

PROPERTY MANAGEMENT AGREEMENT

1. THE PARTIES. This Property Management Agreement (“Agreement”) made this _____ (“Start Date”), by and between:

Owner: _____, (“Owner”), AND
Property Manager: Integrity 1st Properties, LLC, (“Manager”). The Owner and Manager shall be referred to as the “Parties” and agree to the following:

2. APPOINTMENT OF AGENT. The Owner hereby appoints and grants the Manager the exclusive right to rent, lease, operate, and manage the following residential property(ies) described as the following, (“Property”):

Property #1 Address: _____
Unit #(s)(IF applicable): _____

Property #2 Address: _____
Unit #(s)(IF applicable): _____

Property #3 Address: _____
Unit #(s)(IF applicable): _____

Property #4 Address: _____
Unit #(s)(IF applicable): _____

Property #5 Address: _____
Unit #(s)(IF applicable): _____

Property #6 Address: _____
Unit #(s)(IF applicable): _____

Property #7 Address: _____
Unit #(s)(IF applicable): _____

Property #8 Address: _____
Unit #(s)(IF applicable): _____

Property #9 Address: _____
Unit #(s)(IF applicable): _____

Property #10 Address: _____
Unit #(s)(IF applicable): _____

3. TERM. This Agreement shall be for a term of 12 months beginning _____, and ending _____ (“Term”). After the Term expires, this Agreement will renew on a 12 month basis.

4. RIGHT TO TERMINATE. During the Term of this Agreement, either Party may terminate this Agreement by providing at least 60 days’ written notice.

5. DESCRIPTION OF PROPERTY. “Property”, as used throughout this Agreement shall be limited to the Property or Properties described within Section 2 of this Agreement. Property with more than one Unit, (“Unit”), are defined as Properties with multiple Units. The Agreement may be amended or modified to add or reduce the number of properties at any time, provided Owner and Manager agree to the changes in writing.

6. MANAGER RESPONSIBILITIES. To assist Owner with the ongoing management of the Property, Manager shall perform the following:

A. Collection and Disbursement: Manager shall collect all rent due and owing and provide to Owner all Owner Income. Manager shall remit to Owner all income, less any properly deducted fees/charges, by U.S. Mail, wire, automatic payment, or other arrangement as established by Manager and Owner. Before payment is remitted to Owner, Manager reserves the right to hold rent checks from Tenant with previous NSF or other payment issues until check has officially cleared Managers bank. Should payment made by Tenant be refused or returned for any reason, Owner shall refund to Manager any such payment made to Owner within 5 days from written or verbal request.

B. Late Payments from Tenants: Any lease with Tenant shall include a late rent fee in the event Tenant rent is not received, in accordance with the terms of the lease agreement in place.

C. Lease Negotiations: Manager, with collaboration of Owner, will set rents that in the opinion of the manager at the time of the rent negotiations with the Tenant reflect the market conditions of that time and approximate rents of comparable rental properties. However, if Manager cannot get ahold of Owner in a timely manner, Manager will set initial rent and subsequent increases which are deemed acceptable to Manager. Lease Agreements signed through Manager include an automatic 3% rent renewal increase at lease end, if Owner does not confirm an indicated renewal amount within 5 business days of Manager contacting Owner about renewal rate.

Owner designates Manager as its agent to negotiate and sign any and all lease agreements or related addenda on its behalf, unless expressly instructed otherwise in a written statement from Owner to Manager. Barring such instruction, Manager will employ best efforts to pursue lease terms and agreements consistent with the broad terms Owner and Manager have discussed for the property. Manager is not, nor shall it be expected to be legal counsel or a legal advisor to Owner. Owner is advised to seek its own legal counsel for legal issues or legal questions related to the Property.

D. Property Inspections: Manager shall complete move in and move out inspections. Manager shall complete one (1) periodic inspection per calendar year per Property at lease renewal. This is to ensure the property is being maintained and upheld to satisfaction.

E. City Requested Inspections: Manager is not responsible or liable for any fees or costs associated with the maintenance, repair or replacement of Property to meet any inspection items noted by the city or municipality. Manager is not responsible for any fines, fees or costs assessed by any city or municipality associated with an inspection or re-inspection of the Property, unless said fines, fees or costs are the result of the negligence of Manager, which shall not be presumed, but shall be determined by a court of law or Property tribunal.

F. Management Fees and Expenses: As compensation for the services rendered by Manager under this agreement, Owner shall pay Manager as follows:

I. Manager shall be paid a percent of the gross rent per month and late fees for managing the Property based on the following unit count under management with the Manager:

- a.** 1 Unit Managed: 10% Management Fee, \$99 minimum per unit
- b.** 2-4 Units Managed: 9% Management Fee, \$89 minimum per unit
- c.** 5+ Units Managed: 8% Management Fee, \$79 minimum per unit

II. For leasing vacant residential units: a leasing fee of fifty percent (50%) of one (1) month's rent with a minimum of five hundred dollars (\$500) will be charged.

