

RESIDENTIAL MANAGEMENT AGREEMENT

This Agreement is made this ____ day of _____ by and between, _____ (the "Owners") and Millennium Realty Inc. (the "Agent").

APPOINTMENT OF MANAGING AGENT

I. APPOINTMENT AND ACCEPTANCE

Owner hereby appoints Agent as sole and exclusive Agent of Owner to lease and manage the property described in paragraph II upon the terms and conditions provided herein. Agent accepts the appointment and agrees to furnish the services of its organization for the leasing and management of the Premises; and Owner agrees to pay all expenses in connection with those services.

II. DESCRIPTION OF PREMISES

The property to be managed by Agent under this Agreement (the "Premises") is located at:

Consisting of the land, buildings and other improvements.

III. TERM

The term of this Agreement shall be for an initial period of one (1) year (the "Initial Term") from the _____, to and including the _____ and thereafter shall be automatically renewed from year to year unless terminated with 30 days written notice by either party.

This agreement may be cancelled before the termination date specified above on not less than 90 days prior written notice to the Agent, provided that such notice is accompanied by payment to the Agent of a cancellation fee in an amount equal to Ninety (90) days of the management fee which would accrue for a Ninety (90) day period. For this purpose, the monthly management fee shall be presumed to be the average of the last three (3) months prior to service of the notice of cancellation.

Agent shall have the full right and authority to cancel this agreement with 15 days of notice to Owner if Owner is unable to provide funds available, or authorization for cleanup, utilities, eviction, or any other reasonable expense as deemed necessary by Agent for the safe and healthy maintenance of the property.

IV. AGENT'S AUTHORITIES AND OBLIGATIONS

Owner hereby gives Agent the following authorities and obligations, where initiated by Owner:

- A. To advertise the availability "for rent" or "for lease" of the premises and to display "For Rent" or "For Lease" signs.
- B. To screen and use diligence in the selection of prospective tenants and to abide by all fair housing laws.
- C. To negotiate leases.
- D. To execute leases and rental agreements on behalf of Owner.
- E. To enforce lease compliance.
- F. To collect rents, security deposits, and all other receipts.
- G. All of Agent's financial deposits and written correspondence are done by email.
- H. To provide an annual report of all properties.
- I. To serve notice of termination for tenancies, notices to quit or pay rent, and such other notices as Agent may deem appropriate.
- J. To commence as Agent for Owner, eviction proceedings and/or collection proceedings against tenants or former tenants of Owner for monies owed.
- K. Owner agrees that Millennium Realty Inc. is responsible for collecting on Owner's behalf any post judgment recovery debt.

- L. To hire an attorney in such proceedings, to act as attorney for Owner and Agent at such compensation as shall be agreed between Agent and attorney.
- M. To coordinate any eviction proceedings including paying legal fees on Owner's behalf.
- N. **Owner further authorizes Agent to assign on behalf of Owner, any personal money judgment(s) entered for monies owed by a Tenant(s), under such terms as agreeable to Agent, to any other person or entity for purposes of commencing collection proceedings to satisfy that judgment. If required, the Owner agrees to execute such an assignment.**
- O. To provide all services reasonably necessary for the proper management of the property including but not limited to, supervision of maintenance, and arranging for such improvements, alterations, and repairs.
- P. To contract for repairs or alterations at a cost to Owner not to exceed \$250.00 per repair unless there is a maintenance contract for a special need agreed upon after this contract is signed.
- Q. Any emergency item that requires immediate attention, that poses health and safety issues to current tenants, which may include but are not limited to, backups, floods, trees falling on a property, fires, electrical problems, etc., it is understood that Agent will act in the best safety, and well being of both the tenant and the property and may exceed \$250.00.
- R. In the event Owner is not available for consultation, to contract for needed repairs, emergency or otherwise, and expenditures as are necessary, for the protection of the property from damage, or to perform services to the Tenants provided for in their leases, then it is agreed that Agent is authorized to act on behalf of Owner in a manner as in customary with property management industry guidelines. Agent will make every effort to secure Owner's approval before expenditure is made.
- S. To execute service contracts for utilities and services for the operation, maintenance, and safety of the property as Agent deems necessary or advisable.
- T. To pay from gross receipts all operating expenses and such other expenses as may be authorized by Owner.
- U. To maintain accurate records of all monies received and disbursed in connection with the management of the property. Said records shall be open for inspection by Owner during regular business hours and upon reasonable notice.
- V. To pay or reimburse itself for all expenses and costs of operating the Premises including Agent's compensation.
- W. Owner agrees that should Owner put the property for sale, Agent will cease to advertise and show the property as a rental dwelling or in any way continue to seek a qualified Tenant to lease premises, unless otherwise agreed upon. Services unrelated to advertising and showing of the property, according to the terms of this agreement, such as maintenance and bookkeeping services will continue until the cancellation, termination, or expiration of this agreement occurs.

