



BROKERAGE AND MANAGEMENT AGREEMENT

This Brokerage and Management Agreement (this “Agreement”) is made and entered on the day of _____, 2018, but effective as of the _____ day of _____, 2018 (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, 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.** 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.** Broker will work diligently to procure qualified tenants at fair market rents through standard and customary practices. Display FOR RENT/LEASE and similar signs on the Property and advertise the availability of the Property, or any part thereof, for rental or lease. 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. Broker will use commercially reasonable efforts to screen and select tenants and abide by all fair housing laws.

(b) **RENTAL; LEASING.**

- (1) Broker will act on behalf of the Property Owner, and Broker will retain 50% of the first full month's rent as a tenant acquisition fee (e.g., the brokerage fee for a monthly lease of \$1,500 would be \$750). 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) 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.
- (3) Property Owner hereby authorizes Broker to determine the monthly rent amount for the Property. Broker will collect rent payments from tenant that will be due the first day of each month and be late if not paid by the fifth day of such month, unless otherwise stipulated by the Tennessee Landlord-Tenant Act. Broker is authorized to recover rents and other sums due; and when expedient to settle, compromise and release such actions or suits or reinstate such tenancies. Furthermore, inasmuch as Broker is not authorized to practice law, where legal assistance is needed for such matters as enforcing the collection of rent, such action shall be through legal counsel retained by Broker on behalf and at the expense of the Property Owner. If the lease or rental agreement contains a "Late Fee" charge, Broker shall be entitled to retain 50% of such fee as additional compensation for the additional time and expenses of collecting the delinquent rental payment. Late fee will be levied at Broker's discretion.
- (4) Section 4(b)(1) to Section 4(b)(3) only apply to a Property rented long-term (generally in durations in excess of 90 days). For short-term rentals (generally in durations less than 90 days), Property Owner hereby authorizes Broker, as its agent, to market the Property to potential guests with the intention that the guests will rent the property for periods as short as one day. Broker will act on behalf of the Property Owner Broker will

provide advisory and counsel on property guidelines, compliance, marketing and management processes. Broker will coordinate all cleaning, maintenances and supplies as necessary to operate the short term rental. Broker will coordinate all communication with guests from their initial inquiry to check out. Broker shall use commercially reasonable efforts to keep the Property occupied with guests. Property Owner hereby authorizes Broker to determine the nightly or weekly rental rate for the Property. Broker will collect rent payments from the guests at the time of the stay. It is understood that all such guests are guests of Property Owner and not Broker.

- (c) **MONTHLY MANAGEMENT FEE.** In exchange for the property management services provided by Broker pursuant to this Agreement, Broker shall be entitled to retain a monthly management fee for each Property in the amount specified on Exhibit A attached hereto; provided, however, that Broker will not be entitled to receive the monthly management fee during periods of vacancy.
- (d) **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.
- (e) **REPAIR; MAINTENANCE.**
 - (1) 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 \$500 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 an emergency; provided, however, prior approval shall not be required for monthly or recurring operating charges or, in Broker's opinion, emergency expenditures over the maximum needed to protect the Property or other property(ies) from damage, prevent injury to persons, avoid suspension of necessary services, avoid penalties or fines or suspension of services to tenants required by lease of real property agreement or by law, including, but not limited to, maintaining the Property in a condition fit for human habitation or repairs where the Broker reasonably relied on the cost being under \$500 prior to the work commencing .
 - (2) Property Owner authorizes Broker to use the services of Parthenon Plumbing Heating and Cooling, LLC ("Parthenon Plumbing") to perform

repairs, maintenance and other services on the Property at Broker's sole discretion when anticipated costs savings can be retendered as compared to using other vendors. Parthenon Plumbing is partially owned by Kyle Felts, a member of Broker. Parthenon Plumbing provides a ten percent (10%) discount on all hourly services performed on properties managed by Broker.

- (f) **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. If applicable, Broker will collect and remit, on behalf of Property Owner, sales tax and hotel tax on rents from the Property.
- (g) **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. This includes, but is not limited to, securing signed estoppel certificates or settling appointments for warranty inspections or inspections by prospective tenants and tenant brokers. ***Broker's services provided under this Brokerage and Management Agreement do not include any brokerage activities related to the sale of the Property.*** 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.
- (h) **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.
- (i) **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.

