



Real Estate Management Agreement

This Exclusive Management Agreement ("Agreement") is made this _____ day of _____, 2009 between Solid Source Family First Realty (hereinafter referred to as "Agent") and _____ (hereinafter referred to as "Owner");

Designation of Agent: Owner hereby appoints Solid Source Family First Realty as sole and exclusive agent to manage a certain property located at _____ City _____ Zip _____, County _____, (hereinafter "Property") upon the terms and conditions set forth below.

1. Exclusive Agent; Term. For a 12-month period from the date of this Agreement, Agent shall have the exclusive right to manage the Property. Upon expiration of the initial term, this Agreement will automatically renew for a period of one (1) year and such renewals shall be ongoing upon the expiration of each term, unless Agreement is terminated upon thirty (30) days written notice by either party as provided for below, such notice terminating the agreement effective on the last day of any calendar month. Once Property is leased, this Agreement is automatically extended until tenancy is terminated.

2. Obligations of Agent. Agent agrees to:

- a. Use due diligence in the management of the Property and to furnish services for the management of the Property.
- b. Qualify all prospective Tenants within established guidelines.
- c. Deposit all collections into Agent's Escrow Account at Wachovia (acct# 2000049040032), which shall be separate from Agent's personal and corporate account and which account will be maintained in a federally insured banking institution, but Agent shall not incur any liability for loss of escrow funds due to bankruptcy or failure of the depository.
- d. Render monthly statements of receipts, charges and expenses to Owner. In the event the disbursement and charges are in excess of receipts, Owner agrees to pay such excess promptly. Nothing herein shall obligate Agent to advance funds on behalf of Owner.
- e. Issue a 1099 to Owner in accordance with IRS regulations on or before January 31 of each year. The 1099 will be issued in the name of _____, Tax I.D. number _____

3. Owner Covenants: Owner hereby gives Agent the authority to contract in the Owner's name and at the Owner's expense, and to:

- a. Sign, renew or cancel leases for the premises or any part thereof; to collect rents or other charges and expenses due or to become due and give receipts therefor; to terminate tenancies and to sign and serve in the name of the Owner such notices as are appropriate; to institute and prosecute actions to evict tenants and to recover possession of said premises in the name of the Owner and recover rents and other sums due; and when expedient, to settle, compromise, and release such actions or suits or reinstate such tenancies.
- b. Collect rents and security deposits. Prepaid rent will be held in Agent's Escrow Account and disbursed monthly as it becomes due according to the rental agreement. **Security deposit will be maintained in a national or state institution in an interest or non-interest bearing account, with any such interest paid to Agent to offset the costs of maintaining such account.** Specifically as to deposits and rent related checks, Owner hereby grants a specific power of attorney to Agent to endorse all checks in the name of the Owner for deposit by Agent.
- c. Upon leasing the Property, Agent shall also manage it for Owner and, in that regard, Agent shall deposit all income into an account above named. Not later than 10 days of the end of the calendar month in which such deposit is made, Agent shall make a remittance to Owner, after deducting the appropriate sums, along with a report to the Owner as to income and expenses related to the Property since the last report. Agent shall be an Agent with interest as to such account and may withdraw from such bank account disbursements required to be made on behalf of the Owner under this Agreement or the lease, including, but not limited to, Agent's compensation and other expenses as set forth in this Agreement or the lease. Owner shall have the right throughout the term of the Agreement to inspect invoices and other data supporting receipts collected and disbursements made by Agent. Agent shall at all times retain such invoices and outstanding supporting documents for Owner's use for three (3) years. All application fees, late fees, collection and administration fees, early lease termination fees, NSF check charges, forfeited reservation deposits and interest on escrow accounts shall be the Property of Agent.
- d. Terminate a lease on Owner's behalf, due to defaults by Tenants and, if Agent deems it proper, to reinstate such leases.
- e. Institute and prosecute legal actions and proceedings in Owner's name and behalf, to remove Tenants from Property, and for such

purposes, Agent may employ attorneys and incur court costs and litigation costs at Owner's expense. Agent is also authorized to settle or compromise any such legal action or proceedings if Agent deems it proper to do so. Agent is also authorized to settle or compromise any past tenant balances due. Owner understands and agrees past due tenant balances may be turned over to a collection agency. In addition to amounts charged or retained by collection agency, Agent shall retain 10% of all funds collected as an administrative fee.

