



RESIDENTIAL PROPERTY MANAGEMENT AGREEMENT

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INDEX

PAGE

1.	Residential Property Management Agreement	3
2.	Property Description	3
3.	Appointment of Property Manager	4
4.	Terms of	
4.1.	Building.....	5
4.2.	Management Fee	5
4.3.	Additional Fees and Charges	
4.4.	Short Term Rentals	5
4.5.	Accounting Fees.....	5
4.6.	Client Account	6
4.7.	Maintenance Program	6
5.	Term and Commencement Date	6
6.	Manager's Responsibility	6
6.1.	Agent of the Owner.....	6
6.2.	Creation of Tenancies	6
6.3.	Performance of all Covenants.....	6
6.4.	Non Payment of Rent by Lessee's.....	7
6.5.	Collection of Rent	7
6.6.	Appointment of Sub –Trades	7
6.7.	Owner Approved Expenses.....	7
7.	Utilities.....	7
8.	Property Taxes	7
9.	Condo Fees.....	8
10.	Management of Monies Held on Behalf of Owners	8
11.	Accounting.....	8
12.	Payment of Compensation	8
13.	Compensation for Work not Covered by Management Agreement	8
14.	Signs.....	8
15.	Liability.....	8
16.	Termination.....	9
17.	Signatures.....	9
18.	Signing and Faxing	9

1. RESIDENTIAL PROPERTY MANAGEMENT AGREEMENT

THIS AGREEMENT made as of the _____ day of _____, 2015.

BETWEEN

Hummingbird Homes Inc.

(hereafter referred to as “the Manager”)

and

(hereinafter referred to as “the Owner”)

2. PROPERTY DESCRIPTION:

Whereas

The Owner and the Manager have agreed to enter into a management agreement upon the terms and conditions set forth hereafter in respect to the lands:

The Owner is the legal owner of the lands and buildings, municipally described as

Property Description: single dwelling

The Owner desires to have the Manager manage the Building and Lands, and the Manager has agreed to accept such appointment as agent of the Owner on the terms and conditions as set forth herein.

Initials

3. APPOINTMENT OF A PROPERTY MANAGER

TO WHOM IT MAY CONCERN

For your records and information, please be advised we have appointed Hummingbird Homes Inc. manager of our property at

effective the _____ day of _____, 2015.

Please amend your records so that all property related information and concerns are forwarded to:

Hummingbird Homes Inc.
112 Niska Drive, Waterdown,
Ontario L0R 2H3

To the attention of the Property Manager Sandy Cullen and Joe Malec.

You can also contact Sandy Cullen directly by calling 905-975-6002

Your attention and co-operation in this matter is appreciated.

Yours sincerely,

Registered Owner Signature

Print Name

Dated this _____ day of _____, 20____

Initials

4. TERMS

It is hereby agreed as follows:

4.1 **BUILDING:** Means the residential building described above;

4.2 **MANAGEMENT FEE:** Means the monthly management fee payable by the Owner to the Manager for the normal administration and management of the premises is equal to ONE HUNDRED DOLLARS AND TWENTY FIVE (\$125.00) PER MONTH plus HST. The fee begins the 1st of the month the tenant moves into the premises, regardless of the day of the month they move in. The services include, deposit of the rent(s) on a timely basis to the owners bank account, paying bills related to the property (ie- gas, electricity and water), when the property is vacant, from the reserve fund held by Hummingbird Homes Inc. (see Section 10) on behalf of the Owner, as well as, responding to all calls and e-mails with reference to the rental property. A list of all payments, and their corresponding receipts, made over the month will be sent to the owner so that the owner can manage the books for the rental property;

4.3 **ADDITIONAL FEES AND CHARGES:** In addition to the management fee of \$125.00 + HST noted above, there will be a Placement Fee charged for finding and placing ANY AND ALL new tenants in your units. This fee will amount to ONE MONTHS RENT + HST per unit and include the following services. Hummingbird Homes Inc. will use a variety of methods to market your property to prospective tenants including (from time to time) internet, open houses, and signs on the property. The Internet is an invaluable way to find tenants. The site Kijiji has been one of the most successful sites for locating tenants. Kijiji now charges \$30 per month to use their site for rental properties. This change will be paid for by the owner. There will be an additional charge of \$55.00 for each credit check. Further, this Placement Fee covers Hummingbird Homes Inc. interviewing and checking references of all prospective tenants to ensure their fit with your rental unit. This fee will apply each time a new tenant is secured. Our standard lease is 12 months, after which the tenant will default to a month to month lease which still requires 60 days written notice to terminate and vacate the property. This procedure is in line with the written guidelines adhered to by the Landlord and Tenant Act.

4.4 **SHORT TERM RENTALS:** Where an owner wishes or accepts short-term rentals (3 to 9 months in duration) the one months' rent will not be charged, as mentioned in 4.3 above. Instead 10% of each month rent will be charged.

