



PROPERTY MANAGEMENT AGREEMENT

Not for use as a listing for lease. (Designed for use by real estate licensees)

1 **GENERAL PROVISIONS:** Property Management Agreement ("Agreement") made this _____ day of _____,
 2 between _____ ("Owner"), and
 3 _____ ("Manager").

4 Owner gives Manager the exclusive right to rent, lease, operate and manage the property whose address is: _____
 5 _____,
 6 in the City of _____ County of _____, Wisconsin ("Property").

7 **NOTE:** For multiple properties provide the additional description(s) in additional provisions or in an addendum, as necessary.

8 **COLLECTION OF RENTS AND OTHER INCOME:** CHECK LINE 9 OR 10 BELOW, IF NEITHER IS CHECKED LINE 10 IS DEEMED CHECKED

9 Owner shall collect and deposit all rents, security deposits, income, etc. in the Owner's Account ("Property Account").

10 Manager shall deposit into (Manager's trust account) (Owner's Account) **STRIKE ONE** ("Property Account") all rents, security deposits,
 11 income and any other monies payable to Owner under this Agreement ("Property Funds") where such Property Funds are received by Manager.

12 **DISBURSMENT OF PROPERTY FUNDS:**

13 Owner designates Manager as a signatory on the Property Account and authorizes Manager to make all disbursements authorized under
 14 this Agreement. Manager shall disburse Manager's compensation when due **SEE LINES 23-28** and shall reimburse Manager within 30
 15 days for any funds advanced by Manager from Manager's funds on Owner's behalf as provided herein. Manager shall pay all obligations
 16 and expenditures necessarily and properly incurred on behalf of the Owner in the management and operation of the Property, including
 17 but not limited to insurance premiums, real estate taxes, mortgage payments, supplies, repairs, maintenance, advertising costs and
 18 professional fees ("Monthly Expenses"). Manager shall make disbursements to Owner from the Property Account as and when and in
 19 such amounts as may be requested by Owner, provided that there are sufficient funds to meet Monthly Expenses with provision for
 20 adequate reserves and working capital, etc. Owner shall, upon written notice by Manager, promptly deposit into the Property Account
 21 sufficient monies as may be necessary from time to time to pay all monthly expenses and any other expenses which are the
 22 responsibility of Owner.

23 **MANAGER'S COMPENSATION:** Manager's compensation shall be paid no later than the 5th of each month, and shall be calculated as follows:

24 A management fee equal to _____% of the gross amount of all rents paid by tenants of the Property;

25 A leasing/renewal fee equal to _____% of one months rent upon execution of an original lease and upon any renewal of the lease;

26 Termination fee of _____% of the sales price if the Property's sale terminates this Agreement;

27 Collection fee of _____% of bad debts collected by Manager; Insurance Settlement fee of _____% of any gross insurance settlement amount;

28 Other: _____.

29 **MANAGER'S AUTHORITY:** The Owner authorizes Manager to perform the following property management duties and Owner agrees to
 30 assume and pay all fees and expenses related to the Property and as provided for in this Agreement. In consideration for Owner's agreements,
 31 Manager agrees to use professional knowledge and skills and reasonable efforts to fulfill Manager's obligations under this authority.

32 ■ **Advertising:** To advertise the availability for rental of the Property or any part thereof by any reasonable means (including the Internet),
 33 to allow Manager to show the Property at reasonable times and upon reasonable advance notice as may be allowed by law, and to display
 34 "For Rent" and other appropriate signs. The Manager agrees to secure the prior approval of the Owner on all advertising expenditures
 35 in excess of \$ _____ **COMPLETE OR STRIKE AS APPLICABLE** for any month.

36 ■ **Leases:** To prepare leases using lease forms provided by or approved by Owner (all lease forms shall identify Owner or an attorney as
 37 drafter), and to negotiate, sign (as agent of Owner), renew and terminate leases for the Property or any part thereof. Lease terms shall be no
 38 longer than one year without the prior authorization of Owner.

39 ■ **Legal Action:** To sign and serve, as agent of the Owner, such notices as may be appropriate. To the extent allowed by law, to institute
 40 and prosecute any appropriate legal action for and as agent of the Owner, including but not limited to, legal action to terminate tenancies, to
 41 evict, to recover possession of Property, to recover rents and other monies due Owner; and to settle, compromise and release such actions
 42 or suits and reinstate such tenancies as may be deemed necessary by Manager. Manager may retain competent legal counsel, as required,
 43 upon Owner's approval, to institute and prosecute legal actions or suits or to otherwise represent Owner's interests related to the Property.