III. To renew a current lease or execute new Integrity 1st Properties Lease for renewal of a tenant, Manager will charge a two hundred ninety five dollar (\$295) lease renewal fee. This will apply to any renewal that is signed for six (6) months or longer in duration and due at the time of execution of renewal. The lease renewal fee includes one (1) annual property condition report at the time of renewal.

IIII. A Maintenance Coordination Fee of ten percent (10%) of each vendor's bill for work completed at the Property with a minimum of fifty dollars (\$50) will be charged. Owner is able to use their own vendor(s) for service requests. A fifty dollar (\$50) fee will be charged to the Owner for each scheduled vendor the Owner uses to complete the work.

G. Negotiation and Vendor/Contractor: Manager is authorized to retain the services of companies, independent contractors, and Manager's own maintenance employees and to order service contracts required for the operation and maintenance of the Property. Owner shall be responsible for the payment of the services rendered.

H. Normal Property management does not include services for Property sales, refinancing, preparing Property for sale or refinancing, modernization, fire, or major damage restoration, rehabilitation, obtaining income tax, accounting, or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, attending Owners Association meetings, or insurance claims.

I. Security Deposits: Manager is to hold tenant's security deposits in an FDIC insured bank. At the end of the tenants lease, the owner is responsible for any interest due on the security deposit.

If Owner wishes to hold the security deposit, Integrity 1st Properties will require a \$500 retainer. If the owner does not pay the \$500 retainer upfront, the \$500 retainer will be taken from the rent proceeds. This is ONLY if the owner requests to hold the security deposit and ONLY if the property is transferred to Manager with a current lease.

7. DISBURSEMENTS OF RENT AND OWNER FUNDS.

A. Net Proceeds: To the extent that funds are available Manager shall remit the balances due to owner monthly, on the 10th and 20th of the month, or following business day if the dates fall on a weekend or holiday.

B. Direct Deposit: Owners who wish to avoid a paper check may choose to sign up for Direct Deposit. This program is the electronic transfer of rental income via ACH. This service is at no additional charge.

C. Manager is not required to advance funds: If the balance of funds held on behalf of Owner for disbursement is at any time insufficient to pay disbursements due and payable, Owner shall, not later than 10 days after written notice, remit to Manager sufficient funds to cover the deficiency.

8. FINANCIAL REPORTS.

A. Owner's Reporting to Internal Revenue Service (IRS): Owner is required to file all required IRS forms and meet all IRS requirements. Owner agrees to furnish Manager with a proper TIN (Taxpayer Identification Number) via an IRS W9 form, or other applicable IRS approved documents.

B. Reports: Manager shall furnish Owner with a statement of cash receipts and disbursements from the operation of the Property, on a monthly basis. In addition, manager shall, on a mutually acceptable schedule, prepare and submit to Owner such other reports as are agreed on in writing by both parties. Manager shall submit as required by the IRS at the conclusion of each calendar year a Form 1099 indicating the total income received from the Property.

9. LEASING.

A. Manager's Authority: Manager is authorized to negotiate, prepare and sign all leases, including all renewals and extensions of leases and to cancel and modify existing leases of Owners. To the extent Owner wishes to take this responsibility or wants final approval of such terms, Owner must identify this to Manager, in writing. Leases are to be written on Manager's standard lease form.

B. Enforcement of the Leases: Manager is authorized to institute, in Owner's name, all legal actions or proceedings for the enforcement of any lease term, for the collection of rent or other income from the Property, or for the eviction or dispossession of the tenants or other persons from the Property. Manager is authorized to sign and serve such notices, as Manager deems necessary for lease enforcement, including the collection of rent and other income. If Manager deems it necessary, Manager may retain an attorney of Manager's choice (unless Owner supplies Manager with the name of Manager's attorney). Owner shall pay all attorney fees and court cost.

10. MAINTENANCE AND REPAIR.

A. Ordinary Maintenance and Repair: Manager is authorized to make or cause to be made, through contracted services, employees or otherwise, all ordinary repairs and replacements reasonably necessary to preserve the Property in a habitable condition and for the operating efficiency of the Property, and all alterations required to comply with lease requirements, governmental regulations or insurance requirements. All expenses over \$250, or the threshold set forth on the 'New Property Summary' page attached, associated with regular and ongoing Property maintenance shall require permission from Owner which may occur by written or verbal permission, including, phone, fax or email. Manager reserves the right to inspect Property randomly at the discretion of manager. Owners with Home Warranty or Service plans shall provide account information to manager and must list manager as an additional member on the account. Tenants shall be responsible for maintaining Property as addressed in their lease. Fines assessed by the city, municipality or state for violations such as snow removal, lawn/tree/landscaping/issues, trash, or the like shall be paid first by Tenant (if consistent with terms of the lease).

