

PROPERTY MANAGEMENT AGREEMENT

PMA

This form recommended and approved for, but not restricted to use by, the members of the Pennsylvania Association of REALTORS® (PAR).

1 Broker (Company) \_\_\_\_\_ Licensee(s) (Name) \_\_\_\_\_
2 \_\_\_\_\_
3 Company Address \_\_\_\_\_ Direct Phone(s) \_\_\_\_\_
4 \_\_\_\_\_ Cell Phone(s) \_\_\_\_\_
5 Company Phone \_\_\_\_\_ Fax \_\_\_\_\_
6 Company Fax \_\_\_\_\_ Email \_\_\_\_\_

7 Owner \_\_\_\_\_
8 \_\_\_\_\_
9 Owner's mailing address \_\_\_\_\_
10 \_\_\_\_\_
11 Phone \_\_\_\_\_ Fax \_\_\_\_\_
12 E-mail \_\_\_\_\_

13 Owner understands that this Property Management Agreement is between Broker and Owner.
14 Does Owner have a Property Management Agreement for this Property with another broker?  Yes  No
15 If yes, explain: \_\_\_\_\_

16 1. PROPERTY
17 Address \_\_\_\_\_ ZIP \_\_\_\_\_
18 Municipality (city, borough, township) \_\_\_\_\_
19 County \_\_\_\_\_ School District \_\_\_\_\_
20 Zoning \_\_\_\_\_
21 Present Use \_\_\_\_\_
22 Identification (For example, Tax ID #; Parcel #; Lot, Block; Deed Book, Page, Recording Date) \_\_\_\_\_

24 2. STARTING & ENDING DATES OF PROPERTY MANAGEMENT AGREEMENT (ALSO CALLED "TERM")
25 (A) No Association of REALTORS® has set or recommended the term of this contract. Broker and Owner have discussed and
26 agreed upon the term of this Agreement.
27 (B) Starting Date: This Agreement starts when signed by Broker and Owner, unless otherwise stated here: \_\_\_\_\_
28 (C) Ending Date: This Agreement ends at 11:59 PM on \_\_\_\_\_

29 3. RENEWAL TERM
30 (A) This Agreement will AUTOMATICALLY RENEW at the Ending Date of this Agreement or at the end of any Renewal Term for
31 the Renewal Term selected below, unless Broker or Owner gives at least \_\_\_\_\_ days (30 if not specified)
32 written notice before Ending Date or before the end of any Renewal Term:
33  Month-to-month
34  One year
35  Other \_\_\_\_\_
36 (B) This Agreement will TERMINATE on the Ending Date if no Renewal Term has been selected above.
37 (C) Any renewal will be according to the terms of this Agreement or any written changes to this Agreement.

38 4. AUTHORITY OF BROKER
39 Owner authorizes Broker to perform the services selected below or described elsewhere in this Agreement:
40  Collect all rents and additional charges (such as late fees, bounced check fees) from tenants when such amounts become due
41  Collect and account for security deposits in accordance with applicable law
42  Draw from the management account to pay all compensation due to Broker under this Agreement (see Broker Fees paragraph)
43  Draw from the management account to pay utilities and expenses on behalf of Owner (see Utilities and Expenses paragraph)
44  Write and amend leases on behalf of Owner
45  Renew leases on behalf of Owner
46  Execute and terminate leases on behalf of Owner
47  Negotiate and settle disputes with tenant
48  Institute legal proceedings and carry out eviction proceedings against a tenant before a magisterial district justice (see Legal paragraph)
49  Make inspections of the Property Broker feels necessary and report the condition of the Property to the Owner
50  Contract for the performance of maintenance (see Maintenance paragraph)
51  Turn utilities on and off (see Utilities and Expenses paragraph)
52  Keep and use lock boxes; copy, hold and distribute keys; and change locks
53  Screen, approve and deny potential tenants
54  Other \_\_\_\_\_

