

## PROPERTY MANAGEMENT AGREEMENT

This Property Management Agreement (the “Agreement”) is entered into (the “Effective Date”), by and between (Names), also individually referred to as “Party”, and collectively “the Parties.”

This Agreement shall commence upon the Effective Date, as stated above, and will continue until (date).

### 1. PURPOSE.

The Owners own the property located at (address)

The Manager is in the business of managing properties of this type. The Owner desires to engage the Manager to manage (Address and unit #'s)

### 2. MANAGER’S RESPONSIBILITIES.

#### Tenant Placement

The Manager agrees to perform the following duties and responsibilities with regards to the Property: Advertising of Property. The Manager shall advertise the Property for rent, engage and screen potential renters, and enter into a rental agreement(s) with acceptable renter(s). The manager shall have exclusivity for the rental leasing and tenant placement process for all long-term rentals.

The premium leasing package at \$1000 per unit is provided to all property management clients. Please see the leasing package for package details.

#### Maintenance.

At the expense of the Property Owner, the Property Manager shall replace filters every three months. The Property Manager agrees to conduct an inspection of each unit every six months, keep the property clean and in good repair, and order, and supervise the completion of repairs as may be required, provided that the Property Owner makes available to the Property Manager sufficient sums to pay the costs thereof.

The Property Manager, on behalf of the Property Owner, may enter into or renew any contract for cleaning, maintaining, repairing, or servicing the property including but not limited to contracts for utilities, security or other protection, extermination, landscaping, architectural or engineering services) without the further consent of the Property Owner. Each service contract shall (a) be in the name of the Property Owner or the Property Manager as an agent of the Property Owner.

At the expense of the Property Owner, the Property Manager shall purchase, provide, and pay for any needed janitorial and maintenance supplies, tools and equipment, restroom and toilet supplies, light bulbs, paints, and similar supplies necessary to operate and maintain the Project. Any interest in such supplies and equipment shall be the property of the Property Owner. All such supplies, tools, and equipment shall be used only in connection with the management, operation, and maintenance of the Project.

The Property Manager shall use reasonable efforts to purchase all goods, supplies, or services at the lowest cost reasonably available from reputable sources.

#### **Collection & Disbursement of Rent.**

The Manager shall be responsible for all collections of Rent earned on the Property. The Manager shall then be responsible for the disbursement of those proceeds to the Owner. The Owner shall provide the Manager with directions as to how proceeds shall be disbursed. The Manager shall further prepare and provide the Owner with a detailed accounting of all rents, expenses, and disbursements. Maintenance & Repair. The Manager shall be responsible for hiring necessary personnel to perform, all necessary maintenance and repairs to the Property. The Owner shall provide an amount agreed upon or have payments subtracted from rent disbursement prior to payout to use for said maintenance requirements. The Manager shall provide the Owner invoices of the actual costs. Also to be subtracted are any amounts owing for invoices for sub-contractors due if applicable.

Disbursement of payments to the landlord will be sent by the manager on the 3rd of every month if received by E-transfer. (Unless the tenant has a late payment at which time the amount owed will be e-transferred as soon as it is received.) If payment is being received by direct withdrawal or via the tenant portal, payment by the manager will be sent to the landlord when deposited in the manager's business account. (approximately 5 business days}



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### **Legal Proceedings.**

In the event that collection and/or legal proceedings become necessary with regard to the rental of the Property, The Manager shall handle all such proceedings. The Owner is to provide the funds for all expenses incurred in the pursuit of collection proceedings and/or legal proceedings. The Manager shall not be responsible for any legal proceedings that do not result from the management and rental of the Property.

### **Other duties.**

- Provide information about the property necessary for the preparation and filing by the Property Owner of its income or other tax returns required by any governmental authority, including annual statements.
- Record tenant service requests in a systematic fashion showing the action taken with respect to each
- Supervise the moving in and out of tenants
- Render an inspection report, along with pictures of any issues
- Check all bills received for the services, work, and supplies ordered in connection with maintaining and operating the property and, except as otherwise provided in this Agreement,
- Pay such bills when due and payable, and not knowingly permit the use of the Project for any purpose that might void any policy of insurance held by the Property Owner or that might render any loss thereunder uncollectible. All such records are the property of the Property Owner and will be made available to the Property Owner upon request.

## **3. FINANCIAL BOOKS AND ACCOUNTING**

The Property Manager shall maintain adequate and separate books and records for the property with the entries supported by sufficient documentation to ascertain their accuracy with respect to the property. The Property Owner agrees to provide to the Property Manager any financial or other information reasonably requested by the Property Manager to carry out its services hereunder. The Property Manager shall maintain such books and records at the Property Manager's office.



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### **Financial Reports.**

On or about the 20th day following the end of each calendar month, the Property Manager shall provide to the Property Owner a report of all significant transactions occurring during such prior month. These reports shall include a cash flow statement, a current rent roll, and a Property Manager update on the status of the property. The Property Manager also shall deliver to the Property Owner within sixty (60) days following (i) the end of each calendar year and (ii) the termination of this Agreement, a report showing, in summary, form, all collections, delinquencies, uncollectible items, vacancies, and other matters pertaining to the management, operation, and maintenance of the property during the prior year or such applicable portion thereof. The annual report shall also contain a statement of income and expenses, a balance sheet for the Project, and such other financial information deemed applicable in the Property Manager's reasonable discretion. The statement of income and expenses, the balance sheet, and all other financial statements and reports shall be prepared on an accrual basis.

### **Supporting Documentation.**

The Property Manager shall maintain and make available copies of the following, if available: (a) all bank statements, bank deposit slips, bank debit and credit memos, canceled checks, and bank reconciliations; (b) detailed cash receipts and disbursement records

### **Tax information**

The Property Manager shall provide the Property Owner with sufficient information so that the Property Owner can prepare its income tax returns on the cash method of accounting or, if requested, with appropriate adjustment to convert the information to an accrual basis.

