

1 **WOODLANDS MANAGEMENT, LLC**
2 **PROPERTY MANAGEMENT AGREEMENT**

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4 THIS PROPERTY MANAGEMENT AGREEMENT (herein "Agreement") is made
5 on this _____ day of _____ 2022, by and between

6 _____ (herein "Owner"), and Woodlands
7 Management, LLC (herein "Agent").

8 **ARTICLE I**
9 **Establishment of Agency**

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11 **1.1 Exclusive Agency.** Owner is the title holder of record and owner of real property
12 commonly known and designated as

13 _____ (herein "Property").
14 Owner hereby appoints Agent, and Agent hereby accepts appointment, on the terms and
15 conditions hereinafter provided as sole and exclusive renting and management agent of
16 said Property.

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18 **ARTICLE II**
19 **Services to be Performed by Agent**

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21 **2.1 Agent Orientation.** In order to facilitate efficient operation, Agent will inform itself
22 with respect to the layout, construction, location, character, plan and operation of the
23 lighting, heating, plumbing and ventilating system, and other mechanical equipment and
24 systems in the Property. Owner shall provide Agent with all rent rolls, apartment leases,
25 resident files, financial records, and all other documents, including the governing
26 documents of the community in which the Property is located, if applicable, and data that
27 Agent reasonably requires in order to orient itself with the management and operations
28 of the property.

29 **2.2 Inventory.** Agent shall ascertain the general condition of the Property and cause
30 an inventory to be taken of all furniture, appliances and any other major equipment or
31 material belonging to the Property.

32 **2.3 Service and Utility Contracts.** Agent is authorized, at the expense of Owner, to
33 make in the Property's name contracts for water, electricity, gas, fuel, oil, telephone,
34 vermin extermination, trash removal and other necessary services, or such of them as
35 Owner shall deem advisable.

36 **2.4 Marketing of Property.** Owner understands that Agent has in place an extensive
37 general advertising program which may include, but is not necessarily limited to,
38 advertising signs, distribution of promotional materials, space plans, circular matter,
39 newspaper advertisements, on-line advertisements and other forms of advertising.

40 In the event Owner desires additional or other specific marketing methods,
41 Agent may, at its sole discretion, utilize such additional marketing at Owner's expense,

42 such expense to be prepaid by Owner. In the event Owner markets the Property on its
43 own, all inquiries for any leases or renewals or agreements for the rental of the Property
44 shall be referred to Agent, and all negotiations connected therewith shall be conducted
45 solely by Agent.

46 **2.5 Collection of Monies.** Agent shall collect all rent and other charges due from
47 tenants, (herein "Rental Income"). Rental Income shall be deposited in a bank account
48 maintained by Agent. No interest on the account shall accrue to the benefit of Owner. In
49 order to preserve sufficient amounts for maintenance of the Property, in the event a tenant
50 prepays rent or other amounts due, Agent may, in its sole discretion, hold all prepaid
51 amounts and distribute to Owner as rents fall due. Owner authorizes Agent to request,
52 demand, collect, receive and receipt all Rental Income, to institute legal proceedings in
53 the name of and as an expense reimbursable by Owner for the collection thereof and for
54 the dispossession of tenants and other persons from the Property, and such expense
55 may include the engaging of counsel. At the expense of Owner, Agent is authorized to
56 pursue collection of delinquent Rental Income and other charges on Owner's behalf by
57 filing evictions or utilizing the services of collection agencies and attorneys. Agent is
58 authorized to provide rental data history to consumer reporting agencies in accordance
59 with the provisions of state and federal laws governing the use of such information.

60 **2.6 Security Deposits:** In the event Agent collects a deposit from tenant(s), said
61 funds shall be deposited in an account separate from the Agent's operating account. Any
62 such deposits shall be disbursed in accordance with the terms of the tenant's lease and
63 the Tennessee Uniform Residential Landlord and Tenant Act. Owner shall have no right
64 to such deposit(s) except as provided by the lease and applicable law.

