rental agreement of any part thereof; collect and give receipts for rents, other fees, charges and security deposits. 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 keep the Property rented. However, Broker does not guarantee the payment of rent by the tenant, but will use commercially reasonable efforts to collect such payments when and as they become due.

(b) **TENANT EVICTION.** Property Owner hereby authorizes Broker, as its agent and at its expense, to sign and serve, in Property Owner’s name, notices that are required or appropriate; commence and prosecute actions to evict tenants and recover possession of the premises, retain legal counsel on behalf of Property Owner to proceed with eviction in the event of non-payment; recover possession of the Property in Property Owner’s name; recover rents and other sums due and, when expedient, settle, compromise and release claims, actions and suits and/or reinstate tenancies. Broker will determine when to commence eviction procedures in accordance with its company policies.

(c) **HOA, TAXES, MORTGAGE & INSURANCE.** Property Owner shall be solely responsible for any and all HOA fees, property taxes, mortgage payments and insurance related to the Property.

(d) **CONTRACTS; SERVICES.** Broker will contract, hire, supervise and/or discharge firms and persons, including utilities, required for the operation and maintenance of the Property. Broker may perform any of Broker’s duties through attorneys, other brokers, employees, or independent contractors and, except for persons working in the

Broker's firm, shall not be responsible for their acts, omissions, defaults, negligence and/or costs of same. **Broker's services provided under this Brokerage and Management Agreement do not include any brokerage activities related to the sale of the Property.**

- (e) **SECURITY DEPOSITS.** Broker will receive security deposits from tenants, which deposits shall be placed in a separate account pursuant to the Tennessee Uniform Residential Landlord and Tenant Act. Broker will withhold disbursements from Property Owner until Property Owner provides Broker with all tenant security deposit for properties where a tenant was already in occupancy prior to this Agreement being executed.
- (f) **TRUST FUNDS.** 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 or failure of a financial institution. Broker will hold security deposits received pursuant to paragraph 4(h) above 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.
- (g) **RESERVES.** Broker shall maintain a reserve of Property Owner's funds in Broker's trust account of **\$400** per Property. This operating reserve shall be used to pay for any monthly expenses that may occur during the management of the Property. Should Property Owner or Broker terminate this agreement, any unused portion of this reserve will be refunded to Property Owner. These funds may be held for up to 60 days after the termination of this Agreement to ensure that all invoices have been received and processed prior to returning funds to the Property Owner.
- (h) **DISBURSEMENTS.**
  - (1) Broker agrees to pay from gross receipts all operating expenses and such other expenses as may be authorized by Property Owner.
  - (2) Property Owner assumes full responsibility for the payment of any expenses and obligations incurred in connection with the proper and reasonable exercise of the Broker's duties set forth in this Agreement.
  - (3) Broker will remit funds, if any are available, monthly by the 15<sup>th</sup> calendar day to Property Owner.
  - (4) If there are multiple properties listed on Exhibit A, Broker may transfer funds from a property with a positive balance to a property with deficient reserves.
  - (5) Disburse Property Owner's funds held in Broker's trust account in the following order: (1) Compensation due Broker; (2) All other operating expenses, costs and disbursements payable from Property Owner's funds held by Broker; (3) Reserves and security deposits held by Broker; and (4) Balance to Property Owner.
- (i) **OWNER STATEMENTS.** Broker shall maintain accurate records of all monies received and disbursed in connection with its management of the Property and said records shall be open for inspection by Property Owner during regular business hours upon reasonable notice. Broker agrees to submit monthly statements of all receipts and disbursements by not later than the 15<sup>th</sup> of the current month. Broker shall also deliver to Property Owner an annual statement for the period ended December 31 of any applicable year during which this agreement is in effect that will be accompanied by an IRS Form 1099, if applicable, and a reporting of expenses paid in that calendar year on or before January 31 of the immediately following year.
- (j) **BROKER FUNDS.** Broker shall not advance Broker's own funds in connection with the Property or this Agreement.
- (k) **HANDYMAN.** Property Owner authorizes Broker to utilize one of Broker's to perform small repairs on each Property. Electrical, mechanical, plumbing, HVAC and roofing repairs will not be performed by a handyman. Electrical repairs do not include replacing a light fixture or repairing an outlet/switch. Plumbing repairs do not include repairs such as replacing a toilet flapper, faucet/fixture nor hot water heater.
- (l) **REPAIRS/MAINTENANCE.** Property Owner agrees that any expenses incurred for repairs, maintenance alterations or supplies shall be the sole responsibility of Property Owner and Property Owner shall reimburse timely Broker for any such expenses.

