

Property Management Agreement

GENERAL TERMS

PARTIES. This Property Management Agreement (hereinafter the "Agreement") is entered into on _____, 20____ between the following parties:

Owner: _____, with a mailing address of _____
_____, and

Property Manager: _____, with a mailing address of _____
_____ (hereinafter the "Agent").

Collectively, the Owner and Agent are referred to as the "Parties."

AGENT APPOINTMENT. The Owner hereby appoints and grants the Agent the exclusive right to rent, lease, operate, and manage the following commercial residential property(ies):

- A Single Property described as the following:

Address: _____

Description: _____

- A Unit of Properties described as the following:

Address: _____

Description: _____

Individually and collectively known as the "Property".

TERM. This Agreement shall be in effect for the following period ("Term").

Starts: _____, 20____

Ends: _____, 20____

After the Term expires, this Agreement shall:

- Terminate.

- Continue on a month-to-month basis with either Party having the option to terminate with 30 days' written notice.

TERMINATION RIGHTS. During the Term of this Agreement, either Party:

- May terminate this Agreement by providing at least ____ days' written notice.

- May not terminate this Agreement and both Parties must satisfy the terms and conditions of this Agreement until the expiration of the Term.

AGENT'S COMPENSATION. The Owner agrees to pay the Agent the following fees indicated below for the services provided:

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- Management Fee: _____.
- New Tenant Lease: _____.
- Lease Renewal: _____.
- Eviction: _____.
- Preparing Property to Lease: _____.
- _____.

ADDITIONAL FEES. Owner agrees that the Agent may receive and keep fees and charges from tenants for the following:

- Requesting an assignment of lease or sublease of the Property
- Processing rental applications for credit and background checks
- Returned (NSF) checks
- Late payments
- Any other services that are not in conflict with this Agreement
- _____

OTHER COMPENSATION. Unless otherwise stated, this Agreement does not include any services provided by the Agent in service of preparing the Property for sale or refinance, modernization, major damage restoration, rehabilitation, financial accounting or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, attending any Association or Condominium meetings, and any other obligation not listed as a Service. If the Owner requests the Agent to perform services not included in this Agreement, a fee shall be agreed upon before such services are performed.

SALE OF THE PREMISES. In the event the Property is put on the market for sale by the Owner during the Term of this Agreement, the Agent:

- has the exclusive rights of representation under terms that shall be agreed upon in a separate Listing Agreement.
- does not have any rights to sell the Property.

AGENCY RELATIONSHIPS. If permitted by governing law, the Owner hereby authorizes the Agent to act as a dual agent for the Owner and any Agent(s) or buyer(s) resulting in a real estate transaction. The Owner is aware that the Agent may have or obtain property management agreements on other properties and that potential tenants may consider, make offers on, or lease through the Agent different properties that are similar to the Property subject to this Agreement. The Owner consents to the Agent's representation of the other owners' properties before, during, and after the expiration of this Agreement.

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AGENT'S POWERS AND OBLIGATIONS

LEASE MANAGEMENT. The Owner hereby authorizes the Agent to initiate, sign, renew, modify, or cancel rental agreements and leases for the Property, or any part thereof and collect and provide receipts for rents, fees, charges, and security deposits in accordance with the below sections.

LEASING. The Owner hereby grants the Agent power to create the following types of lease agreements for the Property:

- Fixed-term arrangements not exceeding ____ months.
- Month-to-month lease arrangements in accordance with the Governing Law set forth below.
- Vacation rentals
- _____.

SECURITY DEPOSITS. The Owner hereby grants the Agent power to collect security deposits from tenants. Returning said security deposit to vacating tenants shall be the responsibility of the:

- Agent.
- Owner.

LEASE AMOUNT. The Owner hereby grants the Agent power to create lease agreements related to the Property for:

- Current local market rate for rent.
- An amount no lower than \$_____ per _____.
- _____.

OWNER DISTRIBUTIONS. The Agent shall make the following distributions to the Owner:

- ____% of payments collected to be paid weekly monthly with the full balance distributed 5 business days before the end of each taxable quarter.
- \$_____ to be paid weekly monthly with the full balance distributed 5 business days before the end of each taxable quarter.
- Total paid-in-full 5 business days before the end of each taxable quarter.
- Other _____.

Any amount not distributed shall be held by the Agent and used for other fees, expenses, distributions, or other items related to the Property. The remaining balance shall be distributed to the Owner upon the termination of this Agreement.