65 **2.7 Disbursements by Agent.** Agent shall, from Rental Income collected, deposited
66 and cleared, cause to be disbursed regularly and punctually: (1) amounts reimbursable
67 to Agent; (2) amounts otherwise due and payable as operating expenses of the Property
68 authorized to be incurred under the terms of this Agreement; (3) Agent's compensation
69 as set forth herein; (4) association assessments, if applicable; and (5) amounts due
70 Owner. Owner expressly grants permission to Agent to disburse from the funds collected
71 any amount due and payable pursuant to this Agreement including, but not limited to, the
72 amounts set forth in this paragraph. Agent shall make available to Owner a monthly
73 statement of receipts and disbursements.

74 Owner understands and agrees that Agent shall pay all expenses incurred
75 by Agent on Owner's behalf, including Agent's fee, prior to making any disbursement to
76 Owner. In the event Owner's Rental Income collected is at any time insufficient to pay
77 disbursements due and payable, Agent will inform Owner of that fact and Owner will then
78 remit to Agent sufficient funds to cover the deficiency within five (5) calendar days of
79 receipt of notice from Agent. In no event will Agent be required to use its own funds to
80 pay such disbursements.

81 Except as otherwise provided herein, everything done by Agent under the
82 provisions of this Agreement shall be done as the agent of Owner, and obligations or
83 expenses incurred thereunder shall be for the account of, on behalf of, and at the expense
84 of Owner. Agent shall have no liability for entering into any contract relating to the
85 Property pursuant to this Agreement.

86 **2.8 Additional Authority of Agent.** In addition to all other authority granted Agent,
87 Owner grants Agent the express authority to take any action to ensure compliance with
88 applicable federal, state and local laws, the governing documents, if any, of the
89 community in which the Property is located, and the terms of any tenant lease. Owner
90 shall pay the costs of any accommodations of management policies and procedures or
91 modifications to the Property that are required of the Property under federal, state, or local
92 law in order to comply with disability accessibility or design and construction requirements
93 of the Fair Housing Act, Americans with Disabilities Act, or similar laws pertaining to the
94 rights of persons with disabilities. Owner shall indemnify and hold harmless Agent from
95 any liability, attorney's fees, expenses of litigation, or damages for such disability, fair
96 housing or civil rights claims as provided in other portions of this Agreement except to the
97 extent that such claims are caused by Agent's negligence or willful misconduct.

98 Owner shall also pay all costs arising from or related to the retention of counsel,
99 process servers or other contractors retained by Agent to assist in the enforcement of
100 lease provisions against a tenant including the providing of legal advice and for
101 dispossessory proceedings. Owner grants to Agent sole and complete discretion to
102 enforce lease provisions and rules and regulations against any tenant of the Property.
103 Owner understands and grants to Agent the express authority to take any action
104 necessary, including termination of a tenant's lease or the initiation of eviction or other
105 dispossessory proceedings against any tenant in breach of their lease obligations. Owner
106 expressly understands that should any tenant be evicted during the term of a lease, said
107 eviction will likely result in a reduction of Rental Income to Owner for the remaining term
108 of said lease.

109 Agent shall use its best efforts to lease the Property for Owner. Under no
110 circumstance shall Agent be liable to Owner for any reduction in Rental Income that
111 occurs due to the early termination of any lease, the initiation of eviction or other
112 dispossessory proceedings, abandonment of a lease by a tenant, or the inability to lease
113 the Property.

114 **2.9 Employees.** Agent shall employ at all times a sufficient number of capable
115 employees to enable it to properly, adequately, safely, and economically manage, lease,
116 operate, maintain and account for the operation of the Property. All matters pertaining to
117 the selection, direction, employment, supervision, compensation, promotion and
118 discharge of such employees are the sole responsibility of Agent, which is in all respects
119 the employer of such employees.

120 **2.10 Business Hours.** Agent's normal business hours are Monday through Friday
121 during the hours that Agent's office is advertised as open.