No repairs, decorations, alterations or supplies costing more than \$300 shall be made without prior approval from Property Owner, except for monthly or recurring operating charges or repairs determined, in the sole judgment of Broker to be necessary and required in accordance with the lease, laws, codes or judicial precedents. Common

examples of necessary and required repairs include plumbing leaks, failure of shower valves & cartridges, failed toilets, no hot water, no air conditioning (during hot months), no heat (during cool months), leaking roof, animal intrusion, mold, water intrusion, failed appliances (see PMC Appliance Repair/Replace Policy), electrical outages and safety issues, garage door failure, safety issues with decks/porches, broken window or door, or siding/gutter falling off house. The Broker is authorized to perform appropriate repairs necessary to complete a turnover between tenants and deliver the Property in a “rent ready” condition as promised to the new tenant during the leasing process.

5. **PROPERTY OWNER RESPONSIBILITIES & ACKNOWLEDGEMENTS:** Property Owner shall:

- (a) Provide all documentation, records and disclosures as required by law or required by Broker to manage and operate the Property, and immediately notify Broker in writing if Property Owner becomes aware of any change in such documentation, records or disclosures, or any matter affecting the habitability of the Property. If a Property is covered by a one-year builder’s warranty, Property Owner will provide builder contact information to Broker.
- (b) Property Owner shall indemnify and save the Broker harmless from any and all costs, expenses, attorneys’ fees, suits liabilities, or damages from or connected with the management of the Property by Broker or the proper performance or exercise of any of the duties, obligations, powers or authorities herein or hereafter granted to Broker. Broker shall not be liable for any error of judgment or for any mistake of fact or law, or for anything that it may do or refrain from doing hereinafter, except in cases of willful misconduct or gross negligence. Property Owner shall indemnify, defend and hold harmless Broker, and all persons in Broker’s firm, regardless of responsibility, from all costs, expenses, suits, liabilities, damages, attorney fees and claims of every type, including but not limited to those arising out of injury or death of any person, or damage to any real or personal property of any person, including Property Owner, for (i) any repairs performed by Property Owner or by others hired directly by Property Owner; or (ii) those relating to the management, leasing, rental, security deposits, or operation of the Property by Broker or any person in Broker’s firm, or the performance or exercise of any of the duties, powers or authorities granted to Broker.
- (c) Maintain the Property in a condition fit for human habitation as required by any applicable law, statute or code.
- (d) Property Owner agrees to carry, at Property Owner’s expense, a comprehensive general liability policy with a minimum limit of \$500,000 for bodily injury and property damage. Broker is to be named as additional insured or additional interested party. Property Owner shall immediately furnish Broker with a certificate of insurance evidencing the above coverage is in force with a carrier acceptable to the Broker. In the event Broker receives notice that said insurance coverage is to be canceled, Broker may at its option cancel this Agreement. Broker shall be, and Property Owner authorizes Broker to be, named as an additional insured party on Property Owner’s policies.
- (e) Property Owner agrees to pay any late charges, penalties and/or interest imposed by lenders or other parties for failure to make payment to those parties.
- (f) Property Owner agrees to immediately replace any funds required if there are insufficient funds in Broker’s trust account to cover Property Owner’s responsibilities. If the Property Owner fails to replace funds required within three (3) calendar days, Broker may charge, and Property Owner agrees to pay to Broker, interest at the maximum annual rate allowed under Tennessee law for any funds that the Broker advances on the Property Owner’s behalf.
- (g) Property Owner agrees that he or she has given legal possession to the tenant during the term of the lease and the tenant is entitled to peaceful enjoyment of the Property. Therefore, Property Owner agrees not to visit the Property during the term of the lease, unless accompanied by a member of Broker’s staff and only during the annual onsite review.
- (h) Property Owner understands that Broker does not assume any liability or responsibility for unknown rules or regulations regarding an HOA applicable to the Property. **Property Owner is responsible for providing Broker with true, correct and complete copies of any and all documents and forms pertaining to an HOA applicable to the Property.**
- (i) Property Owner agrees to refrain from selling the Property during the term of this Agreement.
- (j) Property Owner agrees that the Broker may retain funds obtained from a tenant or former tenant through the collections process until the Broker has been reimbursed for its costs and lost fees. Broker will post funds that it receives through the collection process in excess of its costs and fees to the Property’s account during the term of this Agreement. If amounts are still owed to Property Owner by a tenant or former tenant following the termination of this Agreement, Property Owners agrees to provide Broker with an annual written notice of its current mailing address on or before October 31 during each such applicable year. Broker, in turn, will mail Property Owner a check for the amount received (net of Broker’s costs and lost fees) from the tenant or former tenant during such calendar year on or before December 31 of such year. If Property Owner does not provide Broker with the annual written notice of its current mailing address, Property Owner waives any and all rights or claims to such funds received by Broker through the collection process.

