

PROPERTY MANAGEMENT AGREEMENT

THIS AGREEMENT made as of the _____ day of _____, 20_____.

BETWEEN: The "Owner" Name(s): _____
Address: *Alternate to Rental _____
Property _____
Phone: _____
Cell: _____
Fax: _____
Email: _____

AND: **RE/MAX Masters Realty**

1453 Bellevue Avenue, West Vancouver, BC, V7T 1C3
Bus: (604) 913.9000 Fax: (604) 926.6929
(the "Manager")

WHEREAS:

A. The Owner owns certain lands and premises known as:

(the "Property")

- B. The Manager is in the business of Real Estate Property Management; and
- C. The Owner and Manager have agreed that the Manager shall manage the Property for the Owner.

NOW THEREFORE IN CONSIDERATION of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

1. **Appointment**

1.1 The Owner hereby exclusively appoints the Manager, and the Manager hereby accepts the appointment to manage the Property on the terms and conditions hereinafter set out and under instructions of the Owner from time to time, not inconsistent with the conditions hereof, for a period of _____ years, _____ months and _____ days commencing on the _____ day of _____, 20_____ and terminating on the _____ day of _____, 20_____.

1.2 The appointment set out in paragraph 1.1 will automatically renew for successive one year periods unless one party gives the other party at least sixty (60) days written notice of its intention to terminate this Agreement on the next ensuing renewal date whereupon this Agreement shall terminate on that renewal date.

Lease Agreement Defined

As used throughout this Agreement:

“Lease” means a fixed term tenancy agreement for a specified number of months.

2. Manager’s Duties

2.1 During the term hereof the Manager shall operate, manage and furnish services reasonably satisfactory to the Owner for the economical and efficient operation and management of the Property subject to and in accordance with the direction and control of the Owner from time to time, including but not limited to the following:

- (a) **Registration of Property**– Perform the advertising, promotion, negotiation, and administration of any lease in connection with the Property, including:
 - (i) Do a title search to verify registered Owner;
 - (ii) List the Property and set up an Owner’s file in the Manager’s database;
 - (iii) Promote the Property using digital pictures and a description provided by the Owner on the Manager’s Web Site;
 - (iv) Add the Property to availability lists forwarded to prospective tenants;
 - (v) Show the Property until it is rented;
 - (vi) Do a credit check and screening on all prospective tenants;

PROVIDED HOWEVER prior to agreeing to any lease on behalf of the Owner, the Manager shall obtain the consent of the Owner to any legal and material changes to the standard form of lease approved by the Owner, the term, the rent and any options to renew. The Manager will employ leasing forms that comply with current legislated requirements. The Owner and Manager may agree in writing to tenancy criteria to be contained in the lease forms, including but not limited to, contents of the Property, pets, smoking, number of occupants or services to be included.

- (b) **Collection of Rent** – render accounts from time to time as necessary and collect all rents and additional rents and fees with respect to the Property in accordance with the terms of the respective leases or rental agreements and use its best efforts to collect rents, additional rents and fees;
- (c) **Disbursement of Rent** – Rent will be disbursed to Owners after commencement of the Residential Tenancy Agreement. Re/Max Masters Realty will ensure that funds are received in the form of secured funds (wire transfer, money order or bank draft) prior to providing access to the property. Rent proceeds will be paid after deduction of Fees (Tenant

Placement, Property Management, and Property Inspection) and any related expenses (cleaning, repairs, etc.). After the first initial move in date, rent received thereafter will be dispersed after funds are insured to have cleared the trust account; therefore any personal cheques, or unknown company cheques, need 10 business days before disbursement to the Owner. Re/Max Masters Realty will endeavor to collect from tenants in the first 5 business days of the month and notice to the Owner will be given if rent is not collected on time, however there is no guarantee that all tenants comply with these dates. **The Owner is advised to schedule any mortgage payments or any monthly obligations on the 16th or thereafter to ensure that there is enough lead-time to meet these obligations on time.**