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ARTICLE III

Maintenance and Repairs

3.1 Maintenance and Repair of Property. Agent shall maintain the Property, including, without limitation thereof, cleaning, painting, plumbing, cabinetry, carpentry, and such other normal maintenance and repair work as may be desirable.

a. "Turn". When tenants vacate the Property, Agent is authorized to clean, including the carpet, if any, and paint the interior of the Property, at Owner's expense, in preparation for new tenants. Owner agrees to pay Agent for any outside contractor hired by Agent to perform said services.

b. Repair or Replacement Costs. For any one item of repair or replacement, the expense incurred shall not exceed the sum of \$1,500.00 for a single repair or \$5,000 in the aggregate over a single calendar year of the Property unless specifically authorized by Owner, excepting, however, those emergency repairs immediately necessary for the preservation and safety of the Property or to avoid the suspension of any service to the Property or danger to life or property, which may be made by Agent; provided that Agent makes reasonable attempts to first consult with Owner and, in any event, notifies Owner of the repair as soon as possible. Agent, in its sole discretion, may use Agent's employees to maintain and repair Property or may hire outside contractors to perform maintenance and repairs.

c. Placing Orders. Agent is authorized to place orders in Owner's and Property's name for such equipment, tools, appliances, materials and supplies as are necessary to properly maintain the Property; provided, however, that no such order shall obligate Owner to pay an amount in excess of \$1,000 for a single order or \$5,000 in the aggregate over a single calendar year of the Property without Owner's prior approval.

d. Service Call Rate: Owner agrees to pay Thirty-Five Dollars (\$35.00) per hour, or portion thereof, for all maintenance performed in the Property by Agent's maintenance staff as well as reimburse Agent for parts and materials at cost plus ten percent (10%) and mileage, if applicable, required in the maintenance and repair of said Property. If work performed by Agent's maintenance staff occurs after normal business hours or on weekends, Owner agrees to pay Fifty-Two and 50/100 Dollars (\$52.50) per hour, or portion thereof, for said services. Owner agrees to pay Agent for any outside contractor hired by Agent to perform said maintenance and repairs.

3.2 Major Repairs or Construction. Agent agrees that all work in the making of any and all repairs or construction costing more than \$5,000.00, improvements, additions or alterations that cannot be handled by employees of Agent shall be done under written bid, proposal, or contract. Agent shall give written notice to Owner and have obtained prior written consent from Owner prior to undertaking said repairs.

3.3 Agent's Affiliates and Subsidiaries. In performing work at the Property, Agent may, from time to time, deal with certain of its affiliated or subsidiary organizations as independent contractors. The amounts payable to any such related entity shall not be greater than would have been paid under an arms-length contract with a non-related

169 entity. The maintenance provisions herein are applicable to all transactions with Agent's
170 affiliated and subsidiary organizations. It shall be expressly communicated to Owner by
171 Agent when contractors are used that are either subsidiaries or affiliates of Agent.

172 ARTICLE IV

173 **Compensation of Agent**

174 **4.1 Management Fee.** Owner agrees to pay Agent for all services performed under
175 this Agreement, a fee computed equal to **Fifty percent (50%) of First Month's Rent**
176 **then ten percent (10%) of Rental Income collected** during the term of the Agreement.
177 Agent shall be entitled to payment from Owner of Agent's full management fee,
178 indemnified liabilities or claims, attorney's fees, damages, claims, and all additional
179 compensation or reimbursements to which Agent is entitled without setoff or recoupment.

180 **4.2 Tenant Fees and Charges.** In addition to the other fees described in this
181 Management Agreement, Owner agrees that the following fees collected from tenants
182 shall be payable to Agent:

- 183 a. Leasing Fee
- 184 b. Application Fees
- 185 c. Insufficient Fund Fees
- 186 d. Credit Card Convenience Fees
- 187 e. Any other fee or charge set forth in the tenant's lease

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189 **4.3 Additional Compensation.** Owner shall pay Agent additional compensation
190 equal to ten percent (10%) of the cost of:

- 191 a. any major repairs made to the Property as described in Section 3.2, or
192 construction undertaken as set forth herein;
 - 193 b. any service required to be undertaken by Agent not specifically set forth
194 in this Agreement or \$35.00 per hour, whichever is greater;
 - 195 c. materials and supplies for any maintenance provided by Agent; or
 - 196 d. services provided by any outside contractor hired by Agent to perform
197 services in the Property as provided herein.
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200 ARTICLE V

201 **Insurance**

202 **5.1 Use and Maintenance of the Property.** Agent agrees that it shall not knowingly
203 permit the use of the Property for any purpose which might void any policy of insurance
204 held by Owner or which might render any loss thereunder uncollectible, or which would
205 be in violation of any government restriction. Full compliance by the tenants with the
206 terms and conditions of their respective leases and rules and regulations shall be secured
207 to the extent reasonably possible or practical in Agent's reasonable judgment and, to this
208 end, Agent shall see that all tenants are informed with respect to such rules, regulations
209 and notices as may be promulgated by Owner.