55 Broker/Licensee Initials: \_\_\_\_\_ / \_\_\_\_\_ PMA Page 1 of 5 Owner Initials: \_\_\_\_\_ / \_\_\_\_\_
Revised 7/13

56 **5. MAINTENANCE**

- 57 (A) If elected in Paragraph 4, Broker may, at Owner's expense, hire contractors to perform any maintenance (upkeep, repairs and ren-
- 58 ovations) that Broker deems necessary to preserve the Property in its present operating condition, comply with lease requirements,
- 59 governmental regulations and/or insurance requirements. Broker may only contract for the performance of maintenance up to
- 60 \$ \_\_\_\_\_ (\$250 if not specified) per single instance without prior permission from Owner. Instances costing more than the
- 61 amount in this paragraph must have prior approval by Owner.
- 62 (B) In the case of an emergency, Broker may, at Owner's expense, perform maintenance without prior approval, even if it exceeds the
- 63 dollar amount in paragraph 5(A). An emergency is an action required to be taken immediately to avoid the suspension of any
- 64 essential service to the Property, or to avoid, eliminate or remedy a risk of serious bodily harm to an individual lawfully on the
- 65 Property.
- 66 (C) Broker will make available to Owner documentation for any maintenance that is performed.
- 67 (D) Broker's fee for performing maintenance, per instance, is:
- 68  \$ \_\_\_\_\_
- 69  \_\_\_\_\_ % of the maintenance cost
- 70  Other \_\_\_\_\_

71 **6. BROKER FEES**

- 72 (A) Broker's Fee is \_\_\_\_\_ % of gross rental income, or \$ \_\_\_\_\_ per month (\$ \_\_\_\_\_ per year),
- 73 whichever is greater.
- 74 (B) Broker's Administrative Fee is \_\_\_\_\_
- 75 (C) Other \_\_\_\_\_
- 76 \_\_\_\_\_
- 77 (D) Owner will reimburse Broker for any expenditures made on behalf of Owner in managing and maintaining the Property. Broker
- 78 will provide owner with supporting documentation, such as receipts or invoices, where possible.
- 79 (E) Broker may deduct Broker's Fee and all other fees and reimbursements described in this paragraph from gross receipts and col-
- 80 lections received before remitting the balance of the receipts and collections to Owner.

81 **7. INSURANCE**

82 Owner shall purchase and maintain, at Owner's expense, comprehensive general liability insurance coverage with a minimum com-

83 bined single limit for bodily injury, personal injury and property damage in scope and amounts adequate to protect the interests of

84 Owner and Broker, but not less than \$ \_\_\_\_\_. Such insurance shall include Broker as an additional insured and

85 shall require at least thirty (30) days advanced written notice of cancellation or non-renewal be given to Broker. Broker has advised

86 Owner to consult with his insurance broker and/or agent to determine additional coverages and amounts of coverage advisable for

87 Owner's protection. Broker cannot institute an insurance claim on Owner's behalf.

88 **8. LIABILITY AND INDEMNIFICATION**

- 89 (A) Broker shall not be liable for any act, omission or error of judgment, nor shall Broker be liable for any condition, change, deterio-
- 90 ration, defect of the property, or failure of any of its systems unless Broker is guilty of gross negligence or intentional misconduct.
- 91 (B) Owner shall indemnify, defend and hold harmless Broker, its principals, and employees from any liability imposed upon Broker,
- 92 adjudicated or otherwise, by (a) all claims and suits for damages arising in connection with or in any manner relating to the
- 93 Property including, but not limited to, the management of the Property, (b) liability for injuries suffered by any person in or about
- 94 the Property including, but not limited to, adjacent curbs and sidewalks (c) liability for property damage, and (d) all costs and
- 95 expenses, including counsel fees for attorneys of Broker's choosing, in connection with the foregoing.