B. Emergency Maintenance and Repair: The Manager agrees to notify the Owner(s) of all expenditures in excess of \$250, or the threshold set forth, for any one item, except for the following:

- i. Previously approved, monthly or recurring operating charges.
- ii. Emergency repairs that are immediately necessary for the preservation and safety of the property, to avoid the suspension of any essential service to the property, to avoid danger or life of property, or to comply with federal, state, or local law.
- iii. Necessary expenses if the owner is not reasonably available for consultation. Manager is authorized to immediately make any repairs to chipping or peeling paint, consistent with the local or state health department.

C. Property Move in Condition: Both tenant and owner agree that the property will be delivered in "As Is" condition with the expectation that the following items will be addressed: professional cleaning, steam cleaned carpets where necessary, touch-up paint, working appliances and HVAC system, anything that poses a health or safety risk to tenants as well as all compliance items needed for city, state and federal housing regulations. Any additional items must be negotiated in writing prior to entering into a lease agreement.

D. Smoke and CO Detectors: At Owner's expense, smoke detectors and carbon monoxide detectors will be installed on the Property in accordance with the law, prior to the tenant's occupancy. During the occupancy, it shall be the tenant's responsibility to maintain all smoke detectors and carbon monoxide detectors.

11. INSURANCE.

A. Owners Insurance: Owner shall obtain and maintain adequate insurance against liability for loss, damage or injury to Property or persons which might arise out of the occupancy, management, use, operation, or maintenance of the Property. Owner shall name Integrity 1st Properties, LLC as additionally insured. **Tenants Insurance:** All tenants procured by Manager are mandated to obtain renters insurance and that Owner's insurance does not cover tenants personal items or affects. Tenant(s) will provide insurance carrier and policy to Manager before move-in and upon renewal of any lease.

12. MANAGER ASSUMES NO LIABILITY.

A. Manager assumes no liability for any damages, losses, or acts of omission by the tenant. Manager assumes no liability for any acts or omissions of Owner, previous Owners or previous brokers. Manager assumes no liability for default by any Tenant. Manager assumes no liability for violations of environmental or other regulations which may become known during the term of this agreement. Any such regulatory violations or hazards discovered by Manager shall be brought to the attention of Owner, and Owner shall promptly cure them. Manager shall not be liable in the event of bankruptcy or failure of the depository bank where Owner's funds are deposited.

13. INDEMNIFICATION AND OWNER'S RIGHT TO DEFEND.

A. Generally: Owner shall indemnify, defend, and hold Manager harmless from all loss, investigation, suits, damage, cost, expense (including attorneys' fees) liability or claims for personal injury or property damage, including vandalism, incurred or occurring in, on or about the Property.

B. Indemnification survives termination: All representations and warranties of the parties contained herein, including any provisions of this agreement that require owner to have insured or to defend, reimburse or indemnify Manager shall survive the termination of this agreement. If Manager becomes involved in any proceeding or litigation by reason of having been Owner's Manager, such provisions shall apply as if this agreement were still in effect.

C. Litigation and Compliance Expenses: Owner shall pay all fines, penalties, or other expenses in connection with any claim proceeding, or suit involving an alleged violation of any law pertaining to fair employment, fair credit reporting, environmental protection, rent control taxes or fair housing, including illegal discrimination on the basis of race, sex, color, religion, national origin, physical handicap, familial status, public assistance, age or all other classes protected by state, or federal law: provided, however, that owner shall not be responsible to Manager for any such expenses if Manager is found in a court of law or tribunal of property authority to have personally, and not in a representative capacity, violated any such law. Should Owner sue Manager, Owner shall pay the full costs of Manager's attorney's fees and costs expended in defending itself, in the event Manager prevails in such suit. Nothing contained in this Agreement shall obligate Manager to employ legal counsel to represent Owner in any such proceeding or suit.

14. OWNER REPRESENTATIONS. Owner represents and warrants that Owner has full power and authority to enter into this Agreement; that there are no written or oral agreements affecting the Property other than disclosed tenant leases, copies of which have been furnished to Manager; that there are no recorded easements, restrictions, reservations or rights of way which adversely affect the use of the Property for the purposes intended under this Agreement; that the Property is zoned for the intended use; that all permits for the operation of the Property have been secured and are current; that any underlying mortgages or related liens permit rental of the Property or Property steps have been taken to ensure the Property being used in a manner consistent with how it has been represented to third parties, that the building and its construction and operation do not violate any applicable statutes, laws, ordinances, rules, regulations, orders or the like; that the information supplied by Owner is dependable and accurate; and that any loans, notes, mortgages, dues or trust deeds are fully paid or are current without defaults.