Example: \$1500.00 per month x 3 months = \$4500.00 x 10% = \$450.00 or \$150.00 + HST per month for the 3 month term. The \$125.00 plus HST per month management fee as mentioned in 4.2 will still apply. Short Term rentals are **optional**;

I do not wish to offer short-term rentals I wish to offer short-term rentals _____
(Initials)

4.5 **ACCOUNTING FEES:** A fee of \$45.00 + HST will be added to the monthly fee if the Owner requires full bookkeeping services. The records will be kept in MYOB (Mind Your Own Business) format and sent to an accountant as requested. This is an **optional** service, for those who wish to have Hummingbird Homes Inc. keep and manage a Client Account and keep a full accounting file for the rental property;

Accepted Declined _____ (Initials)

Initials

4.6 **CLIENT ACCOUNT:** Means an account established with a Canadian Chartered bank or trust company, from which the Manager is authorized to pay out all property related expenses and disbursements with respect to the general management, operations, repairs and maintenance of this property, including all bank charges connected with the operation of this account. Not necessary, I have declined 4.5. _____ (Initials)

4.7 **MAINTENANCE PROGRAM:** This program has been put together for your rental unit to ensure safety with such items as smoke detectors, furnace filters, plumbing, lighting fixtures and other elements of your rental unit to ensure its safety and well-being. Two maintenance programs are done annually.

A Fall/Winter Check-up is completed and items such as smoke alarms, carbon dioxide detectors, all plumbing, and sump pumps are checked to ensure they are working, as well taps are turned off for the winter, dryer vents are checked for lint blockage and locks and deadbolts are in good working order. Also, checking that all items that need repair or further attention are recorded. If it is recorded that any items are in need of further repair or investigation, we (you and Hummingbird Homes Inc.) will decide what further action we wish to take at that time and how we wish to deal with the item in question.

The cost for the Fall/Winter Check Up Inspection is \$150 plus HST and is charged annually.

B Spring/Summer Check-up is completed and items such as smoke alarms, carbon dioxide detectors, all plumbing, and sump pumps are checked to ensure they are working, as well taps are turned off for the winter, dryer vents are checked for lint blockage and locks and deadbolts are in good working order. Also, checking that all items that need repair or further attention are recorded. If it is recorded that any items are in need of further repair or investigation, we (you and Hummingbird Homes Inc.) will decide what further action we wish to take at that time and how we wish to deal with the item in question.

The cost for the Spring/Summer service is \$150.00 plus HST and is charged annually.

5. TERMS AND COMMENCEMENT DATE

The term of this agreement shall extend from the _____ day of _____, 20_____ for a period of one year and thereafter shall continue in full force and effect from year to year unless terminated by notice in writing given by either party to the other not less than two months prior to the expiration of the original term of this agreement or any renewal thereof.

6. MANAGER'S RESPONSIBILITY

6.1 **AGENT OF THE OWNER:** The Manager agrees and the Owner authorizes the Manager to manage the building on the Owner's behalf during the term of this agreement in a faithful, diligent and honest manner and to enter into such contracts and agreements as Agent of the Owner as may be necessary in the performance of the following duties;

6.2 **CREATION OF TENANCIES:** To provide tenant with the appropriate application and lease agreement forms of Hummingbird Homes Inc. and to consult with the Owner regarding acceptance of the tenant prior to renting, and to negotiate with tenants regarding any modification in the terms of such leases and to arrange for their execution;

Initials

- 6.3 **PERFORMANCE OF ALL COVENANTS:** To use its best efforts to arrange for performance of all covenants, duties, and obligations of the Owner pursuant to all leases and tenancy agreements, which are in effect during the currency of this agreement in so far as such performance is consistent with the terms of this agreement and any subsequent instructions given from time to time by the Owner;
- 6.4 **NON PAYMENT OF RENT BY LESSEES:** To diligently pursue and take all reasonable measures at the Owner's expense to remedy all breaches of leases by tenants including, but not limited to, non-payment of rent. Ensure that under the Tenant's Protection Act, an N4 is issued within the fourteen-day grace period. To review the Equifax report to determine the financial feasibility of pursuing legal recourse and, if deemed financially feasible, to initiate court processes or arrange for them to be initiated by a reputable party capable of providing competent legal or paralegal services. To supervise the legal services being administered, asking legal counsel to provide the various legal alternatives, before authorizing council to proceed, ensuring that the legal advice is the most cost effective. The Owner will be kept abreast of and approve such action;
- 6.5 **COLLECTION OF RENT:** To collect all rents, including additional rent payable to escalation clauses, maintenance and other charges payable by the tenants or occupants of the Building and any other monies to which the Owner may be entitled in connection with its operation. Further, maintain a careful vigilance over the collection of all receivables to manage in so far as is reasonably possible that all such amounts are paid when due and on their collection to deposit them in an owner or client account for the Owner;
- 6.6 **APPOINTMENT OF SUB-TRADES:** To hire in its own name on behalf of the Owner and supervise and dismiss as may be necessary from time to time all persons required (subject to any budgetary limitation) agreed on with the Owner for the proper operation and maintenance of the Building and its equipment; and
- 6.7 **OWNER APPROVED EXPENSES:** To provide and collect from the tenants the house keys and garage door opener, inspecting the house to ensure it is in livable conditions with the furnace and air conditioning and appliances functioning in good repair both when the tenant moves in and when he/she vacates the premises; to mitigate extra expenses to the Owner and to generally perform and, where desirable, contract (either in its own name or the Owners' name as the Manager in each instance may elect) for all things desirable or necessary for the proper and efficient management of the Building) including the giving of proper attention to any complaints. To endeavor as far as is economical to reduce waste and to perform every other act whatsoever in or about the Building to carry out the intent of this agreement provided, however that the Manager shall not authorize any work, repairs, alterations or redecorations estimated to cost in excess of \$500.00 per unit for any one item without first obtaining the Owner's approval. If any such work is urgently required to be done and failure to do such work which would cause personal injury or damage to the Building or its equipment or contents or which would cause to impair the value of the Owner's investment at a time when the Owner or its duly authorized representative cannot be reasonably located for approval of such work, the Manager hereby is granted permission to execute such work as is necessary.

