



PRYOR REALTY

PROPERTY MANAGEMENT AGREEMENT

THIS PROPERTY MANAGEMENT AGREEMENT ("Agreement") is made the date set forth below (the "Effective Date"), between the owner of the property listed below, ("Owner"), and 3LPM, LLC dba COLDWELL BANKER PRYOR REALTY, a Tennessee limited liability company, (together with its agents, affiliates, and licensees, the "Property Manager"). In consideration of the mutual benefits and obligations set forth in this Agreement, the Parties agree as follows on this information page ("Information Section") and on the accompanying terms and conditions ("Terms and Conditions"), which are a part of and incorporated into this Agreement:

I. INFORMATION

Owner: _____

Telephone: _____ (work)

Address: _____

_____ (mobile)

Email: _____

Properties to be Managed *[list full address for each property and provide a copy of the legal description for each property]*

1. _____ Rent: \$ _____ /mo. SD\$ _____
2. _____ Rent: \$ _____ /mo. SD\$ _____
3. _____ Rent: \$ _____ /mo. SD\$ _____
4. _____ Rent: \$ _____ /mo. SD\$ _____

Select one by initialing:

☐ Full Property Management Option

☐ Lease-Only Option *[only Articles III-V in the Terms and Conditions shall apply]*

Set Up Fee: \$200.00 per property *[See Section 4(b)]*

Management Fee: 10% of the Monthly Rent

EFFECTIVE DATE: _____

OWNER *[each owner must sign Agreement]*

3LPM, LLC dba COLDWELL BANKER PRYOR REALTY

By: _____

By: _____

Title: _____

Title: _____

TERMS AND CONDITIONS

II. PROPERTY MANAGEMENT SERVICES

This Article shall apply if the parties have agreed for the Property Manager to provide full property management services.

1. **Appointment.** Owner hereby engages, appoints and designates Property Manager as the exclusive Agent and Broker for Broker to provide leasing and/or property management services ("Services") on behalf of the Owner in reference to the property or properties listed in the Information section above ("Property"). Property Manager shall have the right to be the exclusive listing agent and manager of the Property for the Term of this Agreement, as set forth below or in the Information. This document creates an agency relationship between Property Manager and Owner.
2. **Term.** Property Manager shall have the exclusive right to lease and/or manage the Property for a period of twelve (12) months from the Effective Date of this Agreement ("Term") (the first twelve (12) month period being the "Initial Term"), which shall renew automatically in additional twelve (12) month terms ("Renewal Terms") after the end of the Initial Term, unless either party notifies the other party of its intent to terminate this Agreement in writing at least thirty (30) days prior to the expiration of the Initial Term or a Renewal Term, except that in the case in which Owner has sold the Property, Owner may terminate early with thirty (30) days' notice at any. If the Owner terminates early (that is, prior to the end of a Term) for any reason (including for the sale of the Property), then Owner shall pay Property Manager an amount equal to two (2) full month's rent, taking into effect any rental agreements in effect at the time of such early termination, and Property Manager may deduct the full amount of such fees from any monies coming to Property Manager which would be due to Owner.
3. **Leases.** Any lease agreement will be in writing, in substantially the same form as provided to Owner in the informational packet, which may be modified from time to time by Property Manager without notice to Owner, for terms of either twelve (12) month lease or a short term lease. If the Property is leased for a period of less than twelve (12) months, it shall be for a shorter period at the discretion of Property Manager and upon approval of Owner. The Lease Amount shall be as set forth in the Information Section, except that in the event of a lease term of less than twelve (12) months, the lease shall be for an amount of one hundred ten percent (110%) of the Lease Amount. Property Manager shall also be entitled to charge reasonable application fees, late charges, bounced check fees, and administrative fees, in addition to the lease amounts, which fees may be retained by Property Manager. Property Manager shall also be entitled to charge pet fees and security deposits, the amounts of which may be applied to repairs and maintenance fees and amounts held by Property Manager with regards to the Property.
4. **Management Fees and Other Fees.**
 - a. *Management Fee.* Property Manager shall be entitled to a Management Fee in an amount as set forth in the Information Section. The Management Fee is waived for the first month of the lease period on an initial twelve (12) month lease period (but not waived for any subsequent renewal lease periods).

