

Residential Property Management Service Agreement

BETWEEN: Sutton Medallion Realty
(The "Manager")

AND: _____

(The "Owner")

BACKGROUND

A. The Owner is the owner of the property municipally known as:

(Hereinafter called the "Property")

B. The Manager is a company, duly incorporated under the laws of the Province of British Columbia, which operates a property management business;

C. The Owner desires to have the Manager manage the Property and the Manager has agreed to accept such appointment as agent of the Owner;

TERMS OF AGREEMENT

IN CONSIDERATION of the premises and the mutual covenants contained in this agreement and other good and valuable consideration, the Owner appoints the Manager and Manager accepts this appointment as managing agent for the Owner of the Property on the terms and conditions as set forth:

1. TERM

The term of this agreement shall extend from _____ for a period of **one year** (the "Term") and thereafter shall continue in full force and effect from year to year unless terminated by notice in writing given by either party to the other not less than two months prior to the expiration of the original term or any renewal thereof.

2. MANAGER'S RESPONSIBILITIES

The Manager, as managing agent for the Owner, may inspect, manage, maintain and rent the property and generally do all acts and things as may, in the discretion of the Manager, be in the best interest of the Owner. Without limiting the generality of the foregoing, the Owner specifically authorizes the Manager to:

- a)** Exclusively manage and operate the Property on behalf of the Owner;
- b)** Rent the Property to such parties and for such terms and such rents as the Manager deems fit;
- c)** Assign, renew or cancel tenancy agreements or other agreements with respect to the Property;

- d) Advertise vacancies with respect to the Property and to display signs in connection therewith;
- e) Collect rent and all other monies payable with respect to the Property and to deposit same into the Manager's trust account;
- f) To supervise and commission the repair and maintenance of the Property;
- g) To purchase supplies on behalf of the Owner with respect to the maintenance and repair of the Property and to pay for such expenditures out of trust; and
- h) To pay all taxes, levies, mortgage payments, insurance premiums or any other charges with respect to the Property as directed by the Owner.

Notwithstanding the Manager's authority to make expenditures with respect to the Property, no single, non-recurring expenditure of over **\$500** shall be made without the Owner's prior consent unless the expenditure relates to an emergency involving the safety and well being of the tenants or the protection of the Property, in which case, the Owner authorizes the Manager to take such action as is necessary at the Owner's expense to rectify the emergency situation.

The manager shall have the right on behalf of the Owner to commence any action or other legal proceeding or to take any legal remedies available for the recovery of any owing and unpaid rent. **However, the Manager is under no obligation to do so.**

Notwithstanding the generality of paragraph 2.3, the Manager, if it chooses to do so, may take any legal proceedings available to the Owner for the recovery of any rent due and unpaid, to settle, compromise or discontinue any such proceeding; and in the case of a breach of a term of a residential tenancy agreement by any tenant or occupant of the Property, the Manager may take such proceedings for re entry or action as it may think fit and in accordance with provincial laws. In connection with all the foregoing, the Owner appoints the Manager as its agent to execute any and all documents, which it may consider necessary or desirable to enable it to fully carry out the powers granted to it.

The Manager shall be entitled to charge as a disbursement all collection expenses incurred hereunder including all legal fees and any other expenses.

3. REMUNERATION

As compensation for the services provided by the Manager in accordance with this Agreement, the Owner agrees to pay the Manager remuneration as per attached schedule of fees:

- a)** The Owner will pay a monthly fee equal to **12%** plus applicable HST of the gross receipts collected by the Manager with respect to the Property in that month;
- b)** Each time the Manager rents the Property to a tenant, the Owner will pay to the Manager a *tenant placement fee* of ½ of one month's rent plus applicable HST, not more than once every three months.
- c)** The Manager will provide one yearly inspection of the Property as part of its monthly fee remuneration. If the Owner requests any additional inspections by the Manager in the year, the Owner will pay an additional *inspection fee* Seventy Five Dollars (\$75.00) plus applicable HST for each additional inspection; and,
- d);** and,
- e)** If the Manager must attend at the Property to deal with an emergency, (outside of regular business hours) the Owner will pay \$50 plus applicable HST per hour for each hour or portion thereof of such attendance by the Manager. Minimum 2 hour charge.
- f)** Credit checks and advertisement fees will be billed to the owner.
- g)** Project management, insurance claims and repairs requiring more than 2 quotes will be subject to additional fees.

