

# CRM PROPERTIES INC.

2626 S. Webster Kokomo, In. 46902

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## Residential Leasing and Property Management Agreement-Silver package

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### 1. PARTIES and PROPERTY:

A. The parties to this agreement are:

Broker: **Chris Mullinax, CRM Properties, Inc. License # RB14037955**

Owner: **N/A**

If Owner is not an individual, Owner is a (an): **N/A** the contact person is: **N/A**

Address: **N/A**

Email: **N/A**

Phone: **N/A**

The individual signing this agreement for the owner represents to the Broker that he or she has the authority to bind Owner to this agreement, to act for the Owner, and is acting under his/her capacity as **N/A**(title) for the Owner.

Property: **N/A**

Utilities to be included in the rent: **None**

Pets allowed: **At CRM Properties discretion**

Further conditions: **N/A**

Together with the following non-real property items: **Range and refrigerator**

### 2. Term:

A. Commencement Date: Upon completion of this Agreement by all parties.

B. Primary Term: One (1) Year from date of commencement date of this agreement.

C. Automatic Extension: Unless either party provides written notice of termination to the other party at least 30 days before the Expiration Date, this agreement will automatically extend on a monthly basis until either party terminates by providing at least a thirty (30) days' notice to the other party.

D. Cancellation period: Owner may cancel this agreement, for any reason, within thirty (30) days of the commencement date. Broker may cancel this agreement with a thirty (30) day written notice to Owner.

### 3. Owner's Representations

A. General:

1. Owner represents that:

a. Owner has fee simple title to and peaceable possession of the Property and all its improvements and fixtures, unless rented, and the legal capacity to lease the property;

b. Owner is not bound by (1) another agreement by another Broker for the sale, exchange, lease or management of the Property that is or will be in effect during this agreement; or (2) an agreement or covenant that prohibits the Owner from leasing the Property;

c. No person or entity has any right to purchase, lease or acquire the Property by an option, right of refusal, or other agreement;

d. Owner is not delinquent in the payment of any Property taxes, Owner's association fees, Property insurance, mortgage, or any encumbrance on or affecting the property;

e. All information related to the Property that Owner provides is correct and true to the best of Owner's knowledge;

f. Broker may disclose to the tenant or to a prospective tenant any information related to the representations made in this paragraph 3.

B. Property Condition: Owner and Broker are obligated under law to disclose to a tenant or prospective tenant any known condition that materially and adversely affects the health or safety of an ordinary tenant. Owner is not aware of a condition concerning the Property that materially affects the health or safety of an ordinary tenant, except as stated below, in this agreement, or in any addendum: \_\_\_\_\_.

C. Lead-Based Paint: If the Property was built before 1978, Owner will complete and attach to this agreement and addendum regarding lead-based paint hazards that will be made part of any lease of the Property. If the Property was built before 1978, federal law requires the Owner (before a tenant is obligated under a lease) to: (1) provide the tenant with the federally approved pamphlet on lead poisoning prevention; (2) disclose the presence of any known lead-based paint or hazards in the property; and (3) deliver all records and reports to the tenant related to such paint or hazards.

### 4. Owner's Cooperation: Owner agrees to:

A. Cooperate with Broker to facilitate the showing, marketing and lease of the Property;

B. Not rent or lease the Property to anyone without Broker's prior written approval;

C. Not negotiate with any prospective tenant who might contact Owner directly, but refer all prospective tenants to Broker;

