

PROPERTY MANAGEMENT AGREEMENT

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This agreement is made on _____, by and between
"Property Manager" and _____,

hereinafter referred to as "Client").

Client engages the services of Property Manager, to the exclusion of all others during the life of this agreement, to lease, operate, and manage that certain real property commonly known and referred to as _____,

hereinafter referred to as "Premises," and containing, as of the date this agreement is made, _____ units. Property Manager shall exercise such management in compliance with all laws, including, without limitation, all fair housing laws and ordinances in effect, or which may come into effect, during the life of this agreement. Property Manager shall commence the exercise of his management responsibilities on _____ for a period of _____ months, at which time this agreement shall terminate unless it is renewed in writing by the parties.

Property Manager agrees as follows:

1. Property Manager shall exercise his best efforts and due diligence in the management of the Premises, and agrees to furnish all service necessary to rent, lease, operate, and manage the premises effectively.
2. Property Manager shall render a statement of receipts, expenses, and charges and remit to Owner an amount equal to all receipts less all disbursements. The statement and remittance shall be provided to owner not later than the _____ day of each calendar month. In the event the disbursements shall be in excess of the receipts, the Client shall pay such excess promptly upon Property Manager's demand.
3. Property Manager shall deposit all receipts collected on Client's behalf in a Trust Account in; _____, an institution qualified to engage in the banking or trust business in this state. Property Manager shall at all times keep Client's funds separate from Property Manager's personal accounts.
4. Should Property Manager have employees or contractors responsible for dealing with Client's funds, such employees or contractors shall be adequately bonded at all times.

5. Property Manager shall exercise his best efforts to rent or lease the Premises, and all units contained therein, at the best possible rent, and in no event at a rate less than the amount set out in the attached rent schedule without the prior consent of Client.

6. Property Manager shall, in all cases, collect security deposits in connection with the rental of the Premises, and all units contained therein, in amounts consistent with good professional management practice, and maintain such deposits in;

an institution qualified to engage in the banking or trust business in this state, at all times separate from Property Manager's personal accounts, or in such other place and in such other manner as may be required by the laws of this state. Property Manager shall, at all times, deal with security deposits as required by the laws of this state.

Client confers upon Property Manager the following authority and power and agrees to assume all expenses incurred in connection with Property Manager's exercise thereof.

1. Property Manager may, in the exercise of his sound professional judgment, advertise the availability of the Premises, or any unit contained therein, for rent and display "for rent" or similar signs in prominent places; collect rent due or that may become due and give receipts therefor; terminate tenancies and sign and serve in the name of Client such notices as are legally required or permitted; commence and prosecute court proceedings in connection with Property Manager's management of the Premises; evict tenants and recover possession of the Premises, or any unit contained therein; sue for and recover, in the name of Client, rent and other amounts that are due or may become past due; engage attorneys to effect collection, terminations of tenancy, and evictions as set out herein; and settle, compromise, and release, as Property Manager may in his sound professional judgment deem prudent, such actions and proceedings and past due amounts, and to reinstate tenancies.

2. Property Manager may, in the exercise of his sound professional judgment, make or cause to be made and supervise repairs and alterations, and to do decorating on the Premises or any unit contained therein; to purchase supplies and pay all bills therefor. Property Manager agrees to secure the prior approval of Client on all expenditures in excess of \$_____ for any one item or \$_____ in aggregate during any calendar month, except monthly or recurring operating charges or emergency repairs in excess of the maximum if in the sound professional judgment of Property Manager such charges or repairs are necessary to protect the property from damage or to maintain services to the tenants as required by the leases or rental agreements, or the laws of this state.

3. Property Manager shall hire, discharge, lay off, and supervise all personnel required for the operation and maintenance of the Premises and the units contained therein. It is agreed that all employees shall be deemed employees of;

- Property Manager and not Client.
- Client and not Property Manager.
- Not Applicable.

Property Manager may perform any of his duties through Client's attorney, agents, or employees. Property Manager shall not be responsible for their acts, defaults, or negligence if reasonable care has been taken in their appointment and retention.

4. Property Manager shall, as necessary, enter into contracts for electricity, gas, fuel, sewer service, water, telephone, window cleaning, trash or rubbish hauling, and all other services as Property Manager shall deem, in his sound professional judgment, to be advisable, on behalf of Client. Client shall assume the obligations of any contract entered into upon termination of this agreement.

5. Property Manager may deduct from the rental and other receipts retained in the trust account referred to above, all undisputed commissions, reimbursements, and other costs authorized elsewhere in this agreement and all costs, repairs, and expenses authorized elsewhere herein or by Client upon Property Manager's request. Notwithstanding the foregoing, under no circumstance shall Property Manager make any deduction from Client's account if the account balance does not exceed \$_____, and in no case shall any deduction from Client's account be made if it will reduce the balance below said amount. In the event the provisions of the foregoing sentence prevent deduction from Client's account, costs, repairs, and expenses shall be paid by Client in the following manner:

6. Client shall hold Property Manager harmless from liability or loss arising out of damage suits in connection with the management of the Premises and from liability or loss arising out of a claim made by an employee or any other person. Client shall at all times maintain at his sole expense liability insurance adequate to protect the interests of the parties hereto, which insurance shall be written in such a way as to protect Property Manager in the same manner and to the same extent that it protects Client, and which policies therefor shall name Property Manager as an additional insured.

7. Property Manager is not responsible for placing insurance coverage on the premises or determining and amounts or types of coverage that ought to be carried.

8. Property Manager is not responsible for payment of property tax bills on the premises unless Client forwards the same to him and requests they be paid from the gross receipts from the premises.

Client agrees to pay Property Manager, as compensation for his services, the following amount:

In addition thereto, in order to offset additional costs and expenses, Property Manager may charge prospective tenants application fees, and collect late charges, dishonored check fees, and the like, in accordance with the laws of this state. Any such fees or charges collected shall be retained by Property Manager.

Client may terminate this agreement on occurrence of any of the following events:

1. Upon gross negligence or breach of fiduciary duty by Property Manager in discharging the duties delegated to him by this agreement.
2. Upon filing of a petition in bankruptcy by or against Property Manager, or an assignment by Property Manager for the benefit of his creditors.
3. Upon condemnation or destruction of the Premises.
4. Upon 30-days notice by Client of termination of this agreement in which case Client shall forthwith pay to Property Manager one-half of his normal compensation under this agreement for the remaining term of this agreement.

This agreement shall be binding upon the successors and assigns of Property Manager and the heirs, administrators, executors, successors, and assigns of Client. Property Manager shall not assign his rights hereunder without the prior written consent of Client.

DATED: _____

(Client Signature)

DATED: _____

(Client Signature)

DATED: _____

(Property Manager Signature)