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REPAIRS AND MAINTENANCE. The Owner hereby gives power to the Agent to supervise repairs, improvements, and alterations to the Property as well as purchase and pay bills for related services and supplies. The Agent shall obtain prior written approval of the Owner for any expenses exceeding \$_____ for a single item. Prior approval for lesser amounts shall not be required for recurring expenses or if an emergency expenditure exceeding the maximum is, in the Agent's opinion, needed to protect the Property from damage, prevent injury, avoid suspension of essential services, avoid penalties or fines, or suspension of services to tenants that are required by agreement or by law, including, but not limited to, maintaining the Property in a habitable condition.

EVICCTIONS. The Owner authorizes the Agent to sign and serve notices on the Owner's behalf and prosecute actions to evict tenants; recover possession of the Property; recover rents and other sums due; and, when in the best interest of the Owner, settle, compromise and release claims, actions, and suits and/or reinstate tenancies.

TRUST FUNDS. The Owner authorizes the Agent to deposit all receipts collected for the Owner, less any sums properly deducted or disbursed, in a financial institution whose deposits are FDIC insured. The funds shall be held in a trust account separate from the Agent's personal accounts and in accordance with applicable law. The Agent shall not be liable as the result of a bankruptcy or failure of a financial institution.

ADVERTISING. The Owner authorizes the Agent to purchase and display "For Rent / Lease" and similar signage on the Property and advertise the availability of space through publications, online marketing, and other reasonable methods.

HIRING CONTRACTORS. The Owner authorizes the Agent to contract, hire, supervise and/or discharge firms and persons, required for the operation and maintenance of the Property. The Agent may perform said duties through attorneys, agents, employees, or independent contractors and, except for persons working in the Agent's firm, shall not be responsible for their acts, omissions, defaults, negligence, or costs as a result.

PAYMENT OF EXPENSES The Owner hereby authorizes the Agent to pay expenses for the Property from the Owner's funds held by the Agent, unless instructed otherwise by the Owner. The expenses may include, but are not limited to, expenses for goods and services, property management compensation, fees and charges, property and other taxes, association or condominium dues, loan payments, assessments, and insurance premiums.

FINANCIAL STATEMENTS TO THE OWNER. The Agent shall provide statements of receipts, expenses, and other charges for the Property as requested by the Owner with a limit of 1 statement per month.

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DUE DILIGENCE. The Agent accepts the appointment of the Owner and agrees to use due diligence in the performance of the terms of this Agreement while furnishing services to lease and maintain the operation and management of the Property.

FEDERAL AND STATE LAW. All services provided by the Agent shall comply with Federal, State, or local law regarding the delivery of agreements, reports, notices, and/or the posting of signage or notices.

OWNER'S OBLIGATIONS

DOCUMENTATION. The Owner shall provide all documentation, records, and disclosures as required by law or necessary for the Agent to manage and operate the Property, and shall immediately notify the Agent if the Owner becomes aware of any change in such documentation, records or disclosures, or any matter affecting the habitability of the Property.

INDEMNIFICATION. The Owner shall Indemnify, defend, and hold harmless the Agent, and all persons in the Agent's firm, regardless of responsibility, from all costs, expenses suits, liabilities, damages, attorneys' fees, and claims of every type, including, but not limited to, those arising out of injury or death of any person, or damage to any real or personal property of any person, including the Owner, for:

- a) repairs performed by the Owner or those hired directly by the Owner; or
- b) actions by the Owner relating to the management, leasing, rental, security deposit, or the performance or exercise of any of the duties, powers, or authorities granted to the Agent;

HABITABILITY. The Owner shall maintain the Property in a condition fit for human habitation as required by applicable State and local laws.

TAXES. The Owner shall be responsible for all tax withholding and payments of revenues and incomes to local, State, and Federal authorities.

FINANCIAL OBLIGATIONS. The Owner shall be responsible for the following financial obligations:

- a) all interest on Agent's security deposits if required by applicable laws;
- b) public and premises liability insurance in an amount of no less than \$ _____;
- c) property damage and worker's compensation insurance sufficient enough to protect the interests of both parties. The Agent shall be, and the Owner authorizes Agent to be, named as an additional insured party on the Owner's policies; and
- d) late charges, penalties, or interest imposed by lenders or other parties for failure to make payment if the failure is due to insufficient funds in the Agent's trust account used for such payments. The Owner shall replace any

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funds required if there are insufficient funds in the Agent's trust account to cover such responsibilities of the Owner.