Initials: Broker \_\_\_\_\_ Owner \_\_\_\_\_

Property: **N/A**

- D. Not deal with or negotiate with any tenant in the Property concerning any matter related to the management or leasing of the Property but refer all such dealings to Broker;
- E. Not enter into a listing agreement or property management agreement with another broker for the rental, leasing or management of the Property to become effective during this agreement;
- F. Provide Broker with copies of existing leases or rental agreements related to the Property;
- G. Provide Broker with keys and access devices to the Property;
- H. Provide Broker with copies of all warranties related to the Property or any item in the Property;
- I. Tender to Broker any security deposits paid by any existing tenants in the Property;
- J. Assume full responsibility for losses incurred due to non-negotiable checks or electronic payments received from tenants, including but not limited to deposits or payments that were reversed for any reason whatsoever;
- K. Complete any disclosures or notices required by law for a lease of the Property;
- L. Amend applicable notices and disclosures if any material changes occur during this agreement;
- M. Provide Broker with a United States Federal Tax Identification Number. Federal law requires the collection of that info by the Broker, otherwise the Broker is obligated to withhold a Federally mandated percent of any rental payment due to Owner. Owner agrees to provide such information within thirty (30) days of any rental payments due to Owner. Owner further understands that any amounts withheld from the Owners' proceeds will be forwarded to the Internal Revenue Service after the end of the year;
- N. Notify Broker if Owner becomes delinquent in payment of (1) any mortgage or other encumbrances secured by the property; (2) property taxes; (3) property insurance; (4) Owner's association fees;
- O. Owner acknowledges that certain items such as, but not limited to plumbing, roof, sewer line, heating system, central air (if provided) and electrical must be properly maintained and repairs addressed immediately. Failure to repair properly or in a timely manner may result in default of the lease agreement which could result in lease termination and/or possible legal action from the tenant for default of lease agreement;
- P. Provide trash and recycle totes for any property located within the city limits of Kokomo, In. If trash or recycle totes need replaced during periods of vacancy Owner agrees to replace at a charge of \$150.00 per tote;
- Q. Properties or units that are not under renovation by Broker or are currently not being marketed by Broker and where Owner is not paying a vacant property management fee are not the responsibility of the Broker to maintain or inspect during this period. This includes but is not limited to damage from roof leaks, water leaks, frozen pipes, mold and vandalism

## 5. Management Authority of Broker

- A. Leasing and Management Authority: Owner appoints Broker as Owner's sole and exclusive leasing and management agent of the real estate Property described in paragraph 1A. Owner grants to Broker the following authority which Broker may exercise when and to the extent Broker determines to be in the Owner's interest:
  - 1. Advertise the Property for lease by means and methods that Broker determines are reasonably competitive, including but not limited to creating and placing advertisements with interior and exterior photos and audiovisual images of the Property and related information in any media and the internet;
  - 2. Place "For Rent" signs or other signs on the Property in accordance with applicable laws, regulations, ordinances, restrictions, and Owners' association rules;
  - 3. Duplicate keys and access devices, at Owner's expense, to facilitate convenient and efficient showings of the Property and to lease the Property;
  - 4. Place a key box or lockbox on the Property;
  - 5. Verify information and references in rental applications from prospective tenants;
  - 6. Negotiate and execute leases on Owner's behalf for the Property at market rates on competitively reasonable terms for initial terms of not less than six (6) months and not more than twenty-four (24) months;
  - 7. Negotiate and execute any amendments, addendums, extensions, or renewals to any lease for the Property on Owner's behalf;
  - 8. Terminate leases for the Property, negotiate lease terminations, and serve notices of termination;
  - 9. Collect and deposit Owner rents, security deposits, and other funds related to the Property in a trust account and pay from that account: (a) any compensation and reimbursements due Broker under this agreement; and (b) other persons as this agreement may authorize;
  - 10. Account for security deposits that Broker holds in trust to any tenants in the Property in accordance with applicable law and any lease of the Property and make deductions from the deposits in accordance with the lease and applicable law;
  - 11. Collect administrative charges from tenants or prospective tenants including but not limited to application fees, returned check fees, late charges, processing fees, lease violation fees, pet fees and all other customary fees. Broker will retain such fees as compensation under this agreement;
  - 12. Institute and prosecute, at Owner's expense, actions to: (a) evict tenants in the Property; (b) recover possession of the Property; or (c) recover lost rent and other damages;
  - 13. Settle, compromise, or withdraw any action described in paragraph 5A (12);
  - 14. Negotiate and make reasonable concessions to tenants or former tenants in the Property;
  - 15. Report payment histories of tenants in the property to consumer reporting agencies;
  - 16. Obtain information from any holder of a note secured by a lien on the Property and insurance company insuring all or part of the Property;

