

CONSULTING
MANAGEMENT
AGREEMENT

OWNER:

CONSULTANT/AGENT:

Rylan Properties, Ltd.

FOR PROPERTY LOCATED AT:

BEGINNING: _____

ENDING: _____

(Agreement is for a 12 month period)

In consideration of the covenants herein contained _____ (hereinafter called "Owner") and RYLAN PROPERTIES, LTD. (hereinafter called "Consultant") agree as follows:

1. The Owner hereby contracts with the Consultant to manage, operate and rent the property located at, _____, in the City of _____, State of Ohio upon the terms hereinafter set forth, for the period of one year--beginning on the ____ day of _____ 2008 and thereafter for yearly periods, subject to annual adjustments. Said contract may be cancelled by either Consultant or Owner upon sale of property and a 1 month cancellation fee.
2. The Consultant agrees:
 - a. To furnish the services of its organization for the renting, operating and managing of said premises.
 - b. To employ and supervise all labor required for the operation and maintenance of the premises. Owner agrees to cover said costs including administrative costs, including but not limited to, taxes and withholdings.
 - c. To investigate carefully all references of prospective tenants, including but not limited to, credit and criminal checks, employment verification and landlord references.
 - d. To render to the Owner monthly disbursements as applicable, quarterly financials via regular mail and daily updated financials via our website. In the event that an owners account shall become negative, the Owner agrees to pay such deficiency within fourteen (14) days of demand -- or further disbursements and operations for the property may be halted. A demand shall include a cash flow report sent to an owner that shows a negative balance.
3. The Owner hereby gives to the Consultant the following authority and powers and agrees to assume the necessary expenses incurred in connection therewith:
 - a. To collect all rents due or to become due and receipt therefore; to sue for and attempt to recover delinquent rents; to institute and prosecute actions to remove tenants to recover possession of the premises; and when expedient, to settle, compromise and release such actions or rights of actions; to advertise in newspapers and by signs on the premises; and rent said premises or any part thereof. Consultant is hereby authorized by owner to retain late fees to offset the staff time and cost required to collect said late rent and late fees, however owner shall retain the eviction fees that the tenants pay to cover those costs.
 - b. To hire, direct, discharge and pay all contractors; to get estimates, make or order repairs and alterations and to order and supervise all decorating of the premises to purchase supplies and to pay all bills; any single routine repair with amount totaling in excess of \$400.00 (four hundred dollars), shall be approved in writing by the Owner. Any emergency repair- fire, flood, or weather related shall be considered automatically approved regardless of the amount up to \$3,000.00 in order to protect the integrity of the building.
 - c. To allow consultant to master the locks of the property, at the expense of the owner, in order to arrange for the 24/7 on call maintenance access to the unit(s) by the consultant's maintenance department.
 - d. To give blanket authority to consultant to order utilities on and off, in the owners name, as consultant deems necessary to manage property.

4. The Owner further agrees:
- a. To save the Consultant harmless from all damage suits in connection with the management of the property and from liability for injuries suffered by any employee or other person whomsoever, and to carry at his/her own expense, public liability, elevator liability and steam-boiler liability insurance adequate to protect the interests of the parties hereto, which policies shall be so written as to protect the Consultant in the same manner and to the same extent as the Owner.
 - b. To pay the Consultant:
 - (1) For Management:

Flat fee of \$_____ per month per unit whether occupied or not or (9%) of the gross income collected per month - whichever is greater no matter when management begins. Management fee will not be prorated. Consultant shall be paid the percentage referred to above on any revenue it collects of any kind – such as collection revenue – no matter when it is collected, even after management expires for the costs of collecting said revenue.
 - (2) For Unit Leasing:

Amount equal to one full months rent, at time in which one month's rent and security deposit is collected. Consultant will re-rent property for no additional commission if tenant, who was placed in the property defaults within 90 days of move-in as long as consultant was initially paid a leasing commission. However, if owner selects a tenant that we discourage or would decline according to our rental standards and the lessee defaults or is evicted, the owner will be responsible to pay the leasing commission again to get the unit re-rented. If an offer to lease is obtained on or after the expiration of this agreement to a client that Consultant has been in contact with, the owner agrees to pay this leasing commission to Consultant

Unit to be rented for an amount decided upon by the manager with a minimum of \$_____ per month and near a suggested amount of \$_____ by the owner. Owner gives agent the right to hold security deposits collected in its own escrow account. Owner accepts responsibility to return security deposits if they are utilized in an emergency inadvertently to cover a negative balance. Security deposits cannot be used as working capital. However, in the event of a negative balance, the owner also agrees that the consultant can classify any income it receives to general revenue and use it to offset negative balance so that consultant is made whole.
 - c. To pay the Consultant \$100 for each eviction, rent escrow, or any court appearance to cover staff and travel time; in addition to attorney and court costs.
 - d. Owner agrees to pay any bank service charges associated with their account such as tenant NSF fees. Applicable fees are charged to tenants and collected on behalf of the owner to help offset these fees.