LEAD-BASED PAINT. The Owner shall be responsible for providing any required disclosures about the Property pertaining to lead-based paint. In accordance with 42 U.S. Code § 4852d, all occupants of residential property must be made aware of the existence of lead-based paint in residential dwellings built prior to January 1, 1978.

OWNER REPRESENTATIONS. The Owner represents to have no knowledge of the following:

- a.) recorded Notice of Default affecting the Property;
- b.) delinquency in any amount from loans or other obligations secured by the Owner and affecting the Property;
- c.) any bankruptcy, insolvency, or similar proceeding affecting the Property;
- d.) pending or potential litigation, arbitration, administrative action, government investigation, or other action that may affect the Property, including Owner's ability to lease the Property; and
- e.) any current, pending, or proposed special assessments affecting the Property.

If, during the Term of this Agreement, the Owner becomes aware of any of the above-referenced items in this Section, they shall promptly notify the Agent in writing.

MUTUAL OBLIGATIONS

EQUAL HOUSING OPPORTUNITY. The Property shall be offered in compliance with Federal, State, and local anti-discrimination laws.

NOTICES. All notices shall be sent by the Owner or the Agent by Certified Mail using the contact information provided at the end of this Agreement.

ARBITRATION. All disputes arising under this Agreement shall be governed by and interpreted in accordance with the Governing Law set forth below. The Parties to this Agreement shall submit all disputes arising under this Agreement to arbitration before an arbitrator of the American Arbitration Association ("AAA"). The arbitrator shall be selected by mutual agreement, or, if unable to do so, in accordance with the rules of the AAA. At a minimum, such arbitrator shall be an attorney admitted to practice under the State of Governing Law. Nothing contained herein shall prevent the Party from obtaining an injunction.

The following matters shall be excluded from arbitration:

- A judicial or non-judicial foreclosure or other action to enforce a deed of trust or mortgage;
- The filing or enforcement of a mechanic's lien; and

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- Any matter that is within the jurisdiction of a court of probate, small claims, and/or bankruptcy.
- _____

This section shall not be waived by the filing of a court action to enable the recording of a notice of pending action for an order of attachment, receivership, injunction, or other provisional remedies.

ATTORNEY FEES. The prevailing party shall be entitled to reasonable attorneys' fees, costs and expenses from the non-prevailing party in any action, proceeding, or arbitration between the Owner and the Agent regarding the obligation to pay compensation under this Agreement.

SUCCESSION. This Agreement is binding on the Agent and the Owner as well as their successors.

GOVERNING LAW. This entire Agreement shall be governed and subject to the laws of the State of _____. The Parties agree that the venue for any disputes related to this Agreement shall be held in _____ (County), _____ (State).

ADDITIONAL PROVISIONS. _____

SEVERABILITY. If any provision of this Agreement, or the application thereof, be invalid or unenforceable, neither the remainder of this Agreement nor the application of the provision to other persons, entities, or circumstances shall be affected thereby, but instead shall be enforced to the maximum extent permitted by law.

WAIVER. A delay or failure by either party to enforce any section of this Agreement shall not be deemed as a waiver of any violation.

AMENDMENTS. Any amendments made to this Agreement must be in writing and they must be signed by all parties to this Agreement.

ENTIRE AGREEMENT. This Agreement contains all the terms and conditions agreed to by the parties. It may only be modified or amended by written agreement, signed by all parties to this Agreement. This Agreement replaces all previous discussions and agreements, whether oral or written. The Parties agree to all terms and conditions of this Agreement and shall be bound until the termination of the Agreement.

ACKNOWLEDGMENTS. The Parties are, without any duress or undue influence, executing this Agreement voluntarily. The Parties acknowledge that they have read this Agreement in its entirety and fully understand its terms, conditions, and its binding effect. The Parties were

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given the opportunity to have the Agreement reviewed by an attorney prior to the signing of this Agreement.

SIGNATURES. IN WITNESS THEREOF, the Parties agree to the entirety of this Agreement, executed on the day set forth above.

OWNER SIGNATURE

DATE

Owner Name: _____

Owner Address: _____

Owner Phone Number: _____

Owner Email Address: _____

AGENT SIGNATURE

DATE

Agent Name: _____

Agent Address: _____

Agent Phone Number: _____

Agent Email Address: _____

WITNESS SIGNATURE

DATE

Witness Name: _____