- (d) **Breach of Lease** – notify the Owner, as soon as reasonably possible of any breach of a material term of the lease by any tenant. At the expense of the Owner, carry out all lawful and reasonable instructions of the Owner to terminate leases and to institute appropriate legal action. Recover possession of the Property in the name of the Owner for rental due or any breach of material term by any tenant under its lease and to employ counsel, if necessary, at the Owner’s expense for any of these purposes;
- (e) **Repair** – keep the Property in a state of good repair and maintenance including, but without limitation, interior and exterior cleaning and purchase incidental supplies and enter into independent contracts for the foregoing. The money used to pay for any repairs; maintenance and services will be from the Owner’s Trust Account. The Manager shall obtain the Owner’s approval on all expenditures **in excess of \$500.00** for any one item, except for monthly or recurring operating charges and/or emergency repairs in excess of this maximum if the Manager believes such expense is necessary to protect the Property from damage or to maintain services to a tenant(s) under the terms of a lease;
- (f) **Maintain Records and Accounts** - maintain, at its offices in West Vancouver, British Columbia:
 - (i) Adequate books and records in connection with the management of the Property, together with all of the documents and papers pertaining thereto, and all of such items shall at all reasonable times be open to the inspection of the Owner and copies and excerpts may be taken there from by the Owner or its duly authorized representative;
 - (ii) Maintain in accordance with a cash basis accounting principle governed by the Real Estate Council of B.C. whereby accurate books and records of account in which shall be entered:
 - (1) All matters relating to the Property including, without limitation, all costs, receipts, income, expenditures, assets and liabilities thereof;

- (2) The allocation of revenue, expenses and distributions;
- (3) All other records necessary, convenient or incidental to recording the business and affairs of the Property;
- (4) And keep the books of account so as to clearly record all income and expenses for this property;
- (g) **Monthly Statements** – emailed to the Owner on the 15th business day of each calendar month, a financial statement showing revenues and expenses for the month following the deposit of the rent funds into the trust account;
- (h) **Annual Report** – at the end of February of each calendar year, prepare and furnish to the Owner a statement that summarizes all the transactions relative to revenue and expenses for the last calendar year;
- (i) **Trust Account** – deposit into the Manager’s trust account, subject to audit in accordance with the Real Estate Act, with a chartered bank all rents and other revenue from the Property in a timely manner;
- (j) **Agent’s License** – maintain a valid and subsisting agent’s license issued under the *Real Estate Services Act* of British Columbia or any legislation in substitution therefore;
- (k) **Employees** – to hire, supervise and discharge all labour and service personnel required for the operation and maintenance of the Property; it being agreed that all such personnel shall be insured, bonded and deemed agents of the Owner and not the Manager, and that the Manager may perform any of its duties through such personnel and shall not be responsible for their acts, defaults or negligence if reasonable care has been exercised in their appointment and supervision.

3. **Optional Manager’s Duties**

(Check the box for each optional duty that the Owner wishes the Manager to perform.)

- 4.1 If there is no Tenant in the Property, conduct spot checks on the Property:
- Once a month
 - Twice a month
 - Every six weeks
 -

Each inspection is subject to a \$50.00 fee plus tax.

- 4.2 Retain non-resident income tax from rent collected and complete NR6 filings and remittances with CRA in accordance with the *Canada Income Tax Act*.

4. **Owner Duties**

4.1 The Owner is required to:

- (a) Provide a detailed description of the Property for the Manager’s website;
- (b) Provide 3 sets of keys and entry fobs;
- (c) Prepare the Property prior to a Tenant occupying the Property by having it thoroughly **professionally** cleaned etc.