5. Additional Terms:

- a. Record keeping. Owner agrees to keep such records as may be necessary in order to comply with the Social Security Act or any other Federal or State legislation and agrees to pay said costs, including processing, for same. Unless sooner terminated, as elsewhere herein provided, this agreement shall be in effect from _____ through _____ and then shall automatically renew itself for a one-year term unless either party gives thirty (30) days written notice prior to the initial term thereof, or to the end of the current renewal term.
- b. **There shall be a one time Initial Set Up fee of \$150.00 for 1-12 units; \$200.00 for 13-24 units; and \$250 for 25 units and above.**
- c. All routine in-house maintenance shall be subject to a 10% mark-up.
- d. Owner agrees to fund a working capital amount to cover property expenditures as they may arise, which to be is paid in advance to equal **\$250 for a single family residence, \$500 for 2-4 units, \$750 for 5-10 units, \$1,000 for 11-15 units, \$1,500 for 16-20 units, and TBD for 21+ units.** If consultant notifies owner that additional funds are needed for the proper management of the property and/or if expenses exceed income – owner agrees to promptly provide sufficient funds. In addition, security deposit escrow must be paid in advance as required by law to have on hand before management commences. If the property needs physical work done, capital for the physical work must be paid in advance before work commences.
- e. Owner agrees to pay Consultant 10% (ten percent) interest on any negative amount/loss the Consultant incurs on behalf of the Owner in the operations of the property if not paid within fourteen (14) days of notification.

SECURITY DEPOSITS CANNOT BE USED FOR WORKING CAPITAL.

- f. Consultant allowed to accept Section 8: _____ Yes _____ No
- g. Owner agrees to allow pets under consultant's policy. _____ Yes _____ No
- h. Owner agrees to allow short-term rentals. _____ Yes _____ No
- i. Owner agrees to allow discounted deposit of \$_____ _____ Yes _____ No
- j. Owner agrees to allow 1 month free (usually 2nd month) _____ Yes _____ No
- k. Owner agrees to allow 'No Credit Check' _____ Yes _____ No
- l. Owner agrees that utility bills and other vendors or accounts payable shall remain in owners name and address unless owner agrees to contact said vendors and request change of address. Owner shall notify consultant of any invoices it is transferring to consultants address. Please supply your social security number and date of birth so that we may transfer the appropriate utilities into your name:
SS# _____ DOB _____
- m. Both Consultant and Owner agree that should clerical unintentional errors occur on any agreements, the said error would be corrected with cooperation on behalf of both parties with no penalty to either party.
- n. Owner agrees to pay for advertising placed in local newspapers, rental magazines and any other potential sources.

Fair Housing Law Compliance: "It is illegal, pursuant to the Ohio Fair Housing Law, Division (H) of Section 4112.02 of the Revised Code and the Federal Fair Housing Law, 42 U.S.C.A. 3601, to refuse to sell, transfer, assign, rent, lease, sublease, or finance housing accommodations, refuse to negotiate for the sale of rental of housing accommodations, or otherwise deny or make unavailable housing accommodations because of race, color, religion, sex, familial status, ancestry, disability or national origin; or to so discriminate in advertising the sale or rental of housing, in the financing of housing, or in the provision of real estate brokerage services; it is also illegal, for profit, to induce or attempt to induce a person to sell or rent a dwelling by representations regarding the entry in to the neighborhood of a person or persons belonging to one of the protected classes".

No agreement or understandings regarding the subject matter of this contract other than those expressed herein or otherwise in writing and signed by each party shall be deemed to exist or bind either of the parties hereto.

This agreement shall be binding upon the successors and assigns of the Consultant, and the heirs, administrators, executors, successors, or assigns of the Owner.

IN WITNESS WHEREOF, the parties have hereto affixed or caused to be affixed their respective signatures this ____ day of _____, 20__.

BY:

BY:

(Owner)

(Owner)

(Consultant)

INFORMATION NEEDED IN ORDER TO LEASE AND/OR MANAGE YOUR PROPERTY

Please complete upon submitting signed agreement. The information is needed to market and manage property.

Attach additional pages if there is not enough room for the information requesting.