In addition to the remuneration payable pursuant to paragraph 3.1 above, the Owner agrees to pay a monthly Administration fee to cover a – d and to reimburse the Manager for a - f disbursements incurred by the Manager in the fulfillment of its duties, such disbursements to include, without limitation:

- a) Photocopies;
- b) Postage;
- c) Long distance telephone;
- d) Faxes;
- e) Bank charges;
- f) Payment for any collection efforts authorized by the Owner.

Wherever required by law, the Manager will charge the Owner for GST on fees and disbursements and the Owner agrees to pay same.

4. TRUST MONIES AND ACCOUNTING

The owner authorizes the Manager to deposit any monies collected by the Manager with respect to the Property into its trust account. All income and expenses related to the Manager's duties hereunder, as well as all fees payable by the Owner, are to be accounted for out of this bank account only.

The Manager shall keep full, detailed and proper records of all financial transactions involved in the management of the Property and shall forward to the Owner on or before the fifteenth (15th) day of each month a statement of receipts and disbursements showing all rent and other monies collected and all disbursements and fees paid during the preceding month. Any income received after the tenth (10th) day of each month will be accounted for in the following month.

The Owner shall provide the Manager with the equivalent of one month's rent holdback to cover NSF cheques and emergency repairs. The company shall hold such funds in its trust account.

After payment of all costs, fees and expenses of the Manager each month, the Manager agrees to pay any surplus proceeds to the Owner.

In the event that the amount of costs, fees and expenses incurred or charged by the Manager in the management of the Property exceeds the amount held in trust by the Manager for the Owner, the Manager shall thereupon provide the Owner with an accounting of the shortfall and the Owner shall immediately pay to the Manager sufficient funds to make up the shortfall. The Owner agrees to pay to the Manager interest of 2% per month (24% per annum) on any amounts outstanding over 30 days.

5. DISCLAIMERS

5.1 The Manager will use its best efforts to obtain suitable tenants for the Property, but the Owner understands and acknowledges that the Manager cannot warrant the performance of any tenant of his or her obligations. Under no circumstances shall the Manager be liable for any arrears in the collection of rent or other payments due from any tenant pursuant to any tenancy agreement of the Property.

5.2 The Manager shall not be liable to the Owner for any payments due from any one with respect to the operation of the Property or as a result of any damage or other loss affecting the Property, or for any error in judgment or for anything which it may do or refrain from doing

unless any resulting damage, loss, injury or liability has been caused by the gross negligence or wilful misconduct of the Manager or those for whom it is in law responsible; nor shall the Manager be liable to the Owner for failure to perform any of the obligations set forth in this agreement if such failure is occasioned by or results from destruction or damage to the Property by any act or cause which is beyond the reasonable control of the Manager except if due to the gross negligence or wilful misconduct of the Manager or those for whom it is in law responsible.

5.3 The Owner shall, during and after the termination of this agreement, indemnify and save the Manager completely free and harmless from any and all damages or injuries to persons or property, or claims, actions, obligations, liabilities, costs, expenses and fees arising from any cause whatsoever (except if due to the gross negligence or wilful misconduct of the Manager or those from whom it is in law responsible), provided the Manager is carrying out the provisions of this agreement or is acting on the subsequent directions of the Owner.

5.4 The Owner will maintain, at his own expense, comprehensive liability insurance on the Property and further agrees that the Manager shall be named as an insured party along with the Owner in any such policies which shall provide protection against any claims for personal injury, death or damage or loss in the event that either the Owner or the Manager shall be held liable as a result of their respective obligations as Owner and Manager of the Property. The Owner will provide proof of such insurance at the request of the Manager and the Owner further will provide the Manager with at least ten days' prior written notice of cancellation or any material change in the provisions thereof.

5.5 Notwithstanding anything to the contrary contained in this agreement, under no circumstances shall the Manager be liable to the Owner for the amount of any loss or damage to the Property or its contents, against which the Owner is insured and thereby entitled to indemnification from its insurer(s) but only to the extent of such indemnification actually received by the Owner.

6. TERMINATION

This Agreement will be terminated in either of the following events:

- a)** If either party provides two (2) month's notice to the other of their intention to terminate the Agreement at the end of the 1 year term or any renewal thereof;
- b)** Upon the Owner or Manager becoming bankrupt or insolvent or taking any steps, actions or proceedings for dissolution, wind-up or liquidation;
- c)** Upon the Property suffering destruction or damage to an extent that renders any tenancy agreement over the Property null and void;
- d)** At the option of the Owner if the Manager fails to perform its obligations under this Agreement and has not taken adequate steps to remedy the default by thirty (30) days of receiving written notice of such default from the Owner;
- e)** Upon the Manager not having the required licenses to provide rental property management services in accordance with provincial law; or
- f)** At the option of the Manager if the Owner fails to perform its obligations under this Agreement and has not taken adequate steps to remedy the default by thirty (30) days of receiving written notice of such default from the Manager.