(d) **Include the following services/amenities with the Property:**

- | | | | | |
|--------------------------|--------------------|---|--------------------------|---------------------------------------|
| <input type="checkbox"/> | Heat | * | <input type="checkbox"/> | Alarm ___ Monitored ___ Not Monitored |
| <input type="checkbox"/> | Hot Water | * | <input type="checkbox"/> | Storage Locker # _____ |
| <input type="checkbox"/> | Gas | * | <input type="checkbox"/> | Built In Air Conditioning |
| <input type="checkbox"/> | Electricity | * | <input type="checkbox"/> | _____ Parking Stall # _____ & _____ |
| <input type="checkbox"/> | Gardening | | <input type="checkbox"/> | Pool ___ Hot Tub ___ Maintenance |
| <input type="checkbox"/> | | | <input type="checkbox"/> | |
| <input type="checkbox"/> | | | <input type="checkbox"/> | |
| <input type="checkbox"/> | | | <input type="checkbox"/> | |
| <input type="checkbox"/> | | | <input type="checkbox"/> | |
| <input type="checkbox"/> | | | <input type="checkbox"/> | |
| <input type="checkbox"/> | | | <input type="checkbox"/> | |

- (e) Provide and maintain in force reasonable amounts of “all risks” insurance for the Property.
- (f) Store or remove all personal belongings, items of value and anything not intended for the Tenant’s use.

If the Property is a Strata Lot:

- (i) Provide the most **current copy** of the Rules, Regulations and By-Laws to facilitate the Manager’s receipt from the Tenant of a ‘Form K’ as required by the Strata Property Act. Notify the Managers if there are any changes to the Rules, Regulations and By-Laws by sending them any correspondence relating to these changes including the newly revised Rules, Regulations and By-Laws when they happen.
- (ii) Owner has received authorization from their Strata Council and/or Property Management Company to rent their suite.
- (iii) Notify the strata management company in writing that the Manager has been appointed to manage the Property. Notify the companies providing services to the Property. (ie Hydro etc.)
- (iv) Provide the following appliances and equipment with the Property (check the appropriate boxes):

- | | | | |
|--------------------------|---------------------------------|--------------------------|------------------------------------|
| <input type="checkbox"/> | Fridge | <input type="checkbox"/> | Microwave |
| <input type="checkbox"/> | Stove: Gas _____ Electric _____ | <input type="checkbox"/> | Wine Fridge |
| <input type="checkbox"/> | Dishwasher | <input type="checkbox"/> | TV(s) |
| <input type="checkbox"/> | Garburator | <input type="checkbox"/> | Freestanding Air Conditioning Unit |
| <input type="checkbox"/> | Trash Compactor | <input type="checkbox"/> | Window Coverings |
| <input type="checkbox"/> | Washer/Dryer | <input type="checkbox"/> | |
| <input type="checkbox"/> | | <input type="checkbox"/> | |
| <input type="checkbox"/> | | <input type="checkbox"/> | |
| <input type="checkbox"/> | | <input type="checkbox"/> | |
| <input type="checkbox"/> | | <input type="checkbox"/> | |

- 4.2 **Authority** - The Owner agrees to give the Manager the right to:
- (a) Publish pictures of the interior of the Property on the Internet;
 - (b) Organize and conduct showings of the Property to prospective tenants from the date of this Agreement until notified otherwise;
 - (c) Run a credit history report and check all references on prospective tenants;
 - (d) Rent the Property to tenants on behalf of the Owner;
 - (e) Prepare and sign all leases;
 - (f) Collect each month's rent and security, furnishing deposit, and/or pet damage deposits on behalf of the Owner(s);
 - (g) Conduct all move-in procedures with the Tenant(s), including without limitation, orientation of the unit and complex, providing keys, collecting move-in fees, signing of the 'Form K';
 - (h) Complete the condition reports for both move-ins and move-outs by Tenants.
 - (i) Submit completed 'Form K's to the strata management company.

