

Residential Property Management Agreement

LEGACY REALTY, INC.
1701 Hutto
Conway, AR 72032
Phone & Fax: (501) 450-7303



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Form Serial Number: 000000-000000-000000

This Residential Property Management Agreement is made between Property Owner, hereafter called "Owner", and Legacy Realty Inc., hereafter called "Managing Agent".

WITNESSETH in consideration of the terms, conditions, and covenants hereafter set forth, the parties hereby mutually agree as follows:

1. Exclusive Agency.

a. The Owner hereby appoints the Managing Agent, and the Managing Agent accepts the appointment, to manage the following described Property on the terms and conditions contained in this agreement.

- i. Description: 3 Bedrooms 2 bath single family home
- ii. Address: 1234 Main Street USA

2. **Term.** The term of this Residential Property Management Agreement is a period of 60 months beginning on the 1st day of January, 2006, and continuing until the 31st day of December, 2011, unless otherwise terminated as provided herein. The Owner may terminate this agreement at any time during the first year by giving the Managing Agent 30 days advance written notice and by compensating Managing Agent with the payment of an additional service fee ("Cancellation Fee") equal to 10% of 12 month lease agreement. This Cancellation Fee shall be paid upon Owner's delivery of the notice. In the event the termination is caused by the sale of the Property, Owner shall not owe the Cancellation Fee. During the term of this agreement or any automatic renewals hereof, either party may terminate this agreement at expiration by giving thirty (30) days written notice prior to the expiration of the term or any automatic renewals hereof. Managing Agent is granted a maximum of sixty (60) days after termination of this contract to process all outstanding obligations committed against the Property and to render a final accounting to Owner per Paragraph 11.

3. **Owner Responsibilities.** Owner agrees the address for notices to Owner from Managing Agent shall be 5643 Maple Ave Sweetness Florida 33312. Owner assumes sole responsibility for checking for correspondence from Managing Agent at the above address. Any delivery by Managing Agent of correspondence, municipal notices, service of process, or other information shall be deemed effectively delivered to Owner by Managing Agent so long as Managing Agent has, within three (3) business days of receipt, deposited such information in the United States Mail, with sufficient postage to insure delivery, addressed to Owner at the above address. If Managing Agent so performs, Owner agrees that, notwithstanding any statute, rule, regulation or provision of common law, Managing Agent has discharged all fiduciary, contract and other duties to Owner, Managing Agent not having further obligation. In addition, if Owner is not an Arkansas citizen or domestic Arkansas entity, Owner shall deliver to Managing Agent all filings required by Arkansas law to eliminate the need for income tax withholding, including without limitation filings with the Arkansas Department of Finance and Administration pursuant to Act 1982 of 2005 (and regulations thereunder), or, in the alternative, Owner understands, acknowledges, agrees and instructs Managing Agent to withhold for taxation purposes all sums required by law and, in addition, agrees to reimburse Managing Agent for all tax or accounting expenses incurred in determining the withholding amount and for preparation and filing of applicable forms.

4. **Renewal.** Unless otherwise terminated in accordance with Paragraph 2, this Residential Property Management Agreement is automatically renewed for successive periods of one (1) year each thereafter, until terminated as herein provided.