- b. *Set Up Fee.* There shall be a Set Up Fee per listed Property in an amount as set forth in the Information Section.
- c. *Photography Fee.* There shall be a reasonable Photography Fee per listed Property in an amount based upon the square footage of the Property to allow for the Property Manager to engage commercial photographers to photograph the Property.
- d. *Renewal Fee.* At the renewal of a Term, there shall be a fee due to Property Manager of one half of the first month's rent per listed Property.
- e. *Vacant Property Fee.* In the event that the Property is unrented and remains vacant for a period of three (3) months or longer, there shall be a Vacant Property Fee due in the amount equal to the Set Up Fee for each three (3) month period it remains unrented.
- f. *Additional Fees.* Property Manager shall be entitled to charge additional fees to Owner for specific fees or services incurred, such as arranging for repairs, paying for repairs or new appliances (*see below*), legal or attorneys' fees or legal costs, or for damages caused due to Owner's negligence.
- g. *Management Fees not Discounted.* In the event that the Owner requests or agrees to lease the Property for a discounted fee that is less than the Lease Amount as set forth in the Information Section, the Management Fee shall be based off of the amount of the non-discounted Lease Amount.

5. Property Management Services. Property Manager shall provide and be authorized to provide the following Services:

- a. *Lease.* Property Manager is authorized to list, market, let, promote the Property for lease, and to negotiate, prepare, and execute all leases, including applications, renewals, extensions, and modifications thereto, and to terminate and cancel leases on behalf of Owner, and to provide all notices on the Property regarding termination or defaults under the lease agreement. **All of the terms, rights and obligations, and fees contained in Article II, Leasing Services, shall apply.**
- b. *Collections.* Property Manager is authorized and will collect all amounts due on the Property, and will take commercially reasonable and diligent steps to timely collect all amounts due, including rents, deposits, fees, expenses, charges and late charges, and fees and costs associated with terminating or evicting tenants.
- c. *Records* Property Manager shall keep reasonable and standard records and accounting of the collected amounts for each listed Property, which shall be open for inspection by the Owners during normal business hours or upon request. Property Manager shall provide a monthly statement to Owner no later than the thirtieth (30th) day of the month showing all receipts and disbursements.
- d. *Retention and Disbursement of Fees.* Property Manager is authorized to retain such amounts from the Owner's rental proceeds, including the Management Fee, other unpaid fees, expenses, and reserves associated with the management and operation of the Property as may be applicable. After Property Manager makes all deductions as

authorized and necessary, including replenishment of any reserves or retention in anticipation of expenses or repairs, Property Manager shall deposit the net amounts of such funds to the account that the Owner shall specify.

