

Royal LePage Downtown Realty Ltd.
Property Management
4007 32nd Street, Vernon, BC V1T 5P2
250-545-5371 | dtrpmls@gmail.com



Management Service Contract

THIS AGREEMENT established the ____ Day of _____, _____

BETWEEN: _____ Home: _____
ADDRESS: _____ Mobile: _____
Email: _____ Office: _____
(hereinafter called the "Owner")

AND

Royal LePage – Downtown Realty Ltd.
4007 – 32nd Street, Vernon, BC, V1T 5P2
(hereinafter called the "AGENT")

To secure the services of the AGENT in the management of the real property located at:

ADDRESS: _____
CITY: _____
POSTAL CODE: _____
(hereinafter called the "Property"), subject to the following terms and conditions:

- The above Owner is the Registered Owner/Power of Attorney of the Registered Owner of the above described property and desires to appoint the AGENT as his/her Property Manager to rent/manage the property on the terms and conditions herein after set forth.
- The AGENT has agreed to become the Owner's Agent in respect to the management of the property, for the purpose of rental management on the terms and conditions herein.
- Therefore, in consideration of the Mutual Covenants and Agreements herein contained, and other good and valuable considerations the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. EMPLOYMENT AND AUTHORITY OF AGENT

- a) The Owners hereby appoint Royal LePage Downtown Realty Ltd. as their sole and exclusive agent to rent, lease, manage and operate the premises for a monthly/annual rent as approved by the owner from time to time.

- b) The AGENT is empowered to sign leases, rental agreements during the term of the contract on the Owner's behalf, and to enforce the provisions of same, and to institute legal proceedings to collect rents and sums due, and to dispossess tenants and other persons from the premises on behalf of the owner.
- c) It is understood and agreed that the AGENT is the sole and procuring cause of any lease/tenancy, written or oral that may be negotiated either directly or indirectly by the Owners themselves.

2. SPECIFIC AUTHORITY

- a) The Owners authorize the agent to: purchase necessary supplies, advertise as required to seek appropriate tenants, this may include both classified for pay and free internet classifieds. To contract for utility services as needed including vermin extermination and other services which the AGENT deems advisable, provided that the expenditure for any one item shall not exceed the amount of \$ 900.00 (nine hundred) without the express written consent of the Owners, unless the AGENT shall consider the circumstances surrounding the request for repairs or services to be an emergency and prior consent of the Owners is not readily available. The AGENT will use due diligence in contracting for repairs and other services and will have the right to hire, discharge, supervise and pay any employers, contractors or servants for work performed. The AGENT will not be liable to the Owner or others for any act or omission on the part of such employees or other workmen, if the AGENT has taken reasonable care in their employment.
- b) The Owner will be responsible for the payment of goods and services tax and any other applicable taxes, charges, rates and levies payable by the Owner in connection with the property covered in this agreement, including, without limitation to, that payable with the management of the property.
- c) The AGENT may withhold from the Owner net rental revenue and remit to Revenue Canada or any relevant authority any amount required to be withheld or remitted in respect of the goods and services tax, withholding tax or any applicable tax, charge, rate or levy which the AGENT is required to withhold or remit by law.

3. RESPONSIBILITES OF THE AGENT

- a) To secure a tenant to occupy the above noted property upon the terms herein provided and to enter into a rental contract with the tenant subject to the provisions under the Residential Tenancy Act.
- b) To use due diligence in the screening of prospective tenants, obtain necessary reference history and credit history at the discretion of the AGENT. To draft and have signed a tenancy agreement and property inspection report.
- c) Collect all the rents and income due from the tenants when such amounts become due, and deposit same into an agency trust account maintained on behalf of the Owners. Withdraw from such account all funds needed for proper disbursements for expenses payable by the Owners including, without limitation, the AGENT'S compensation.
- d) Collect security deposits and pet deposits under any lease or tenancy to be held in agency trust account. Any security deposit refund after a move out report has been completed and submitted

to the Owner and any interest payable to the tenant on the security deposit is to be paid by the Owner.