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5. **Managing Agent Responsibility.** The Managing Agent agrees to:
- Use diligence in the management of the Property and to furnish the usual supervisory service of its organization for renting, leasing, operating, maintaining, and managing the Property upon the terms herein provided.
 - Render each month, with respect to current month, monthly statements of receipts and disbursements in connection with the operation of the Property.
 - Provide experienced assistance and recommendations to the Owner in connection with annual budgets and analysis of operating results.
 - Comply with all Fair Housing laws and provide equal services to all persons regardless of race, color, religion, sex, marital status, national origin, disability, familial status, or age.
6. **Owner Agreement.** Owner hereby gives to the Managing Agent the following authority and powers and agrees to bear the expenses in connection therewith:
- To do and perform or cause to be performed all acts and things necessary, required, or desirable to insure the proper and efficient rental, management, operation and maintenance of the Property.
 - To sign, renew, or cancel leases and/or rental agreements for and in the name of Owner as Owner's exclusive leasing agent for the Property. Owner authorizes Managing Agent to advertise and market the Property at a monthly rental of \$ 700⁰⁰ per month, and Owner and Managing Agent further agree that no lease or rental agreement at a monthly rent of less than \$ 600⁰⁰ per month shall be executed by Managing Agent without the consent of Owner.
 - To receive all monthly rents due from tenants of the Property and in connection therewith to request, demand, collect, and receive any and all charges or rents which become due to the Owner.
 - To advertise the availability of rental of the Property or any part thereof, and subject to compliance with any ordinances or restrictions applicable to the Property, to display "For Rent" and other similar signs upon the Property.
 - To make or cause to be made and to supervise repairs and alterations, and to do decorating on the Property, including but not limited to exterior and interior cleaning, painting, and decorating, plumbing, carpentry, and other such normal maintenance and repair work as may be necessary. Notwithstanding any other provision of this agreement to the contrary, the Managing Agent agrees to secure the prior approval of Owner on all expenditures in excess of \$ 250⁰⁰ for any one item except monthly or recurring operating charges and emergency repairs in excess of the maximum, if in the opinion of the Managing Agent such repairs are necessary service to the Property and/or tenant.
 - To take such actions as may be necessary to comply with all laws, ordinances, orders or other requirements of any federal, state, county or municipal authority having jurisdiction of the Property and affecting the Property. Owner shall pay compensation as agreed upon in writing before any services are rendered.
 - To hire, discharge, and supervise all labor and employees required for the operation and maintenance of the Property, it being agreed that all employees shall be deemed employees of the Owner or of the contractor retained by the Managing Agent for the Owner, and not of the Managing Agent, and that the Managing Agent may perform any duties through Owner's attorneys, agents, or employees and shall not be responsible for their acts, defaults or negligence if reasonable care has been exercised in their appointment and retention. The Managing Agent shall not be liable to Owner for any error of judgment or for any mistake of fact or law, or for anything which it may do or refrain from doing hereafter except in cases of willful misconduct or gross negligence.
 - To make such contracts for water, electricity, gas, telephone, vermin extermination, furnace and air conditioning repair, waste disposal, labor and other services or such of them as the Managing Agent shall deem advisable, and to place purchase orders for such equipment, tools, appliances, materials and supplies as Managing Agent deems necessary. All such contracts and orders so entered into shall be made in the name of the Owner.

