

PROPERTY: _____

OWNER: _____

PROPERTY LEADER'S AGREEMENT

This agreement entered into on _____, between _____ hereinafter designated as owner, and 256 Realty, hereinafter designated as Agent.

WITNESSETH:

That for and in consideration of covenants herein contained, owner and agent agree with each other as follows:

1. Owner hereby employs agent exclusively to rent and lead the property upon the terms hereinafter set forth, effective this date and continuing month-to-month. This Agreement may be terminated by either Owner or Agent, with or without cause, upon giving the party sixty (60) days written notice. Notwithstanding the foregoing, this agreement may be terminated by Agent immediately upon written notification to the Owner, and all obligations of the parties hereunder shall cease, upon the occurrence of a breach of agreement, failure to make a necessary health and safety repair to the Premises, or normal maintenance or neglect to the premises. This agreement may be amended or changed by Agent upon giving the Owner sixty (60) days written notice.

2. Owner grants to agent the following authority:

a. Full leadership and control of said property, to collect all rents and other monies from tenants in the property, and to issue receipts therefore.

b. To negotiate new leases and renewals of existing leases at a monthly rental rate determined by agent. New leases and renewals shall be executed by agent in the owner's behalf.

c. To serve quit notices upon tenants and to prosecute in the name of the owners, and at owner's expense, legal actions to evict tenants and recover rents, employing for these purposes a reputable attorney of agent's choice.

d. To contract for repairs required by law to the property, using reasonable judgment. Repairs which agent may authorize without the owner's approval are, but not limited to:

1. Any broken or stopped up plumbing
2. Water heater out of order
3. Air conditioning system out of order
4. Heating system out of order
5. Electrical system out of order
6. Water system out of order
7. Roof leaking excessively
8. Any kitchen equipment out of order
9. Cleaning & repair of carpeting from water leak, to prevent mildew or mold growth

\$500.00 maximum expense (non-emergency or not required by law) without Owner's approval, unless additional expense would prevent further damage to premises and cost efficient to the owner.

Frozen pipes and damages resulting from same shall not be the responsibility of the Agent.

e. It is further understood that if this property is sold to a tenant, or former tenant, who has been secured by 256 Realty, the Owner is to pay a 6% brokerage fee of the sale to Agent.

f. Agent is clothed with other such general authority as may be necessary or expedient to carry out the intent of this agreement with respect to the renting, management, and operation of the property hereinbefore described, including the right to collect, when necessary, delinquent charges from the tenant.

3. Agent agrees to perform faithfully and diligently the duties of a real estate leading agent and will make every reasonable effort to collect the rent when and as it is due, but does not guarantee the payment of such rentals, and to remit same with a statement of receipts and expenditures by the last day of each month. Should expenditures exceed receipts, Owner will promptly reimburse agent upon demand. Any advance rent payments will be disbursed to Owner on a monthly "as earned" basis.

4. For his services, agent shall receive 10% of the rental amount. Owner shall receive benefit of all savings and discounts obtainable from contractors or suppliers. In the event owner terminates this agreement, Agent may charge the full monthly fee or commission for the balance of the period of occupancy by tenant secured by agent. Additional charges to the Owner are a **\$100.00** non-reoccurring initial set-up fee and a **\$50.00** annual service fee due at set up and again each subsequent year on January 1st. Property will be re-keyed every tenant transition for liability purposes at a cost to the Owner. A referral fee of \$100.00 will be paid to a real estate broker if qualified tenant is secured and a lease is executed through the actions of a broker or broker's agent other than 256 Realty.

5. Owner agrees to save agent harmless from all damage suits and claims arising in connection with said property and from all liability for all injuries to persons or property while in, on, or about the premises. Owner agrees to carry, at his own expense, appropriate amounts of public liability insurance and such other insurance as may be reasonably applicable to this property, which policies shall be so written as to protect agent in the same extent as owner. Minimum liability per property shall be \$1,000,000, but Owner is encouraged to hold more than minimal amount.

6. Disclosure: Owner warrants that all appliances, the heating & cooling system, water heater & all other systems are in working condition and that property is free of defects that would prevent its full use. Owner agrees to comply with any and all improvements in order to comply with city or county codes, and the Alabama Landlord Tenant Act.

7. In case of fire, windstorm, or any insurable loss, including rental insurance, agent is to immediately notify owner and arrange settlement with owner's interest in mind. If owner does not have owner's insurance coverage, the agent is relieved of this responsibility.

8. Agent will make every effort to coordinate repairs by any third party home warranty that is in effect, but owner must ensure the warranty company's performance. Should the warranty company not perform, Agent may contract independently to have the work performed so as to not violate its obligations under state law.

9. Agent assumes no liability whatsoever for any acts or omissions of Owner, or any previous Owners of the premises, or any previous management or other Agent of either. Agent assumes no liability for any failure of or default by any tenant in the payment of any rent or other charges due Owner or in the performance of any tenant to Owner pursuant to any lease or otherwise, nor does Agent assume any liability for previously unknown violations of environmental or other regulations which may become known during the period this Agreement is in effect. Any such regulatory violations or hazards discovered by Agent shall be brought to the attention of the Owner in writing, and Owner shall promptly correct them.

10. This agreement shall be binding upon the successors and assigns of the agent, and the heirs, administrators, executors, successors, and assigns of the owner.