96 **9. OWNER REPRESENTATIONS**

- 97 (A) Owner will provide Broker:
- 98 1. All documents and information that are deemed necessary by the Broker to properly manage the Property including, but not
- 99 limited to, a survey, building plans and specifications, deed, variance or special exception approval, tenant leases, existing
- 100 security deposits, rental license, rental registrations documents, permits, and a list of current service providers, as applicable.
- 101 2. Keys and access to the Property
- 102 (B) Owner will:
- 103 1. Complete, amend and deliver to Broker any disclosures or notices required by law or a lease of the Property
- 104 2. Notify Broker if Owner becomes delinquent in the payment of: any mortgage or other encumbrance secured by the Property,
- 105 property taxes, property insurance and/or Owners' Condominium or homeowner's association fees.
- 106 3. Refer all communication about property management to Broker.
- 107 (C) Owner will not:
- 108 1. Negotiate with any current tenant in the Property concerning any matter related to the management of the Property without
- 109 Broker's prior written approval
- 110 2. Enter into a property management agreement with another broker that begins before the Ending Date or the end of any Renewal
- 111 Term of this Agreement
- 112 (D) Owner will notify Broker immediately if Owner receives any notice of foreclosure. Owner has not received any foreclosure
- 113 notice(s), unless otherwise stated here: \_\_\_\_\_
- 114 \_\_\_\_\_

116 **10. RESERVES**

- 117 (A) At the Start Date of this Agreement, Owner will deposit a Reserve Amount of \$ \_\_\_\_\_
- 118 (0 if not specified) with Broker to be held in a rental management account for Owner.
- 119 (B) Broker may, at Broker's discretion, use the reserve to pay any expense related to the leasing and management of the Property.
- 120 (C) If the rental management account balance falls below the Reserve Amount, Broker will notify Owner. Within \_\_\_\_\_ days
- 121 (5 if not specified) Owner will restore the rental management account balance to the Reserve Amount.
- 122 (D) If Owner does not restore the rental management account balance as required, Broker may deduct and deposit into the account
- 123 the amount(s) necessary to restore the Reserve Amount.

124 **11. DISBURSEMENT**

- 125 (A) Broker will disburse the Disbursement Amount to Owner on the \_\_\_\_\_ (last if not specified) day of the month. The
- 126 Disbursement Amount is calculated by subtracting any expenses and the Reserve Amount from the balance of the account .
- 127 (B) All disbursements will be made by check or electronic transfer, unless stated here: \_\_\_\_\_

129 **12. BANKRUPTCY**

- 130 (A) Broker shall not be held liable in the event of bankruptcy or failure of the depository bank or savings and loan institution in
- 131 which the monies due the Owner are deposited.
- 132 (B) Broker shall not be held liable in the event of bankruptcy of Owner.

133 **13. LEGAL**

134 Owner specifically authorizes Broker to send notices to tenants, and institute legal proceedings before a magisterial district justice  
135 to enforce the terms and obligations of the lease, such as collecting past due rent and recovering possession of the property from  
136 defaulting tenants.

137 **14. UTILITIES AND EXPENSES**

138 Owner and Broker agree to pay for the charges for utilities and services provided for the Property as marked below. If a service is  
139 not marked as being paid by the Broker, it is the responsibility of Owner to pay for that service. **Broker will not be responsible for**  
140 **paying for any utilities or service costs that exceed the balance of the rental management account.** Broker is not responsible  
141 for loss of service if interrupted by circumstances beyond the Broker's control. Utility accounts paid by Owner must remain active  
142 in Owner's name until the Ending Date or the end of any Renewal Term. Owner will notify Broker if Owner receives any notices  
143 from utility companies of a pending termination of service. Owner will be in default of this Agreement if all utilities and services for  
144 which Owner is responsible do not remain active.