V. OWNER'S OBLIGATIONS

A. COMPENSATION FOR MANAGEMENT SERVICES

- Ten percent (10%) of gross monthly rental collections. Should Tenant's rate be forgiven by Owner for any reason or rent is received but not from the Tenant (i.e.: and insurance company, court (proceedings), Owner is still obligated to pay Agent the fee that would have been collected for that month's rent as long as this Agreement is in effect.
- Should owner wish to have electronic transfer monthly there will be a \$3.00 service fee per transfer.
- Collection of any funds resulting from garnishment or collection after tenancy has ended shall be billed at 25% of collected funds.
- Owner and Agent agree to split any late fees collected to cover Agent's cost in pursuing the late rent that caused the late fees. Owner also agrees that agent may reduce or restrict late fees as a means of collection at their option.
- Should Owner not make payments for any household obligation including but not limited to Mortgage payments, tax payments, and HOA payments, manager may at

their option end the contract immediately. There will be a minimum of 1 month's rent cancellation fee due to Owner should this occur.

B. COMPENSATION FOR LEASING

- New leases: One Month's Rent.
- Renegotiated leases with current tenants \$250.00 per lease.

C. MAINTENANCE

- Owners understand that Millennium Realty of Lake Orion Inc. uses personnel for services at a rate of \$25.00 per hour. Emergency responses are billed at a rate of \$55.00 per hour. This hourly rate is subject to change with or without notice.
- Manager will have gutters cleaned and yards cleaned up 1 time per year at the owners expense in order to keep the grounds clean and building maintained.

D. UTILITIES

- Owner shall be responsible for all utilities when property is vacant. Millennium Realty of Lake Orion Inc. will put gas and electric in the company name during vacancies between Tenants, with the exception of multi-family properties, but reserves the right to put utilities in Owner's name at times when Millennium Realty of Lake Orion Inc. deems necessary. Owner agrees to maintain a landlord account with DTE and Consumers to prevent utilities being shut off in case of abandonment.

E. LEGAL

- Owner understands that he is responsible for all costs Agent incurs on Owner's behalf for legal proceedings including, but not limited to, court filing and services fees, serving notice of termination of tenancies, notices to quit or pay rent or any other issues of eviction, and such notices as Agent may deem appropriate as well as costs of postage as expenses adjust, forms and attorney fees.

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VI. WHAT IS NOT COVERED BY THE MANAGEMENT FEE

- A. Owner understands that monthly inspection, representation at court hearings, rent board hearings, depositions, rental inspections, homeowner meetings, property tax assessment appeal hearings, insurance claim related paperwork and estimates, department of building inspections director hearings and other exceptional building related events are not covered by the monthly management fee. If Agent renders these services, Owner shall reimburse Agent for their time at a rate of \$55 per hour with a one (1) hour minimum. A full accounting of billable hours will be provided to owner.

VII. INSURANCE

- A. Owner agrees to carry, at Owner's expense, bodily injury, property damage and personal injury public liability insurance. The policy shall be written on a comprehensive general liability form **and shall name the Agent as additional insured.**
- B. Owner shall immediately furnish Agent with a Certificate of Insurance evidencing that the above coverage is in force with a carrier acceptable to Agent. In the event Agent receives notice that said insurance coverage is to be cancelled, Agent shall have the option to immediately cancel this Agreement or obtain the necessary insurance.

VIII. LIABILITY

- A. Owner shall not hold Agent liable for any error of judgment, or for any mistake of fact or law, or for anything which Agent may do or refrain from doing hereinafter, except in cases of willful misconduct or gross negligence. Owner agrees to cover any excess of expenses over income within ten days of any request by Agent. The Agent may terminate this Agreement immediately if the account is in arrears more than 10 days. The undersigned also warrants that all association dues, mortgage payments, taxes and insurance for the above mentioned property shall be made in a timely manor. Should Millennium be notified that these payments are in arrears, Millennium has the right to be fully released from the obligations within the contract. Upon 10 day notice a penalty equal to the balance of the contract will remain due by Owner.

