



EXCLUSIVE PROPERTY MANAGEMENT AGREEMENT

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This agreement dated _____ is between

Legacy Rental Management LLC (hereinafter called "Manager")

And _____.

Client Name (hereinafter called "Owner"); Authorized signers for Owner or Companies

(Paperwork attached)

Owner Information:

Address: _____

Phone Number: _____

Email Address: _____

In case of emergency and you cannot be reached, contact person will be: _____

Emergency Contact Phone Number: _____

Property Information:

Address: _____

Municipality: _____

School district: _____

Zoning: _____

Deed: _____

Pin #: _____

Additional Properties Attached

1. EXCLUSIVE AGENCY

Owner hereby employs manager exclusively to rent, maintain, operate, and manage the owner's property owned and/or associated by and/or with the above referenced properties. Starting date will be effective noted date on page 7 for a one year term , which will automatically renew on a month-to-month basis. This agreement shall thereafter be in accordance with Section 13 hereof, and either party may terminate this agreement, with or without cause, by giving written notice not less than thirty (30) days prior to the date such termination is to be effective.

2. RENTING OF AGENCY

Manager and Owner acknowledge that manager may from time-to-time hereafter act as manager for competing investment properties; and manager is to use best efforts to locate tenants and manage the property on a basis which is competitive with other properties she may hereafter manage in Pennsylvania. Manager accepts the obligations and provisions of this Agreement and agrees to be bound hereby.

3. AUTHORITY OF MANAGER

Owner hereby gives manager the following authority and powers and owner agrees to assume the expenses of managers in connection therewith (It being understood that except for the items provided for below, manager is to pay its own general and administrative costs and overhead) and manager agrees to assume and undertake the following responsibilities.

- a.) NEGOTIATION OF LEASES on Owners behalf, the Manager shall have sole responsibility: To use due diligence in the management of the property and performance of all duties and obligations of manager in a good faith manner to establish the terms and conditions for tenancies with tenants of the Property, including but not limited to approving applicants, establishing rents, deposits, fee, pet terms, and lease terms and conditions. Manager shall not be required to present all offers to lease.
- b.) Terminate leases for the Property, negotiate lease terminations, and serve notices of termination; Settle, compromise, or withdraw any eviction or collection action; Negotiate and make reasonable concessions to tenants or former tenants in the Property.
- c.) Institute and prosecute, at Owner's expense, actions to evict tenants in the Property, recover possession of the Property or hire collection agency to recover lost rent and other damages; Manager shall have authority on behalf of the Owner to terminate any lease or rental agreements covering the Property, to execute and serve such legal or other notices as Manager deems appropriate, to institute legal actions for the benefit of, and the expense of, Owner for the purpose of evicting tenants in default and to recover possession of the Premises, to recover unpaid rents and other sums due from any tenant to settle, compromise and release claims by or against any tenant, and to employ attorneys for payment of rent. Owner agrees that Manager is not responsible for the collection of delinquent accounts. Manager assumes no liability for monies that are uncollectible or for any damages or costs related to the tenancy and the property.
- d.) Owner agrees to accept the terms of our in-house collection agency's standard contract when executed for Owner by Manager. When acting in a collection capacity to collect funds due from ex-tenants, and Manager will retain 40% of all funds collected for this service in addition to the management fee.
- e.) SEPERATED FUND: All funds collected for the owner (less any sums properly deducted as otherwise provided herein) will be held in a trust account maintained by the Manager, separate from Manager's business of operating account, and to make payments to owner thereafter on a monthly basis.
- f.) Security deposits shall be held by Manager in a trust account on behalf of Owner and financial responsibility of such security deposits is that of Manager. The disposition of the security deposits of all tenants, whether the deposit is held by the Manager or the Owner, shall be the sole discretion of Manager. Any trust account Manager maintains under this agreement may be an interest-bearing and Manager may retain any interest.
- g.) RENT-UP: To promote and publicize the Property and to advertise the availability for rental of the Property or any part thereof, and to display signs thereon; to sign, renew and/or cancel leases for the Property or any part thereof; to prepare and send bills and to collect rents due or to become due and give receipts therefor; to serve in the name of the Manager such notices as are deemed necessary by Manager to institute and prosecute civil actions, to evict tenants and to recover possession of said Property; to evaluate existing leases as to desirability, termination and renewal; to terminate delinquent leases; to adjust rentals; from time to time make rules and regulations pertaining to tenants and to enforce the same and all other lease provisions; to advise Owner of tenant complaints and efforts to remedy the same; to file civil action and recover rents and other sums due; and, when expedient, to settle, compromise and release such actions or civil actions or reinstate such tenancies.
- h.) REPAIRS:

A. Manager will use approved licensed and insured vendors to repair, maintain, or alter the Property provided that Manager does not expend more than \$500 for any single repair, maintenance item, or alteration without Owner's consent, unless the repair is deemed necessary by Manager. If Manager does not hear from the Owner within 2 business days of proposed repairs, Manager will move forward with repair even if the expense is above \$500.

B. Hire contractors to make emergency or necessary repairs to the Property, without regard to the expense limitation above, that Manager determines are necessary to protect the Property or the health or safety of a tenant. Manager may contract for annual preventative maintenance at the expense of the Owner.

- If a property is occupied, Manager must use its own vendors. Owners may select their own vendors if a property is vacant and if the owners' orders, supervises, and pays for the work.

C. Contract, at Owner's expense, in Owner's name for all utilities and maintenance to the Property, and other regularly recurring expenses that Manager determines are reasonable to maintain and care for the property

D. Perform other services deemed necessary by Manager, related to the leasing and management of the Property.

- i.) COMPLIANCE WITH LAWS, REGULATIONS: The parties will comply with all obligations, duties, and responsibilities under all Pennsylvania and Federal laws, including fair housing laws, and any other statute, administrative rule, ordinance, or home owner's association covenant applicable to the property. Owner acknowledges that as a Pennsylvania property management company, Manager is subject to regulations by the Pennsylvania Real Estate Commission and must comply with Pennsylvania Real Estate Commission rules and regulations in the formation of this contract, and the performance of its duties under this Agreement.
- j.) SERVICE CONTRACTS: To make, at a competitive price, and to enforce contracts for electricity, gas, water, telephone, rubbish hauling, security, pest control, landscaping, and other services or such of them as Manager shall deem advisable and to be responsible for having such services rendered when needed and performed in an efficient and proper manner. Owner shall assume the obligations of any contract so entered into at the termination of this Agreement.
- k.) REAL ESTATE ASSESSMENTS: To determine the fairness of all real estate tax assessments and to make timely recommendations as to appropriate action and, with Owner's approval, to take such action (including any appeals) at Owner's cost, in a timely fashion; and to advise Owner of the dates all taxes are due, to cause timely payment to be made of such taxes out of Owners funds and to give Owner prompt notice of any need for additional funds.
- l.) RECORD KEEPING: Manager will maintain accurate records related to the Property and file Form 1099 with the Internal Revenue Service related to funds received on behalf of Owner.

4. Management services do not include:

Normal property management does not include monthly inspections, representation at court hearings, depositions, homeowner meetings, providing on-site management, property sales, preparing Property for sale, supervising and coordinating modernization, rehabilitation, fire or major damage restoration projects; obtaining income tax, accounting or legal advice; advising on proposed new construction, debt collection, counseling, legal proceedings, or insurance related paperwork and estimates. If Manager performs services not included in normal property management or specified above, Owner shall pay Manager a fee of \$75 per hour.

5. Owner's Representations:

- A. 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;
- B. The Property is not subject to a lis pendens or any legal action;
- C. Owner agrees to furnish Manager with funds, as requested by Manager, as needed to cover all fees, repairs, and maintenance.
- D. Owner and Manager are obligated under law to disclose to a tenant or to a prospective tenant any known condition that materially and adversely affects the health or safety of a tenant. Owner is obligated under the local code laws to repair any such condition for a tenant, Owner represents that Owner is not aware of a condition concerning the Property that materially affects the health or safety of a tenant.

6. Owner's Cooperation; Owner agrees to:

- A. Not hold Manager responsible for personal property left by the Owner on the Property. Owner will remove all personal property from the Property.
- B. Not contact, deal with, or negotiate with any prospective or current tenant in the Property concerning any matter related to the management or leasing of the Property, but refer all such dealing to Manager
- C. All bills connected with the property are responsibility of the owner, even if the bill is in Legacy Rental Management's name.

