

B. Negotiate and execute leases on Owner's behalf for the Property at market rates and on competitively reasonable terms. Broker shall, at Brokers discretion, establish, maintain and

terminate tenancies with tenants of the Property. The Broker shall have sole responsibility for establishing the terms and conditions for tenancies of the Property; including but not limited to approving applicants; establishing rents, deposits, fees, pet terms, and lease terms and conditions. Broker shall not be required to present all applications or offers to lease.

C. Terminate leases for the Property; negotiate lease terminations; 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.

D. Security deposits shall be held by Broker in a trust account on behalf of the Owner and financial responsibility of such security deposits is that of Broker. Security Deposits shall not be used or applied to rent. The disposition of the security deposits of all tenants, whether the deposit is held by the Broker or the Owner, shall be the sole discretion of Broker. Any trust account Broker maintains under this agreement may, but is not required to be an interest-bearing Trust Account.

E. Actions to evict tenants, recover possession of the Property or hire a collection agency to recover lost rent and other damages are over-and-above the scope of this agreement and will be billed separately at Owner's expense, as further addressed in Paragraph 10. Broker shall have authority on behalf of the Owner to terminate any lease or rental agreements covering the Property; to execute and serve such legal and other notices as Broker deems appropriate; to institute legal actions on behalf of and at 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 any claims by or against any tenant; and, to employ attorneys, as necessary, to recover unpaid rent. Owner agrees that Broker is not responsible for the collection of delinquent accounts. Broker assumes no liability for monies that are uncollectible or for any damages or costs related to the tenancy and the Property.

F. Owner agrees to accept the terms of the collection agency's standard contract when executed for Owner by Broker. Should Broker act in a collection capacity to collect funds due from ex-tenants, Broker will, at Brokers expense, pay all legal fees associated with the collection of such account and Broker will retain 40% of all funds collected for this service in addition to the management fee as listed in Section 10.

G. Hire licensed and insured contractors to repair, maintain, or alter the Property, provided that Broker 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 Broker.

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

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

J. Perform other services deemed necessary by Broker related to the leasing and management of the Property.

K. Administrative Fees: If Broker collects administrative charges from tenants or prospective tenants, including but not limited to: application fees, posting fees, returned check fees, reletting fees, late charges, or other customary fees, Broker will retain such fees as compensation under this agreement. Broker need not account to the Owner for such fees and these administrative fees are earned and payable at the time Broker collects such fees.

6.2 Record Keeping:

A. Broker will maintain accurate records related to the Property and file all appropriate forms and paperwork.

B. Broker will remit, on or about the 6th business day of each month, the following items to Owner: funds transferred electronically, collected by Broker for Owner under this agreement less deductions and charges, directly to Owner's bank account; and a statement of disbursements, delivered electronically. This transfer may take up to 5-10 business days to reach and clear the Owners personal bank account.

6.3 Deductions and Offset: Broker may disburse from any funds Broker holds in a trust account for the Owner. Any compensation or reimbursement due Broker or other vendors under this agreement.

7. Owner's Representations:

A. The property 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 to furnish Broker with funds, as requested by Broker, as needed to cover all fees, repairs, and maintenance.

D. Owner and Broker 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 local and federal law to repair any such condition for a tenant. Owner represents that Owner is not aware of any condition concerning the Property that materially affects the health or safety of a tenant.

8. Owner's Cooperation; Owner agrees to:

A. Not hold Broker 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 Broker;

C. 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;

D. Retain only insured and licensed contractors, sub-contractors and/or vendors to perform repair or maintenance services on the Property;

E. Not list the property for sale except during the last 30 days of any lease agreement and with prior written notice to Broker;

F. Abide by all federal, state and local fair housing laws;

G. Broker will not advertise the Property for rent until any necessary repairs are completed.

H. If the Owner does NOT want Broker to perform a lease renewal, the Owner must notify Broker in writing a minimum of 60 day prior to the lease expiration date.

9. Insurance: At all times during this agreement, Owner must maintain in effect and deliver copies to Broker:

A. A public liability insurance policy (Landlords Policy) that names Broker as a co-insured or additional insured and covers losses related to the Property in an amount of not less than \$500,000 per occurrence.

B. 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.

10. Broker Fees:

This Paragraph 10 survives termination or expiration of this agreement with regard to fees earned during this agreement but not due and payable until after its termination. Broker may deduct such fees from any funds Broker holds in trust for the Owner.

A. Management Fees: Each month the Owner will pay Broker **12%** of the gross monthly income collected that month. Gross income shall include all rents and other income including tenant rent credits, move-in specials, forfeited security deposits, funds collected by collection agency, coin-ops, and other miscellaneous income.

B. Leasing Fees for New Tenancies: Each time the Property is leased to a new tenant, the Owner will pay Broker a leasing fee equal to **75%** of one full month's rent, due and payable at the time the lease is executed. **(\$600 minimum)**

C. Lease Renewal: Each time a tenant in the Property renews or extends a lease, the Owner will pay Broker a renewal fee of **\$150**, due and payable at the time the lease is executed.

D. Additional Property Inspection: Upon completion of an additional property inspection, Owner will pay Broker a Property Inspection fee of **\$50**.

E. Vendor Repair Coordination: Any vendor invoice may be billed to the Owner at a rate of cost plus **10%** of the invoice, or at the current market rate, as determined by Broker.