210 **5.2 Hold Harmless and Insurance Requirements.** Owner shall maintain in full force
211 and effect, at Owner's expense, general liability insurance, including personal injury
212 liability and contractual liability, with minimum limits of at least \$1,000,000.00 for bodily
213 injury and \$1,000,000.00 for property damage or \$1,000,000.00 combined single limit for
214 bodily injury or property damage; boiler, fire and extended coverage, and rent loss
215 insurance in an amount sufficient to protect Owner in the event of a total loss of the
216 Property due to casualty. **Agent shall be named in Owner's general liability insurance**
217 **policy as an additional insured.** Owner shall provide Agent with evidence of such policy,
218 or any renewal thereof. Owner agrees to provide thirty (30) days written notice to Agent
219 prior to any cancellation. Said Owner's general liability policy shall be primary with respect
220 to any liability claims made against Agent in performance of its duties under this
221 Agreement, except to the extent such claims are made as a result of Agent's negligence,
222 willful misconduct, or breach of this Agreement, in which case Agent's general liability
223 policy shall be primary for claims made against Agent and/or Owner.

224 Each party shall indemnify and hold the other party and its directors, officers,
225 employees, subsidiaries, shareholders and affiliates harmless from and against any and
226 all claims, loss, liability, costs, damages, injuries to persons or property on or in the
227 Property and reasonable attorney's fees associated therewith (collectively, "Claims")
228 arising out of such indemnifying party's negligence, willful misconduct, or breach of this
229 Agreement.

230 Each party shall indemnify and hold the other party and its directors, officers,
231 employees, subsidiaries, shareholders and affiliates harmless from and against any and
232 all Claims arising out of such indemnifying party's misconduct, errors or omissions,
233 occurring in connection with the furtherance or performance of any provision of this
234 Agreement.

235 Owner agrees that it will indemnify and hold harmless Agent and its directors,
236 officers, employees, subsidiaries, shareholders, and affiliates harmless from and against
237 any and all claims for payment for goods or services made by vendors with whom Agent
238 has entered into contracts on Owner's behalf, provided that such vendor contract is not
239 in breach of this Agreement and provided that the vendor's payment claim does not arise
240 from Agent's negligence, willful misconduct, or breach of this Agreement.

241 Any indemnification provisions of this Agreement are continuing, absolute and
242 unconditional obligations of the parties and shall survive the termination of this
243 Agreement.

244 **ARTICLE VI**

245 **Termination**

246 **6.1 Termination.** Owner hereby employs Agent exclusively to rent and manage the
247 Property upon the terms and conditions set forth herein for a term of one year from the
248 date of this Agreement. Thereafter, the Agreement shall continue in full force and effect,
249 on a year-to-year basis, unless either party shall serve written notice of termination to the
250 other party in which event this Agreement shall terminate thirty (30) calendar days after
251 the service of such notice.

252 **6.2 Termination for Cause.** Notwithstanding the provisions above, this Agreement
253 may be terminated and the obligations of the parties hereunder shall thereupon cease, if
254 any of the following circumstances shall occur:

255 (a) In the event of a bona fide sale or demolition of the Property, Owner may terminate
256 this Agreement upon not less than thirty (30) calendar days written notice to Agent.

257 (b) If a petition in bankruptcy is filed by either Owner or Agent, or if either shall make
258 an assignment for the benefit of creditors or take advantage of any insolvency act, either
259 party may terminate this Agreement, by serving written notice to the other party.

260 (c) If Owner shall fail to comply with a rule, order, determination, ordinance or law of
261 the federal, state or municipal authority, Agent may terminate this Agreement by giving
262 thirty (30) calendar days written notice to Owner.