7. LIABILITY AND INDEMNIFICATION

Owner shall (1) indemnify manager and hold manager harmless from and against claims, losses, expenses, or liabilities by reason of any cause whatsoever either in and about the property or elsewhere resulting from manager carrying out the provisions of this agreement or acting under the direction of owner, unless such damages or injuries result from negligence or willful misconduct of manager or its employees or acts committed or omitted by manager or its employees or agents in violation of this agreement; (2) reimburse manager on demand for any monies which manager is required to pay out for any reason whatsoever, either in connections with or as an expense in defense of any claim, civil or criminal action, proceeding, charge or prosecution made, instituted or maintained against manager or owner, jointly or severally, resulting from manager carrying out the provisions of this agreement, or which affects or is due to the condition or use of the property; and (3) defend promptly and diligently, at owner's sole expense, any claim, action or proceeding brought against manager, or manager and owner jointly or severally, arising out of or in connection with any of the foregoing; and to hold harmless and fully indemnify manager from any judgment, loss or settlement on account thereof, except for any claim, action or proceeding resulting from the negligence or willful misconduct of manager or its employees or agents or acts committed or omitted by manager or its employees or agents in violation of this Agreement. It is expressly understood and agreed that the foregoing provisions of this section shall survive the termination of this agreement.

1. 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 Manager under Manager's authority under this agreement. Owner agrees to hold Manager harmless from all claims related to any such contracts.
2. Owner agrees to protect, defend, indemnify, and hold Manager 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 Manager, negligently or otherwise.(5) Owner represents that the Property complies with the legal requirements regarding carbon monoxide. Landlord agrees to indemnify and hold Manager harmless if the Property does not comply with the legal requirements referenced.
3. Manager is not responsible or liable in any manner for: (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 Property, or Owner, caused by a tenant's breach of a lease. (3) Any liabilities for bankruptcy or failure of the bank where escrow funds are deposited.
4. Manager 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 Manager's negligence, including but not limited to injuries or damages caused by:(1) Other Managers, their associates, inspectors, appraisers, and contractors who are authorized to access the Property;(2) Acts of third parties (for example, acts of God, vandalism, theft, or criminal acts);(3)Freezing or leaking water pipes including damage to sprinkler systems due to freezing temperatures.(4) A dangerous condition or environmental condition on the Property; or The Property's non-compliance with any law or ordinance.

8. INSURANCE

Owner shall include in each of its fire and extended coverage insurance policies covering the property a waiver of the insured's right of subrogation against manager or, if obtainable at reasonable cost, the inclusion of manager as additional insured, but not a party to whom any loss shall be payable, in any policy of general liability insurance in connection with the property. Owner shall furnish manager with a copy of any such policy within thirty (30) days of assumption by manager of its duties hereunder. It is further understood and agreed that thirty (30) days written notice be given manager in the event of cancellation or reduction in coverage of said policies. Owner assumes all responsibility for obtaining and maintaining all property, casualty, and liability insurance. Landlord agrees to maintain a landlord insurance policy on the property and will name manager as additional insured.

9. TAX PAYMENTS

Manager does not pay or responsible for property taxes, special assessments, mortgages or insurance from owner's funds.

10. MANAGER'S COMPENSATION

Owner hereby agrees to compensate manager as follows:

- (a) Manager's Base Compensation: 8% or \$75 whichever is greater. Per unit per month.
- (b) Management Leasing Fee's:

New Tenant Finder's Fee is one (1) month's rent.

Lease Renewal is (1/2) half one month's rent.

All new buildings being processed that are occupied by tenants, will be charged \$150 per leases written for one year.

If a Tenant that Legacy has placed in the building leaves within the first-year lease, we will place another tenant at no charge.

- (c) Property Condition Report: Upon completion of a property condition report, Owner will pay Manager a property condition report fee of \$75.
- (d) Standard Eviction Services: \$475 for filing and preparing for court hearing as well as being present at the eviction hearing. This does not include time to attend and/or prepare for any appeals or further court action past the initial landlord tenant action which will be billed at \$75.00 per hour.
- (e) Onetime initial Account Set up Service Fee includes Property information, maintenance, accounting and reporting set up; Resident e-check and banking setup; Owner and resident online portal setup; property survey, review of leases and meeting the tenants. \$150 per building, up to 4 units. \$175 per building for 5-8 units. \$200 per building for 9-12 units.
- (f) All fees including application/reservation fees, late fees, bad check charges, referral fees, commissions, co-op commissions, rebates, bonuses from real estate Managers, tenant referral companies, rental relocation companies, multiple listing companies, material suppliers, builders, developers, banks, contractors and vendors who assist in the marketing, showing, monitoring, leasing, managing and maintaining of the property including company where Manager maybe a member, owner, agent, Manager, stock holder or partner shall be property of the Manager.
- (g) Repairs and Maintenance Fee: Ten (10%) of the gross value of work completed.
- (h) Code/Agencies: Any meetings with code officials or agencies will be billed at an hourly rate of \$75.
- (i) Reassessment Appeal Fee \$450 to evaluate assessed value of property, submit paperwork for reassessment hearing and attending hearing.
- (j) There is a \$8 Convenience Fee per month for EFT, checks and administration.