Broker pays	Owner pays	Broker pays	Owner pays
<input type="checkbox"/>	<input type="checkbox"/> Cooking Gas/Fuel	<input type="checkbox"/>	<input type="checkbox"/> Electricity
<input type="checkbox"/>	<input type="checkbox"/> Cable/Satellite Television	<input type="checkbox"/>	<input type="checkbox"/> Internet
<input type="checkbox"/>	<input type="checkbox"/> Heat _____ (type)	<input type="checkbox"/>	<input type="checkbox"/> Hot Water _____ (type)
<input type="checkbox"/>	<input type="checkbox"/> Parking Fee	<input type="checkbox"/>	<input type="checkbox"/> Cold Water
<input type="checkbox"/>	<input type="checkbox"/> Trash Removal	<input type="checkbox"/>	<input type="checkbox"/> Pest/Rodent Control/Bed Bugs
<input type="checkbox"/>	<input type="checkbox"/> Recycling Removal	<input type="checkbox"/>	<input type="checkbox"/> Snow/Ice Removal
<input type="checkbox"/>	<input type="checkbox"/> Sewage Fees	<input type="checkbox"/>	<input type="checkbox"/> Telephone Service
<input type="checkbox"/>	<input type="checkbox"/> Sewer Maintenance	<input type="checkbox"/>	<input type="checkbox"/> Lawn and Shrubbery Care
<input type="checkbox"/>	<input type="checkbox"/> Heater Maintenance	<input type="checkbox"/>	<input type="checkbox"/> Mortgage
<input type="checkbox"/>	<input type="checkbox"/> Property Taxes	<input type="checkbox"/>	<input type="checkbox"/> Licensing Fees
<input type="checkbox"/>	<input type="checkbox"/> Condominium/Homeowners Association Fee	<input type="checkbox"/>	<input type="checkbox"/> Insurance
<input type="checkbox"/>	<input type="checkbox"/> _____	<input type="checkbox"/>	<input type="checkbox"/> _____

159 Comments: \_\_\_\_\_

161 **15. NOTICE TO PERSONS OFFERING TO SELL OR RENT HOUSING IN PENNSYLVANIA**

162 Your attention is directed to the provisions of the Pennsylvania Human Relations Act, Act of October 27, 1955, as amended (43 P.  
163 S. § 951 et seq.). This law prohibits discrimination because of race, color, sex, religion, ancestry or national origin in the selling,  
164 leasing or financing of residential housing. All housing offered for sale is subject to the provisions of the law. In the rental of hous-  
165 ing, the provisions of the law apply to all residences except (1) single or two-unit buildings in which one of the units is occupied  
166 by the owner or lessee, and (2) rooms in a landlord-occupied rooming house with a common entrance. The only general category  
167 of housing which is exempt from the provisions of the law is housing owned by religious, charitable, educational, private and fra-  
168 ternal organizations, and used to promote the religious principles or the aims, purposes or fraternal principles for which such organ-  
169 izations were established. Note: An amendment to the Real Estate Brokers License Act of May 1, 1929, act of October 11, 1967,  
170 makes it unlawful for a real estate broker or salesman to accept a listing with an understanding that illegal discrimination in the sale  
171 or rental of housing is to be practiced. The rules and regulations of the Pennsylvania Human Relations Commission (16 Pa. Code §  
172 43.21) require that all licensed brokers or salesmen with whom you list your property for sale or rent shall give you a copy of this  
173 notice. The purpose of this notice is to help you comply with the fair housing provisions of the Pennsylvania Law.

174 The municipality in which the Property is located may have enacted an ordinance or other law that extends the protections for access  
175 to housing to additional classes of individuals, such as gay, lesbian, bisexual and transgender individuals and couples. Broker and  
176 Owner are advised to check with your local municipality, representative from the Pennsylvania Human Relations Commission, or  
177 your own attorney for further guidance.