- e. *Reserve Account.* Property Manager is authorized to establish a reserve account (which account may be a collective reserve account for more than one client of Property Manager) for Owner into which shall be deposited and maintained a reserve intended for repairs, fees, and costs, and out of which expenses may be paid, in an initial amount of One Thousand Dollars (\$1000) and which amount shall be maintained at all times. Owner acknowledges and agrees that Property Manager may from time to time reserve additional amounts which may be reasonably necessary for anticipated expenses and will notify Owner in writing in advance. Any reserve amounts not paid at the termination of this Agreement shall be refunded to Owner, less any fees or expenses owed by Owner.
- f. *Tenant Refunds.* Property Manager is authorized to negotiate partial refunds with tenants, if, in Property Manager's sole discretion, the tenant's use and enjoyment of the Property has been or will be materially adversely affected as a result of a defect on the condition of the Property, including repairs or failure of the electrical, plumbing, sanitary, heating or cooling that cannot be promptly fixed).
- g. *Repairs.* Property Manager shall use diligent efforts to keep the Property in good working order and in presentable condition. Property Manager is authorized to maintain the Property and incur expenses on behalf of the maintenance and upkeep of the Property, including landscaping and lawn services, pest control, and other maintenance costs, which, in Property Manager's sole opinion, is necessary to preserve, maintain, and protect the Property. Property Manager shall obtain written approval from Owner for any repairs that exceed \$1000, except in cases of emergency, in which Property Manager is authorized to make whatever repairs and expenditures necessary to protect the Property or preserve an existing lease agreement.
- h. *Security Deposits.* Property Manager shall be entitled to collect and hold security deposits and pet deposits, if applicable, on behalf of Owner, apply the deposits at the end of a lease, as required, and return unused portions of security deposits to tenants in accordance with the lease agreements. Such deposits will be maintained in a separate trust or escrow account established for this purpose by Property Manager and may be maintained with other property security deposits.
- i. *Contractors and sub-agents.* Property Manager shall be authorized to hire contractors to maintain the Property and to make repairs, and to hire sub-agents or employees to lease, photograph, or advertise the Property.
- j. *Evictions and Legal Matters.* Property Manager is authorized to pursue evictions against non-paying tenants or tenants which, in the opinion of Property Manager, violate the terms of the lease agreement or otherwise create a danger to the Property or to others, including providing notices of default and termination, hiring process servers and attorneys in the pursuit of evictions, to cause attorneys to file detainer proceedings and proceedings for the recovery of unpaid rents, fees, and expenses, on behalf of and in the name of Owner or in its own capacity, as the law and situation shall allow, and to incur

attorneys' fees and legal expenses on behalf of Owner, including but not limited to attorneys' fees (whether or not provided for in the lease agreement), service of process costs, court filing fees, attorneys' expenses, expert witness costs, Property Manager costs and fees associated with testifying in court, writ of possession fees, moving, storage, and dumpster fees (which will be allocated to the tenant as far as possible), which are the responsibility of Owner. Property Manager is authorized and directed to appear in court on behalf of Owner to testify regarding violation of the terms of the lease agreement, unpaid amounts, and all relevant facts.

- k. *Inspections and Entry onto Property.* Property Manager shall be authorized to and shall provide periodic inspections on the condition of the Property (whether rented or not), and shall be authorized to enter onto the Property from time to time as necessary, and shall be authorized to hold a key and distribute copies of that key or other entry code necessary to the carrying out of Property Manager's duties. Owner understands and acknowledges that Property Manager is not a certified inspector and any inspections are visual only and intended only to bring awareness of the conditions of the Property to Owner.

6. **Insurance.** At all times this Agreement is in effect, Owner shall have and maintain insurance coverage on the Property for general liability, property & casualty, umbrella, and any other customary landlord insurance with single-occurrence limits in an amount of at least One Million Dollars (\$1,000,000) per listed Property. The insurance policy shall be from an nationally recognized insurer and the binding policy coverage shall name on the declaration page Property Manager as an additional insured. Owner shall provide to Property Manager prior to the commencement of this Agreement with proof of coverage in the form of the declaration page showing Property Manager as additional insured. In the case of a Pool on the Property, Owner shall obtain insurance specifically for the Pool (and naming Property Manager as an additional insured) in an additional amount of One Million Dollars (\$1,000,000).

7. **Indemnification.** Except for willful misconduct by Property Manager, Owner shall indemnify and hold Property Manager Harmless against all costs, expenses, attorneys' fees, costs of litigation, suits, liabilities, and damages of any kind associated with the Property or the management of the Property by Property Manager, or the performance or exercise of any of the duties, services, rights, or obligations granted herein to Property Manager.

8. **Representations, Warranties, and Duties of Owner.** Owner makes the following representations and warranties to Property Manager and agrees to the following duties:

- a. Owner presently has title to the Property or has full authority to enter into this Agreement, and no lien or other interest exists on the Property which would impede the ability of the Property to lease to tenants.
- b. The Property is habitable, meets all governmental requirements and codes regarding habitation and rental of the Property, including all smoke detectors in all proper working condition, and that all improvements, renovations, or repairs made to the Property are in compliance with all codes and ordinances, and properly permitted.
- c. That no defect exists on the Property which would significantly diminish the habitability

or marketability of the Property, as defined in Tenn. Code Ann. Section 62-13-102.