263 (d) If either party shall default pursuant to the terms of this Agreement, then the non-
264 defaulting party may terminate this Agreement. "Default" under this Agreement is defined
265 as a material noncompliance with the terms of this Agreement that, after a notice of
266 noncompliance is given to a party, is not cured within fourteen (14) days of receipt of the
267 notice.

268 **6.3 Termination Fee.** Unless the Owner terminates the Agreement due to Agent
269 default pursuant to Section 6.2(d), Owner shall remain responsible for all monies owed
270 agent under this Agreement. Specifically, Owner expressly understands and agrees that
271 Agent shall receive all compensation set forth in Article IV through the end of the term of
272 this Agreement and Owner shall reimburse Agent for all expenses incurred by Agent on
273 behalf of Owner, even if such expense should arise after the date of the notice of
274 termination. Within ten (10) days of the termination date set forth in the notice of
275 termination, Agent shall provide owner (a) the calculation of management fee that Agent
276 would have been paid through the end of the term of the Management Agreement and
277 (b) all expenses incurred by Agent on behalf of Landlord (collectively "Termination Fee.")
278 Owner shall pay Agent the Termination Fee within ten (10) days of receipt of the notice
279 of Termination Fee from Agent.

280 **6.4 Tenant Leases Upon Termination of Management Agreement.** Any lease that
281 has been executed prior to the date of termination is binding upon Owner and shall remain
282 in full force and effect, subject to the terms and conditions set forth in this paragraph.
283 Owner shall be responsible for complying with the terms and conditions of the lease
284 unless released from such obligations as set forth herein.

285 (a) Upon termination of this Agreement, Agent, at its sole option, may transfer the
286 Tenants in the Property to another unit managed by Agent. Upon transfer of tenants to
287 another unit, Owner shall be released from any obligations Owner may have to the
288 Tenant(s) under the Lease. Owner shall remain responsible for all fees set forth in
289 Section 6.3.

290 (b) If the termination of the Management Agreement is due to change in ownership of
291 the Property and the new owner agrees to have Agent continue to manage the property
292 under the terms and conditions set forth under the existing Management Agreement,

293 Owner shall only be responsible for the compensation set forth in Article IV and the fees
294 incurred by agent that arise prior to the date the ownership transfer takes place. Upon
295 transfer of the property and execution of a Management Agreement between Agent and
296 new owner, Owner shall have no obligations under the Lease and Owner shall not be
297 responsible for any other fees set forth in Section 6.3.

298 (c) If the termination of the Management Agreement is due to change in ownership of
299 the Property and the new owner elects not to have Agent continue to manage the property
300 under the terms and conditions set forth under the existing Management Agreement,
301 Agent, at its sole option, may transfer the Tenants in the Property to another unit managed
302 by Agent. If no other unit is available or Tenants do not want to move to another unit,
303 Tenants shall have the right to terminate their Lease upon thirty (30) days written notice.
304 Owner shall remain responsible for all fees set forth in Section 6.3.

305 (d) Owner is required to notify any potential buyer of the Property of the existence of
306 this Management Agreement and all existing leases for the Property. Any sale of the
307 Property is subject to the terms and conditions of the Management Agreement and
308 Leases.

309 ARTICLE VII

310 **Additional Provisions**

311 **7.1 Notices.** All notices required or permitted by this Agreement shall be in writing
312 and shall be sent by registered or certified mail or by statutory overnight express delivery,
313 addressed to:

314 **Owner:** _____

315 **Address:** _____

316 _____

317 **Email:** _____

318 **Phone:** _____

319 **Agent:**

320 Woodlands Management, LLC, 3805 Cherokee Woods Way, Knoxville, TN 37920
321 865-609-4034 office; 865-609-4032 fax; management@woodlandsofknoxville.com
322 or to such other address as shall, from time to time, have been designated by written
323 notice by either party to the other party as herein provided. A copy of all such notices
324 shall also be sent via U.S. First Class Mail, postage prepaid.

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326 **7.1 Mortgage and Taxes:** Owner shall be solely responsible for all mortgage and tax
327 payments of the Property.

