

PROPERTY MANAGEMENT AGREEMENT

_____ ("Owner"), and
_____ ("Manager"), agree as follows:
1. APPOINTMENT OF MANAGER: Owner hereby appoints and grants Manager the exclusive right to rent, lease, operate, and manage the property(ies) known as:

_____ and any additional property that may later be added to this Agreement ("Property"), upon the terms below, for the period beginning (date) _____ and ending (date) _____, at 11 :59 PM. (If checked:) Either party may terminate this Property Management Agreement ("Agreement") on at least 30 days written notice _____ months after the original commencement date of this Agreement. After the exclusive term expires, this Agreement shall continue as a non-exclusive agreement that either party may terminate by giving at least 30 days written notice to the other.

2. MANAGER ACCEPTANCE: Manager accepts the appointment and grant and agrees to:

- A. Use due diligence in the performance of this Agreement.
- B. Furnish the services of its firm for the rental, leasing, operation and management of the Property.

3. AUTHORITY AND POWERS: Owner grants Manager the authority and power, at Owner's expense, to:

A. **ADVERTISING:** Display FOR RENT/LEASE and similar signs on the Property and advertise the availability of the Property, or any part thereof, for rental or lease.

B. **RENTAL; LEASING:** Initiate, sign, renew, modify or cancel rental agreements and leases for the Property, or any part thereof; collect and give receipts for rents, other fees, charges and security deposits. Any lease or rental agreement executed by Manager for Owner shall not exceed _____ year(s) or shall be month-to-month. Unless Owner authorizes a lower amount, rent shall be: at market rate; OR a minimum of \$ _____ per _____; OR see attachment.

C. **TENANCY TERMINATION:** Sign and serve in Owner's name notices that are required or appropriate; commence and prosecute actions to evict tenants; recover possession of the Property in Owner's name; recover rents and other sums due; and, when expedient, settle, compromise and release claims, actions and suits and/or reinstate tenancies.

D. **REPAIR; MAINTENANCE:** Make, cause to be made, and/or supervise repairs, improvements, alterations and decorations to the Property; purchase, and pay bills for, services and supplies. Manager shall obtain prior approval of Owner for all expenditures over \$ _____ for any one item. Prior approval shall not be required for monthly or recurring operating charges or, if in Manager's opinion, emergency expenditures over the maximum are needed to protect the Property or other property(ies) from damage, prevent injury to persons, avoid suspension of necessary services, avoid penalties or fines, or suspension of services to tenants required by a lease or rental agreement or by law, including, but not limited to, maintaining the Property in a condition fit for human habitation.

E. **REPORTS, NOTICES AND SIGNS:** Comply with federal, state or local law requiring delivery of reports or notices and/or posting of signs or notices.

F. **CONTRACTS; SERVICES:** Contract, hire, supervise and/or discharge firms and persons, including utilities, required for the operation and maintenance of the Property. Manager may perform any of Manager's duties through attorneys, agents, employees, or independent contractors and, except for persons working in Manager's firm, shall not be responsible for their acts, omissions, defaults, negligence and/or costs of same.

G. **EXPENSE PAYMENTS:** Pay expenses and costs for the Property from Owner's funds held by Manager, unless otherwise directed by Owner. Expenses and costs may include, but are not limited to, property management compensation, fees and charges, expenses for goods and services, property taxes and other taxes, Owner's Association dues, assessments, loan payments and insurance premiums.

H. **SECURITY DEPOSITS:** Receive security deposits from tenants, which deposits shall be given to Owner, or placed in Manager's trust account and, if held in Manager's trust account, pay from Owner's funds all interest on tenants' security deposits if required by local law or ordinance. Owner shall be responsible to tenants for return of security deposits and all interest due on security deposits held by Owner.

I. **TRUST FUNDS:** Deposit all receipts collected for Owner, less any sums properly deducted or disbursed, in a financial institution whose deposits are insured by an agency of the United States government. The funds shall be held in a trust account separate from Manager's personal accounts. Manager shall not be liable in event of bankruptcy or failure of a financial institution.