- (k) Property Owner understands that the Property is managed in accordance with Broker's policies and procedures. Property Owner acknowledges he/she has read and agreed to the "Owner's Handbook" as posted at www.PMCNashville.com. Property Owner acknowledges the Owner's Handbook can be updated without notice.

\_\_\_\_\_  
\_\_\_\_\_  
(Property Owner Initials)

6. **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, and any required governmental licenses or permits, such as a short-term rental license or permit, 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; (v) 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.

7. **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 management of 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.

8. **LEAD-BASED PAINT DISCLOSURES.**

The Property was constructed on or after January 1, 1978    The property was constructed prior to 1978

- (a) Property Owner has no knowledge of lead-based paint or lead based paint hazards in the housing except None
- (b) Property Owner has no reports or records pertaining to lead-based paint or lead-based paint hazards in the housing, except the following, which Property Owner shall provide to Broker: None

9. **COMPENSATION.** Property Owner hereby agrees to the following compensation structure for services provided by Broker as outlined in Exhibit C.

10. **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.

11. **ACKNOWLEDGEMENTS.** Broker represents and warrants that it is a licensed home improvement contractor by the Tennessee Department of Commerce and Insurance. Property Owner grants permission to Broker to record all phone calls between the parties.
12. **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.
13. **ASSIGNMENT.** This Agreement may be assigned by Broker without the prior written consent of Property Owner.
14. **MISCELLANEOUS.**
- (a) This Agreement does not include providing on-site management services, property sales, refinancing, preparing Property for sale or refinancing, modernization, fire, or major damage restoration, rehabilitation, obtaining income tax, accounting or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, attending HOA meetings or any service not explicitly related to the ongoing management of the property. If Property Owner requests Broker to perform services not included in this Agreement, a fee shall be agreed upon before these services are performed.
  - (b) Broker strives to obtain contractors who have general liability insurance and worker's compensation insurance. In the event that a contractor does not have independent insurance, Broker will provide insurance, and the Property Owner agrees to pay Broker 10% on contractor's bills to cover expenses incurred by Broker for the cost of insurance. This 10% charge will only incur when Broker is required to extend insurance coverage to contractors who do not have their own independent insurance.
  - (c) Broker may divide compensation, fees and charges due under this Agreement in any manner acceptable to Broker. Property Owner further agrees that Broker may receive and keep fees and charges from tenants for (i) requesting an assignment of lease or sublease of the Property; (ii) processing credit applications; (iii) any returned checks and/or late payments; (iv) utility reimbursement fees; (v) tenant management fees; (vi) HOA fine processing fees; and (vii) any other services that are not in conflict with this Agreement.
  - (d) Broker may perform any of Broker's duties, and obtain products and services, through affiliated companies or organizations in which Broker may own an interest. Broker may receive fees, commissions and/or profits from these affiliated companies or organizations. Broker may share Property Owner information with affiliates. Broker has an ownership interest in the following affiliated companies or organizations: Trevor Garrett and Kyle Felts are co-owners of The Property Management Connection, LLC. Mr. Garrett and/or Mr. Felts co-own or own a material interest in the following companies as of the date of this agreement: Parthenon Plumbing Heating and Cooling, LLC; Bradford Real Estate, LLC; Cobalt Ventures, LLC; 615 Title, LLC; Essex Mortgage; Bradford Shared Services, LLC; The Offices at Bradford, LLC; Cobalt Properties I, LLC; Cobalt Properties II, LLC; 615 Insurance LLC DBA Goosehead Insurance and their subsidiaries.
  - (e) Property Owner agrees that the Broker may lease the Property to tenants with up to two (2) pets in accordance with Broker's policies and pet fees.
  - (f) Property Owner consents to receive annual 1099 documents electronically.
15. **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.
16. **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 17(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 17(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.