11. OWNER FUNDS DISTRIBUTION & ACCOUNTING

- a. Funds collected will be disbursed electronically less deductions and charges, on or about the 25th day of each month, and a monthly statement of accounting will be available online.
- b. Manager may disburse from any funds Manager holds in a trust account for Owner: Any compensation or reimbursement due Manager or other vendors under this agreement.
- c. Annual income statements will be available to your account by January 31.
- d. File Form 1099 with the Internal Revenue Service related to funds received on behalf of Owner.
- e. **Owner must maintain \$500 in reserve account** with Manager for property maintenance, upkeep and repairs, including emergency and legal fees for eviction process. If owner has more than one unit then an additional \$100. per unit will be required. If the balance of the reserves become less than \$500 at any time, Manager may withhold disbursements to owner until the reserve is replenished. Manager is not obligated to advance any money to Owner or on Owner's behalf. In the event that the reserve balance is at any time insufficient to pay disbursements due, Owner will, immediately upon notice, remit to Manager sufficient funds to cover deficiency and replenish the reserve. If Manager does advance funds on Owner's behalf, then any funds not paid to Manager within 10 days of request, will bear interest at a rate of 4% per month.

12. NOTICES

All notices by either party to the other hereunder shall be served personally or by certified mail, postage prepaid, addressed to such party at the address first hereinabove stated or at such other place as such party may designate from time to time by written notices in accordance herewith. All notices shall be deemed received three (3) days after posting, if notice is given by mail and upon delivery if hand delivered.

13. Cancellation of Management

Legacy or the owner is required to terminate this Management Agreement with a 30-day notice by written notice from either party. The owners written notice must include your signature and be emailed as a scanned document to office@legacy-rentalmanagement.com. **If the management agreement is canceled within the 1st year, there is a \$500 Termination Fee.**

Legacy will supply current tenant(s) rental information to the owner. The owner is required to notify current tenants that Legacy will no longer manage your property(ies) and Legacy will forward all security deposits to the owner. It is the owner's responsibility to advise tenants where to make future rental payments and maintenance requests after the notice period. All Legacy leases will become void. It is also the owner's responsibility to sign and execute leases with current tenants, according to the terms of the lease that are sent to you in tenants rental information.

The owner is required to notify all utility companies that the bills should be mailed to the owner directly. All mailing addresses must be updated by the owner to the utility companies. Legacy is not responsible for any mail forwarding on the owners behalf and Legacy is not responsible for any bill pay. All keys will be mailed to owners address on file.

Legacy will prepare a simple one-page document where you, the owner, will assume future responsibility for all funds held in the security escrow. The document must be signed and returned to us before any monies can be sent to the owner. Legacy will distribute funds, including security deposits, and final statements to the owner within 60 days of the terminating date. Most or all the necessary documents will already be available to you in your owner portal on the Legacy website.

14. MANAGER'S AUTHORITY TO ACT

Manager represents to Owner that it has obtained or will obtain and will keep in full force and effect during the term hereof any licenses, permits or other governmental consents required of Manager in order that Manger may fully perform its duties and obligations hereunder.

15. BUSINESS RELATIONSHIP

Notwithstanding anything herein to the contrary, the relationship of Manager to Owner shall be that of independent contractor and in no event, shall the relationship between Owner and Manager be deemed to be that of employer-employee, joint venture or partnership.

16. DUAL AGENCY

Landlord agrees that Manager may also represent the tenant. A Manager is a Dual Agent when a Manager represents both a tenant and a landlord in the same transaction.

17. LIMITATIONS OF LIABILITY

This Agreement shall be binding upon the successors and assigns of Manager and Owner.

