



8719 Terrell Ct. S.  
Mobile, AL 36695  
(251) 510-9979

## AGREEMENT TO MANAGE AND LEASE REAL ESTATE

This Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ between \_\_\_\_\_ (Owner) and D&E Rentals (Manager).

Owner employs the services of Manager to exclusively manage, operate, control, rent and lease the following described property: \_\_\_\_\_.

**Responsibilities of Manager.** Owner hereby appoints Manager as his lawful agent and attorney-in-fact with full authority to do any and all lawful things necessary for the fulfillment of this Agreement, Manager shall act in a fiduciary capacity with respect to the matters subject to Manager's control and management under this Agreement; including the following:

A. *Collection and Disbursement.* Manager agrees to collect all rents as they become due; to render to Owner a monthly accounting of rents received and expenses paid; and to remit to Owner all income, less any sums paid out. Manager agrees to collect the rents from the tenant and to disburse funds by ordinary mail or as instructed by the Owner on or before the 10<sup>th</sup> day of the current month, provided, however, that the rent has been received from the tenant.

B. *Maintenance and Labor.* Manager agrees to decorate, to maintain, and to repair the property and to hire and to supervise all employees and other needed labor. Owner agrees that monies spent for the purpose of maintaining the property may be deducted from monthly disbursements. Required maintenance and labor totaling less than \$300 may be performed without prior approval from the Owner, expenses more than \$301 will require a minimum approval via email or longhand. If Manager determines maintenance or repairs to be an emergency, in the event of an emergency where immediate repairs are required to preserve the property, continue essential services to the property, avoid danger to life or property, or to comply with federal, state or local law. Owner approval will not be required. In maintenance and labor issues, Manager shall deal at arm's length with all third parties. All receipts for maintenance, repairs and labor will be kept in the Owners file at the Office of D&E Rentals.

C. *Advertisement and Legal Proceedings.* Manager agrees to advertise for tenants, screen tenants and select tenants of suitable credit worthiness. Manager 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, unless expressly instructed in writing by the Owner to the Manager to the contrary, as to the amount of the initial rent and any subsequent increases as may from time to time be appropriate. Manager agrees to rent and to lease the property; to sign, renew and to cancel rental agreements and leases for the property or any part thereof; to sue and recover for rent and for loss or damage to any part of the property and/or furnishings thereof; and, when expedient, to compromise, settle and release any such legal proceedings or lawsuits. Owner agrees to reimburse the Manager for any and all legal fees incurred in the process of enforcing the lease agreement or eviction tenants and or recovering damages to the property.

**Relationship of Manager to Owner.** The relationship of the parties to this Agreement shall be that of Principal and Agent, and all duties to be performed by Agent under this Agreement shall be for and on behalf of Owner, in Owner's name, and for Owner's account. In taking any action under this Agreement, Agent shall be acting only as Agent for Owner, and nothing in this Agreement shall be construed as creating a partnership, joint venture, or any other relationship between the parties to this Agreement except that of Principal and Agent, or as requiring Agent to bear any portion of losses arising out of or connected with the ownership or operation of the Premises. Nor shall Agent at any time during the period of this Agreement be considered a direct employee of Owner. Neither party shall have the power to bind or obligate the other except as expressly set forth in this Agreement, except that Agent is authorized to act with such additional authority and power as may be necessary to carry out the spirit and intent of this Agreement.

**Liability of Manager.** Owner hereby agrees to hold Manager harmless from, and to defend Manager against, any and all claims, charges, debts, demands and lawsuits. Owner agrees to pay Manager's attorney's fees related to Manager's management of the herein-described property and any liability for injury on or about the property which may be suffered by any employee, tenant or guest upon the property. Owner agrees to maintain sufficient and prudent all risks property



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insurance and that the Manager shall be an additionally named insured. Owner shall provide a copy of such insurance policy to the Manager for the Manager's records.