Lessor Contact Information for questions and payment:

Name: _____

Phone: (home)_____ (work)_____ (cell)_____

Address: _____

City: _____ State: _____ Zip: _____

Property Information for marketing/management purposes:

Square Footage per unit: 1 brms: _____ 2 brms: _____ 3 brms: _____

Appliances included circle all that apply:

Refrigerator / Stove (electric or gas) / Microwave /
Washer / Dryer (electric or gas) / Disposal / Dishwasher

Other: _____

Utilities:

Heat:

Type (choose 1): Forced Air / Geothermal / Gravity / Heat Pump / Radiant / Radiator

Other: _____

Heat Fuel

Type (choose 1): Electric / Natural Gas / Oil / Propane / Solar / Wood/Coal

Other: _____

Included In Rent (choose 1): Yes / No

Cooling:

Type (choose 1): Central Air / Wall / Window / None / Other: _____

Electrical:

Type (choose 1): 110 / 220 / 60 amp / 100 amp / Other: _____

Included In Rent (choose 1): Yes / No

Water Heater (choose 1): Electric / Gas / Oil / Propane / Solar / Other: _____

Water Included In Rent (choose 1): Yes / No

Flooring: _____

Features included circle all that apply:

1, 1.5 or 2 Car Garage (Opener? Yes / No) / 1, 1.5 or 2 Bath / Full or Half Basement / Crawl / Slab /
Attic / Shed / Driveway / Fireplace (Gas / Wood) / Wood burning stove / Security Alarm / Yard /
Fence / Private Entry / Walk-In Closets / Intercom System / Cable Ready / Satellite / Screens /
Storms / Sprinkler / Porch / Balcony / Sliding Door

Other Special Features or information:
(Example: Hardwood floors / built in buffet / natural woodwork, 1 bdrms: 1 bath & 2 bdrms: 1.5 bath etc.)

Responsible Party:

Snow Removal (choose 1): Owner c/o Rylan Properties, Ltd / Lessee

Lawn Care (choose 1): Owner c/o Rylan Properties, Ltd / Lessee

Maintenance (choose 1): Owner c/o Rylan Properties, Ltd / Lessee

Authorized Promotions (circle all that apply):

1-Month Free / Free Use of Washer and Dryer / Other: _____

Authorized Security Deposit Amount (discount deposits help fill units faster and reduce vacancies – Rylan Properties recommends offering discount deposits if credit qualifies) Circle all you are willing to offer as market demands:

\$99 Deposit / \$199 Deposit / Other: _____

Current Tenant information:

1. _____ Unit # / Address	_____ Lessee	_____ Phone	_____ Yes / No Delinquent?
\$ _____ Rent	\$ _____ Deposit	_____ Lease Expire Date or Month-to-Month	_____ Open / Section 8 Circle One
2. _____ Unit # / Address	_____ Lessee	_____ Phone	_____ Yes / No Delinquent?
\$ _____ Rent	\$ _____ Deposit	_____ Lease Expire Date or Month-to-Month	_____ Open / Section 8 Circle One
3. _____ Unit # / Address	_____ Lessee	_____ Phone	_____ Yes / No Delinquent?
\$ _____ Rent	\$ _____ Deposit	_____ Lease Expire Date or Month-to-Month	_____ Open / Section 8 Circle One
4. _____ Unit # / Address	_____ Lessee	_____ Phone	_____ Yes / No Delinquent?
\$ _____ Rent	\$ _____ Deposit	_____ Lease Expire Date or Month-to-Month	_____ Open / Section 8 Circle One

Attach additional pages if more space is needed. Number of pages attached: _____

Other Instructions / Information / Policies: _____

Owner Signature: _____ Date: _____
Owner Signature: _____ Date: _____

DO NOT WRITE BELOW THIS LINE

RYLAN PROPERTIES, LTD INTERNAL USE ONLY

1. Property Management file turned in to Property Manager Initial: _____ Date: _____
2. Copy of Management Agreement given to Accounting Initial: _____ Date: _____
3. Entered in Buildium Initial: _____ Date: _____
4. Working Capital Received Initial: _____ Date: _____
5. Security Deposits Received Initial: _____ Date: _____
6. Locks Mastered Initial: _____ Date: _____
7. Install Lock Box/Code Initial: _____ Date: _____
8. Install Signs Initial: _____ Date: _____
9. If required, Section 8 Change of Ownership forms completed Initial: _____ Date: _____
10. Welcome Packets Sent Initial: _____ Date: _____

Management Summary

Services provided by Rylan Properties, Ltd

- Purchase/Display of Signage
- Lease Showings
- Web-based items such as accounting system, property management system and Rylan website
- Print materials such as fliers, brochures, leases and financial reports
- Service of monitoring and paying your utility bills
- Periodic inspections of property exteriors and common areas
- Collection of rents and other income related items
- Employment and landlord verifications for prospective tenants
- Move out processing including walk through inspection, security deposit refunds and collection submission as applicable
- Obtaining bids on work needed
- Accessible to owners and tenants 24/7
- Negotiate lease renewals and rent increases

Services Charged to Owner

- Mastering of locks (Section 3c)
- Advertising of your available units (Addendum #14)
- Eviction of tenants (Section 4c)
- General Maintenance (Section 2b, 3b)
- Credit and Criminal Checks (Section 2c)
- Lawn and snow removal (Section 3b)
- New move ins (Section 4.b.2)