f. Make or cause to be made all ordinary repairs and replacements. Owner acknowledges that under North Carolina law he/she is responsible for maintenance and repairs. Agent is authorized to make such repairs to the Property, as Agent reasonably believes to be necessary to protect Property from damage or maintain services to a Tenant for which services a lease provides. Agent is hereby authorized by Owner at the Owner's sole expense to maintain said Property and keep Property in suitable rental condition, purchase necessary supplies and replacement materials and fixtures that are necessary to maintain the utilities and the services to the Property including but not limited to electricity, gas, maintenance, refuse disposal, termite extermination and pest control, and other services which Agent shall consider advisable and necessary to properly maintain the Property and/or comply with any applicable laws, to make ordinary repairs to the Property provided that expenditures for any one item or repair shall not exceed the sum of **\$250.00** without prior approval of Owner. Agent has no obligation to contact Owner prior to authorizing monthly or recurring operating charges, contingencies of an approved application for lease, conditions deemed by Agent to be a safety or health risk and repairs necessary to protect the property from damage or to maintain services to the Tenant as provided in their lease agreement. There is no dollar limit for any required repair expense and owner will be responsible for reimbursement for 100 % of the cost to Solid Source Family First Realty. Agent is expressly authorized by Owner to employ, discharge, and supervise any and all contractors considered by Agent as necessary or desirable for the efficient maintenance or repairs of the Property. If an estimate for a required repair exceeds \$250.00, then Owner agrees to pay Agent the amount of the estimate in advance of the repair, but Owner understands that Agent is under no obligation to make expenditures in excess of the Owner's escrow account balance.

g. Execute contracts for utilities and services for the operation, maintenance and safety of the property, as Agent shall deem advisable and/or necessary. If provided by utility provider, Agent shall place gas, electricity and other services in "Landlord Standby" in the name of the Owner with service billing to Agent during vacancies. Owner is required to place utilities in his/her name with service billing to Agent or Owner if Landlord Standby is unavailable. POOLS AND SPAS MUST HAVE SERVICE CONTRACTS WHICH INCLUDE OPENING AND CLOSING OF THE POOL EACH SEASON.

h. Hire and discharge other employees to perform services or improvements to the property. It is expressly understood and agreed that all employees, contractors or other persons engaged to perform services or improvements are and shall be in the employ of Owner and Agent shall in no way be liable to employees, contractors, subcontractors or other persons engaged to perform services or improvements to the Property for their wages, or compensation, nor shall Agent be liable for acts or omissions on the part of any employees, contractors, subcontractors, or other persons engaged to perform services to the Property. Agent is authorized to utilize services of its own company in those repairs less than \$250 and in those repairs greater than \$250, if specifically authorized by Owner.

4. Commissions. Upon approval of a Tenant applicant by Agent, Owner will pay Agent the following fees:

I) Procurement Fee for renting the Property equal to \$1/2 of first month's rent. **II) if Tenant renews or extends his/her lease \$25 .00**

III) Monthly Management Fee: 8% of monthly rent

5. Termination. a. If the Property is "not under a lease", Owner or Agent can terminate this Agreement "without cause" with five (05) days' written notice. If the Property is "under a lease", Owner can terminate Agent "without cause" provided the following conditions are satisfied: **1)** Owner shall first give Agent thirty (30) days written notice; **2)** Owner shall pay to Agent, prior to termination, a sum equal to the commissions due for the remainder of the current Tenant's occupancy; **3)** Owner shall indemnify Agent from any and all claims by Tenant pertaining to the security deposit, move-out inspection, and any and all other claims made by Tenant against Agent that pertain to post termination issues.

b. Owner may terminate this Agreement "for cause" if the Agent fails to pay any sum payable under this Agreement when due or fails to perform or comply with any of its obligations hereunder at the time or times in the manner required under this Agreement, provided, that Owner must first give Agent thirty (30) days written notice of any such default or breach and allow Agent an opportunity to cure. Should Agent fail to cure any such default or breach with due diligence within thirty (30) days from receipt of written notice, Owner may terminate this Agreement "for cause and without penalty."

c. This agreement shall automatically terminate upon the sale of the property or other transfer of title.

d. Agent may terminate this Agreement "for Cause" if Owner fails to perform or comply with any of its Agreements hereunder at the time or times in the manner required, including but not limited to failure to reimburse Agent for any sum payable under this Agreement; provided, that Agent must first give Owner fifteen (15) days written notice of such default or breach and allow Owner an opportunity to cure; should Owner fail to pay such sum or cure any default or breach with due diligence within fifteen (15) days of receipt of said

written notice, Agent may terminate this Agreement “for cause.” **If agreement is terminated “for cause” a lien for the amount owed Agent may be filed on Owner’s property.**

e. Agent may terminate Owner “without cause” provided Agent gives Owner 30 days written notice and; transfers to Owner all original lease documents executed by the current Tenant and; transfers to Owner the Tenant’s security deposit and; notifies Tenant in writing of Owners address and phone number.

f. The termination of this Agreement shall not prejudice the rights of either party against the other for any default or breach of this Agreement. The rights and remedies herein granted are cumulative and in addition to the rights and remedies provided by law; the exercise of either party of one or more rights or remedies shall not impair its right to exercise other rights and remedies.