17. Represent Owner in contesting property assessments for purposes of property taxes;
18. Repair and maintain the Property provided Broker does not exceed more than \$500.00 for any single repair or maintenance item without first informing Owner;
19. Make emergency repairs to the Property without regard to the expense limitations in paragraph 5A (18) that Broker determines are necessary to protect the Property or the health or safety of an ordinary tenant;
20. Upon Tenant moving out, making rent ready repairs, maintain, ~~redecorate~~ or alter the Property provided the costs do not exceed \$500.00 over the tenant security deposit;
21. Hire contractors, at Brokers discretion, to perform any action described in paragraph 5A (18,19 & 20);
22. Collect and retain rebates and discounts from contractors;
23. Clean common areas monthly, or as needed, in multi-unit buildings. Price to be determined based on size and amount of common areas;
24. Perform other necessary services related to the leasing and management of the Property; and
- B. Record Keeping: Broker will:
  1. Maintain accurate records related to the Property and to retain such records for not less than four (4) years;
  2. File reports with the IRS related to funds received on behalf of the Owner under this agreement (for example form 1099);
  3. Remit, each month, the following items to the Owner at the address specified in paragraph 1: (a) funds collected by Broker for Owner under this agreement, less authorized deductions. Said funds collected, not including funds paid in advance, within the calendar month will be released no later than the 10<sup>th</sup> of the following month; and (b) a statement of receipts, disbursement and charges. Funds will be released through ACH payment. Owner may instruct Broker in writing to remit the items to another person or address.
- C. Security Deposits: During this agreement, Broker will maintain security deposits received from tenants in a trust account and will account to the tenants for the security deposits in accordance with the leases of the Property.
- D. Deductions and Offsets: Broker may disburse from any funds Broker holds in a trust account for Owner:
  1. Any compensation due Broker under this agreement;
  2. Any funds Broker is authorized to expend under this agreement; and
  3. Any reimbursement Broker is entitled to receive under this agreement.
- E. Insurance and Attorneys:
  1. Broker may not file a claim for a casualty loss with the carrier insuring the Property. Broker may communicate with the carrier to facilitate the processing of any claim Owner may file or other matters that Owner instructs Broker to communicate to the carrier.
  2. Broker may not directly or indirectly employ or pay a lawyer to represent Owner. Broker may communicate with Owner's attorney in accordance with Owner's instructions.
- F. Information about Trust Accounts: A trust account must be separate from Broker's operating account and must be designated as a trust, Property Management, or escrow account or another similar name. Broker may maintain one trust for all properties Broker leases and manages for others. Any trust account Broker maintains under this agreement will be a non-interest bearing or income producing account.

**6. Management Compensation:** All fees to Broker under this agreement are payable in Howard County, Indiana. This paragraph 6 survives termination or expiration of this agreement with regard to fees earned during this agreement which are not payable until after its termination. Broker may deduct any fees under this paragraph 6 from funds Broker holds in trust for Owner. If more than one Property or unit is made part of and subject to this agreement, each of the provisions below will apply to each Property or unit separately.

- A. Set-up Fee: If Property is occupied at the time this agreement is executed, Owner will pay Broker a one-time account set up fee of \$150.00 per occupied unit not currently managed by CRM Properties.
- B. Management Fees: Each month Owner will pay Broker 10% of stated rent amount in the current lease agreement. The minimum monthly management fee on a single-family unit is \$65.00 per month. The minimum monthly management fee on a multi-unit building is \$50.00 per month.
- C. Leasing Fees for new Tenancies: Each time the Property is leased to a new tenant Owner will pay Broker a leasing fee equal to 75% of one full month's rent. Section 8 leases are subject to an additional \$75.00 fee. The leasing fees under this paragraph are earned and payable at the time the lease is executed
- D. Renewal fee: Each time the Property is re-leased to the current tenant; Owner will pay Broker a leasing fee equal to \$125.00.
- E. Independent Contractor Fees: If Broker hires independent contractors to perform services on behalf of Owner, Owner will pay Broker a service fee of 10% up to \$750.00 and \$75.00 per invoice for any total over \$750.00.
- F. Eviction Fees: In the event that a tenant or occupant must be evicted from the property, Owner agrees to pay Broker a \$500.00 eviction coordination fee.

