

# AGREEMENT FOR MANAGEMENT OF PROPERTY

## I. Parties

This Agreement, dated \_\_\_\_\_, is made by and between:

\_\_\_\_\_, whose address is:

\_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

(hereafter "Owner"), AND

MBS Property Management, LLC, whose address is:

19785 W. Twelve Mile Rd.

#546

Southfield, Mi 48076

Phone: 248-905-1246

(hereafter "Agent.") (collectively, the "Parties", or individually a "Party").

## II. Premises Subject to Agreement

A. *Property.* The Owner hereby employs the Agent to lease and manage the Owner's residential building ("Property") located and described as follows: See Exhibit 1, Property Schedule, as may be amended from time to time by the Owner.

B. *Additional Properties.* In the event Owner wishes to have Agent manage properties other than those listed above, Owner shall submit to Agent a written request. Agent's agreement to such request shall be in a writing delivered to Owner. Owner and Agent agree that all properties managed by Agent, whether indicated above or subsequently added, will be governed according to this Agreement.

## III. Term

A. *Duration.* This Agreement will continue for a period of one year from the date of this Agreement, and will automatically renew from month to month unless terminated by either party. according to the provisions of this Agreement.

B. *Termination.* This Agreement may be terminated in whole, or it may be terminated in part for each Property set forth in Exhibit 1, or for additional properties that may be added in the future:

- i. by the Owner, upon giving three (3) days notice in the event of gross negligence, willful misconduct, or the Agent fails to discharge the duties of the Agent faithfully in the manner herein provided.

- ii. by the Owner, upon giving the Agent thirty (30) days written notice preceding the expiration of the term of this Agreement;
- iii. by the Owner, upon giving three (3) days notice in the event of gross negligence, willful misconduct, or the Agent fails to discharge the duties of the Agent faithfully in the manner herein provided; or
- iv. by the Agent upon giving thirty (30) days notice in the event the Owner fails to abide by any part of this Agreement, without cause.

#### IV. Fees

For any property, some or all of the following fees may apply:

- A. *Set-up / Re-rental.* There will be a one-time set-up fee of:
  - a. \$ \_\_\_\_\_ for each occupied property
  - b. \$ \_\_\_\_\_ to list, advertise and show each unit. This includes screening and lease set-up. \$ \_\_\_\_\_ is due upfront and \$ \_\_\_\_\_ is due after the first month of rent is collected from the tenant.
  - c. \$ \_\_\_\_\_ for each re-rental, if the property should become vacant. This fee is to be collected after the first month of rent is collected from the tenant
  
- B. *Management Fees.* The Owner will pay the Agent, as compensation for the services of the Agent, the sum of:
  - a. \_\_\_\_\_% of the rent collected monthly. These amounts will be payable to the Agent from such funds as they become available from the amounts collected by the Agent according to this Agreement.
  
- C. *Administrative / Handling Fees.* Any out of the ordinary expense or payment that is made by Agent at the Owner's request or for the benefit of Owner, or Owner's property, may be subject to an administrative and handling fee. In such cases, both Agent and Owner shall agree that such expense is a non-ordinary expense and an administrative and handling fee is applicable. In these cases, the Agent shall be entitled to an administrative and handling fee as follows:
  - a. \_\_\_\_\_% of applicable expenditure.

#### V. Duties & Responsibilities of Agent; Acknowledgement by Owner

- A. In order to properly lease and manage the property, the Agent must perform certain duties and responsibilities. By signing this Agreement the Owner understands, acknowledges, and grants to the Agent the power to perform such acts as are necessary for the proper management of the premises governed by this Agreement as though the Owner himself/herself were performing those acts. The list below is included by way of example, and not by way of limitation, of some of the powers expressly granted by the Owner to the Agent.
  - i. *Rent.* The Agent will rent the properties set forth in Exhibit 1, as may be amended from time to time, and charge a security deposit that will be 1.5 times

the rent charged, or other amount as may be agreed to by Owner with respect to certain of the properties. The security deposit will be held by the agent to be returned to the tenant in compliance with applicable State Laws.