6.2 The Owner may terminate this Agreement at any time upon the provision of two month's written notice to the Manager. However, if the Owner terminates this Agreement effective at any time other than at the end of the Term or any renewal thereof, the Owner will pay an additional *separation fee* to the Manager.

6.3 On termination of this agreement:

- a)** The Manager shall within fifteen days thereafter render a final accounting to the Owner and pay over any balance in the Manager's trust account remaining at the credit of the Owner (less any amounts payable to the manager and any amounts necessary to satisfy commitments made by the Manager to others prior to the date of termination);
- b)** The Manager shall immediately surrender to the Owner all rental agreements and other files, records, contracts and information which may be requested by the Owner and which are pertinent to the continuing operation of the Property, subject to the proviso that the Owner shall reimburse the Manager for any reasonable costs in connection with the reproduction of documents and information which the Manager, acting reasonably, is of the opinion that it retain to support or verify its actions during the currency of this Agreement; and

c) The Owner shall assume the obligations of any and all contracts which the Manager has *bona fide* for the purpose of arranging the services to be provided pursuant to this Agreement.

7. USE AND DISCLOSURE OF PERSONAL INFORMATION – To collect, use and disclose information respecting the owner for any and all purposes related to the management, maintenance and administration of the Owners property for such other purposes as are appropriate in connection with the performance of the duties of the Agent respecting the affairs of the owner. The manager may send by way of mail or email communication

8. DISCLOSURE OF CONFLICTS - If at any time, the Agent determines it is in a conflict of interest with the Strata Corporation, the Agent shall give written notice of such conflict to Strata Council as soon as reasonably possible. The Strata Corporation hereby acknowledges and consents to the Agent acting for other strata corporations.

9. DISCLOSURE OF PAYMENTS - If at any time, the Agent anticipates receiving or receives, directly or indirectly, any form of payment or other compensation from an Owner or someone other than the Strata Corporation as a result of recommending an insurance broker, or any other person providing other products or services, the Agent shall disclose the details thereof to the Strata Corporation in writing, including the source of such payments, the amount or likely amount of the payment and all other relevant facts relating to such provision of real estate services.

10. INTERPRETATION

10.1 This agreement shall ensure to the benefit of and be binding on the parties, their respective heirs, executors, administrators, successors and assigns as the case may be.

10.2 This agreement embodies the entire agreement of the parties with regard to the matters contained herein, and no other agreement shall be deemed to exist except as entered into in writing by both parties to this agreement.

10.3 This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.

10.4 If any part of this agreement is held or rendered invalid or illegal, the remainder of this agreement continues to apply.

10.5 Time is of the essence of this agreement and of all provisions of it.

10.6 Headings are inserted in this Agreement for convenience only. They have legal significance and may not be considered in interpreting this Agreement.

10.7 The parties will execute such further documents and do such further things as are necessary to give effect to the meaning and intent of this Agreement.

11. GENERAL

Any notices required to be given by either party to the other shall be sufficiently given if sent by facsimile transmission, delivered by hand, or mailed by prepaid registered post addressed:

if to the Owner, at: _____

if to the Manager, at: **7832 – 120th St., Surrey , BC. Canada V3W 3N2**

11.1 Any such notice shall be conclusively deemed to have been given and received at the time of its facsimile transmission or at the time of its delivery by one party to the address of the other or, in the event of service by registered mail, on the fifth business day after the day of such mailing. Either party may by notice in writing to the other designate another address to which notices mailed more than ten (10) days after the giving of notice of change of address shall be addressed. If the postal service is interrupted, or threatened to be interrupted, or is substantially delayed, any notice shall only be sent by facsimile transmission or courier delivery.

11.2 The Owner specifically represents and warrants to the Manager that he/she is a Canadian resident. If the Owner is not a Canadian resident, the Owner acknowledges and agrees that the Manager may have to withhold and remit monies to the Canada Revenue Agency as required by law.

11.3 This Agreement may be signed in as many counterparts as may be necessary, each of which so signed shall be deemed to be an original, and each signed copy sent by electronic facsimile transmission shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the dates and in the manners set out below.

SIGNED, SEALED AND DELIVERED

by the Owner on the _____ Day of _____ 2012

In the presence of :

Name _____

Address _____

Occupation _____

Witness Signature _____

Owner Signature _____

Sutton Medallion Realty

Property Manager _____

By its authorized signatory on the _____ day of _____ 2012

In the City of Surrey , British Columbia