Please see website for current interest rate calculator: <http://www2.gov.bc.ca/gov/content/housing-tenancy/residential-tenancies/tools-and-resources/deposit-interest-calculator>

- e) To notify the Owner if the rent remains unpaid by the Owner transfer date.
- f) Maintain accurate and complete accounting records of all receipts and disbursements; and to submit a monthly written statement to the Owner indicating all collections and expenses, along with copies of paid bills. Should the owner choose regular mail for statement delivery a fee of \$1.00 will be charged to the Owner for postage. Collection of previously mailed records and statements will be an hourly rate of \$25.00 for the collection of the records and charged the cost of postage at the minimum of \$1.00.

Statement Delivery, please choose one: REGULAR MAIL EMAIL

- g) To prepare and deliver annual rent increases when applicable and subject to the Residential Tenancy Act.
- h) The AGENT may, in the event that the rent remains unpaid, or the tenant becomes unsatisfactory and has to be evicted, deliver the prescribed notice to vacate without further instruction from the Owners. The AGENT will not be liable or held responsible for any amounts uncollectable.
- i) The AGENT is not responsible for obtaining a new tenant after receiving legal notice of termination of this contract by the Owner.
- j) The AGENT may collect from the tenant and retain any or all, but not limited to the following: an administrative charge for late payment of rent; a charge for returned or non-negotiable cheques.
- k) The AGENT will request all tenant's purchase a tenant's package insurance policy and to advise the AGENT of the name and insurer, the insurer's agent and policy number. On receipt of this information the AGENT will provide a copy to the Owner's insurance agent. If the tenant shall refuse insurance the AGENT cannot be held liable.
- l) Any fixed term tenancy for a term greater than 12 months must first be approved by the Owner prior to acceptance by the AGENT.
- m) The AGENT will remit to the owner on a monthly basis all rents collected net of the AGENT'S compensation and receipted expenses authorized by this Agreement or otherwise agreed upon by the Owner, **by the 15th of each month (variances to this date will occur baring weekends and holidays)** via Electronic Funds Transfer into:

Institution #: _____

Transit #: _____

Account #: _____

Or by the way of cheque mailed directly to the owner if preferred at a fee of \$1.00 (Please supply void cheque or copy of banking information) EFT DEPOSIT MAILED CHEQUE

I hereby authorize Royal Le Page Downtown Realty Ltd. to initiate automatic deposits to my account at the financial institution named above. I also authorize Royal Le Page Downtown Realty Ltd. to make withdrawals from this account in the event that a credit entry is made in error. Further, I agree not to hold Royal Le Page Downtown Realty Ltd. responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me or by my financial institution or due to an error on the part of my financial institution in depositing funds to my account. This agreement will remain in effect until Royal Le Page Downtown Realty Ltd. receives a written notice of cancellation from me or my financial institution, or until I submit a new direct deposit form to the Property Management Department.

4. COMPENSATION OF THE AGENT

In consideration of the services to be rendered by the AGENT the Owners agree to pay the agent any or all of the following forms of compensation as may be applicable:

- a) **FOR MANAGEMENT** – a fee equal to 10% (Ten) percent of all rent from the premises or a flat fee of \$50.00 per unit per month whichever is greater. Whenever a new tenant is placed a fee of 50% (fifty) percent placement fee will be charged to cover the administrative costs. It is agreed the owners will pay all other fees associated with the property unless otherwise agreed upon in writing by the parties.
 - b) **PLACEMENT ONLY** – a fee of ½ (one half) month's rent will be charged for finding a tenant for those Owners who would prefer to manage their own property but prefer not to deal with finding tenants.
 - c) **SPECIAL SERVICES** – any special services that are conducted for the Owner will be subject to a mutually agreeable fee for the benefit of the AGENT. Such special services may call for the disposal or sale on behalf of the Owners, of items of furniture, vehicles, or to dispossess problem tenants placed in a tenancy prior to the inception of this contract, and other such events as they arise on a one-time basis.
 - d) **RENTALSMAN AND ARBITRATION** – To pay the AGENT \$30.00 per hour for preparation and attendance at arbitration or court proceedings.
 - e) **DUE AGENT AMOUNTS** – In the event that the AGENT advances personal funds to make payment for expenses incurred on the Owner's behalf, said funds are to be reimbursed by the Owners whether by deduction from rents collected or payment by the Owner. If not reimbursed within 15 days after written submission by the AGENT, the AGENT is entitled to a fee of 2% (two percent) of the monies expended and not reimbursed within 15 days of written submission to the Owner of the amount due.
 - f) **SERVICES RENDERED** – In the event that the Owner chooses not to rent the property, the AGENT will calculate \$30.00 per hour for services rendered.
- *all fees applicable to gst**

