



Manager's Identifying Code: \_\_\_\_\_

**RESIDENTIAL PROPERTY MANAGEMENT AGREEMENT**

THIS AGREEMENT between \_\_\_\_\_, hereinafter called manager, and \_\_\_\_\_, hereinafter called owner, is made and entered into by manager and owner on \_\_\_\_\_.

(1) By virtue of the covenants contained herein and for other good and valuable consideration, whether or not mentioned in this Agreement, owner hereby appoints and employs manager to manage and operate the following described property:

The property consists of \_\_\_\_\_ residential units and approximately \_\_\_\_\_ interior and \_\_\_\_\_ exterior square feet. (Delete any undesired or inapplicable measurement.)

(2) The initial term of this Agreement shall commence on \_\_\_\_\_ and shall end on \_\_\_\_\_. During the initial term, either party may terminate this agreement by giving the other not less than \_\_\_\_\_ days' written notice delivered by certified mail with return receipt requested. If no such notice is given, this Agreement shall remain in effect until either party terminates it by giving the other not less than \_\_\_\_\_ days' written notice, delivered by certified mail with return receipt requested. The date of termination set forth in any termination notice given shall be the last day of a calendar month. Upon the giving of such notice, it shall become the responsibility of manager to deliver to owner, on or before the date of termination, a current accounting concerning the expenses and income related to the property. Manager shall also deliver to owner, or surrender to owner's control, any cash, bank accounts and keys held by manager in connection with the property, copies of all property rental agreements, deposit receipts, insurance policies, unpaid bills, and any other documents or paperwork related to the property, on the date of termination or as soon thereafter as possible, but in no circumstances later than five (5) business days after the date of termination.\*

(3) During the lifetime of this Agreement, manager shall have the exclusive right to do the following acts at the cost and expense of owner:

(A) Manager will operate property on behalf of owner and will keep proper books of account in which income and expenses of the property are recorded.

(B) Manager will use manager's knowledge and skills to manage the property efficiently and effectively and shall have full authority: to rent the property, or any part thereof; to execute rental agreements or leases; to give notices to tenants as manager deems advisable, including, but not limited to, demands for unpaid rent and notices of tenancy termination; to advertise any vacant portion of the property as available for rent or lease; and to collect property income and to deposit it into one or more accounts maintained by manager.

(C) Manager may: incur and pay obligations which arise in the ordinary course of business; decorate, repair, maintain and contract for the decoration, repair and maintenance of the property; purchase any personal property or fixture necessary for the operation of the property; and perform all services necessary for the operation of the property and its preservation as an asset belonging to owner. Manager may employ or contract with other persons or companies to perform services related to management of the property and may pay them as an expense of the operation of the property. Manager shall disclose to owner if manager intends to employ a contractor in which manager has an ownership interest.

(D) Manager shall file and maintain records related to the property in the manager's main office while this Agreement is in effect and for a period of six years following the date on which this Agreement is superseded, is terminated or expires. Upon the request of owner, manager will provide owner with photocopies of any document(s) requested by owner. The expense of such copying shall be deemed an expense of the property.

(E) Should emergency service to the property become required as the result of fire, severe climate condition, riot or similar catastrophe, manager is authorized to take such steps as may be necessary to protect and preserve the property without first contacting owner. As soon as possible thereafter, manager will confer and agree with owner as to the proper course of action to be undertaken in connection with the repair and restoration of the property.

(F) Manager shall maintain at least one trust account for the deposit of funds received and disbursed under this Agreement, which account and funds shall be dealt with by manager in accordance with applicable state law and administrative rules. Manager shall not be held liable in the event of bankruptcy or failure of any depository. Owner agrees to maintain a minimum balance of \$\_\_\_\_\_ in the account to cover general operating expenses. Whenever the sums collected by manager are insufficient to pay expenses, owner agrees to pay manager an amount sufficient to pay such expenses and to maintain the above-mentioned minimum balance. It shall be the immediate responsibility of manager to notify owner of any such deficiency when it occurs. It shall be the immediate responsibility of owner to remedy such deficiency once owner has received notice of the same.