## 7. Broker Guarantees

- A. Pet Damage Protection: If a pet placed by Broker damages the Property, Broker agrees to repair the damage caused by the pet, up to \$2,000. The following terms apply: Any pet associated fees or pet rent charged to tenant will be retained by Broker. Pet must be approved and placed by Broker. Broker will repair damage caused by pet or choose contractor to make repair and use similar products to what are currently in place. Does not apply to tenants not placed by Broker, non-

approved pets, emotional support and service animals, pre-existing damage, tenant damage or normal wear and tear. Pet damage protection does not survive termination, by either party, of this agreement.

- 8. Reserves:** Upon execution of this agreement, Owner will deposit the following amount with Broker to be held in a trust account as a reserve for the Owner: \$250.00 for each unit within the Property or Properties managed by Broker under this agreement. Broker may, at Broker's discretion, use the reserve to pay any expense related to the leasing and management of the Property (ies) (including but not limited to Broker's fees). If the balance of the reserve becomes less than the amount stated, at any time, Broker may: (a) deduct an amount that will bring the balance to the amount from any subsequent rent received on behalf of Owner and deposit the amount into the reserve; or (b) notify the Owner that Owner must immediately deposit additional funds with Broker to bring to the amount stated. Upon termination of this agreement, reserve will be returned to the Owner, less any outstanding or final bills, within 45 days of termination date. Broker will not begin any services until reserve is received.

**9. Utilities:**

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

**Broker will coordinate all utility service:** Owner authorizes Broker to start and stop utility service at Broker's discretion. Utility service will be placed in Broker's name and paid by Broker. Owner agrees to pay Broker a one-time utility set up fee of \$150.00 per Property. Owner agrees to pay Broker a \$5.00 payment fee per utility bill paid. Utility service and bill payment must be coordinated by Broker on any multi-unit Property, apartment building or any Property where utilities are included in the rent at a charge of \$20.00 per month. Broker is not liable or responsible for any damage to Property due to starting or stopping utility service.

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

**Owner will coordinate all utility service:** Owner will coordinate service for all utilities on the Property this includes but is not limited to scheduling service appointments and meeting utility companies at the Property. Owner agrees to schedule electric, gas and water service immediately upon Tenant vacating the Property and to maintain service during the entire period of vacancy. Owner acknowledges that Broker will not perform move out inspections or any work if utilities are not active. Owner agrees to pay Broker a trip charge of \$75.00 for any trips Owner requests Broker make to Property for any utility coordination appointments. If Owner informs Broker or any of Broker's employee that service is active and Broker finds service not active Owner agrees to pay Broker a \$75.00 trip charge per trip made to the Property. Owner is responsible for any trip charge fees utility companies may charge.

**10. Insurance:**

- A. At all times during this agreement, Owner must maintain in effect:
1. A public liability insurance policy that names Broker as a co-insured or additional insured and covers losses related to the Property in an amount not less than \$100,000 on an occurrence basis. Failure to provide proof of insurance naming CRM Properties as additionally insured will result in a \$25.00 per month charge to the Owners account: and
  2. An insurance policy for the Property in an amount equal to the reasonable replacement cost of the Property's improvements and that contains endorsements which contemplate the leasing of the Property with vacancies between lease terms.
- B. Not later than the 15<sup>th</sup> day after commencement date, Owner must deliver to Broker copies of certificates of insurance evidencing the coverage required under paragraph 9A. If the coverage changes at any time during this agreement, Owner must deliver to Broker a copy of the insurance certificate evidencing the change not later than ten (10) days after the change.

- 11. Legal Compliance:** The parties will comply with all obligations, duties, and responsibilities under the Indiana Property Code, Fair Housing Laws, and any other statute, administrative rule, ordinance, or restrictive covenant applicable to the use, leasing, management, or care of the Property.