44 ■ **Maintenance and Repairs:** To have made all necessary repairs, improvements, and alterations required to maintain the Property in a
 45 good state of repair and appearance. To purchase or lease on behalf of the Owner, all equipment, tools, appliances, materials and supplies
 46 necessary for the continuous maintenance and operation of the Property. To hire outside contractors as necessary. Manager agrees to secure
 47 the prior approval of the Owner on all expenditures in excess of \$ _____ for any one item, except when, in the opinion
 48 of the Manager, such maintenance or repairs are necessary to protect the property from damage or to maintain services to the tenants as
 49 called for in their leases ("emergency maintenance or repairs"). Manager will promptly notify Owner of any needed emergency maintenance
 50 or repairs. If Manager does not receive a timely response from Owner, Manager may proceed with the emergency maintenance and repairs.

51 ■ **Utilities and Service Contracts:** To enter into utility and service contracts as agent of Owner, including but not limited to contracts for
 52 electricity, gas, fuel, water, telephone, cleaning, trash removal, snow removal, lawn care, pest control and other contracts for services and
 53 commodities as Manager shall deem advisable and necessary for the efficient operation and maintenance of the Property. Owner approval
 54 required to exceed 3 year terms. The Owner agrees to assume the obligation of any of these contracts at the termination of this Agreement.

55 ■ **Employees:** To employ, discharge, and supervise as agent of the Owner all on-site managers, maintenance staff and other employees
 56 required for the efficient operation and maintenance of the Property. All such on-site managers, maintenance staff and other employees shall
 57 be, for all purposes, employees of (Owner) (Manager) **STRIKE ONE** ("Employer"). Employer shall be solely responsible for injuries and
 58 damages caused by employees' acts of omissions except for injuries and damages caused by the other Party's negligence or intentional
 59 wrongdoing. Owner shall approve all hiring in advance and Owner shall be responsible for all expenses arising from the employment.
 60 Employer shall be responsible for obtaining Worker's Compensation coverage when applicable.

61 **BOOKS OF ACCOUNTS AND RECORDS:**

62 The Manager shall maintain full and complete books and records with correct entries for all income and expense resulting from the
 63 operation and management of the Property. Such books of account and records shall be the property of the Owner and shall, at all times
 64 during regular business hours be open to the inspection of the Owner or the duly authorized representative of the Owner, at the Manager's

65 principal place of business.

66 The Manager shall furnish to Owner a detailed statement of all income and expense for each month, on or before the 10th day of the
67 following month. Within forty-five (45) days after the close of each accounting year of Owner (as determined by Owner), the Manager
68 shall deliver to Owner a detailed statement of all income and expense of such accounting year and shall, if so instructed by Owner, cause
69 to be prepared at Owner's expense and delivered to Owner, a balance sheet as of the end of said accounting year, and a profit and loss
70 statement of the Property for such accounting year, which shall be prepared by an accountant designated by Owner.

71 **OWNER COOPERATION:** Owner agrees to make available to Manager all data, records, documents, rules and regulations, and other
72 materials required in connection with the management of the Property, to provide or approve a lease for Manager's use, to cooperate fully
73 with Manager in Manager's actions under this Agreement and to immediately provide to Manager the names of any prospective tenants.

74 **INSURANCE:** Owner agrees to carry comprehensive insurance covering the Property in the amount Owner deems appropriate for
75 replacement coverage in his sole judgment, with a minimum of Two Million Dollars (\$2,000,000) liability coverage, and to direct the
76 company issuing the insurance to name Manager, and all on-site managers, maintenance staff and other employees as additional insured
77 under the policy's liability coverage.

78 **INDENIFICATION:** Owner agrees to indemnify and hold Manager harmless for losses, damages, costs and expenses, including
79 attorney's fees, arising out of this Agreement unless caused by gross negligence or intentional wrongdoing of Manager.

80 **DEFAULT:** In the event of a material default by either party to this Agreement, this Agreement may be terminated by the non-defaulting
81 party if such default is not cured within ten (10) days after delivery of written notice of such default to the defaulting party. In the event any
82 legal proceeding (including appellate proceedings) arises as a result of any default under this Agreement, the prevailing party shall be entitled
83 to reimbursement of any costs and expenses, including reasonable attorneys fees, incurred by the prevailing party in connection therewith.