F. Evictions and Post-Tenancy Actions: Owner to pay Broker a fee of \$275 to evict any tenant that was not interviewed and placed in the Property by Broker; there is no fee if Broker placed the tenant. In either case, the Owner is responsible for all costs associated with evictions or other post-tenancy actions, such as filing fees, service of process fees, etc.

11. Management services do not include:

Unless separately agreed to in writing, management services provided under this agreement do not include monthly inspections; representation at court hearings; depositions; attendance at homeowner meetings; providing on-site management more explanation; property sales; preparing Property for sale; supervising and coordinating modernization or updating; 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.

12. Liability and Indemnification:

A. 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 indemnify and hold Broker harmless from all claims related to any such contracts.

B. Owner agrees to protect, defend, indemnify, and hold Broker harmless from any damage, costs, attorney's fees, and expenses that:

- (1) Are caused by Owner, negligently or otherwise.
- (2) Arise from the 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 Broker, negligently or otherwise.

C. Owner represents that the Property complies with the legal requirements regarding carbon monoxide.

Landlord agrees to indemnify and hold Broker harmless if the Property does not comply with the legal requirements referenced.

D. Broker 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;
- (2) Damages to Property, or incurred by Owner, caused by a tenant's breach of a lease; or
- (3) Any liabilities for bankruptcy or failure of the bank where escrow funds are deposited.

E. 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 gross negligence or intentional wrongdoing, 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 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; and
- (5) Acts of God and force majeure.

13. Attorney's Fees: If Owner or Broker is a prevailing party in any legal proceeding brought as a result of a dispute under this agreement or any transaction related to or contemplated by this agreement, such party will be entitled to recover from the non-prevailing party all costs of such proceeding and attorney's fees not to exceed \$1,000.

14. Agreement of Parties:

A. Entire Agreement: This document contains the entire agreement of the parties.

B. Assignments: Broker may assign its rights and delegate its duties under this agreement without Owner's consent, provided that the assignee agrees to assume and perform each and every covenant and term of this agreement applicable to Broker. Broker will not retain any residual or secondary liability or responsibility.

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 extension, its renewal, or its termination is binding on all Owners executing this agreement.

E. Governing Law: Wisconsin and federal law governs the interpretation, validity, performance, and enforcement of this agreement.

F. Severability: If a court finds any clause in this agreement invalid or unenforceable, the remainder of this agreement will not be affected, and all other provisions of this agreement will remain valid and enforceable.

G. Notices: Notices between the parties must be in writing and are effective when sent to the receiving party by Email, personal delivery, Commercial delivery or U.S. Mail. All terms and conditions of this agreement are subject to change by Broker, with a 30-day notice to the Owner. If the Owner objects to such changes, the Owner may notify Broker of such objection and this agreement shall be null and void at the end of said 30-day period.

H. Sale of Property: If the Owner elects to sell the property and a tenant procured by Broker purchases the property from the Owner during the term of this agreement, or within 12 months after its termination, Broker will be paid a sales commission equal to (5%) of the sales price at the time of closing.

I. Fair Housing: Federal and state fair housing laws require the Property to be shown and made available to all persons without regard to race, color, religion, national origin, sex (gender), familial status, handicap or disability, age, ancestry, marital status, sexual orientation, lawful source of income, and a person's status as a victim of domestic violence or abuse. Local fair housing ordinances may include additional protected classes. Owner understands that Broker is committed to providing housing availability to all qualified persons regardless of protected class status and agrees that Broker will comply with all fair housing legal requirements at all times. Owner shall not directly or indirectly cause the Broker to violate any fair housing legal requirements. Owner shall not issue any directive to Broker, take any action or exercise any

discretion if the result would cause Broker to be liable for violation of any fair housing legal requirements. Owner agrees to not limit Broker's ability to comply with all fair housing legal requirements.

J. Smoke and CO Detectors: Wisconsin law requires smoke and carbon monoxide detectors to be installed in rental property. These devices will be checked, and fresh batteries installed, or devices replaced, at Owner's expense, each time a new tenant occupies the Property.

K. Locks: Locks will be rekeyed at Owner's expense each time a new tenant occupies the Property.

L. Normal Wear and Tear: The Owner understands that some "normal wear and tear" expenses will occur and that these costs cannot be charged to a Tenant and realizes the Owner will incur these expenses. Upon renting, the law recognizes the property as a business and requires Owner to expect some expenses for cleaning and maintenance as "normal wear and tear" while operating a rental property.

M. Service Animals: Owner understands that state and federal law govern "service animals" and "emotional support animals", and those animals are NOT legally considered pets, and therefore pet policies do not apply.

N. Termination: If this Agreement terminates before, at the same time, or within 60 days after an expiring tenant lease agreement, the Owner shall be responsible for completing the security deposit disposition to the tenant. All funds shall be distributed to the Owner within 60 days of the termination date.

O. Legal Advice: Broker cannot give legal advice. READ THIS AGREEMENT CAREFULLY. If you do not understand the effect of this agreement, consult an attorney BEFORE signing.

P. In the case of a pending foreclosure, Broker may freeze all Owner related funds and withhold disbursements.

Signatures

Owner 1 Name - print _____ Owner 1 Name - sign Date _____

Owner 2 Name - print _____ Owner 2 Name - sign Date _____

Sign : Date: _____

Coldwell Banker Real Estate Group Property Management