6. Condition Of Property. Owner certifies all heating, cooling, plumbing, electrical systems and appliances are in working condition. Owner certifies that the roof does not leak and that water does not enter living or basement areas from rain or other subterranean sources. Owner certifies that the house is in good and habitable condition now and Owner shall, at all times, while this Agreement is in effect, be responsible for maintaining the Property in a good, safe and habitable condition, and in compliance with all applicable laws, ordinances and regulations of all government authorities. It is Owner’s responsibility to ensure that the house is clean, free of all pests, and the grounds are in good condition at all times.

7. Minimum Account Balance. Once the Property is rented, Owner agrees to establish and maintain with Agent, in the Escrow Account, the sum of \$ 250.00, as a reserve for Owner expenses and obligations. Said account shall be refunded to Owner within thirty (30) days of the termination of this Agreement provided all sums due under this Agreement have been paid. The Escrow account shall be established for all Properties that are more than one (1) years old.

8. Vacancy Advances. During vacancies, owner agrees to maintain with Agent, in the Escrow Account, the sum of \$250 at all times. Prior to acceptance of this agreement, owner shall deposit \$250 minimum with Solid Source Family First Realty toward the payment of vacancy costs, to include, but not limited to yard or pool care, utilities, advertising, management fees and other anticipated or unexpected expenses.

9. Rehab, Renovations and Replacements. Agent agrees to manage regular maintenance problems, normal breakdowns and minor repairs as part of the management fees outlined in this Agreement. Managing rehabs, renovations, replacements, insurance claims, general contractor work and large jobs are not a part of this Agreement. Examples of such items may include, but are not limited to, new septic systems, new roofs, exterior and interior painting, new carpeting, and remodeling kitchens and bathrooms; generally, items over \$1,000.00. Should Owner request that Agent perform such work and Agent consents, Owner agrees to pay Agent promptly in accordance with Agent’s separate Contractor’s Agreement for said rehabs, renovations, and replacements..

10. Owner Responsibility. Owner affirms he /she is the Owner of record or has the legal authority to execute this Agreement. Owner must keep all mortgage obligations, property taxes, association fees, or any other obligations which could lead to a foreclosure action against the property current and paid in full as required. Should Agent determine or be notified that a foreclosure action has been initiated against the subject property then Owner authorizes Agent to withhold all monthly disbursements to Owner. Owner will have 30 days to correct and make current the obligation, which initiated the foreclosure action. Should Owner fail to make current the obligation, and thereby stop the foreclosure action, Owner authorizes Agent to refund the security deposit to Tenant and to deduct from Owner’s funds on hand with Agent all fees due to Agent including, but not limited to, all management fees due to Agent through the end of the lease term. Nothing in this paragraph shall limit Agent’s other legal remedies to collect from Owner any unpaid fees due to Agent.

12. Disclosures: a. Agent will make disclosures to Tenants and Buyers about Owner’s property in reliance on information Owner provides and based on Agent’s actual knowledge, and Owner’s obligation to disclose material adverse facts about the property are not changed by this agreement.

b. Agent agrees to keep all information confidential, which Owner asks to be kept confidential by express request or instruction, unless the Owner permits such disclosure by subsequent work or conduct or such disclosure is required by law. Agent may not knowingly give customers or Tenants false information. In the event of a conflict between Agent’s duty not to give customers and Tenants false information and the duty to keep the confidences of Owner, the duty not to give customers and Tenants false information shall prevail. Unless specified below, Agent has no other known agency relationships with other parties, which would conflict with any interests of Owner.

13. Insurance: Owner understands that it is his/her responsibility to maintain adequate fire and extended insurance coverage on the Property. Owner shall, at all times while this Agreement is in effect, maintain adequate insurance and will cause Agent to be named as an Additional Insured under such liability insurance. Owner shall provide Agent with proof of such insurance coverage within ten (10) days from the date of this Agreement. Should Owner fail to provide said proof of coverage Agent may acquire same at Owner's expense.