17. **EQUAL HOUSING OPPORTUNITY.** The Property is offered in compliance with federal, state and local antidiscrimination laws.

18. **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.

19. **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.

20. **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.

21. **SEVERABILITY & COUNTERPARTS.** 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. 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 Management and Brokerage Agreement as of the date first written above.

**OWNER:**

Owner: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: Hongru Cui

Co-Owner: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

**THE PROPERTY MANAGEMENT CONNECTION, LLC:**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Print Name: Eric Jones Title: Authorized Agent/General Manager

**Exhibit A**

<b>Property</b>	<b>Monthly Management Fee</b>
3379 Harpeth Springs Dr. - Nashville, TN 37221	\$125.00

**Exhibit B - Eviction Protection Plan**

**1. MONTHLY COST.**



- (a) All-Inclusive: No additional charge (included with monthly fee)
- (b) Full-Service & Investor: \$15 per month per door without proration for months partially leased

**2. BROKER PAYMENTS.** Broker will pay (or waive) the following costs in an eviction situation for a Property enrolled in the Eviction Protection Plan.

- (a) Attorney bills and fees to file eviction, court costs, writs and other associated legal fees
- (b) Moving company fee to set out tenant.
- (c) Broker’s hourly fee to meet Sheriff and moving company at the Property.
- (d) Locksmith charge to re-key the property once tenant has vacated the Property.
- (e) Broker’s fee to place a new tenant in the Property
- (f) One month’s base rent to be paid when the tenant vacates the Property.

Note: If Broker is holding a security deposit from tenant in excess of one month’s rent. The amount under 2(f) will be decreased by the amount of security deposit held in excess of the one month’s rent. For example, if Broker is holding a security deposit equal to 1.5 month’s rent, the full 1.5 month security deposit will be turned over to owner and Broker will only pay a half month’s rent to Property Owner under 2(f).

**3. ENROLLMENT QUALIFICATIONS:**

- (a) The tenant’s base rent is at least \$1,200 per month. (Base rent does not include pet or other fees)
- (b) The tenant was screened and approved by Property Management Connection during the initial leasing process and the tenant is signed to a PMC lease.

**4. EXCLUSIONS:**

- (a) The tenant was already in the unit at the time Broker took over management.
- (b) The tenant was placed at the request of the owner and did not go through the normal screening process.
- (c) Property Owner is responsible for any maintenance, handyman, landscaping, cleaning and other make-ready costs between tenants. (Broker will attempt to recoup these costs during the collections process but Property Owner will need to front these costs)
- (d) This program does not cover collections-only situations. (When a tenant owes funds in excess of their security deposit at the time of moveout but was not evicted from the property)

**5. EVICTION DECISION.** The decision to evict is at the sole discretion of Broker. Eviction will be filed according to Broker’s “Late Rent and Eviction Policy” unless Broker determines that there are reasonable grounds for an exception.

Yes, Property Owner wishes to enroll in the Eviction Protection Plan.