- d. That the Lead-Based Paint Disclosure shall be completed and provided if required by law and such information has not otherwise been disclosed. No environmental factor or defect exists on the Property which would affect the value, habitability, or marketability of the Property, except those specifically disclosed to Property Manager in writing.
- e. Owner certifies, and will cooperate to ensure that all systems and fixtures on the Property are in working condition. Owner will provide at least two (2) sets of keys and at least two (2) working garage door openers. The Property will be delivered and kept in broomswept, clean, and good condition.
- f. Owner will cooperate with Property Manager to lease the Property to prospective tenants for the highest amount possible; will make the Property available for showing at all reasonable times as Requested by Property Manager; will provide Property Manager with accurate information regarding the Property, including all information regarding materially adverse conditions on the Property; is responsible for all costs and expenses associated with the maintenance and operation of the Property; is responsible for the timely payment of all property taxes, mortgage and loan payments, governmental or owner's association assessments and fees associated with the Property, and any other expenses which could become a lien against the Property; will promptly notify Property Manager in the event that Owner receives any notice from any holder of any loan, mortgage, or other lienholder of any kind during the term of this Agreement, regarding a default, threat of foreclosure, or foreclosure proceedings.
- g. The Property is offered for rent without regard to race, color, creed, religion, sex, handicap, familial status, national origin, or any other law relating to discrimination.
- h. Owner is responsible for the winterization of the interior and exterior of the Property, including irrigation systems, HVAC, windows, chimneys, and other items.
- i. Owner is responsible for maintaining the utilities into and out of the name of tenants or in the name of the Owner, if the Property is unrented, and is responsible for maintaining and paying for utilities in the event the Property is unrented; including paying for balances owed at the end of a rental term. In the event of a tenant transition, Owner shall have three (3) days to switch utilities into the proper party's name. Property Manager specifically disclaims any liability for utilities that are shut off for any reason.

9. Representations, Warranties, and Duties of Property Manager. Property Manager makes the following representations and warranties to Owner and agrees to the following duties:

- a. Property Manager maintains all proper real estate broker licenses in order to be able to provide the Services contemplated in this Agreement.
- b. Property Manager will represent Owner and manage the Property in a commercially reasonable, diligent manner.
- c. To transact all services to each party in the transaction in honesty and good faith
- d. To be loyal to the interests of Owner and to obey all instructions except in cases where the interests or instructions would violate the law, this Agreement, or would violate duties that Property Manager owes to all parties.

- e. Property Manager shall manage and operate the Property to comply with all laws, codes, and ordinances, and shall seek to preserve the value of the Property in its actions.
- 10. Appliances.** Owner is responsible at all times for furnishing the following appliances on the Property, in modern models and in good working order: Stove, oven, refrigerator, dishwasher (if applicable, and any other appliance advertised or listed as coming with the Property. In the event the appliances need to be repaired, Property Manager may elect to fix at Owner's expense or to notify Owner to have Owner arrange for its immediate repair. In the event that the appliances are broken beyond repair, in the sole opinion of Property Manager, Property Manager may elect to replace the appliance with a similar model and charge the replacement to Owner with Owner's written approval or to notify Owner to have Owner arrange for its immediate repair.
 - 11. Fireplaces and Pools.** In the event that the Property has a fireplace with a chimney ("Fireplace") or a swimming pool or hot tub ("Pool"), Owner is responsible for ensuring that the Fireplace or Pool is maintained in good and safe operating condition. Owner shall arrange for, at Owner's expense, inspections of the Fireplace or Pool at least annually. Owner shall also arrange for the regular maintenance of the Fireplace or Pool, including pool service pool service, professional opening and closing of pool, maintaining water levels and proper chemicals, pumps, and cleaning, chimney sweeps and masonry repairs, both interior and exterior, as the case may be. In the case of a Pool on the Property, Owner shall install and maintain best-practice safety features, including barriers and/or alarms.
 - 12. Surveillance.** No Owner video or audio surveillance of the Property shall be permitted at any time, though tenants shall have the right to install and maintain surveillance equipment at their own expense. This Section does not prohibit Owner from installing a built-in alarm system, which shall be the responsibility of the tenant to subscribe to and operate.
 - 13. Limited Liability Company.** While not a requirement, Property Manager prefers that Owner place and operate the Property within a properly formed Tennessee limited liability company ("LLC"), one Property per LLC or into a properly established series of a Tennessee Series LLC in order to provide best-practice liability protection for Owner and Property Manager.