### **Right to Audit.**

The Property Owner may examine all books, records, and files maintained for the Property Owner by the Property Manager. The Property Owner may perform any audit or investigations relating to the Property Manager's activities if such audit or investigation relates to the Property Manager's activities for the Property Owner. Should the Property Owner discover defects in internal controls or errors in record keeping, the Property Manager shall undertake with all appropriate diligence to correct such discrepancies either upon discovery or within a reasonable period of time. The Property Manager shall inform the Property Owner in writing of the action taken to correct any audit discrepancies. Any audit or investigation performed by the Property Owner will be conducted at the Property Owner's sole expense.



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**Bank accounts/Operating Account.**

The Property Manager shall deposit all rents and other funds collected from the operation of the property in a reputable bank for the property maintained by the Property Manager for the benefit of the Property Owner. The Property Manager shall maintain books and records of the funds deposited in the accounts and withdrawals. The Property Manager shall maintain, with funds from the Property Owner, the Operating Account so that an amount of at least \$2000 as of the first of each month. The Property Manager shall pay from the Operating Account, on behalf of the Property Owner, the operating expenses of the property and any other payments relating to the property as required by this Agreement. If more than one account is necessary to operate the Project, each account shall have a unique name. All rents and other funds collected in the Operating Account after payment of all operating expenses shall be paid to the Property Owner.

**Rent deposit Account.**

The Property Manager shall have an account at a reputable bank for the purpose of segregating rent deposits. The Property Manager shall use the account only to maintain security deposits on behalf of the Property Owner. The Property Manager shall maintain detailed records of all rent deposits deposited. The Property Manager may return such rent deposits to any tenant in the ordinary course of business in accordance with the terms of the applicable lease and applicable Law.

**5. PAYMENT OF EXPENSES.**

**Payment from Operating Account.**

The Property owner shall pay all expenses of the operation, maintenance, and repair of the property including the following to the extent applicable: cost of collection of delinquent rents, legal support fees, and reasonable legal fees of attorneys for the costs of services otherwise provided herein; cost of utilities and costs associated with utility billing, management compensation the cost of tenant improvements to the property, utilities, services, contractors, reimbursement of the Property Manager's out-of-pocket costs and expenses.



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**6. COMPENSATION** The Parties agree the Manager shall be compensated as follows. 5% of gross monthly rent for each (from September 1st, 2024 to September 1st, 2024 at which time the agreement can be extended if agreed upon by both parties. The introduction offer rate of 5% for the first year of service will increase to a fair percentage rate that is agreed upon by both parties.

**7. TERMINATION** This Agreement may be terminated at any time by either Party upon 15 days written notice to the other Party. The property will stay maintained for those 15 days and will continue to be managed by Total Property Solutions and the agreed-upon fees will still apply. After 15 days, the property will immediately be managed by the owner. The Manager shall disburse to the Owner any monies that are deposited and owed to the Owner within thirty (30) days from the date of termination. The Owner shall reimburse the Manager for any fees, or expenses incurred or approved prior to the date of termination within thirty (30) days from the date of termination.

**7. INDEMNITY** The Parties each agree to indemnify and hold harmless the other Party, its respective affiliates, officers, agents, employees, and permitted successors and assigns against any and all claims, losses, damages, liabilities, penalties, punitive damages, expenses, reasonable legal fees and costs of any kind or amount whatsoever, which result from the negligence of or breach of this Agreement by the indemnifying party, its respective successors and assigns that occurs in connection with this Agreement. This section remains in full force and effect even after termination of the Agreement by its natural termination or the early termination by either Party.

**8. LIMITATION OF LIABILITY.** UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY THIRD PARTY FOR ANY DAMAGES RESULTING FROM ANY PART OF THIS AGREEMENT SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFIT OR LOST BUSINESS, COSTS OF DELAY OR FAILURE OF DELIVERY, WHICH ARE NOT RELATED TO OR THE DIRECT RESULT OF A PARTY'S NEGLIGENCE OR BREACH.

**9. SEVERABILITY.**

In the event any provision of this Agreement is deemed invalid or unenforceable, in whole or in part, that part shall be severed from the remainder of the Agreement and all other provisions should continue in full force and effect as valid and enforceable.



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10. **WAIVER.** The failure by either Party to exercise any right, power, or privilege under the terms of this Agreement will not be construed as a waiver of any subsequent or future exercise of that right, power, or privilege or the exercise of any other right, power, or privilege.

11. **LEGAL FEES.** In the event of a dispute resulting in legal action, the successful Party will be entitled to its legal fees, including, but not limited to its attorneys' fees.

12. **LEGAL AND BINDING CONTRACT.**

This Agreement is legal and binding between the Parties as stated above. This Agreement may be entered into and is legal and binding both in the United States and throughout Europe. The Parties each represent that they have the authority to enter into this Agreement.

13. **GOVERNING LAW AND JURISDICTION.**

The Parties agree that this Agreement shall be governed by the province in which the Property is located.

14. **ENTIRE AGREEMENT.** Both Parties represent that they are fully authorized to enter into this Agreement. The performance and obligations of either Party will not violate or infringe upon the rights of any third party or violate any other agreement between the Parties, individually, and any other person, organization, or business or any law or governmental regulation.

The Parties acknowledge and agree that this Agreement represents the entire agreement between the Parties. In the event that the Parties desire to change, add, or otherwise modify any terms, they shall do so in writing to be signed by both Parties.

The Parties agree to the terms and conditions set forth above as demonstrated by their signatures as follows:

**Total Property Solutions**

Tricia O'Brien - Owner/Property Manager



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