



Property Management Agreement

APPROVED FOR USE BY MEMBERS OF THE STARK COUNTY ASSOCIATION OF REALTORS→



In consideration of the covenants herein contained _____, (hereinafter called "OWNER"), and _____ (hereinafter called "AGENT"), whose address is _____ agree as follows:

1. The OWNER hereby employs the AGENT exclusively to rent and manage the following described properties: _____ (hereinafter called the Premises) upon the terms and conditions hereinafter set forth, for a period of One (1) Year beginning on the _____ and ending on the _____, OWNER and AGENT shall be responsible for advising each other of any change of address. This agreement will automatically renew unless either party to the other or the cancellation clause in Section 7D is applied provides a 30-day written notice.

2. **Notices:** All notices given in connection with this agreement shall be in writing and shall be deemed effective when sent to the address set forth above for Agent and Owner by either certified mail with a return receipt requested, by overnight courier, or by facsimile and the sender has a transmittal report verifying it was sent to the correct destination.

3. The AGENT agrees as follows:

- A. To accept the management of the Premises, to the extent, for the period, and upon the terms herein provided and agrees to furnish the services of its organization for the rental operation and management of the Premises.
- B. To render a monthly statement of receipts, disbursements and charges and to remit each month the net proceeds to the owner at the above address. ("Net Proceeds" shall mean all sums collected less the sum of expenses authorized herein and AGENT'S fees).
- C. AGENT will remit the net proceeds not later than fifteen (15) days following the last day of the month from which said net proceeds were generated. AGENT will remit the net proceeds to the OWNER, or deposit them in the following account, separate from AGENT'S own account: Property Management Trust Account Account # _____ If disbursements and charges are in excess of receipts, the OWNER agrees to pay said excess not later than fifteen (15) days following notification of said excess, but nothing herein contained shall obligate the AGENT to advance its own funds on behalf of the OWNER.
- D. To cause all employees of the AGENT who handle or are responsible for the safekeeping of any moneys of the OWNER to be covered by a fidelity bond in an amount and with a company selected by the AGENT in its sole discretion.

4. The OWNER agrees to give the AGENT the following authority and powers and agrees to assume all expenses in connection therewith:

- A. To advertise the Premises or any part thereof at expense of owner; to display signs thereon and to rent the same; to cause references of prospective tenants to be investigated; to set rental prices; to sign leases for terms not in excess of one year and to renew and/or cancel existing leases; provided, however, that the AGENT may collect from tenants all or any of the following: a nonnegotiable check charge, credit report fee, a subleasing administrative charge and/or broker's commission and; to terminate tenancies and to sign and serve such notices as are deemed necessary by the AGENT; to institute and prosecute actions in the OWNER'S name, to evict tenants, and to recover possession of the Premises; to sue in the OWNER'S name and recover rent; and, when expedient, to settle, compromise and release such actions or suits, or reinstate such tenancies. OWNER shall reimburse AGENT for all expenses of litigation including attorney's fees, filing fees, and court costs which AGENT does not recover from tenants.
- B. To hire, discharge, and pay for all engineers, janitors, contractors, and other employees.
- C. To make, or cause to be made, and to supervise all ordinary repairs and alterations and to do decorating on the Premises; to negotiate contracts for nonrecurring items not exceeding Two Hundred Fifty (\$250.00) Dollars per month and to purchase supplies and pay all bills. AGENT shall secure the approval of the OWNER for any alterations or expenditures in excess of \$250.00 for any one item, except monthly or recurring operating charges and emergency repairs in excess of the maximum, if, in the opinion of the AGENT, such repairs are necessary to protect the Premises from damage or to maintain services to the tenant as called for by their tenancy.
- D. To make contracts in the name of the OWNER and on the OWNER'S account regarding any and all matters pertaining to AGENT'S management and operation of the Premises, as the AGENT shall deem advisable.
- E. To collect rents and/or assessments and other items due, or to become due, and give receipts therefor.
- F. To receive all security deposits from tenants. When Security Deposit checks are received by AGENT, OWNER specifically authorizes AGENT to deposit the amount of such checks into the OWNER'S operating trust account. OWNER further specifically authorizes AGENT to expend all such funds deposited in the trust account, for and on behalf of OWNER, for the purposes and under the authority established in this agreement and as allowed by law. OWNER agrees that when a tenant for whom a security deposit has been received, terminates his or her tenancy, OWNER shall be responsible for depositing with AGENT sufficient money to refund the tenant's security deposit, if the Owner's

account does not have sufficient funds to do so. Once such amount has been deposited with AGENT or if there are sufficient funds in the trust account to refund the tenant's security deposit without an additional deposit, AGENT shall be responsible for causing the same to be returned to the tenant according to the provisions of tenant's lease and applicable state and local law.