Manager assumes no liability whatsoever for any acts or omissions of Owner, or any previous owners of the Premises, or any previous management or other agent of either. Manager assumes no liability for any failure of or default by any tenant in the payment of any rent or other charges due Owner or in the performance of any obligations owed by any tenant to Owner pursuant to any lease or otherwise. Nor does Manager assume any liability for previously unknown violations of environmental or other regulations which may become known during the period this Agreement is in effect. Any such regulatory violations or hazards discovered by Manager shall be brought to the attention of Owner in writing, and Owner shall promptly cure them.

**Insurance.** Owner, shall maintain and keep current all premiums for hazard and liability insurance and any other insurance required by the state of Alabama or lien holder, D&E Rentals will be added to the liability portion of the Insurance policy as an additional insured. Owner agrees to furnish Agent with certificates evidencing such insurance or with duplicate copies of such policies within 30 days of the execution of this Agreement.

**Bank Accounts.** Owner agrees to create a banking account for the purpose of the following;

A. *Operating Account.* The Manager shall deposit all rents and other funds collected from the operation of the Property, including any and all advance funds, in a bank approved by Owner in a special account or accounts (the "Operating Account(s)") for the Property. The bank shall be informed in writing that the funds are held in trust for the Owner. Out of the Operating Account, Manager shall pay the operating expenses of the Property (including, without limitation, sums due the Manager to this Agreement) and any other payments relative to the Property as required by the terms of this Agreement. At any time that the Operating Account contains inadequate funds to meet current expenses and reasonable reserve, including all times prior to the commencement of rental income from the Property, Cost of service contracts approved by Owner and cost of utilities and deposits for Utilities. Owner shall provide the needed funds for the Operating Account.

B. *Security Deposits.* Manager shall maintain detailed records of all security deposits. Manager shall obtain approval of Owner prior to the return of such deposits to any particular tenant when the amount of such return, in any single instance, which is equal to one month's rent or exceeds One Thousand and No/100 Dollars (\$1,000.00).

C. *Change of Banks.* Owner may direct the Manager to change a depository bank or the depository arrangements.

D. *Access to Account.* Through the use of signature cards, authorized representatives of the Owner shall be permitted access to any and all funds in the bank accounts described in the Section A "Operating Accounts". Manager's authority to draw against such accounts may be terminated at any time by Owner upon five (5) days' notice to Manager. In the event of such a termination, Owner will assume full liability for all existing financial obligations for the Property which were incurred prior to said termination by the Manager pursuant to, and in accordance with, the terms of this Agreement.

**Compensation of Manager.** Owner agrees to compensate Manager as follows. Owner agrees to pay the Manager an amount equal to twenty five (25%) percent of the first full month's rent as a fee for acquiring, screening, and renting the premises; and further agrees to ten (10%) percent of all rents collected, (minimum \$40.00 per month), as a fee for managing the property; which fees, plus any repair expenses, may be deducted by the Manager from rents, and further agrees to abide by the conditions set forth by the Manager to the tenant on the Owner's behalf. Owner agrees to pay the Manager an amount equal to ten (10%) percent of the first full month's rent as a fee for renewal or extension of an existing/ current lease.

**Term of Agreement.** This Agreement shall be effective as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ and shall expire on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_. Upon expiration of the above initial term, this Agreement shall automatically be renewed and extended for a like period of time unless terminated in writing by either party by providing written notice 30 days prior to the date for such renewal. This Agreement may also be terminated by mutual agreement of the parties at any time. Upon termination Owner shall pay to Manager any fees, commissions and expenses due Manager under terms of this Agreement, which are owing to Manager. In the event of the premises not renting within a 120-day period of



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entering into this agreement, or of a vacancy continuing for a period of longer than 120 days, Owner reserves the right to declare this agreement void.

**Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the successors and assigns of Manager and the heirs, administrators, successors, and assigns of the Owner. Notwithstanding the preceding sentence, Manager shall not assign its interest under this Agreement except in connection with the sale of all or substantially all of the assets of its business. In the event of such sale, Manager shall be released from all liability under this Agreement upon the express assumption of such liability by its assignee.

This document represents the entire Agreement between the parties hereto.

IN WITNESS WHEREOF, the parties hereto hereby execute this Agreement on the date first above written.

\_\_\_\_\_ Date: \_\_\_\_\_  
Owner

\_\_\_\_\_ Date: \_\_\_\_\_  
Manager