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PROPERTY MANAGEMENT AGREEMENT

THIS PROPERTY MANAGEMENT AGREEMENT (“Agreement”) is made and entered into by and between

_____ (“Owner”)

and

_____ (“Agent”).

WHEREAS, Owner desires to engage Agent to manage the Property on behalf of Owner in accordance with the terms and conditions herein set forth. For purposes of this Agreement, “Property” shall be:

(Address) _____

(Legal Description/Description) [] _____

If this box is checked, “Property” shall mean that property described on Exhibit A attached hereto and incorporated herewith by reference as if fully set forth herein.

NOW THEREFORE, in consideration of the mutual covenants, it is agreed as follows:

1.

Authority of Agent and Responsibilities of Agent and Owner:

a.

Agent is hereby charged with the sole and exclusive management of the Property. Agent shall exercise due diligence and care in the operation and management of the Property, protect Owner’s interest at all times, and inform Owner when in its opinion changes in operating or management procedures are advisable.

b.

Agent shall use its best efforts to collect rents becoming due and take all reasonable precautions against loss by Owner. Agent shall not under any circumstances be liable for any uncollected or uncollectible rents. Owner authorizes Agent to request, demand, collect, receive and receipt for all such rent. Notwithstanding the foregoing, and shall not employ any collection agency or other third party to seek the collection of any delinquent account or bring suit to effect collection of any such delinquency without obtaining Owner’s prior written consent. If Owner’s consent is given, the cost of employing such agency or party shall be an expense of operation. Agent is authorized to institute and prosecute such proceedings in small claims court as may be necessary and advisable, in Agent’s opinion, to recover rents and other sums due Owner from tenants or to evict tenants and regain possession, including the authority, in Agent’s discretion, to settle, compromise and release any and all such small claims proceedings. The cost of any small claims proceeding shall be an expense of operation.

c.

Agent shall operate and maintain building(s) and grounds (including the employment and supervision of sufficient qualified personnel to accomplish such purpose) in a manner consistent with Owner’s goals and objectives. Agent is authorized to hire, supervise, discharge and pay all servants, employees, contractors, or other personnel necessary to be employed in the management, maintenance and operation of the Property. All employees shall be deemed employees of Owner, and Agent shall not be liable to Owner or others for any act or omission on the part of such employees. All local, state, and federal taxes and assessments (including, but not limited to, Social Security taxes, unemployment insurance, and workers’ compensation insurance) incident to the employment of such personnel shall be paid by Agent out of Owner’s funds and shall be treated as operating expenses. Agent shall not be liable to such employees for their wages or compensation.

Page 1 of 5

d.

Agent shall enforce fairly the various rules and regulations which Owner or Agent may from time to time adopt to protect the Property or the peace of the building(s) and its tenants. Owner shall not take any action or adopt any policy or rule the effect of which would be to prevent Agent from offering the Property for rental in compliance with all applicable federal, state and municipal laws and regulations, including, but not limited to, those laws and regulations prohibiting discrimination on the basis of race, color, religion, sex, national origin, handicap or familial status in the leasing of the Property. **AGENT SHALL CONDUCT**

ALL BROKERAGE ACTIVITIES IN REGARD TO THIS AGREEMENT WITHOUT RESPECT TO THE RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, HANDICAP OR FAMILIAL STATUS OF ANY BUYER, PROSPECTIVE BUYER, SELLER, PROSPECTIVE SELLER, TENANT, PROSPECTIVE TENANT, LANDLORD OR PROSPECTIVE LANDLORD.

e.

Agent shall pay promptly (subject to Owner having available funds with Agent), when due, all authorized labor, services, utilities and materials charges and credit to Owner all earned discounts.

f.

Agent shall submit to Owner monthly statements of income and expenses (on a cash basis) and remit to Owner net proceeds.

g.

Agent shall perform the services contracted for herein for the fees stipulated in paragraph 2.

h.

Agent is authorized to retain such amounts from Owner's rental proceeds as may be necessary from time to time to establish and maintain a reserve fund on behalf of Owner in the amount of \$ _____, from which Agent may pay expenses associated with the management and operation of the Property for which Owner is responsible hereunder. In the event expenses, including fees, exceed funds on hand, Owner shall pay such excess to Agent promptly upon written demand for payment of such expenses.

i.

Owner shall pay for all advertising and sales promotion approved in advance in writing by Owner.

j.

Agent assumes no liability whatsoever for any acts or omissions of Owner or any previous owners of the Property, or any previous management or other agent of either. Agent 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. Agent shall not be liable for damage to and at the Property by vandalism, affirmative act, violations of environmental or other regulations or other cause not occasioned directly by Agent. Any such regulatory violations or hazards discovered by Agent shall be brought to the attention of Owner in writing, and Owner shall promptly cure them. Owner shall indemnify, defend, and save Agent harmless from any and all claims, loss, damage, cost, expense (including attorneys' fees) and liability arising in connection with Agent's performance of its duties under this Agreement (subject to Agent's obligations under this Agreement), or any and all claims for personal injury or property damage caused by neglect or willful act of Owner incurred or occurring in, on, or about the Property.

2.

Agent's Fee: Owner shall pay Agent each month for its services a fee of _____% of the rent collected for that period or \$ _____, whichever is more, while this Agreement is in full force and effect. As to any leases entered into after the effective date of this Agreement, a fee of _____% of the scheduled monthly income will be due and payable to Agent for management services rendered during that period of time when a lease is in effect, but tenant is not yet paying rent due to concessions made by Owner. Any late payment fees, returned check charges or other administrative fees authorized by leases at the Property shall belong to and shall be paid to Agent.

3.

Sales Protection Provision: If the Property is sold by the Owner during the term of this Agreement or any extension thereof, a fee of _____% of the gross sales price of the Property will be paid to the Agent as consideration for transition and sale assistance services. Gross sales price includes any and all consideration received or receivable, in whatever form, by Seller including, but not limited to, the assumption or release of existing liabilities.

4.

Termination; Modification:

a.

The Term of this Agreement shall be for a twelve-month period commencing on _____,