4.3 **Pets**

The owner agrees:

- | | | | |
|--------------------------|-----------------|--------------------------|--------------------|
| <input type="checkbox"/> | No Pets Allowed | <input type="checkbox"/> | Pets Upon Approval |
| <input type="checkbox"/> | Cats Only | <input type="checkbox"/> | Dogs Only |
| <input type="checkbox"/> | Other _____ | | |

4.4 **Fees and Services**

- (a) **Registration Fees** - For a one-time **non-refundable** registration and administration fee of \$200.00 + GST, the Manager agrees to provide the services set out in paragraph 3.1(a).

- (b) **Tenant Placement** – The Owner hereby agrees to pay a fee equal to Fifty (50%) percent of the first months rent + GST, per Twelve (12) month rental period.
- (c) **Management Fees** - Upon renting or re-renting the Property, the Owner shall pay to the Manager for its management services a monthly fee equal to \$150 or (6%) whichever is greater for Detached Homes, and \$100 or (6%) whichever is greater for Attached Properties. GST will be added on all the above fees.
- (d) **Optional Management Fees** – The Owner shall pay to the Manager \$50.00 plus GST per Manager’s visit to the Property **if there is no Tenant** at the time of the visit.
- (e) **Non-Resident Filing Fee** – The Owner shall pay to the Manager an ANNUAL \$150 dollar fee for monthly remittance to CCRA and for Filing of NR6 and NR4 Tax Forms.
- (f) **Renewal Fee** – If tenant wishes to re rent premises for an additional 1 year fixed term, the renewal fee will be twenty five percent (25%) of the gross monthly rent dollars plus GST. If tenant vacates the premises and Manager finds new tenants the lease up fee will apply.
- (g) The Manager may deduct any of the fees payable under (a), (b), (c), (d) and (e) from any funds remittable to the Owner hereunder.

4.5 **Expenses** - The Owner shall be responsible for paying when due all of the following expenses relating to the Property:

- Property Taxes;
- Municipal Utilities;
- All Non-Resident Taxes (where applicable);
- If applicable, any fees or levies assessed against the Owner by the strata management company.

4.6 **Mail** -The Owner shall notify Canada Post of a forwarding address for the Owner’s mail, effective not later than the commencement date of this Agreement.

5. **Authorization**

5.1 The Owner hereby authorizes the Manager to perform any necessary and reasonable acts to carry out its obligations hereunder and everything done by the Manager shall be done as agent of the Owner, and all obligations and expenses incurred and contracts properly entered into hereunder shall be for the account, on behalf, and at the expense of the Owner.

6. **Indemnification**

6.1 The Owner shall, during and after the termination of this agreement, indemnify and save the Manager harmless from any damages or injuries to persons or property, or claims, costs, expenses and fees arising from any cause whatsoever (except if due to the gross negligence or willful misconduct of the Manager), provided the Manager is carrying out the provisions of this agreement or is acting on the subsequent directions of the Owner. Under no circumstances shall the Manager be liable to the Owner for the amount of any loss or damage to the Premises or its contents against which the Owner is insured and entitled to the indemnification.

7. **Owner May Terminate**

7.1 Notwithstanding paragraph 1.2 hereof, the Owner may terminate the Manager's appointment at the option of the Owner if the Manager does not discharge its duties hereunder faithfully, provided that the Owner first gives written notice to the Manager of the default in reasonable detail and the Manager does not within 21 days of that notice (or longer period as may be reasonably required by the Manager due to the nature of the default), cure that default.

7.2 Notwithstanding paragraph 1.2 hereof, the Owner may also terminate the Manager's appointment at the option of the Owner if:

- (a) The Manager becomes bankrupt or insolvent;
- (b) The Manager gives notice to any governmental body of suspension or pending suspension of operations; and
- (c) The Manager makes an assignment for the benefit of creditors or takes any other similar action for the protection or benefit of creditors.

8. **Manager May Terminate**

9. owner's failure to approve recommendations of the Manager has rendered the Property unmarketable to tenants;

9.1 The Manager may terminate this Agreement upon thirty (30) days written notice to the Owner upon the occurrence of any of the following:

- (a) In the sole opinion of the Manager, the O
- (b) The Owner fails to abide by the terms of this Agreement.