III. LEASING SERVICES

This Article shall apply to all Agreements between Owner and Property Manager. If Owner has selected Lease Only Services, this Article shall apply. If Owner has selected Full Management Services, this Article shall supplement and apply to the leasing portion of Property Manager's Services. In the event that the terms of this Article contradict the terms of Article I (if selected) or the Information Section, then Article I or the Information Section shall control.

- 1. Designation of Agent.** Owner hereby engages, appoints and designates Property Manager as the exclusive Agent and Broker for Property Manager for the purpose of providing renting and leasing of the Property on behalf of the Owner. This document creates an agency relationship between Property Manager and Owner.
- 2. Non-Circumvention.** Owner shall not attempt to circumvent this Agreement by obtaining

tenants or renting the Property through any other means, through another broker, or through Owner's efforts without the participation of Property Manager. In the event that Owner attempts to circumvent this Agreement or obtains tenants for the Property from any other source for whatever reason, Property Manager shall be entitled to its full Leasing Fee under this Agreement.

3. **Term.** Owner contracts with Property Manager to perform the Leasing Services for a term commencing and ending on the dates selected in the Information Section ("Term"). The Term may be extended by the parties by agreement, or by continuing the relationship as if the Term is still in effect beyond the ending date of the Term. In the event that the Property is leased within the Term, and upon collection of the security deposit and one (1) full month's rent, unless Owner has selected the Full Management Services in this Agreement, this Agreement shall terminate and Property Manager's obligations shall be satisfied and shall cease. Property Manager shall provide the tenants with Owner's contact information and Owner shall henceforth be responsible for the management of the Property and the tenants. If Owner has selected the Full Management Services option hereunder, Property Manager shall have the obligations and be entitled to the fees contained in Article I, in addition to the fees in this Article II.
4. **Leasing Services.** Property Manager shall use diligent commercially reasonable efforts to lease the Property for the Term. Property Manager shall perform the following Leasing Services on behalf of Owner: Property Manager shall list and advertise the Property in each of the customary publications or listing services (excepting any publications which shall require additional expenses, in which case Property Manager shall obtain prior written approval from Owner and Owner shall be responsible for such expenses), schedule and conduct appointments to show the Property to prospective tenants, take applications, conduct credit and background checks, negotiate and execute the lease agreement on behalf of the Owner, and collect the required security deposits and at least one (1) full month's rent on behalf of the Owner.
5. **Fees.** Property Manager shall be entitled the following Fees:
 - a. *Administrative Fee.* Upon execution of this Agreement, Owner shall pay to Property Manager an Administrative Fee in the amount of \$250.
 - b. *Lease Fee.* If the Property shall be leased during the Term of this Agreement, Property Manager shall be entitled to collect a Lease Fee equal to one full month's rent received by owner (or Property Manager) within three (3) days of the lease being executed or the Property being occupied, whichever is later. This Fee is in addition to any Management Fee or other fees entitled to Property Manager by virtue of its providing Management Services under Article I.
 - c. *Photography Fee.* There shall be a reasonable Photography Fee per listed Property in an amount based upon the square footage of the Property to allow for the Property Manager to engage commercial photographers to photograph the Property.
6. **Termination.** If Owner has selected Lease Only Option, this Agreement may be terminated by either party with thirty (30) days written notice. If this Agreement is made in conjunction with Property Manager also listing the Property for sale, and a contract for the sale of the property is

executed and received by Property Manager prior to the leasing of the Property, Property Manager will promptly remove the Property from the rental market and this Agreement shall be terminated.