J. **RESERVES:** Maintain a reserve in Manager's trust account of \$ _____

K. **DISBURSEMENTS:** Disburse Owner's funds held in Manager's trust account in the following order:

- (1) Compensation due Manager under paragraph 8.
- (2) All other operating expenses, costs and disbursements payable from Owner's funds held by Manager.
- (3) Reserves and security deposits held by Manager.
- (4) Balance to Owner.

L. **OWNER DISTRIBUTION:** Remit funds, if any are available, monthly (or _____), to Owner.

M. **OWNER STATEMENTS:** Render monthly, (or _____), statements of receipts, expenses and charges for each Property.

N. **MANAGER FUNDS:** Manager shall not advance Manager's own funds in connection with the Property or this Agreement.

O. **KEYSAFE/LOCKBOX:** Owner authorizes the use of a keysafe/lockbox to allow entry into the Property.

4. OWNER RESPONSIBILITIES: Owner shall:

A. Provide all documentation, records and disclosures as required by law or required by Manager to manage and operate the Property, and immediately notify Manager if Owner becomes aware of any change in such documentation, records or disclosures, or any matter affecting the habitability of the Property.

B. Indemnify, defend and hold harmless Manager, and all persons in Manager's firm, regardless of responsibility, from all costs, expenses, suits, liabilities, damages, attorney fees and claims of every type, including but not limited to those arising out of injury or death of any person, or damage to any real or personal property of any person, including Owner, for: (i) any repairs performed by Owner or by others hired directly by Owner; or (ii) those relating to the management, leasing, rental, security deposits, or operation of the Property by Manager, or any person in Manager's firm, or the performance or exercise of any of the duties, powers or authorities granted to Manager.

C. Maintain the Property in a condition fit for human habitation

D. Pay all interest on tenants' security deposits if required by local law or ordinance.

E. Carry and pay for: (i) public and premises liability insurance in an amount of no less than \$1,000,000; and (ii) property damage and worker's compensation insurance adequate to protect the interests of Owner and Manager. Manager shall be, and Owner authorizes Manager to be, named as an additional insured party on Owner's policies.

F. Pay any late charges, penalties and/or interest imposed by lenders or other parties for failure to make payment to those parties, if the failure is due to insufficient funds in Manager's trust account available for such payment.

G. Immediately replace any funds required if there are insufficient funds in Manager's trust account to cover Owner's responsibilities.

5. OWNER REPRESENTATIONS: Owner represents that unless otherwise specified in writing, Owner is unaware of: (i) any recorded Notice of Default affecting the Property; (ii) any delinquent amounts due under any loan secured by, or other obligation affecting, the Property; (iii) any bankruptcy, insolvency or similar proceeding affecting the Property; (iv) any litigation, arbitration, administrative action, government investigation, or other pending or threatened action that does or may affect the Property or Owners ability to transfer it; and (v) any current, pending or proposed special assessments affecting the Property. Owner shall promptly notify Manager in writing if Owner becomes aware of any of these items during the term of this Agreement.

6. TAX WITHHOLDING:

A. If applicable, Owner authorizes Manager to comply with local and state tax withholding laws.

B. If Owner is a nonresident alien individual, a foreign entity, or other non-U.S. person, (Foreign Investor) Owner authorizes Manager to withhold and transmit to the Internal Revenue Service (IRS) 30% of the GROSS rental receipts unless Owner elects to treat rental income as "effectively connected income" by submitting to Manager a fully completed IRS form W-8ECl, Certificate of Foreign Person's Claim for Exemption From Withholding on Income Effectively Connected With the Conduct of a Trade of Business in the United States. A Foreign investor Owner will need to obtain a U.S. tax payer identification number and file a declaration with the IRS regarding effectively connected income in order to complete the form given to Manager. Further, the Foreign Investor Owner will be responsible for making any necessary estimated tax payments.

7. DISCLOSURE:

A. LEAD-BASED PAINT

(1) The Property was constructed on or after January 1, 1978.

OR (2) The Property was constructed prior to 1978.

(i) Owner has no knowledge of lead-based paint or lead-based paint hazards in the housing except: _____

(ii) Owner has no reports or records pertaining to lead-based paint or lead-based paint hazards in the housing, except the following, which Owner shall provide to Manager: _____

B. POOL/SPA DRAIN

Any pool or spa on the property does (or, does not) have an approved anti-entrapment drain cover, device or system.