**12. Liability and Indemnification:**

- A. Broker is not responsible or liable in any manner for personal injury to any person or for loss or damage to any person's real or personal property resulting from any act or omission not caused by Broker's negligence, including but not limited to injuries or damages caused by:
1. Other Brokers, their associates, inspectors, appraisers, and contractors who are authorized to access the Property;
  2. Acts of third parties (for example, vandalism, theft or other criminal acts);
  3. Freezing or leaking water pipes;
  4. A dangerous condition or environmental condition of the Property; or
  5. The Property's non-compliance with any law or ordinance.
- B. Broker is not responsible or liable in any manner for:

Initials: Broker \_\_\_\_\_ Owner \_\_\_\_\_

Property: **N/A**

1. Any late fees or other charges Owner incurs to any creditor caused by late or insufficient payments by any tenant in the Property; or
  2. Damages to Owner caused by the tenant's breach of lease.
  3. Losses to Owner due to acts of God, government regulations, public health or weather emergencies.
- C. Owner agrees to protect, defend, indemnify, and hold harmless from any damage, costs, attorney's fees, and expenses that:
1. Are caused by Owner, negligently or otherwise;
  2. Arise from Owner's failure to disclose any material or relevant information about the Property;
  3. Are caused by Owner giving incorrect information to any person; or
  4. Are related to the management of the Property and are not caused by the Broker, negligently or otherwise.
- D. Owner is responsible and liable for all contracts and obligations related to the Property (for example, maintenance, service, repair and utility agreements) entered into before or during this agreement by Owner or by Broker under Broker's authority under this agreement. Owner agrees to hold Broker harmless from all claims related to any such contracts.

**13. Default:** A party is in default if the party fails to cure a breach within ten (10) days after receipt of written demand from the other party. If either party is in default, the non-defaulting party may: (a) terminate this agreement by providing at least ten (10) days written notice; (b) recover all amounts due to the non-defaulting party under this agreement; (c) recover reasonable collection costs and attorney's fees; and (d) exercise any other remedy available at law. Broker is entitled to recover any compensation Broker would have been entitled to receive if Owner did not breach this agreement.

#### 14. Agreement of Parties

- A. Entire agreement: This document contains the entire agreement of the parties and may not be changed except by written agreement.
- B. Assignments: Neither party may assign this agreement without the written consent of the other party.
- C. Binding effect: Owner's obligation to pay Broker an earned fee is binding upon Owner and Owner's heirs, administrators, executors, successors, and permitted assignees.
- D. Joint and Several: All Owners executing this agreement are jointly and severally liable for the performance of all its terms. Any act or notice to, refund to, or signature of, any one or more of the Owners regarding any term of this agreement, its extensions, its renewal, or its termination is binding on all Owners executing this agreement.
- E. Governing Law: Indiana law governs the interpretation, validity, performance and enforcement of this agreement.

#### 15. Information:

- A. Fair Housing laws require the Property to be shown and made available to all persons without regard to race, color, religion, national origin, sex, disability, or familial status. Local ordinances may provide for additional protected classes (for example, creed, status as a student, marital status, sexual orientation, or age).
- B. The parties intend, and understand and agree, that Broker is owner and president of CRM Properties and is a licensed real estate Broker in the State of Indiana. Broker is an independent contractor and not an employee of Owner and will not withhold state or federal taxes of any kind, shall not be responsible for worker's compensation insurance for Broker, shall not be responsible for paying unemployment insurance or providing any unemployment benefits and shall not be responsible for any other benefits commonly associated with an employer-employee relationship. Broker shall supply its own equipment, supplies, and expertise in supplying the services under this agreement. Broker shall set its own hours of operation and shall be totally in control of the means and manners of providing the management services required by this agreement.
- C. Broker cannot give legal advice. READ THIS AGREEMENT CAREFULLY. If you do not understand the effect of this agreement, consult an attorney BEFORE signing.

Chris Mullinax, Broker RB14037955

Broker's Printed Name License Number

Owner

By: \_\_\_\_\_

Printed: **N/A**

Date

Date

CRM Properties, Inc.

Owner

Printed: **N/A**

Date

Initials: Broker \_\_\_\_\_ Owner \_\_\_\_\_

Property: **N/A**