- B. Owner assumes full responsibility for the payment of any expenses and obligations incurred in connection with the exercises of Agent's duties set forth in this Agreement.
- C. Owner agrees to cover any excess of expenses over income within ten days of any request by Agent. The Agent may terminate this Agreement immediately if the request for additional funds is not paid. Owner understands that it is not Agent's obligation to advance its own funds for payment of Owner's operating expenses. Owner agrees that should the property be purchased during the lease period to the tenant or within 180 days from the expiration of the leases thereof then Agent shall be entitled to a 6% commission on the sale of the premises. Should Owner have Agent negotiate a lease with option to buy, the compensation paid to the Agent at move in shall be 1.5% of the sales price. 1.5% of the sales price will be paid to Agent once sale is procured for a total of 3% of the purchase price.
- D. FIRPTA: The Landlord represents and warrants that they are not a "Foreign Person" or "Foreign Entity" as defined in the Foreign Investment in Real Property Tax Act (FIRPTA), IRC 1445.
- E. FAIR HOUSING CLAUSE: Owner is acknowledging that they are aware of Federal and Local Fair Housing Laws and understands that Agent will act according to their provisions. If Owner should at any time request Agent to disregard Fair Housing Laws AND/OR State or Local Landlord/Tenant Laws, this contract will be terminated immediately and the management fees for the balance of this contract or \$250.00, whichever is greater will be due upon termination.
- F. Personal Property: Agent assumes no responsibility or management of personal property left by OWNERS at PREMISES. The Owner is responsible for removal of any and all personal property not intended to remain with the property. Further, Agent shall not be liable for any willful neglect, abuse or damage to the premises by tenants, vandals, or others nor loss or damage any personal property of Owner.

IX. BANK ACCOUNTS

A. SECURITY DEPOSIT COLLECTION

- Agent shall collect, deposit, and disburse tenant's security deposits in accordance with the terms of each Tenant's lease. Agent shall pay Tenant's interest upon such security deposits only if required by law to do so; otherwise, any interest earned on tenant security deposits is to be retained by Agent as compensation for administering these funds. Owner may only use security deposit funds in the event a renter breaches a lease or causes damage. Management shall have sole discretion to apply security deposit funds under any lease and to refund security deposit funds to any Renter and Owner shall be bound by such decision. Agent shall comply with all applicable state or local laws concerning the responsibility for security deposits and interest, if any.

X. DUTIES OF MANAGER UPON TERMINATION OF MANAGEMENT AGREEMENT

- A. Delivery of rents and security deposits.
- B. Delivery of supplies, keys, and contracts.
- C. Assign existing contracts to Owner or Owner's designee.
- D. Delivery of unpaid bills.
- E. Notification to vendors and tenants of termination.
- F. Cooperate with transition to self-management or new third party manager.

XI. DUTIES OF OWNER UPON TERMINATION

- A. Pay any and all outstanding utility bills, vacancy charges, maintenance services, or management services that have been performed.

- B. Agent reserves the right to withhold delivery of all pertinent documents regarding a terminated property until payments of all invoices and monies due Agent are received by Agent.
- C. Notification to vendors and tenants of new payment address and management.

XII. DISCLOSURE OF INFORMATION OF LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS AS REQUIRED BY LAW

Owner's Disclosure (initial)

____ (A) Presence of lead-based paint or lead-based paint hazards (check one below):

Known lead-based paint and/or lead-based paint hazards are present in the housing (explain):

Owner has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

____ (B) Records and reports available to the lesser (check one below):

Owner has provided the tenant with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below):

Owner has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

XIII. OTHER TERMS

A. RESPONSIBILITY FOR TENANTS

- Owner understands that Agent is not responsible for the actions of any tenants. Agent makes every effort to lease to quality tenants, but does not guarantee any actions of tenants. Additionally, Owner shall have proper insurance coverage to cover any acts of tenants, and shall name Agent as an additional insured.

B. NOTICES

- All notices required to be given hereunder shall be in writing and mailed, faxed or emailed to the parties.

C. ATTORNEY FEES

- Attorney Fees: In the event of any legal action by the parties arising out of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs, to be determined by the court in which such action is brought.

D. RESPONSIBILITY FOR THE ACTION OF INDEPENDENT CONTRACTORS

- Management shall not be responsible for the action of independent contractors hired on Owners behalf. Contracts or services arranged directly by the Owner without the involvement of the Agent, is the sole responsibility of the Owner.

E. CITY NOTIFICATION

- Owners understand that they are fully responsible for notifying the City Assessor's office that the rental is a non-homestead property.

F. AGENT ACCEPTANCE

- Agent accepts the employment under the terms hereof and agrees to use diligence in the exercise of the obligations, duties, authorities and powers conferred herein upon Agent.

G. FIRST TIME FEE

- Upon the signing of this agreement, owner shall pay to Millennium Realty of Lake Orion, Inc. \$250.00 (Two Hundred and Fifty Dollars and no/100 Dollars) to cover advertising and set up costs.

DATED: _____ By: _____ By: _____

Millennium Realty of Lake Orion LLC. Owner: _____ Owner: _____
 _____ SSN: _____ SSN: _____

Address: _____ Address: _____

Amie Leszczynski, Agent

Date of Birth: _____ Date of Birth: _____

Home: _____ Home: _____

Cell: _____ Cell: _____

Work: _____ Work: _____

Fax: _____ Fax: _____

Email: _____ Email: _____

Should the Owner wish to have funds directly deposited into a bank account please provide the following:

Bank Routing # _____

Checking Account # _____

Please also fax with this agreement a copy of a cancelled check for this account.