- ii. *Best Efforts.* The Agent will use its best efforts to attract and retain tenants for the property.
- iii. *Lease Negotiations.* The Agent will handle all lease negotiations with tenants.
  - a) All agreements are subject to the approval of the Owner.
  - b) The lease will be for one year unless another term is authorized in writing by the Owner.
- iv. *Employees.* In accordance with all applicable laws and regulations having the same effect as law, the Agent will employ, supervise, discharge, and pay all employees or independent contractors who are reasonably required in the proper management and operation of the property. The Agent will pay all employees and independent contractors and fully complete all necessary federal tax returns and payments of related taxes on behalf of the Owner. The Agent will ensure that all employees and/or independent contractors are appropriately and adequately insured, in accordance with industry standards and applicable laws and regulations. Agent shall provide evidence to Owner that it is adequately insured. This requirement may be satisfied by providing current certificates of general liability, professional liability, and workers compensation insurance on Agent's in-force policies. Required limits of Liability shall be \$1,000,000 per occurrence or greater and placed with an A-rated insurer.
- v. *Supplies and Materials.* The Agent will purchase all necessary supplies and materials for the proper management of the property. This includes heating fuel where applicable. The Agent shall notify Owner of such expenses in advance. The Owner shall be responsible for all costs associated with these requirements.
- vi. *City Requirements.* The Agent will inform owner of any special city or municipal requirements required of Owner. It shall be the responsibility of Agent to handle any required city inspections, certificates of occupancy, and/or city registration of all property under this Agreement in order to make the property comply with local rental regulations. The Owner shall be responsible for all costs associated with these requirements.
- vii. *Repairs and Maintenance.* The Agent will contract for or undertake the handling of all necessary repairs and the performance of all other necessary work for the benefit of the property, including all required alterations to properly carry out this Agreement. No expenses will be incurred for a repair in excess of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) for any single item without the express consent of the Owner, except where required during an

emergency. The agent has the sole determination of what is an emergency. The Owner is responsible for all repair costs.

- viii. *Legal Fees and Court Costs Related to Eviction Proceedings.* The agent will handle all court appearances associated with the eviction of tenants, including the hiring of an attorney of agent's choosing if necessary. Court filing fees, attorney's fees, and eviction costs will be the responsibility of the Owner.
  - ix. *Legal Fees and Court Costs Related to Collection of Back Rent.* The Agent will handle the collection of back rent, including the hiring of an attorney of agent's choosing. Any fees related to this shall be subject to agreement between Agent and Owner on a case by case basis.
  - x. *Collection of Rents.* The Agent will collect the rents and other income from the property promptly when such amounts come due, taking all necessary steps to collect those amounts and performing all reasonable acts on behalf of the Owner for the protection of the Owner in collection of those amounts.
  - xi. *Application of Rent Received.* The Owner understands and agrees that the amount of rent collected on a monthly basis will be applied to the Owner's account in the following order:
    - a) First, to current and outstanding out-of pocket expenses, costs, and other expenditures made by Agent on Owner's behalf;
    - b) Second, to current and outstanding management fees;
    - c) Third, to Owner.
  - xii. *Financial Records.* All monies collected by the Agent will be deposited into the Agent's trust account. The Agent may withdraw monies from the account to properly perform this Agreement and make payments of compensation as required by this Agreement. The Agent will provide the Owner with periodic statements accounting for all income and expenses and will open its records to the Owner upon a written request. Such periodic statements will be on a basis no less frequently than monthly.
  - xiii. *Payments to Owner.* The Agent will make payments to the Owner monthly, within 10 days of receiving rent from tenant.
- B. *Miscellaneous.* The Agent will perform all other necessary tasks and do all other things, which in the Agent's discretion, are required for the proper management, upkeep, and operation of the property as is customarily performed by a managing Agent for this type of property. This includes handling of all inquiries and requests from the tenants.

## VI. Owner's Responsibilities & Duties

- A. *Documents.* The Owner will provide all necessary documents and records related to the property as may be requested by Agent from time to time in its performance of this Agreement.
- B. *Insurance.* If so requested, the Owner will provide the Agent with a certificate of general liability insurance, which the Agent will examine to determine the adequacy of coverage. If necessary, additional insurance, or changes in insurance coverage, may be made upon the approval of the Owner.
- C. *Expenses.* The Owner will pay all expenses incurred by the Agent, as set forth in this Agreement.