Property Owner declines to enroll in the Eviction Protection Plan and Property Owner accepts all costs and lost rent related to an eviction. Property Owner acknowledges that in an eviction situation, it is likely their out-of-pocket costs and lost rent will likely exceed three times the monthly rental rate.

**OWNER SIGNATURE:**

Owner: \_\_\_\_\_

Co-Owner: \_\_\_\_\_

**Exhibit C – Management Plans and Compensation**

Plan	All-Inclusive	Full-Service	Investor
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<b>Management Fee</b>	\$275/month	\$125/month	2-4 “Doors” – \$110/month 5+ “Doors” - \$100/month
<b>Property Onboarding Fee</b>	Included	\$200	Included
<b>Tenant Onboarding Fee (if Property already has tenant)</b>	Included	\$100	\$100
<b>Enhanced Marketing Plan</b>	Included	Included	Included
<b>Tenant Placement Fee</b>	Included	\$750	\$750
<b>Lease Renewal Fee</b>	Included	\$250	Included
<b>Rent Ready Package</b>	Included	Actual Cost (estimated \$750)	Actual Cost (estimated \$750)
<b>Annual property survey</b>	Included	Included	Included
<b>Eviction Protection Fee</b>	Included	Optional (\$15/month)	Optional (\$15/mo. per door)
<b>Eviction Coordination (when tenant turned over to attorney)</b>	Included	Attorney fees plus \$200 (waived with Eviction Protection Fee)	Attorney fees (waived with Eviction Protection Fee)
<b>Property Close-out Fee</b>	Included	\$250	Included

All fees listed above are “per door”

#### **Key Details and Explanations**

**Management Fee** – The management fee is charged for any part of a month with the unit occupied. For new properties the management fee is charged on the 1<sup>st</sup> calendar day of the month following when a property is posted for rent. (For example, a property posted for rent on January 20<sup>th</sup> would be charged a management fee on February 1). If a tenant’s lease starts during the same month that a property is posted for rent, then the management fee would be charged for that full month without proration. (For example, a property is posted for rent on January 10<sup>th</sup> and a tenant moves in on January 25<sup>th</sup>, then a full management fee would be charged for January).

**Enhanced Marketing Plan** – Broker utilizes professional real estate photography for all properties. This plan adds on the preparation of professional floor plans and walk-through videos of the property.

**Tenant Placement Fee** – The fee (Full-Service & Investor Plans) is 50% of the monthly rental rate (i.e. \$750 on a property that rents for \$1,500 per month) with a minimum fee of \$700. Broker earns this fee upon collection of a non-refundable deposit from an incoming tenant.

**Lease Renewal Fee (Full-Service Plan Only)** – The fee is charged upon the tenant signing a lease renewal with a term of at least 6 months in length.

**Rent Ready Package** – In order to properly prepare a home for a tenant, Broker (at a minimum) hires a locksmith to change the locks, has a regular cleaning performed, has any carpets cleaned and sends out a handyman to perform a rent ready checklist which normally takes 3 to 4 hours to complete. For properties on the All-Inclusive Plan, Broker will pay up to \$130 towards a locksmith, \$150 for home cleaning, \$150 for carpet cleaning and \$350 towards a handyman and supplies. For properties on the Full Service and Investors Plans, the owner would be responsible for the actual costs of these bills.

**Eviction Coordination Fee** – (Full-Service plan only) Broker charges a \$200 administrative fee to coordinate the eviction process with PMC’s attorney.

**Property Close-out Fee** – (Full-Service plan only), Broker charges a \$250 administrative fee to close out a property when the property owner terminates the management relationship for a property.