14. Indemnity. Owner shall hold Agent harmless from all liabilities, claims and damage suits, including attorney fees, in connection with the management of the herein described property and from liability from injury suffered by any employee or other person whomsoever, and to carry, at his own expense, necessary public liability insurance adequate to protect the interests of the parties hereto. Owner agrees to reimburse Agent for any loss or expenses incurred by Agent in defending or prosecuting any claim related to a Tenant, or former Tenant, of the property including the reimbursement of attorney's fees. The Agent also 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 the case of willful misconduct or gross negligence. Owner hereby covenants and agrees to indemnify, defend and hold and save Agent harmless from and against all liabilities, damages, claims, actions, causes of action, costs and expenses or failure to perform such duties and responsibilities, whether such duties and responsibilities will be express or implied, other than as a result of willful misconduct or gross negligence of Agent. Notwithstanding any other provisions to the contrary, Agent shall under no circumstances have any liability greater than the compensation actually paid to Agent hereunder including commissions. Owner acknowledges that Agent has made no inducements or representations other than those contained in this Agreement. Owner acknowledges and agrees that any oral or written statements by Agent or its representatives concerning the benefits or risks of owning or renting, or employing Agent to manage the Property or similar residential property, does not constitute inducements, warranties or representations. Agent hereby disclaims any guarantee, representation, warranty or covenant including but not limited to: **(I)** that income will be realized from the Property, **(II)** that income realized from the Property will exceed expenses attributable to the Property, or **(III)** that any amount due and payable to the Owner by any third party shall be paid when due.

Owner acknowledges and agrees that Agent is engaged in the business of managing residential property. Agent agrees to use its best efforts to treat Owner and the owner of each other residential property managed by Agent in a substantially equitable manner to be determined by Agent in the circumstances. Nothing contained in this Agreement shall be construed to constitute a promise or guarantee by Agent to equalize the occupancy rates or the amount of income received from the rental of any particular residential property. Agent's services hereunder shall be limited to maintenance and management of the Property including regular maintenance but excluding replacement, restoration, major renovations and insurance claims. Nothing herein contained shall be construed or interpreted to mean that Agent is in any sense a general contractor, investment agent or advisor for Owner or a manager of any assets or affairs of Owner other than the Property. Agent's duties hereunder shall not extend to resolution or attempted resolution of disputes or the issues that arise in connection therewith, as Agent for Owner. Agent's duties hereunder shall not extend to resolution or attempted resolution of disputes or disagreements between holders of interests in the Property, either with respect to the Property or otherwise, but shall be limited to dealing with Tenants or occupants, and the issue that arises in connection therewith, as Agent for Owner. Agent may pay referral fees, or receive referral fees, from real estate agents and various vendors who assist Agent in meeting customers or assist in the managing or maintenance of such Property. Owner shall indemnify any civil or criminal fines imposed upon Agent and/or its agents, successors and assigns in connection with its duties regarding the property hereunder.

15. Miscellaneous:

a. Enforcement. This Agreement shall be construed and enforced in accordance with the laws of the state of North Carolina. If a court of competent jurisdiction determines that any provision of this agreement is invalid, the remaining provisions hereof shall continue in full force and effect.

b. Binding Agreement. This Agreement shall be binding upon all the Owners of said Property and shall inure to the benefit of all parties, as well as their respective heirs, successors and assigns. This Agreement may be assigned by Agent and shall be binding upon the successors and assigns of Agent; and the heirs, administrators, executors, successors and assigns of Owner.

c. Lead-Based Paint. Federal Law mandates home owners disclose to purchasers and tenants homes built prior to 1978 may contain Lead-Based Paint determined by the EPA to be hazardous to our health. Owner hereby states the subject property was built in _____. If prior to 1978, Owner has no prior knowledge of the presence of Lead-Based Paint in this property.

d. Entire Agreement. This Agreement constitutes the entire Agreement between the parties and no oral statements or representations shall be binding on either party. Any change in this Agreement shall be in writing signed by both parties.

Additional Stipulations

1. Owner understands that the initial procurement fee is for the finding of the first tenants. Once the initial tenant (s) vacates the property, owner will pay to agent \$200.00 to start the search for another tenant. This will be the process for every tenant thereafter.

IN WITNESS WHEREOF, the parties have executed this Agreement this _____ day of _____, 2009 .

Property Owner Signature

Co-Owner Signature

 Print Name
 Address
 City State Zip
 Social Security Number
 Home Phone
 Cell Phone
 Fax
 E-mail Address

 Print Name
 Address
 City State Zip
 Social Security Number
 Home Phone
 Cell Phone
 Fax
 E-mail Address

Solid Source Family First Realty: by: Donna L. Franklin-Lyles, Managing Member
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