18. MANAGEMENT AGREEMENT NOTICES

All terms and conditions of this agreement are subject to change by the Manager. All notices must be in writing and are effective 30 days from the date they are sent to the receiving parties address or email address.

19. DISCLOSURES:

PENNSYLVANIA HUMAN RELATIONS ACT: (Act of October 27, 1955, as amended (43 P.S. 951 et seq.) This law prohibits discrimination because of race, color, sex, religion, ancestry or national origin in the selling, leasing or financing of residential housing. All housing offered for sale is subject to the provisions of the law. In the rental of housing, the provisions of the law apply to all residences except (1) single or two-unit buildings in which one of the units is occupied by the owner or lessee, and (2) rooms in a landlord-occupied rooming house with common entrance. The only general category of housing which is exempt from the provisions of the law is housing owned by religious, charitable, educational, private and fraternal organizations and used to promote the religious principles or the aims, purposes or fraternal principles for which such organizations were established. An amendment to the Real Estate Manager's License Act of May 1, 1929, act of Oct 1 1, 1967, makes it unlawful for a real estate Manager or salesman to accept a listing with an understanding that illegal discrimination in the sale or rental of housing is to be practiced. The rules and regulations of the Pennsylvania Human Relations Commission (16 Pa. Code 43.21) require that all licensed Managers or salesmen with whom you list your property for sale or rent shall give you a copy of this notice. The purpose of this notice is to help you comply with the fair housing provisions of the Pennsylvania Law. The municipality in which the Property is located may have enacted an ordinance or other law that extends the protections for access to housing to additional classes of individuals, such as gay, lesbian, bisexual and transgender individuals and couples. Manager and Owner are advised to check with your local municipality, representative from Pennsylvania Human Relations Commission, or your own attorney for further guidance.

RECOVERY FUND: Pennsylvania has a Real Estate Recovery Fund (the Fund) to repay any person who has received a final court ruling (civil judgment) against a Pennsylvania real estate licensee because of fraud, misrepresentations, or deceit in a real estate transaction. The Fund repays persons who have not been able to collect the judgment after trying all lawful ways to do so. For complete details about the Fund, call 717-783-3658 or 800-822-2113 (within Pennsylvania) and 717-783-4854 (outside Pennsylvania).

GOVERNING LAW, VENUE, AND PERSONAL JURISDICTION: (A) The validity and construction of this agreement, and the rights and duties of all parties, will be governed in accordance with the laws of the Commonwealth of Pennsylvania. (B) The parties agree that any dispute, controversy or claim arising under or in connection with this Agreement or its performance by either party submitted to a court shall be filed exclusively by and in the state or federal courts sitting in the Commonwealth of Pennsylvania.

LEAD PAINT: The Residential Lead-Based Paint Hazard Reduction Act says that any Landlord of property built before 1978 must give the Tenant an EPA pamphlet titled Protect Your Family from Lead in your Home. The Landlord also must tell the Tenant and

the Manager what the Landlord knows about lead-based paint and lead-based paint hazards that are in or on the property being rented. Landlord must tell the Tenant how the Landlord knows that lead-based paint and lead-based paint hazards are on the property, where the lead-based paint and lead-based paint hazards are, the condition of the painted surfaces, and any other information Landlord knows about lead-based paint and lead-based paint hazards on the property. Any Landlord of a pre- 1978 structure must also give the tenant any records and reports that the Landlord has or can get about lead-based paint or lead-based paint hazards in or around the property being rented, the common areas, or other dwellings in multi-family housing. The Act does not require the Landlord to inspect for lead paint hazards or to correct lead paint hazards on the property.

The Act does not apply to housing built in 1978 or later.

RESIDENTIAL LEAD BASED PAINT HAZARDS DISCLOSURE FORM attached for each property.

NOTICE TO PARTIES: WHEN SIGNED, THIS AGREEMENT IS A BINDING CONTRACT. Parties of this transaction are advised to consult a Pennsylvania real estate Attorney before signing if they desire legal advice.

IN WITNESS, WHEREOF, the parties hereto have affixed or caused to be affixed them

Respective signatures as of the _____ day of _____, 20____

Owner Signature: _____

Printed Name: _____

Company: _____

Title: _____

Manager Signature: _____

Printed Name: _____

Legacy Rental Management
Property Manager

Effective date of this agreement begins: _____