#### **Additional Fees and Charges**

The following additional fees are charged to owners:

- Broker shall be entitled to retain 50% of Late Fees as additional compensation for the additional time and expenses of collecting the delinquent rental payment. Late fee will be levied at Broker's discretion.
- For hot water heaters changed by PMC's handyman, there will be an additional \$150 one-time fee in addition to the hourly rates.
- \$75 for coordination of a service visit or second opinion by vendor of Property Owner's choice (non-PMC vendor)
- \$75 for coordination of a service visit by a Home Warranty Company
- If Property Owner does not give a 30-day notice to terminate at least 30 days prior to a current tenant's lease expiration date, Property Owner to pay a \$250 fee as compensation for Broker's efforts to plan rent ready/turnover efforts. This fee is also payable when a property is vacant (between tenants and before first tenant).
- 10% of estimated bill cost for repairs/replacement performed by Property Owner, Owner's vendor or Home Warranty Company
- \$75 to send a "non-renewal" notice to tenants at Property Owner's request
- \$75 to coordinate a property visit for Property Owner (or Owner's representative including but not limited to a Realtor or appraiser) during the term of a lease and outside of the Annual Property Survey
- \$10 per check or ACH sent to pay for HOA dues, insurance payments, owner's pest company or similar payment request made by the Property Owner.
- \$50 per month compliance fee for properties rented in the Housing Choice Voucher program (Section 8)
- \$125 per hour for additional accounting work (including but not limited to Section 199A Qualified Business Income compliance)
- For Property Owners moving out of their personal residence, Property Owner agrees to vacate the Property no less than five (5) full business days prior to a tenant move-in date. If Property Owner does not vacate the Property at least five (5) full business days prior to the tenant move-in date, Broker may charge the Property Owner an additional management fee of \$100 per day for additional time to handle the quick turnover.
- Any additional services provided by the Broker, not within the limited scope stated herein, will be subject to a \$125 per hour charge with a two-hour minimum. This fee will be charged for services including, but not limited to, attending court, attending HOA meetings, or any activity performed by Broker beyond the scope of management of the Property.

### Exhibit D – Pet Protection Guarantee

Broker provides all Property Owners with a Pet Protection Guarantee. Broker will pay for damage, above fair wear and tear, up to \$5,000 per property.

The tenant and pet(s) must be screened and approved by the Broker during the initial leasing process and they must be signed to Broker's lease. This coverage does not cover damage caused by assistance animals, or by illegal pets that were not approved on the lease.

If it is necessary to replace flooring (or other fixture/appliance) due to pet damage, Broker will only cover the cost of replacement with a similar product. If Property Owner wishes to upgrade, Property Owner will be responsible for the cost differential for the upgraded product.

When a claim is made under this program, Broker retains the right to pursue the tenant in collections for the right to recoup the cost of the damages. Broker will retain all pet fees paid by tenants to support the costs of this guarantee.

If a Management Agreement is terminated prior to the end of a tenant's lease, Broker is relieved of any obligation to pay for property damages. If a Management Agreement is terminated concurrently with the end of a lease, Broker will pay for pet damages only if PMC coordinates the damage repair.

### Exhibit E – Smoke and Carbon Detector Risk

Fire and carbon safety and liability is a significant issue with rental homes. Broker believes that all rental properties should be in compliance with the International Fire Code (ICC IFC). Most homes built in the last 20 years are in compliance with the code. Generally, homes built pre-2000 are not in compliance unless they have been brought up to code in recent years. It generally costs between \$600 and \$900 to bring a Property up to code.

Property Owner will need to choose if they wish to bring their property into compliance with the International Fire Code. If an owner does not wish to incur this cost, Broker charges a \$15 per month per door risk fee in addition to the standard management fee.

If the Property is not in compliance with the International Fire Code, Property Owner authorizes Broker to bring the property into compliance.

If the Property is not in compliance with the International Fire Code, Property Owner declines to bring the Property into compliance and wishes to pay Broker a \$15 per month risk fee in addition to the standard management fee. Property Owner shall indemnify, defend and hold Broker harmless from all loss, damage, cost expense (including attorneys' fees), liability, claims, investigations and lawsuits brought against Broker relating to their property not being in compliance with the International Fire Code. Property Owner also recognizes that a tenant may request the local government to revoke a Certificate of Occupancy for not being in compliance with the International Fire Code, and if the Certificate of Occupancy is revoked, the tenant may terminate the Lease for cause and without penalty causing significant financial harm to the Property Owner.

### OWNER SIGNATURE:

Owner: \_\_\_\_\_

Co-Owner: \_\_\_\_\_