10. **Notice**

10.1 Any notice required or permitted to be given hereunder shall be given in writing and may be given by mailing the notice by prepaid registered post

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or delivering the notice to the party to whom the notice is given at the addresses hereinbefore set out or at such other address as the parties shall advise in writing from time to time in the manner aforesaid, and any notice so given shall be deemed to be received by the party to whom it is given, if delivered, when delivered, and if mailed by prepaid registered post on the third normal business day following that mailing.

11. **Assignment**

11.1 Either party shall not assign this Agreement without the prior written consent of the other party.

12. **Manager's Duties on Termination**

12.1 In the event of termination of this Agreement in accordance herewith, the Manager shall:

- (a) Turn over to the Owner copies of all records, reports, books of account, and other documents and materials relating to the management, operation and maintenance of the Property; and
- (b) Pay to the Owner an amount equal to the net revenue, if any, held in the Manager's Trust Account in accordance with this Agreement, and such additional amounts as the Manager may be obliged to pay under to the terms hereof, but termination of this Agreement shall in no way affect or impair any right which has accrued to either party hereto prior to the date when that termination shall become effective.

12.2 In the event of termination of this Agreement in accordance herewith, the Owner shall pay to the Manager any outstanding Manager's fees pro-rated to the date of termination, and the Manager's expenses to the date of termination.

13. **Sale of Property**

13.1 Notwithstanding paragraph 1.1 hereof, and in addition to the rights of termination of the Owner contained herein, this Agreement shall automatically terminate in the event of the sale of the Property by the Owner to a bona fide arm's length purchaser, effective upon the completion of that sale transaction.

14. **Successors and Assigns**

14.1 This Agreement shall be binding upon the heirs, administrators, executors, and successors and permitted assigns of the parties hereto.

15. **Residency**

(Check the box which applies)

Please note that it is extremely important to correctly determine if the owner(s) is/are resident(s) or non-resident(s) of Canada. In certain situations it is very straightforward to determine residency, however, in some cases it may be less obvious. If the property owner is unsure of their residency status, we insist that the property Owner contact a Canadian Tax Accountant or Lawyer to determine his/her residency status

- 17.1 The Owner warrants that he/she is a resident of Canada within the meaning of the *Income Tax Act* of Canada.
- 17.2 The Owner warrants that he/she is a non-resident of Canada within the meaning of the *Income Tax Act* of Canada.
- 17.3 As the Owner is a non-resident of Canada within the meaning of the *Income Tax Act* of Canada:
 The Manager will be the Owner's Canadian agent. If the Owner elects to file an NR6 form it is their responsibility to file an NR6 form **annually**.
- 17.4 The Canadian Agent's responsibilities include the following:
- If the non-resident chooses to file the NR6 form, the Canadian Agent has the responsibility of completing and signing Section 4 of the NR6 Form "Undertaking to File an Income Tax Return by a Non-Resident Receiving Rent from Real Property or Receiving a Timber Royalty Form".
 - The Canadian Agent must withhold the appropriate non-resident taxes on behalf of the owner.
 - The Canadian Agent must remit the non-resident taxes to CRA on or before the 15th day of the month following the month the rental income is paid or credited to the non-resident Owner.
 - The Canadian Agent is responsible for filing the annual NR4 form "Statement of Amounts paid or credited to non-residents of Canada" with CRA.
 - Re/Max Masters Realty has the right to recover any tax liability that might be inherited as the agent of the non-resident without delay

- The non-resident Owner is obligated to file the 216 return. Failure to do so on a timely basis (before June 30th of the following year), Re/Max Masters Realty reserves the right to withhold non-resident taxes at a rate of 25% immediately.

18. Re/Max Masters Realty, its manager and administrative staff only collect information from its Owners and Tenants necessary to effectively market, sell or rent the properties of Owner clients including location, assessing and qualifying prospective Tenants through personal references and credit checks from authorized credit reporting agencies.