COMPENSATION:

8. A. Owner agrees to pay Manager fees in the amounts indicated below for:

(1) Management: _____

(2) Renting or Leasing: _____

(3) Evictions: _____

(4) Preparing Property fo rental or lease _____

(5) Managing Property during extended periods of vacancy: _____

(6) An overhead and service fee added to the cost of all work performed by, or at the direction of, Manager: _____

(7) Other: _____

B. This Agreement does not include providing on-site management services, property sales, refinancing, preparing Property for sale or refinancing, modernization, fire or major damage restoration, rehabilitation, obtaining income tax, accounting or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, attending Owner's Association meetings or _____

If Owner requests Manager to perform services not included in this Agreement, a fee shall be agreed upon before these services are performed.

C. Manager may divide compensation, fees and charges due under this Agreement in any manner acceptable to Manager.

D. Owner further agrees that:

(1) Manager may receive and keep fees and charges from tenants for: (i) requesting an assignment of lease or sublease of the Property; (ii) processing credit applications; (iii) any returned checks and/or (if checked) late payments; and (iv) any other services that are not in conflict with this Agreement.

(2) Manager may perform any of Manager's duties, and obtain necessary products and services, through affiliated companies or organizations in which Manager may own an interest. Manager may receive fees, commissions and/or profits from these affiliated companies or organizations. Manager has an ownership interest in the following affiliated companies or organizations: _____

Manager shall disclose to Owner any other such relationships as they occur. Manager shall not receive any fees, commissions or profits from unaffiliated companies or organizations in the performance of this Agreement without prior disclosure to Owner.

(3) Other: _____

9. AGENCY RELATIONSHIPS: Manager may act, and Owner hereby consents to Manager acting, as dual agent for Owner and tenant(s) in any resulting transaction. Owner understands that Manager may have or obtain property management agreements on other property, and that potential tenants may consider, make offers on, or lease through Manager, property the same as or similar to Owner's Property. Owner consents to Manager's representation of other owners' properties before, during and after the expiration of this Agreement.

10. NOTICES: Any written notice to Owner or Manager required under this Agreement shall be served by sending such notice by first class mail or other agreed-to delivery method to that party at the address below, or at any different address the parties may later designate for this purpose. Notice shall be deemed received three (3) calendar days after deposit into the United States mail OR _____

11. EQUAL HOUSING OPPORTUNITY: The Property is offered in compliance with federal, state and local anti-discrimination laws.

12. ATTORNEY FEES: In any action, proceeding or arbitration between Owner and Manager regarding the obligation to pay compensation under this Agreement, the prevailing Owner or Manager shall be entitled to reasonable attorney fees and costs from the non-prevailing Owner or Manager.

13. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES: Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed except in writing. This Agreement and any supplement, addendum or modification, including any copy, may be signed in two or more counterparts, all of which shall constitute one and the same writing.

Owner warrants that Owner is the owner of the Property or has the authority to execute this Agreement. Owner acknowledges Owner has read, understands, accepts and has received a copy of the Agreement.

Owner _____ Date _____
(Signature)

Owner _____
(Print Name) Social Security Number/Tax ID# (for tax reporting purposes)

Address _____ City _____ State _____ Zip _____

Telephone _____ Fax _____ E-mail _____

Owner _____ Date _____
(Signature)

Owner _____
(Print Name) Social Security Number/Tax ID# (for tax reporting purposes)

Address _____ City _____ State _____ Zip _____

Telephone _____ Fax _____ E-mail _____

Manager _____ Date _____

(If Manager is a Real Estate Licensee) RE License #: _____

By _____
(Signature)

Address _____ City _____ State _____ Zip _____

Telephone _____ Fax _____ E-mail _____

Use of this form is governed by the terms and conditions set forth by the American Apartment Owners Association at <http://secure-american-apartment-owners-association.org/terms-and-conditions.php>. This or any other form obtained from The American Apartment Owners Association is not "State Specific" and in fact many jurisdictions have ordinances that may conflict with or render invalid certain clauses of some forms. Users are advised to seek the advice of an attorney.