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7. **Separate Owner's Funds.** The Managing Agent shall establish and maintain, in a bank, whose deposits are insured by the Federal Deposit Insurance Corporation, a trust account for the Managing Agent's owner's fund with authority to Managing Agent to draw thereon for any payments to be made by the Managing Agent to discharge any liabilities or obligations of the Owner incurred pursuant to and subject to the limitations of this Residential Property Management Agreement. The Owner shall forward funds to the Managing Agent in an amount deemed sufficient by the Managing Agent to provide for all sums due and payable by the Owner as operating expenses authorized to be incurred under the terms of this Residential Property Management Agreement. The Managing Agent may make periodic payments to Owner of funds in said owner's fund which are in excess of that amount deemed necessary by Managing Agent to meet operational expenses, subject to the limitations, however, that any such payments shall not affect Owner's obligation hereunder to hereafter furnish sufficient funds to Managing Agent to meet operational expenses should such additional deposits be deemed necessary by Managing Agent.
8. **Hold Harmless Agreement.** Owner agrees, at Owner's expense, to indemnify and save the Managing Agent harmless from any claims or damages, including, but not limited to costs, expenses, and reasonable attorney fees and accounts thereof, that may be made by anyone in connection with the management of the Property and/or injuries suffered by employees or any person whomsoever, and to carry, at Owner's expense, Comprehensive General Liability Insurance with limits of \$300,000 death or injury, and \$100,000 Property damage. The Managing Agent shall be named as an additional insured under Owner's policies at Owner's expense. In the event this insurance is ever canceled, a thirty (30) day written notice of cancellation will be sent to the offices of the Managing Agent, and the Managing Agent is specifically authorized to place, at Owner's expense, liability coverage if a copy of any existing liability policy is not furnished to Managing Agent within thirty (30) days after the effective date of this agreement.
9. **Agency.** Everything done by the Managing Agent under the provisions of this Residential Property Management Agreement shall be done as Agent of the Owner, and all obligations or expenses incurred thereunder shall be for the account, on behalf, and at the expense of the Owner.
10. **Bankruptcy.** In the event a petition in bankruptcy is filed by or against Owner, or in the event Owner shall make an assignment for the benefit of creditors, take advantage of an insolvency act or otherwise seek some form of debtor relief, Managing Agent may terminate this Residential Property Management Agreement upon three (3) days notice to Owner. If Owner shall breach obligation hereunder and such breach remains uncured for a period of thirty (30) days after receipt by Owner of notice of such breach, then Managing Agent may forthwith terminate this Residential Property Management Agreement.
11. **Final Accounting.** Upon termination of this Residential Property Management Agreement, pursuant to the provisions hereof, Managing Agent shall have a maximum of sixty (60) days in which to process all outstanding obligations committed against the Property and to render a final accounting to Owner. It is expressly understood that notwithstanding any termination of this Residential Property Management Agreement, Owner shall account to Managing Agent for any sums payable by Owner and occurring prior to termination.
12. **Waiver.** Owner agrees to waive all rights of action of any type against Managing Agent for damages caused or allegedly caused by Managing Agent, its employees, subcontractors, or any other party acting on its behalf.
13. **Managing Agent's Fee.** Owner agrees to pay Managing Agent \$ 0 per month, or 10 % of monthly rents collected, whichever is greater, throughout the term of this Residential Property Management Agreement. In the event the Property is sold or exchanged during the term of this Residential Property Management Agreement by any person including the Owner, to any person, firm or corporation who has rented or leased the Property, Managing Agent shall be entitled to a commission equal to Three percent (3 %) of the gross sales price.

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14. Other Provisions.

Managing Agent shall collect a security deposit of no less than the equal of one month's full rent. Such deposit will be deposited in Managing Agent's escrow account for each tenant until termination of new tenants lease.

15. Counterparts. This Residential Property Management Agreement may be executed in multiple counterparts each of which shall be regarded as an original hereof but all of which together shall constitute one in the same.

THIS IS A LEGALLY BINDING AGREEMENT WHEN SIGNED BY THE PARTIES BELOW. READ IT CAREFULLY. YOU MAY EMPLOY AN ATTORNEY TO DRAFT THIS FORM FOR YOU. IF YOU DO NOT UNDERSTAND THE EFFECT OF ANY PART, CONSULT YOUR ATTORNEY BEFORE SIGNING. REAL ESTATE AGENTS CANNOT GIVE YOU LEGAL ADVICE. THE PARTIES SIGNED BELOW WAIVE THEIR RIGHT TO HAVE AN ATTORNEY DRAFT THIS FORM AND HAVE AUTHORIZED THE REAL ESTATE AGENT(S) TO FILL IN THE BLANKS ON THIS FORM.

THIS FORM IS PRODUCED AND COPYRIGHTED BY THE ARKANSAS REALTORS® ASSOCIATION. THE SERIAL NUMBER BELOW IS A UNIQUE NUMBER NOT USED ON ANY OTHER FORM. THE SERIAL NUMBER BELOW SHOULD BE AN ORIGINAL PRINTING, NOT MACHINE COPIED, OTHERWISE THE FORM MAY HAVE BEEN ALTERED. DO NOT SIGN THIS FORM IF IT IS BEING EXECUTED PAST DECEMBER 31, 2006.

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Owner and Managing Agent agree all times and dates set forth in this Residential Property Management Agreement refer to Arkansas Central time and date.

This Residential Property Management Agreement shall be binding upon the successors and the assigns of the Managing Agent and the heirs, administrators, executors, successors, and assigns of the Owner.

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures this

1 day of January, 2006.

Signature: x

Printed Name: Property Owner
OWNER

Social Security #: 123-45-6789

Mailing Address: 5643 Maple Ave.
Sweetness FL 33312

Home Phone: (501) 555-5555 Work Phone: (800) 555-5555

Signature: x

Printed Name: Sweekey Clown
MANAGING AGENT