15. KEY-SAFE / LOCKBOX. The Owner authorizes the use of a key-safe / lockbox to allow entry into the Property.

16. LEAD-BASED PAINT. The Owner shall be responsible for providing information about the Property in regard to lead-based paint. It is understood that in accordance with 42 U.S. Code § 4852d that all occupants of residential property must be made aware of the existence of lead-based paint in residential dwellings built prior to January 1, 1978.

17. TENANT FEES. Owner agrees that the Manager may receive and keep fees and charges from tenants for:

- A. Requesting an assignment of lease or sublease of the Property;
- B. Processing rental applications for credit and background checks;
- C. Returned (NSF) checks;
- D. Late payments;
- E. Resident Benefit Packages; and
- E. Any other services that are not in conflict with this Agreement.

18. TAX WITHHOLDING. The Owner shall be responsible for all tax withholding and payments of revenues and incomes to local, State, and Federal authorities.

19. ACCORDANCE WITH FEDERAL AND STATE LAW. All services provided by the Manager shall comply with federal, State, or local law requiring the delivery of agreements, reports, notices, and/or the posting of signage or notices.

20. EVICTIONS. The Owner hereby gives power to the Manager to sign and serve notices on the Owner's behalf and prosecute actions to evict tenants; recover possession of the Property; recover rents and other sums due; and, when expedient, settle, compromise and release claims, actions, and suits and/or reinstate tenancies.

21. LEASE ALTERATIONS. The Owner hereby gives power to the Manager to initiate, sign, renew, modify, or cancel rental agreements and leases for the Property, or any part thereof and collect and give receipts for rents, other fees, charges, and security deposits.

22. DUE DILIGENCE. The Manager accepts the appointment of the Owner and agrees to use due diligence in the performance of this Agreement while furnishing their services to properly lease, maintain, and continue the operation and management of the Property.

23. ARBITRATION. All disputes arising under this agreement shall be governed by and interpreted in accordance with the Governing Law in Section 25, without regard to principles of conflict of laws. The Parties to this agreement will submit all disputes arising under this agreement to arbitration before a single arbitrator of the American Arbitration Association ("AAA"). The arbitrator shall be selected by application of the rules of the AAA, or by mutual agreement of the Parties, except that such arbitrator shall be an attorney admitted to practice under the State of Governing Law. No Party to this agreement will challenge the jurisdiction or venue provisions as provided in this section. Nothing contained herein shall prevent the Party from obtaining an injunction.

The following matters shall be excluded from arbitration hereunder:

- A.** A judicial or non-judicial foreclosure or other action proceeding to enforce a deed of trust or mortgage;
- B.** An unlawful detainer action;
- C.** The filing or enforcement of a mechanic's lien; and
- D.** Any matter that is within the jurisdiction of a court of probate, small claims, and/or bankruptcy.

The filing of a court action to enable the recording of a notice of pending action for an order of attachment, receivership, injunction, or other provisional remedies shall not constitute a waiver of this Section.

24. ATTORNEY FEES. In any action, proceeding, or arbitration between the Owner and the Manager regarding the obligation to pay compensation under this Agreement, the prevailing Owner or Manager shall be entitled to reasonable attorneys' fees and costs from the non-prevailing Owner or Manager, except as provided in Section 23.

25. GOVERNING LAW. This Agreement shall be governed under the laws in which the Property is located in the State of Missouri or State of Kansas ("Governing Law").

27. ADDITIONAL TERMS AND CONDITIONS.

26. ENTIRE AGREEMENT. This Agreement contains all the terms agreed to by the Parties relating to its subject matter including any attachments or addendums. This Agreement replaces all previous discussions, understandings, and oral agreements. The Owner and Manager agree to the terms and conditions and shall be bound until the end of the Term. IN WITNESS WHEREOF, the Parties have indicated their acceptance of the terms of this Agreement by their signatures below on the dates indicated.

Legal Owner (1) Name: _____

Mailing Address: _____

City, State, Zip Code: _____

Owner (1) Phone Number: _____

Date: _____

Owner (1) Email: _____

Owner (1) Signature: _____

Owner (1) SSN: _____

Owner (1) Name: _____

Legal Owner (2) Name: _____

Mailing Address: _____

City, State, Zip Code: _____

Owner (2) Phone Number: _____

Date: _____

Owner (2) Email: _____

Owner (2) Signature: _____

Owner (2) SSN: _____

Owner (2) Name: _____

Banking Information (REQUIRED):

Account #: _____

Routing #: _____

Distribution Through An Entity (OPTIONAL):

Business Name: _____

Business EIN: _____

**INTEGRITY 1ST PROPERTIES, LLC
8881 N Helena Ave
Kansas City, Missouri 64154**

Date: _____

Manager Signature: _____

Manager Name: _____