G. To execute and file all returns and other instruments and do and perform all acts required of the OWNER as an employer with respect to the Premises. OWNER agrees upon request to promptly execute and deliver to AGENT all necessary powers of attorney, notices of appointment, and any other document that may be required to complete the above-mentioned duties.

H. The AGENT shall not be required to advance any moneys for the care or management of the Premises, and the OWNER agrees to advance all moneys necessary therefor. If the AGENT shall elect to advance any money in connection with the Premises, the OWNER agrees to reimburse the AGENT forthwith and hereby authorizes the AGENT to deduct such advances from any moneys due the OWNER. The AGENT shall, upon instruction from the OWNER, impound reserves each month for the payment of real estate taxes, insurance, or other special expenditure. In addition, the OWNER agrees to establish a permanent Operating Reserve Account with AGENT using the Owner's Operating Funds held on these properties in the amount of \$250.00 per property. Said Operating Reserve Account may be used by AGENT to cover any excess of disbursements and charges over receipts, or for payment of any other charges and expenses in connection with the Premises in the sole discretion of AGENT.

5. The OWNER further agrees as follows:

A. To indemnify, defend, and save the AGENT harmless, except in the case of AGENT'S gross negligence and/or willful misconduct, from all suits in connection with the management of the Premises and from liability for damage to property and for injuries to or death of any employee or other person whomsoever, and to carry at OWNERS' expense public liability insurance naming the OWNER and naming the AGENT as an Additional Insured and Loss Payee. Such insurance shall be in form and substance reasonably satisfactory to the AGENT and in an amount not less than one million dollars (\$1,000,000). OWNER shall furnish to AGENT certificates evidencing the existence of such insurance and its renewal each year. Unless the OWNER shall provide such insurance and furnish such certificate within fifteen days from the date of this agreement, the AGENT may, but shall not be obligated to, place said insurance and charge the cost thereof to the account of the OWNER to terminate this contract. All such insurance policies shall provide that the AGENT shall receive thirty (30) days written notice prior to the cancellation of the policy.

B. To pay all expenses incurred by the AGENT, including, but not limited to, reasonable attorney's fees and AGENT'S normal hourly rate and out of pocket expenses in connection with any claim, proceeding, or suit involving an alleged violation by the AGENT or the OWNER, or both, of any law pertaining to fair employment, fair credit reporting, environmental protection, taxes, or fair housing, including but not limited to; any law prohibiting, or making illegal, discrimination on the basis of race, sex, religion, color, national origin, family status, ancestry, or handicap provided however, that the OWNER shall not be responsible to the AGENT for any such expenses in the event the AGENT is finally adjudicated to have personally, and not in a representative capacity, violated any such law. Nothing contained herein shall obligate the AGENT to employ counsel to represent the OWNER in any such proceeding or suit, and the OWNER may elect to employ counsel to represent the OWNER in any such proceeding or suit. The Agent shall have the right to employ an attorney and may select the attorney of its choice. The OWNER also agrees to pay reasonable expenses incurred by the AGENT in obtaining legal advice regarding compliance with any law affecting the premises or activities related thereto.

C. To indemnify, defend, and save the AGENT harmless from all claims, investigations, and suits, or from actions or failures to act of the OWNER, with respect to any alleged or actual violation of state or federal labor laws in connection with the AGENT'S employees, it being, however, the responsibility of the AGENT to comply with all applicable state or federal labor laws. The OWNER'S obligation under this paragraph 4C shall include the payment of all settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay awards, court costs, litigation expense, and attorneys' fees.

D. AGENT is authorized to pay mortgage indebtedness, general taxes, special assessments, or fire, liability, steam boiler, or any other insurance premiums. In no event shall the AGENT be required to advance its own money in payment of any such indebtedness, taxes, assessments, or premiums.

E. That any and all bad check fees collected from the Tenants will become the property of the OWNER, to help cover any expenses incurred by the AGENT, due to the depositing and/or re-depositing of the bad checks, these fees will be deposited into the operating account. Any expenses incurred by the AGENT in the depositing and re-depositing of Tenant's bad check shall be charged to the OWNER'S operating account.

F. To permit and pay for the AGENT to have the locks changed on each unit after a tenant vacates. To pay for all postage, advertising, envelopes, paper, copies, statements, mileage for court proceedings, time for any mediation with the courts etc. used by the agent in or on behalf of the OWNER.

6. The OWNER agrees to pay the AGENT each month all of the following:

A. For MANAGEMENT: _____ percent () of the monthly gross receipts, whichever is the greater amount. Gross receipts are all amounts received from the operation of the Premises including, but not limited to, rents, parking fees, late fees, etc.. Laundry income, and fees.

B. RESIDENTIAL LEASING: One half months rent or \$250.00, whichever is the greater amount, upon execution of a new lease with a new tenant.