11. Owner to keep \$300 on hand in an escrow account with Agent for repairs, utilities, re-keying of locks, lawn maintenance and any other necessary expenses for tenant transition or general upkeep of the property. Owner to provide initial funds to Agent upon signing the agreement and must provide funds to keep balance at \$300 at all times or Agent can use rental payments to replenish escrow account.

12. Agent will keep utilities on with a blanket account and perform lawn care duties for Owner during vacancy. Payments to be taken from Owner's escrow account and Owner will be billed to keep escrow account full. Owner may maintain utilities in Owner's account, at Owner's expense, if so desired.

13. Agent will set pricing for leases and make all efforts to secure a new lease during the current lease period. Owner must notify Agent before 180 days of the expiration date of the current lease to cancel management contract and prevent Agent from signing a new lease.

14. Agent shall not meet with Owner for tenant move-in or move-out inspections under any circumstances. Owner may inspect the property only after Agent's inspection and submit, in writing, by email, a list of all necessary cleaning and repairs deemed necessary by Owner. Agent will take list into consideration with Agent's list, but is not bound to the suggestions submitted by Owner.

15. Agent may notify Owner of pending applications but will not discuss nature of applications or criteria of applicants with Owner at any time during the application process. Agent will notify Owner once an application is approved and a lease is signed.

16. Once a lease is secured, Owner may request a copy of the application. Agent will submit a copy of lease and application to Owner within a reasonable time period.

17. Owner shall inform Agent immediately if Owner's property is in danger of foreclosure (we do work in the real estate field, after all, and may be able to sell the property so you don't wind up in a jam).

18. Agent will send proper notification, according to Alabama Landlord Tenant Law, to tenant if tenant has not paid rent by the grace period deadline. If tenant does not make full payment within 10 days after the grace period, Agent may file for eviction against tenant. Agent will perform all necessary functions for evictions, including court dates. Agent has the right to make other arrangements with tenant for rent charges, at Agent's discretion.

19. Owner agrees to electronically sign all documents related to management between Owner and Agent and for leasing purposes. Owner agrees to communicate with Agent by email for any and all requests and will wait a reasonable period for a reply. It is understood that communication may be delayed during weekends, holidays and during times of special circumstances and events. Agent will respond as soon as possible to Owner in the event of an emergency.

20. Agent will make every effort to serve Owner in the best way possible. Agent will get the highest rental rate for every occupancy period and will make the best decisions in the event the tenant defaults on monthly payments. Agent will handle each security deposit settlement with honesty, integrity and fairness, and in accordance with the law under the Alabama Landlord Tenant Act. Agent will not seek the advice or guidance of Owner for any security deposit settlement or matters pertaining to leasing and collecting rent.

21. Agent will handle all turnover repairs, cleaning, yard maintenance and general care of property during vacant periods and in between renters. These items related to turnover are a general service of Agent. However, if Owner wishes to remodel the property during any point of the leadership agreement between Owner and Agent, or if Owner needs to make considerable updates or renovations at the initiation of this agreement between Owner and Agent, a fee of \$300 will be due upfront to Agent for oversight of work. Agent will handle all transactions in this process and Owner will not have to be present for any work. Agent will oversee performance to the best of its ability. Agent will notify Owner as soon as reasonably possible if this fee is deemed necessary.

Translation of Leadership Agreement – 256 Realty earns more money by collecting more rent (since we work on a commission based off the rent amount, we want it to be as high as possible)! We want a higher rental amount just as much as you do. We will get top dollar, as the market allows. Do not stress over security deposit settlements or take it upon yourself to drive 10 minutes, 3 hours, 16 hours or book a flight to Huntsville to check out the property each time a tenant moves out. We are not going to listen to any demands about how the deposit should be handled. We have much more experience and trust ourselves to make the appropriate decisions to best serve you. We have been in front of Madison County judges and know how they will rule on such matters. Making poor decisions on these matters can result in sizeable losses to you. By the way, we want to keep our clients so we have every intention of being fair and making sure we maximize your returns. We do have your best interest in mind at all times. We own and operate many rental properties and take the same approach with your properties that we do with our own. Your passive income should be just that – passive. Let us do the work so you can focus on all other important areas of life!

Owner Signature

Agent Signature

Owners' Home Address (not property address, please)

E-mail Address:

Cell Phone

Work Phone

Home Phone

Social Security Number (required by IRS for tax reporting)

Homeowner Insurance Co.

Agent Name

Phone

Home Warranty Company

Warranty Number

Phone Number

Description of Property:

Area _____, House / Condo / Apt. / Duplex?

BR _____, BA _____, Sq.Ft. _____

CIRCLE ALL THAT APPLY:

stove, refrigerator, dishwasher, microwave, washer, dryer, other _____

Utility Co: Electricity: _____ Water _____ Gas: _____

Is gas used in this home? If so, for what? _____

Special Conditions _____

Misc.info. _____

Pets allowed case by case? Yes / No _____

Security alarm code: _____

Keys: () # of individual house keys rec'd from owner + () # of copies?

Keys: () Pool, () Storage shed, () Mailbox, () Other: _____

() # of garage door openers rec'd from owner

Touch up paint left by owner? Where? _____

A/C filters replaced by owner before vacating property? Yes / No _____