## VII. Indemnity & Continuing Responsibility

### A. *Indemnity.*

- i. If so requested, except for Agent's gross negligence or willful misconduct, Owner shall name Agent as an additional insured on Owner's General Liability Policy which will indemnify, protect, defend and hold harmless the Agent from covered claims involving bodily injury, property damage, and personal injury as defined in the standard Commercial General Liability policies in current use. If any action or proceeding is brought against Owner by reason of any of the foregoing matters, Owner shall upon notice defend the same at Owner's expense by counsel of Owner's choosing and Agent shall cooperate with Owner in such defense. Agent need not have first paid any such claim in order to be defended or indemnified. Nothing herein shall operate to assume liability for Agent's professional liability as a realtor, realty manager, or real estate broker, nor shall this Agreement operate to cause Owner to assume any such liability on behalf of Agent.
- ii. Except as set forth in Section VII (A) (i) hereof and for Owner's gross negligence or willful misconduct, Agent shall indemnify, protect, defend and hold harmless the Property, Owner and its agents, partners, members, shareholder, officers and lenders from and against any and all claims, loss of rents, personal injury, property damage, and or damages, liens, judgments and expense and/or liabilities arising out of, involving, or in connection with the gross negligence or willful misconduct of the Agent in the discharge of its duties under this Agreement. If any action or proceeding is brought against Owner by reason of any of the foregoing matters, Agent shall upon notice defend the same at Agent's expense by counsel reasonably satisfactory to Owner and Owner shall cooperate with Agent in such defense. Owner need not have first paid any such claim in order to be defended or indemnified.

iii. Owner and Agent mutually agree to waive subrogation against each other for claims involving general liability, personal injury and advertising offense, and workers compensation insurance, including claims involving employer's liability.

B. *Continuing Responsibility for amounts owed to Agent.* The Owner will pay or reimburse the Agent for any amount of money due it under this Agreement for services or actions prior to termination, notwithstanding any termination of this Agreement. As a part of the termination settlement, Agent will render a full accounting to Owner of all the transactions and monies involved.

C. *Continuing Responsibility for provisions requiring reimbursement, indemnification, or such.* All provisions of this Agreement that require the Owner and/or Agent to have insured or to defend, reimburse, or indemnify the other party shall survive any termination, and if Owner and/or Agent is or becomes involved in any proceeding or litigation by reason of this Agreement, those provisions shall apply as if this Agreement were still in full effect.

### **VIII. Fair Housing**

It is understood and agreed that any property rented by Agent under this Agreement will be rented without regard to race, creed, religion, sex, age, physical or mental handicap, height or weight, marital or familial status, color, or national origin.

### **IX. Notices**

All written notices to the Owner or to the Agent may be addressed and mailed, by United States registered mail, to the address first written above.

### **X. Time is of the Essence**

Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties of this Agreement.

### **XII. Modification**

This Agreement may not be modified, altered, or amended in any manner except by an agreement in writing executed by the parties hereto.

### **XIII. Whole Agreement**

This Agreement constitutes the entire agreement between the Parties and shall be deemed to supersede and cancel any other agreement between the Parties relating to the transactions contemplated in this Agreement. None of the previous and contemporaneous negotiations, preliminary drafts, or previous versions of this Agreement leading up to its

execution and not set forth in this Agreement shall be used by any of the parties to construe or affect the validity of this Agreement. Each Party acknowledges that no representation, inducement, or condition not set forth in this Agreement has been made or relied on by either Party.

**XIV. Severability**

If any provision in this Agreement is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the provision or the remaining provisions of this Agreement.

**XV. Governing Law**

This Agreement shall be governed by and enforced in accordance with the laws of the state of Michigan.

**XVI. Captions**

Captions to paragraphs and subparagraphs of this Agreement have been included solely for the sake of convenience and are entirely without substantive effect.

**XVII. Binding Effect**

This Agreement is binding upon the parties, their representatives, successors, and assigns.

**Accepted and agreed:**

By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name & Title

\_\_\_\_\_  
Name & Title

For \_\_\_\_\_ (“Owner”)

By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name & Title

\_\_\_\_\_  
Name & Title

For: MBS Property Management, LLC (“Agent”)

**Initials:**  
Owner: \_\_\_\_\_  
Agent: \_\_\_\_\_