- (j) **RESERVES.** Broker shall deduct from first month's proceeds, an operating reserve equal to **\$400** per property for rentals with a term of at least 6 months ("Long Term Rentals") and **\$1,000** per property for rentals with a term of less than 6 months ("Short Term Rentals"). If the first month's rent is not high enough to fund the brokerage fee in Section 4(b)(1) and the operating reserve, Property Owner agrees to make a payment to Broker in the amount of such shortfall to fully fund this operating reserve. Should Property Owner or Broker terminate this agreement, any unused portion of this reserve will be refunded to Property Owner. This operating reserve shall be used to pay for any monthly expenses that may occur during the management of the Property. Broker shall maintain a reserve in Broker's trust account of **\$400** per Property for long-term rentals and **\$1,000** per property for short-term rentals. 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.

(k) **DISBURSEMENTS.**

- (1) Broker agrees to pay from gross receipts all operating expenses and such other expenses as may be authorized by Property Owner including:
- A. Maintenance and repairs
 - B. Utilities: Year Round When vacant
 - C. Lawn & landscaping: Year Round When vacant HOA
- (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) Any excess of receipts over disbursements and operating reserves as provided herein for each Property shall be forwarded by the 15th of the current month.
- (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:
- A. Compensation due Broker under paragraph 10.
 - B. All other operating expenses, costs and disbursements payable from Property Owner's funds held by Broker.
 - C. Reserves and security deposits held by Broker.
 - D. Balance to Property Owner.

- (l) **OWNER DISTRIBUTION.** Broker will remit funds, if any are available, monthly to Property Owner.
- (m) **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 shall submit a monthly report, forward copies of any paid bills and disburse proceeds within 5 days from the receipt of good funds and render monthly statements of receipts, expenses and charges for each Property. Broker agrees to submit monthly statements of all receipts and disbursements by not later than the 15th 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.
- (n) **BROKER FUNDS.** Broker shall not advance Broker's own funds in connection with the Property or this Agreement.
- (o) **KEYSAFE/LOCKBOX.** Property Owner authorizes the use of a keysafe/lockbox to allow entry into the Property.
- (p) **ANNUAL ONSITE REVIEW.** Broker agrees to perform an annual onsite review of the Property at least once per year, typically 60 days prior to the expiration of the lease, and this onsite inspection is included in the base fee charged by the Broker. If Property Owner wants additional onsite inspections, Broker may agree to perform additional inspections at a cost of \$125 per inspection.
- (q) **OPTIONAL SERVICES.** Broker will provide the following optional services for each box checked by the Property Owner.
 - EVICTION PROTECTION FEE.** Property Owner hereby agrees to pay Broker an annual Eviction Protection Fee equal to 1% of the annual gross rent payable with respect to a Property. This optional service is available only if the base monthly rent for a Property is at least \$1200 and Broker placed the tenant. In the event such tenant is evicted from a Property, Broker will cover the cost of eviction legal fees, cost to change locks, and waive any fee to place a new tenant. Broker will provide Property Owner with compensation equal to one month's rent and will issue security deposit from the evicted tenant to Property Owner. If the Broker is holding more than one month's security deposit, Broker will provide deposit equal to one month's base rent to the owner and retain the remaining. Broker will determine when to commence eviction procedures in accordance with its company policies. Property Owner understands that they are responsible for any maintenance cost to prepare the unit for a new tenant and any cost ensuring the unit is ready for rent.

5. PROPERTY OWNER RESPONSIBILITIES: 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, names 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.

6. PROPERTY OWNER ACKNOWLEDGEMENTS.

- (a) Property Owner authorizes Broker to utilize one of Broker's handyman at the current rate of \$55/hour (minimum charge of 1.5 hours per onsite visit) 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 replacing a toilet flapper or replacing a faucet. Broker may change this rate upon notice to Property Owner.
- (b) For Property Owners moving out of their personal residence:
 - (1) At Property Owner's discretion, Broker may begin showings while Property Owner is still living at the house. Broker will provide reasonable advance notice of any showing. Property Owner agrees to leave the Property during all showings.
 - (2) 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.
- (c) Property Owner understands 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.
- (d) Property Owner understands that Broker may rekey the locks on any Property prior to a new tenant moving in and between each tenant. Property Owner also understands that Broker will not provide a spare key to the Property owner.
- (e) Property Owner understands that Broker will professionally clean the Property and carpets prior to a new tenant moving in and between each tenant. If Property Owner had the carpets cleaned prior to Broker starting management, Property Owner should provide a copy of the receipt to Broker for proof to the new tenant. Broker will not clean new carpet not yet lived on by a tenant.
- (f) Property Owner understands that fire safety and liability is a significant issue with rental homes. Therefore, Broker uses a third-party vendor to perform a smoke test on smoke detectors when locks are changed. Furthermore, Broker requires that each Property be in compliance with International Fire Code ICC IFC (2006) as determined by an independent electrician.