328 **7.2 Taxpayer Identification Number.** Owner shall provide Agent with its taxpayer
329 identification number via a completed and signed Form W9 so that Agent may prepare
330 an annual Form 1099 as required by the United States Department of Treasury Internal

331 Revenue Service. In the event Owner does not comply with this requirement, Agent may
332 withhold funds for payment of taxes in accordance with IRS requirements.

333 **7.3 Sale/Listing/Showing of Property:** In the event Owner lists the property for sale
334 or chooses to sale the property itself, the listing agent or Owner is to contact Agent before
335 showing the Property so that Agent may give twenty-four (24) hours prior notice to the
336 tenants. Pursuant to the Tennessee Uniform Residential Landlord & Tenant Act
337 (“URLTA”), Owner understands that a tenant is not required to permit access to the
338 Property for the purpose of showing the Property to prospective tenants except during the
339 last thirty (30) days of the lease term, provided that the notice of such access is set forth
340 in the lease. When tenants are residing in the Property, Agent shall have no obligation
341 to provide access to the Property for purpose of exhibiting the Property and Owner shall
342 not make any attempt to exhibit the Property except as set forth under the URLTA.

343 **7.4 Definition of “Rental Income”.** As used in this Agreement, the term “rental
344 income” shall mean all amounts actually collected by Agent as rents, ancillary income, or
345 other fees and charges related to the management, use, rental, and/or occupancy of the
346 Property.

347 **7.5 No Guarantee of Tenant.** Agent shall use its best efforts to lease the Property.
348 Owner understands that this Agreement does not constitute a guarantee that the Property
349 will be rented. Owner agrees to hold Agent harmless and release agent from any and all
350 claims based upon the alleged failure of Agent to rent the Property.

351 **7.6 Assignment, etc.** Agent shall not, without Owner’s prior written approval, which
352 Owner may in its discretion withhold, assign any of its rights or obligations under this
353 Agreement, whether by operation of law or otherwise, or permit any change in the identity
354 of the person or persons who are in effective control of the management of Agent’s
355 business, but may, unless objected to by Owner, make any subcontract with respect to
356 the performance of all or any of its obligations hereunder, or delegate any of its duties
357 hereunder; provided, however, that no such subcontract or delegation shall relieve Agent
358 of its responsibilities hereunder. Owner may assign its rights and obligations to any
359 successor in title to the Property and upon such assignment shall be relieved of all liability
360 accruing after the effective date of such assignment.

361 **7.7 Entire Agreement.** This Agreement supersedes all agreements previously made
362 between the parties relating to its subject matter. There are no other understandings or
363 agreements between them. No change or modification of this Agreement and no waiver
364 of any term or condition hereof, at any time during the term hereof, shall be valid or binding
365 upon the parties hereto unless such change, modification or waiver shall be in writing and
366 signed by both parties hereto.

367 **7.8 Notice of Laws.** This Agreement shall be interpreted in accordance with the laws
368 of the State of Tennessee.

369 **7.9 Choice of Venue.** The parties agree that the exclusive venue for any disputes
370 hereunder shall be in Knox County, Tennessee. Each party hereby submits to the
371 personal jurisdiction and venue of such courts located in Knox County, Tennessee, for
372 the purposes of this Agreement and waives any venue and jurisdictional defenses with

373 respect thereto. Either party shall have the right to remove claims filed against it by the
374 other party in the State Courts of Knox County to federal court when authorized under
375 federal law.

376 **7.10 Non Waiver.** No delay or failure by either party to exercise any right under this
377 Agreement and no partial or single exercise of that right shall constitute a waiver of that
378 or any other right, unless otherwise expressly provided herein.

379 **7.11 Counterparts.** This Agreement may be executed in two or more counterparts,
380 each of which shall be deemed an original but all of which together shall constitute one in
381 the same Agreement and may be delivered via fax or email.

382 **7.12 Binding Effect.** This provision of this Agreement shall be binding upon and inure
383 to the benefit of both parties and their respective successors, assigns and legal
384 representatives.

385 IN WITNESS WHEREOF, the parties have executed this Agreement as of the day
386 and year above written.

387 Owner:

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393 **Agent:**

394 Woodlands Management, LLC

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396 By: _____

397 Angela Mullins, Property Manager