C. LEASE RENEWAL FEE: \$125.00 per unit upon execution of the lease renewal.

D. MAINTENANCE OF PROPERTY: IN HOUSE VENDORS ARE \$37.00 PER HOUR LABOR PLUS SUPPLIES. THESE IN HOUSE VENDORS ARE ALSO ON CALL FOR ALL AFTER HOUR EMERGENCIES AT TIME AND A HALF. Anything above and beyond our normal management duties will be billed at a fee of \$70.00 per hour. These duties and cost will be described and approved by the Owner prior initiation of the work.

E. All dollar amounts owed to the AGENT shall be paid out of the OWNER'S operating account and shall be paid first before any other item. If the OWNER'S account becomes negative, the OWNER agrees to contribute money to the account within five days after request from Management Company. A 20% fee will be added for each invoice that the AGENT must pay for on the behalf of the OWNER if funds are not received within 10 days of request. All outside contractor invoices will be subject to a Ten **percent (10%)** markup by the management company.

7. It is mutually agreed between OWNER and AGENT as follows:

A. Other than expenses related to exercising the express powers above vested in the AGENT, the OWNER expressly withholds from the AGENT any power or authority to make any changes or incur expenses in excess of the dollar amounts set forth in paragraph 4C, with out the written direction of the OWNER, except for such emergency repairs as may be required because of danger to life or property or which are immediately necessary for the preservation and safety of the Premises or the safety of the tenants and occupants thereof or are required to avoid the suspension of any necessary service to the Premises.

B. The AGENT does not assume and is given no responsibility for compliance of any building on the Premises or any equipment therein with the requirements of any statute, ordinance, law or regulation of any governmental body or of any public authority or official thereof having jurisdiction, except to notify the OWNER promptly or forward to the OWNER promptly any complaints, warnings, notices, or summonses received by it relating to such matters. The OWNER represents that to the best of the Owner's knowledge the Premises and such equipment comply with all such requirements and authorizes the AGENT to disclose the ownership of the Premises to any such officials and agrees to indemnify and hold harmless the AGENT, its representatives, servants, and employees, of and from all loss, cost, expense, and liability whatsoever which may be imposed on the Agent, it's representatives, servants, and employees by reason of any present or future violation or alleged violation of such laws, ordinances, statutes, or regulations.

C. In the event it is alleged or charged that any building on the Premises or any equipment therein or any act or failure to act by the OWNER with respect to the Premises or the sale, rental, or other disposition thereof fails to comply with, or is in violation of, any of the requirements of any constitutional provision, statute, ordinance, law, or regulation of any governmental body or any order or ruling of any public authority or official thereof having or claiming to have jurisdiction there over, and the AGENT, in its sole and absolute discretion, considers that the action or position of the OWNER with respect thereto may result in damage or liability to the AGENT, the AGENT shall have the right to cancel this Agreement at any time by written notice to the OWNER of its election to do so, which cancellation shall be effective upon the service of such notice. Such notice may be served on the OWNER personally or by certified mail, and if served by mail shall be deemed to have been served when deposited in the mails. Such cancellation shall not release the indemnities of the OWNER nor shall it relieve the OWNER of any liability or obligation to the AGENT for any payment, reimbursement, or other sum of money then due and payable to the AGENT hereunder.

D. This agreement may be canceled by either Party before the termination date specified in Paragraph 1 on not less than thirty (30) days prior written notice to the AGENT. Such cancellation shall not release the indemnities of the OWNER nor shall it relieve the OWNER of any liability or obligation to the AGENT for any payment, reimbursement, or other sum of money then due or which becomes due and payable to the AGENT hereunder prior to the effective date of the termination.

E. This agreement may be assigned by the AGENT with the written consent of the OWNER. No assignment shall relieve OWNER from liability for performance of OWNER'S obligations under this agreement.

8. The OWNER shall pay or reimburse the AGENT for any sums of money due it under this Agreement for services or actions prior to termination, notwithstanding any termination of this Agreement. The OWNER shall pay or reimburse the AGENT for said sums not later than thirty (30) days after this Agreement is terminated. An interest rate of four percent (4%) per month will be charged on the average daily-unpaid balance. All provisions of this Agreement that require the OWNER to have insured or to defend, reimburse, or indemnify the AGENT shall survive any termination and, if AGENT is or becomes involved in any proceeding or litigation by reason of having been the OWNER'S AGENT, provisions 4A, 4B, and 4C shall apply as if this Agreement were still in effect. The parties understand and agree that the AGENT may withhold funds for thirty (30) days after the end of the month in which this Agreement is terminated to pay amounts previously incurred but not yet invoiced and to close accounts.

* * * Free PDF Preview End * * *

Purchase Required To Gain Total Access

Visit www.propmgmtforms.com To Purchase *Property Management Forms* Package