84 **DELIVERY:** Delivery of documents or written notices related to this Agreement may be accomplished by: 1) giving the document or
85 written notice personally to the party; 2) depositing the document or written notice postage or fees prepaid or charged to an account in
86 the U.S. Mail or a commercial delivery system, addressed to the party, at the party's address (See lines 185, 189.); 3) electronically
87 transmitting the document or written notice to the party's fax number (See lines 185, 189.).

88 **MISCELLANEOUS PROVISIONS:**

89 This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin.

90 This Agreement represents the entire agreement of the Parties. All prior negotiations and discussions have been merged into this
91 Agreement. No modification or waiver of this Agreement or any part hereof shall be valid unless in writing and signed by Manager and
92 Owner. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other subsequent breach or
93 condition, whether of like or different nature. The validity or unenforceability of any provision of this Agreement shall not affect the validity
94 or enforceability of any other provision of this Agreement.

95 This Agreement may be executed in one or more counterparts and each of such counterparts shall, for all purposes, be deemed to be
96 an original, but all of such counterparts shall constitute one and the same instrument. Any signed document transmitted by facsimile
97 machine (fax) shall be treated in all manner and respects as an original document and the signature of any Party upon a document
98 transmitted by fax shall be considered an original signature.

99 This Agreement shall be binding upon and inure to the benefit of the Parties hereto, their personal representatives, successors, and assigns.

100 **AGENCY DISCLOSURE PROVISIONS:** (Applicable when Manager is practicing as a real estate licensee.)

101 **■ AGENCY DISCLOSURE AND CONSENT TO MULTIPLE REPRESENTATION:** Wisconsin Statute § 452.135(2) requires Broker to
102 disclose that Owner is Broker's client. Broker's duties to Owner can be found at lines 123-132. Broker's duties to all parties can be found
103 at lines 106 - 122. The confidentiality rights of all parties can be found at lines 134 - 141. See lines 142-145 for information regarding
104 identification of confidential and non-confidential information at lines 146 - 149. If a multiple representation relationship is consented to
105 and does occur, both parties will be Broker's clients.

106 **■ DUTIES OWED TO ALL PARTIES:** Wisconsin Statute § 452.133(1) states that in providing brokerage services to a party to a
107 transaction (including both clients and customers), a broker shall do all of the following:

108 (a) Provide brokerage services to all parties to the transaction honestly, fairly and in good faith.

109 (b) Diligently exercise reasonable skill and care in providing brokerage services to all parties.

110 (c) Disclose to each party all material adverse facts that the broker knows and that the party does not know or cannot discover
111 through reasonably vigilant observation, unless the disclosure of a material adverse fact is prohibited by law.

112 (d) Keep confidential any information given to the broker in confidence, or any information obtained by the broker that he or she

113 knows a reasonable party would want to be kept confidential, unless the information must be disclosed under par. (c) or Wis.

114 Stat. § 452.23 (information contradicting third party inspection or investigation reports), or is otherwise required by law to be

115 disclosed or the party whose interests may be adversely affected by the disclosure specifically authorizes the disclosure of

116 particular confidential information. A broker shall continue to keep the information confidential after the transaction is complete

117 and after the broker is no longer providing brokerage services to the party.

118 (e) Provide accurate information about market conditions that affect a transaction, to any party who requests the information, within

119 a reasonable time of the party's request, unless disclosure of the information is prohibited by law.

120 (f) Account for all property of the parties coming into the possession of a broker within a reasonable time of receipt.

121 (g) When negotiating on behalf of a party, present contract proposals in an objective and unbiased manner and disclose the

122 advantages and disadvantages of the proposals.

123 **■ DUTIES OWED TO CLIENTS ONLY:**

124 Wisconsin Statute § 452.133(2) states that in addition to his or her duties under lines 106 - 122, a broker providing brokerage services

125 to his or her client shall do all the following:

126 (a) Loyal represent the client's interests by placing the client's interests ahead of the interests of any other party, unless loyalty to a client

127 violates the broker's duties under lines 106 - 122 or Wis. Stat. § 452.137(2) (duties to all clients in multiple representation situations).

128 (b) Disclose to the client all information known by the broker that is material to the transaction and that is not known by the

129 client or discoverable by the client through reasonably vigilant observation, except for confidential information (see lines 112 - 117)

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