179 **16. RECOVERY FUND**

180 Pennsylvania has a Real Estate Recovery Fund (the Fund) to repay any person who has received a final court ruling (civil judgment)  
181 against a Pennsylvania real estate licensee because of fraud, misrepresentation, or deceit in a real estate transaction. The Fund repays  
182 persons who have not been able to collect the judgment after trying all lawful ways to do so. For complete details about the Fund,  
183 call (717) 783-3658, or (800) 822-2113 (within Pennsylvania) and (717) 783-4854 (outside Pennsylvania).

184 **17. GOVERNING LAW, VENUE AND PERSONAL JURISDICTION**

- 185 (A) The validity and construction of this Agreement, and the rights and duties of the parties, will be governed in accordance with the  
186 laws of the Commonwealth of Pennsylvania.
- 187 (B) The parties agree that any dispute, controversy or claim arising under or in connection with this Agreement or its performance  
188 by either party submitted to a court shall be filed exclusively by and in the state or federal courts sitting in the Commonwealth  
189 of Pennsylvania.

190 **18. LEAD PAINT**

191 The Residential Lead-Based Paint Hazard Reduction Act says that any Landlord of property built before 1978 must give the Tenant  
192 an EPA pamphlet titled Protect Your Family From Lead in Your Home. The Landlord also must tell the Tenant and the Broker what  
193 the Landlord knows about lead-based paint and lead-based paint hazards that are in or on the property being rented. Landlord must  
194 tell the Tenant how the Landlord knows that lead-based paint and lead-based paint hazards are on the property, where the lead-based  
195 paint and lead-based paint hazards are, the condition of the painted surfaces, and any other information Landlord knows about lead-  
196 based paint and lead-based paint hazards on the property. Any Landlord of a pre-1978 structure must also give the Tenant any records  
197 and reports that the Landlord has or can get about lead-based paint or lead-based paint hazards in or around the property being rent-  
198 ed, the common areas, or other dwellings in multi-family housing. The Act does not require the Landlord to inspect for lead paint  
199 hazards or to correct lead paint hazards on the property. The Act does not apply to housing built in 1978 or later.

200 **Owner has no knowledge** of the presence of lead-based paint and/or lead-based paint hazards in or about the Property, **unless checked**  
201  **Owner has knowledge** of the presence of lead-based paint and/or lead-based paint hazards in or about the Property.

202 **Owner has no reports or records** about lead-based paint or lead-based paint hazards on the Property **unless stated below:**  
203 \_\_\_\_\_

204 **19. OTHER PROPERTIES**

205 Owner agrees that Broker may list, show, rent and manage other properties to prospective tenants.

206 **20. CONFLICT OF INTEREST**

207 It is a conflict of interest when Broker or Licensee has a financial or personal interest in the property and/or cannot put Owner's inter-  
208 ests before any other. If Broker, or any of Broker's licensees, has a conflict of interest, Broker will notify Owner in a timely manner.

209 **21. MEDIATION**

210 Owner and Broker will submit all disputes or claims that arise from this Agreement to mediation. Mediation fees, contained in the  
211 mediator's fee schedule, will be divided equally among the parties and will be paid before the mediation conference. This mediation  
212 process must be concluded before any party to the dispute may initiate legal proceedings in any courtroom, with the exception of fil-  
213 ing a summons if it is necessary to stop any statute of limitations from expiring. Any agreement reached through mediation and signed  
214 by the parties will be binding. Any agreement to mediate disputes or claims arising from this Agreement will survive settlement.

215 **22. THIS AGREEMENT**

- 216 (A) This Agreement constitutes the entire agreement of the parties. No prior understandings or representations of any kind shall be  
217 binding on either party unless reduced to writing contained within or incorporated and attached to the Agreement Without lim-  
218 iting the foregoing, Broker's services are limited to those specifically set forth in this Agreement and Broker has not been  
219 retained to provide (nor shall Broker be responsible to provide) any other services.
- 220 (B) This Agreement may only be modified, altered, amended or assigned in writing by Broker and Owner.