Initials

7. UTILITIES

The Owner has advised the Property Manager that the Owner pays the utilities for these units when the unit is vacant. If requested, the Property Manager can arrange for the utilities to be paid by Hummingbird Homes Inc using the Owners rent money from the tenants.

8. PROPERTY TAXES

The Owner will make arrangements for the taxes to be paid directly through their Canadian chartered bank or trust company.

9. CONDO FEES

The Owner will make arrangements for the condo fees to be paid directly through their Canadian chartered bank or trust company. N/A _____(Initials)

10 MANAGEMENT OF MONIES HELD ON BEHALF OF OWNERS

The Manager shall be entitled and have the right to disburse from the moneys from time to time held by it in its Client account for the Owner all costs and expenses incurred in providing the services agreed on in paragraph 6.1 through 6.7 inclusive in this agreement, it being understood and acknowledged by the Owner that the Manager is prevented by law from overdrawing the account held by it in trust for the Owner. In the event that the amount of costs and expenses incurred by the Manager in the management of the Building exceed the amount held in trust by the Manager for the Owner, the Manager shall thereupon furnish the Owner with an accounting of same and the Owner shall furnish the Manager with sufficient funds to pay the costs and expenses which it has so incurred on behalf of the Owner. The Owner will be required to maintain a minimum of \$1,000.00 in the reserve fund, unless otherwise discussed. The Manager holds the reserve fund.

11. ACCOUNTING

If section 4.5 is declined by the Owner then, as in 4.2, the Manager will send a list of all payments made over the month to the owner so that the owner can manage the books for the rental property.

If Section 4.5 is accepted by the Owner then the Manager shall keep and maintain full detailed and proper records regarding all financial transactions involved in the management of the Building and shall forward to the Owner a full financial statement showing the distribution of any and all costs, fees, services, credits and expenses available to the Owner and the Owner's auditors or other designated representatives at reasonable times. Whenever requested, a financial report will be sent when expenses are incurred to put the house in good repair.

12. PAYMENT OF COMPENSATION

The Owner agrees to pay the Manager as compensation for the management services rendered as mentioned under this agreement a fee of \$125.00 + HST and the Manager is authorized to deduct and to keep this fee amount monthly from the rent. As well as, any other fees paid out by the Manager on behalf of the unit listed above.

Initials

13. COMPENSATION FOR WORK NOT COVERED BY MANAGEMENT AGREEMENT

The Manager's Service for the fee provided in clause 6.3 and 6.6 do not include those necessary to arrange, supervise or contract major repairs to the property as a result of fire, breakdown, or substantial capital improvement, such as renovations, roofing, purchasing of new appliances, and furnace replacements at the request and on behalf of the Owner. An administration fee for supervising such major repairs of ten per cent (10% + HST) of the cost of said repairs (prior to taxes) will be due the Manager. Minor repairs are considered a part of the normal administration fee of \$125.00.

14. SIGNS

The Manager shall have the exclusive right to place any rental signs about the Building.

15. LIABILITY

The Owner covenants to ensure there is liability coverage on the premises at all times and that the Manager is named in the policy and held harmless from all Liability (except if due to gross negligence of the Manager or those for whom it is in law responsible).

16. TERMINATION

Either party may terminate this agreement with due notice of such termination of two months.

17. SIGNATURES

IN WITNESS WHEREOF the parties hereunto agree

This _____ day of _____ 20____,

At the City of _____, Province of Ontario

Owner

Signature

Print Name

Signature

Print Name

Hummingbird Homes Inc.

Signature

Print Name

Initials

18. SIGNING & FAXING

This Agreement may be signed and sent by fax and this procedure will be as effective as signing and delivering an original copy.

19. OWNER CONTACT INFORMATION

Name:

Phone Number (home): _____

Phone Number (cell): _____

Phone Number (work): _____

Mailing Address: _____

E-mail Address: _____

**Banking Information
For Rent Deposit:
(Bank name and account #)** _____

Updated: June 18, 2015

Initials