- (g) Broker maintains accounts with all local utility companies. When a Property is vacant (generally between tenants), Broker will transfer utility service into its company accounts. Most utilities charge a small fee (i.e., \$15 to \$25) for a transfer. Some companies do charge a large fee and/or deposit though (up to \$350 for houses served by Middle Tennessee Electric).
- (h) The quality of paint in the house is one of the largest factors in how quickly a home rents. Generally, Broker expects to do a partial paint every two to three years, and a full repaint about every five years. Broker's painters strive to use neutral colors as those are most attractive to prospective tenants. Property Owner understands that it may be necessary to change the paint colors in their house to a neutral color during repainting.
- (i) Property Owner understands that it is responsible for the costs of work outlined in this Section 6.
- (j) Property Owner understands that Broker maintains a strong group of maintenance professionals and that all maintenance will be performed by one of Broker's vendors.
- (k) Property Owner also understands that Broker is seeking the "best" maintenance options for the Property. Best rarely means the lowest cost, but also shouldn't be the highest cost. Work is performed by vetted vendors with proper insurance, who wear appropriate attire and show up for their scheduled appointments. Almost all work performed comes along with some level of a labor warranty.
- (l) Property Owner acknowledges that Broker's policy is not to manage a Property under the coverage of a home warranty, unless such warranty is provided by the builder of such Property.
- (m) Broker makes best effort attempts to renew leases at the current market rate. Broker generally starts this process about 90 days prior to a lease ending. If Property Owner does not wish for Broker to renew a lease, Property Owner should notify Broker's office in writing approximately four months prior to their current lease ending.
- (n) Property Owner understands that owning a rental property does entail financial risks. Both small and large maintenance issues occur from time-to-time. While Broker believes it has a very good track record at placing quality tenants in the Property, from time-to-time tenants fall behind in payment of their rent. Property Owner represents that it has sufficient savings to support owning a rental property as Broker cannot make any guarantees on the amount of rental income Property Owner receives each month.
- (o) 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.**

- (p) Property Owner agrees to refrain from selling the Property during the term of this Agreement. However, upon 30 days advance written notice to Broker of Property Owner's desire to sell the Property, Property Owner may:
 - (1) enter into an agreement with Broker for the exclusive right to list the Property with the Broker subject to a commission rate of 5.5% of the sales price; or
 - (2) pay Broker a 1% commission equal to the list price due at the time of listing.
- (q) 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.
- (r) Property Owner acknowledges that Broker's policy is not to manage a Property with a hot tub or pool for which Property Owner directly or indirectly bears the maintenance responsibility and any liability relating thereto. Community and neighborhood pools maintained by an HOA or similar organization are not subject to this limitation.
- (s) 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.

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, 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; (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 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.

9. **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

10. COMPENSATION. Property Owner hereby agrees to the following compensation structure for services provided by Broker:

- (a) tenant acquisition fee equal to 50% of first full month of rent (Section 4(b)(1));
- (b) 50% of late fees collected (Section 4(b)(3));
- (c) monthly management fee (Section 4(c) and Exhibit A);
- (d) fees for Optional Services (Section 4(q)); and
- (e) if applicable:
 - (1) \$125/hour fee for additional services (Section 4(g));
 - (2) \$125/inspection fee for additional onsite reviews (Section 4(p));
 - (3) \$100/day additional management if Property Owner does not vacate the Property at least five (5) full business days prior to the tenant move-in date (Section 6(b)(2)); and
 - (4) sales commissions (Section 6(o)).

11. 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.

12. ACKNOWLEDGEMENT. Broker represents and warrants that it is a licensed home improvement contractor by the Tennessee Department of Commerce and Insurance.

13. 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.

14. ASSIGNMENT. This Agreement may be assigned by Broker without the prior written consent of Property Owner.

15. 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.
- (d) 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) HOA fine processing fees; and (vii) any other services that are not in conflict with this Agreement.
- (e) Broker may perform any of Broker's duties, and obtain necessary 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 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:
 - (1) Parthenon Plumbing Heating and Cooling, LLC
 - (2) Bradford Real Estate, LLC

- (3) Cobalt Ventures, LLC
- (4) The Offices at Bradford, LLC, Cobalt Properties I, LLC, Cobalt Properties II, LLC and their subsidiaries

16. 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.

17. 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.

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

19. 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.

20. **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.
21. **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.
22. **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.
23. **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.

[signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Membership Interest Purchase Agreement as of the date first written above.

OWNER:

Owner: _____ Date: _____
Print Name: _____
E-mail: _____

Co-Owner: _____ Date: _____
Print Name: _____
E-mail: _____

THE PROPERTY MANAGEMENT CONNECTION, LLC:

By: _____ Date: _____
Print Name: Trevor Garrett
Title: Member

Exhibit A

Property	Monthly Management Fee