221 **23. DEFAULT AND TERMINATION**

- 222 (A) Owner is in default if Owner fails to pay Broker's Fees or fails to comply with any term, condition, or obligation contained in  
223 this Agreement within \_\_\_\_\_ days (10 if not specified) of being notified by Broker of this breach.
- 224 (B) Broker is in default if Broker fails to perform any of the terms, conditions or obligations set forth in this Agreement within  
225 \_\_\_\_\_ days (10 if not specified) of being notified by Owner of this breach.
- 226 (C) The non-defaulting party may terminate this Agreement if the other party is in default.

227 **24. ENDING THIS AGREEMENT**

- 228 (A) This Agreement will end at the Ending Date in paragraph 2, or if:  
229 1. This Agreement is terminated according to paragraph 23. All fees will be due to Broker upon termination, or \_\_\_\_\_  
230 \_\_\_\_\_
- 231 2. At least \_\_\_\_\_ days (30 if not specified) have passed since Broker has given Owner notice that Broker cannot provide man-  
232 agement services for the Property. No future fees will be due to Broker in this circumstance.
- 233 3. The Property is sold. Broker's Sales Coordination Fee is \_\_\_\_\_
- 234 4. The Property is uninhabitable for \_\_\_\_\_ days (30 if not specified). All fees will be due to Broker, or \_\_\_\_\_  
235 \_\_\_\_\_

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(B) When this Agreement is ended:

1. If it ended during the Term or Renewal Term of this Agreement and the Broker is holding Security Deposits, the Broker will transfer the Security Deposits (if applicable) from the Broker's escrow account to the Owner's escrow account, or the Owner's broker. Broker shall notify each tenant from whom Broker received a Security Deposit, the name and address of the banking institution in which the deposits will be held, and the amount of the deposits.
2. Broker will provide keys, documentation and a final accounting to Owner within 7 days of the ending of this Agreement.
3. If Broker receives any funds on behalf of Owner after this Agreement ends (for example, rent, damages, past due amounts), Broker will deposit those funds in Broker's trust account and will retain \_\_\_\_\_% of the funds received as compensation for services (for example, research, accounting, communicating, and processing) and pay the balance of the funds to Owner.
4. **The provisions in paragraph 24(B) will survive this Agreement.**

**25. SPECIAL CLAUSES**

(A) **The following are part of this Agreement if checked:**

- Change to Property Management Agreement Addendum (PAR Form CPM)
- Rental Property Information Addendum (PAR Form RPI)
- Multiple Property Addendum to Property Management Agreement (PAR Form MPM)
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

(B) **Additional Terms:**

**Owner has received the consumer notice as adopted by the state real estate commission at 49 Pa. code § 35.336.**

**Broker and Owner acknowledge receipt of a copy of this Agreement at the time of signing.**

**This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and which counterparts together shall constitute one and the same Agreement of the Parties.**

**Return of this Agreement, and any addenda and amendments, including return by electronic transmission, bearing the signatures of all parties, constitutes acceptance by the parties.**

**Owner gives permission for Broker to send information about this transaction to the fax number(s) and/or e-mail address(es) listed.**

**NOTICE TO PARTIES: WHEN SIGNED, THIS AGREEMENT IS A BINDING CONTRACT. Parties to this transaction are advised to consult a Pennsylvania real estate attorney before signing if they desire legal advice.**

**OWNER** \_\_\_\_\_ **DATE** \_\_\_\_\_

**OWNER** \_\_\_\_\_ **DATE** \_\_\_\_\_

**OWNER** \_\_\_\_\_ **DATE** \_\_\_\_\_

**ON BEHALF OF** \_\_\_\_\_

**BROKER/LICENSEE** \_\_\_\_\_ **DATE** \_\_\_\_\_

**BROKER/LICENSEE** \_\_\_\_\_ **DATE** \_\_\_\_\_

**BROKER/LICENSEE** \_\_\_\_\_ **DATE** \_\_\_\_\_

**ON BEHALF OF** \_\_\_\_\_