5. INDEMNIFICATION

- a) The Owner shall save the AGENT harmless from all suits for damages in connection with the management of the premises if the agent was not negligent and if the suit did not result from an intentional act or omission by the AGENT. The Owner shall carry at the Owner's expense sufficient public liability insurance with the AGENT designated as an additional insured.
- b) The Owner agrees to abide by the provisions of the Residential Tenancy Act and the regulations and procedures set down by the Residential Tenancy Branch as appointed by the Province of British Columbia. To hold the AGENT blameless for any funds paid out from the Account when acting on the authority of the courts or the Residential Tenancy Branch.

6. TERMS OF AGREEMENT

Agreement will remain in effect for a period ending _____. Either party may terminate this Agreement at the end of this term by giving to the other party written notice of termination at least 90 (ninety) days prior to the expiration of the current term. In the absence of said notice, this Agreement will renew itself automatically for an additional term of one year and so on from year to year until terminated by either party by the 90 (ninety) days written notice prior to the expiration of the written term. In the event of any cancellation of the Agreement, the AGENT is to receive the balance of any commissions due under this agreement during the term of the existing lease/tenancy.

7. VOLUNTARY CANCELLATION BY AGENT

Notwithstanding any other provision of the agreement, the agent may elect to cancel this agreement upon the occurrence of any of the following circumstances:

- a) In the event of a bona fide sale or demolition of the premises.
- b) If a petition of bankruptcy is filed by either the Owners, or if either make an assignment for the benefit of creditors or take advantage of any insolvency act.
- c) If the Owners shall fail to comply with any rule, order, determination, ordinance or law of any federal, provincial or local authority, relating to the operation of the premises. Notice of voluntary cancellations by the AGENT must be sent to the Owner in writing at least 30 (thirty) days prior to cancellation.

8. VOLUNTARY CANCELLATION BY THE OWNER

Notwithstanding any other provisions of the Agreement, the Owner may elect to cancel this Agreement upon the occurrence of any of the following circumstances:

- a) If a petition for Bankruptcy is filed by the AGENT, or if the AGENT shall make an assignment for the benefit of creditors or take advantage of the insolvency act.
- b) If the AGENT shall fail to comply with any rule, order, determination, ordinance, or Law of any Federal, Provincial or local authority relating to the operation of the premises.
- c) If the AGENT fails to provide monthly accounting record of all receipts and reimbursements along with the copies of paid bills, applicable for months in which rent is collected.
- d) If the AGENT fails to remit net rent proceeds collected to the Owner on a monthly basis voluntary cancellation by the Owner will be effective immediately upon occurrence of any of the circumstances contemplated under a) only: otherwise notice of voluntary cancellation by the Owner must be sent to the AGENT in writing at least 30 (thirty) days prior to cancellation showing bona fide cause for termination. Should the AGENT be able to rectify to the Owners satisfaction the cause within 21 days of receipt of notice the said notice shall become null and void.
- e) The Owner hereby certifies that he/she is a Resident of Canada for the purposes of the Income Tax Act of Canada and agrees to inform the AGENT immediately of any change in Residency Status of the Owner.

9. BINDING AUTHORITY

- a) The Agreement shall be binding upon the successors and assigns of the AGENT, and the heirs, administrators, executors, successors and assigns of the Owners
- b) This Agreement will be construed according to the laws from time to time in force in the Province of British Columbia.
- c) All amounts payable by either party to the other under this agreement will be payable in Canadian Funds.
- d) The Agreement constitutes the entire agreement between the parties and will not be modified or amended except by an instrument in writing dated and signed by all the parties to this agreement.

IN WITNESS WHEREOF, the parties have set their hands and seals on the day and year first above written.

Owner: _____

Owner: _____

Date: _____

Manager: _____

Date: _____

Any personal information collected by the Management Company is for the sole use of corresponding with the owner and/or depositing funds into their account. This information will remain private and confidential.



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