If owner requires manager to collect and manage tenant deposits, manager shall utilize and account to owner for a separate "security deposits" trust account. If owner requires manager to pay over security deposits to owner, manager shall do so through manager's ordinary trust accounting system. If any trust account established by manager bears interest, the written approval necessary to establish an interest bearing account shall specify to whom and under what circumstances the interest earnings from the account will accrue and be paid.

(4) Any contract, document or agreement related to the property which contemplates payment of an amount greater than \$\_\_\_\_\_ shall require the signature of owner.

(5) At the termination of this Agreement, all existing contracts and obligations relating to the property shall be assumed by owner or assigned to manager's successor upon the approval of owner. Manager shall thereafter be held harmless with respect to such contracts and obligations unless manager either agrees to continue responsibility for any or all of them by executing a separate written agreement evidencing such intent, or such liability or responsibility is imposed upon manager by a court of proper jurisdiction.

(6) Manager shall render to owner monthly statements of all receipts and disbursements relative to the property, together with documentation thereof as needed or required by owner, and shall remit to owner all receipts, less disbursements, no later than the \_\_\_\_\_ day of each month following the close of the previous month.

(OVER)



(7) Taxes, charges and like assessments imposed by government authorities, including but not limited to property taxes, shall be paid directly by owner.

(8) Owner shall establish and maintain public liability insurance of not less than \$\_\_\_\_\_for injury to one person, not less than \$\_\_\_\_\_for injuries to all persons arising out of any single incident, and not less than \$\_\_\_\_\_for damage to property, or a combined single limit of not less than \$\_\_\_\_\_. This insurance shall cover all risks arising out of the operation of the property, both directly and indirectly, and shall protect both owner and manager against any claims. In addition, owner shall establish and maintain fire insurance, including extended casualty coverage, in an amount not less than the value of the property. Manager shall be entitled to receive from owner proof of insurance coverage and shall be named as an additional insured on the liability policy. Manager shall be held harmless by owner from claims for damages or injuries of any nature whatsoever. Such indemnification shall be deemed inapplicable if it is determined or adjudicated that the willful conduct or gross negligence of manager caused such damage or injury.

(9) A proposed operating budget shall be prepared by manager and submitted to owner not less than\_\_\_\_\_days in advance of each calendar year. The budget shall be reviewed and approved by owner prior to commencement of the calendar year for which the budget has been established.

(10) Manager shall receive from owner either a monthly fee equal to \_\_\_\_% of the gross receipts collected by manager in connection with the operation of the property or the sum of \$\_\_\_\_\_, whichever is greater. Such compensation shall be disbursed monthly by manager to manager as an expense of the operation of the property.

(11) In addition to the compensation described in the previous paragraph, if manager becomes responsible for arranging, organizing, or supervising extraordinary alterations, improvements or remodeling to the property, or any part thereof, for which the cost exceeds \$\_\_\_\_\_, manager shall receive additional compensation upon the completion of such work, which compensation shall be equivalent to % of the gross cost of such work.

(12) In construing this Agreement, it is understood that either owner or manager may be more than one person and that if the context so requires, the singular shall include the plural. All grammatical changes shall be made, assumed and implied to make the provisions of this Agreement apply equally to corporations and to more than one individual.

(13) If any claim, suit or action is instituted between owner and manager or any of their successors, personal representatives or assigns, the prevailing party shall be entitled to recover all attorney fees and costs incurred before trial, at trial, and upon any appeal, in addition to all other amounts allowed by law.

(14) If at any time it appears that the proper performance of manager's duties may or shall require extraordinary services and/ or the expenditure of unusual amounts of time, manager shall give owner prior written notice of such anticipated needs, and manager and owner shall agree upon an additional fee to be paid to manager in connection with such extraordinary services.

(15) This Agreement shall not be assigned by manager without the written consent of owner.

(16) This Agreement shall be binding upon manager and owner and upon their respective successors, personal representatives and assigns.

(17) Owner agrees and certifies that owner is the legal owner of record of the property and is entitled to enter into this Agreement.

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