7. **Indemnification.** Owner shall indemnify and hold Property Manager Harmless against all costs, expenses, attorneys' fees, costs of litigation, suits, liabilities, and damages of any kind associated with the Property or the management of the Property by Property Manager, or the performance or exercise of any of the duties, services, rights, or obligations granted herein to Property Manager.

IV. OTHER PROVISIONS

The terms of this Article III shall apply to all options under this Agreement.

1. **Binding Effect, Entire Agreement, Modification, and Assignment.** This Agreement shall inure to the benefit of, and be binding upon, the parties herein, their heirs, successors, legal representatives, and assigns. Owner may only assign this Agreement upon the written consent of Property Owner. Property Owner shall be permitted to freely assign this Agreement to any successor party in interest, affiliate, parent, subsidiary, or other party. This Agreement constitutes the entire agreement between the parties, and no modification or amendment thereof shall be binding unless it is made in writing and references this Agreement, and signed by both parties.
2. **Property Manager as Contractor.** Property Manager is acting solely in its capacity as leasing Agent and Broker, and as a third-party property manager. Nothing in this Agreement shall be construed as to create a partnership, joint venture, employment, or relationship other than that as an independent contractor.
3. **Fair Housing.** Property Manager shall provide Services without regard to race, color, creed, religion, sex, handicap, familial status, national origin, or sexual orientation. A request to observe discriminatory practices in the leasing or managing of the Property will not be granted.
4. **Tenant Information.** Owner acknowledges and understands that state and federal laws regulate the maintenance of and dissemination of certain personally identifiable information of tenants ("PII"), such as social security numbers, driver's license number, account numbers, and other information that may be used to access a person's financial resources, and that contractual limitations with third-party providers of credit reports or other background information regarding prospective tenants may limit or prohibit Property Manager's dissemination of such reports and information, including to Owner. Owner Agrees and understands that Property Manager complies with all such laws and standards, and Property Manager shall not be obligated to disclose any such information to Owner about a tenant or prospective tenant.
5. **Time of Essence.** Time is of the Essence in this Agreement.

- 6. Governing Law, Venue, Attorneys' Fees.** This Agreement is intended as a contract for the leasing and management of real property in Tennessee and shall be interpreted in accordance with the laws of the State of Tennessee, and any legal action shall be brought in the courts having competent jurisdiction located in Hamilton County, Tennessee. In the event of any legal action regarding this Agreement, the prevailing party shall be entitled to attorneys' fees, expenses, and costs associated with litigating the matter.
- 7. Severability.** In the event that any portion or provision of this Agreement shall be held or adjudicated to be invalid or unenforceable for any reason, each such portion or provision shall be severed from the remaining portions or provisions of this Agreement, which shall remain in full force and effect.
- 8. Notices.** All notices required to be given by this Agreement shall be in writing and delivered to the party at the address set forth below (or at other such addresses that the parties may give in writing) by (1) in person delivery, (2) US Postal Service, by registered and certified mail, (3) statutory overnight delivery, or (4) email. Notice shall be deemed to be given at the time it is actually received. Notice shall be given through the following information:

If to Owner: Owner's Address and email address as contained in the Information Section.

If to Property Manager:

3LPM, LLC dba Coldwell Banker Pryor Realty
 Attn: Phillip Pryor, President
 2125 Hickory Valley Road
 Chattanooga, TN 37421
 phil@coldwellbankerpryor.com

with a copy to legal counsel at:

Barham & Maucere LLC
 Attn: Scott Raymond Maucere, Esq.
 6708 Heritage Business Court
 Chattanooga, TN 37421
 scott@b-m.law

- 9. Counterparts, Electronic Signatures.** This Agreement may be executed in counterparts, each separate counterparts being considered a part of the entire Agreement. This Agreement may also be executed by facsimile, electronic, or cryptographic means, each such signature having the full weight and force as if signed by hand.

V. SPECIAL STIPULATIONS

In the event of a contradiction between these Special Stipulations and any other provision of this Agreement, the Special Stipulations shall control:

Coldwell Banker Pryor Realty Property Management