



# RESIDENTIAL PROPERTY MANAGEMENT AGREEMENT

for

\_\_\_\_\_  
(Property Address)

This PROPERTY MANAGEMENT AGREEMENT ("Agreement"), entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between \_\_\_\_\_, \_\_\_\_\_ ("Owner") of the property described below ("Property") and \_\_\_\_\_ ("Broker"), by and through \_\_\_\_\_ (Company Name)

its authorized agent \_\_\_\_\_ ("Agent") who is duly licensed to manage the Property. In consideration of the mutual terms of this Agreement the parties agree as follows:

**1. NOTICES.** Any notices, demands, consents and reports necessary or provided for under this Agreement shall be in writing and shall be addressed as follows:

TO OWNER:	TO BROKER:
Name: _____	Company Name: _____
Address: _____	Address: _____
Phone: _____	Phone: _____
Fax: _____	Fax: _____
Email: _____	Email: _____

All notices shall be faxed and sent by regular mail. Notices shall be effective as of the date the notice is faxed and mailed (whichever is later).

## 2. EMPLOYMENT OF MANAGING BROKER

**(A) Employment and Acceptance.** Owner employs Broker as the sole exclusive agent of Owner to manage the Property upon the terms and conditions provided herein. Broker accepts the employment and shall furnish the services of the organization for the management of the Property. Owner shall pay all of the expenses in connection with this service described herein. Owner understands and agrees that Broker's services will be performed through one or more authorized agents, and any reference to Broker in this Agreement includes such authorized agents.

**(B) Relationship of Broker to Owner.** The relationship of the parties to this Agreement shall be that of principal and agent, and all duties to be performed by Broker under this Agreement shall be on behalf of Owner, in Owner's name and for Owner's account. In taking any action under this Agreement, Broker shall be acting only as agent for Owner, and nothing in this Agreement shall be construed as creating a partnership, joint venture or any other relationship between the parties or as requiring Broker to bear any portion of losses arising out of or connected with the ownership or operation of the Property. Broker shall not at any time during the period of this Agreement be considered a direct employee of Owner. Neither party shall have the power to bind or obligate the other except as expressly set forth in this Agreement, except that Broker is authorized to act with such additional power as may be necessary to carry out the spirit and intent of this Agreement. Broker, under this Agreement, shall not be responsible for delays in the performance of any obligation unless there is an intentional delay caused by Broker or its employees.

**(C) Description of the Property.** The Property to be managed under this Agreement is commonly known as \_\_\_\_\_, APN \_\_\_\_\_, as more fully described on Exhibit 1 attached hereto.

**(D) Term.** The term of this Agreement shall be for an initial period of \_\_\_\_\_ years (the "initial term") beginning on \_\_\_\_\_, \_\_\_\_\_ and ending \_\_\_\_\_, \_\_\_\_\_. Unless earlier terminated as provided in Section 18 herein, the Agreement will renew for a like term, unless either party gives the other 30 days written notice of non-renewal.

Property Address: \_\_\_\_\_

**3. BROKER COMPENSATION AND EXPENSES.** As compensation for the services rendered by Broker under this Agreement (and exclusive of reimbursement of the expenses to which Broker is entitled hereunder), Owner shall pay Broker as follows:

(A) **Management Services.** Broker shall be paid the greater of \$ \_\_\_\_\_ per month or \_\_\_\_\_ % of the monthly gross collected rents. Payments due Broker for periods of less than the scheduled rental periods shall be prorated.

(B) **Leasing Fee.** For the procurement of a Tenant(s) for whom a lease is signed, Broker shall be paid a leasing fee as follows: \$ \_\_\_\_\_ - OR - \_\_\_\_\_ % of the first month's rent - OR - \_\_\_\_\_ % of the annual rent.

(C) **Set-Up Fee.** For entering the Property into Broker's property management system, Broker shall be paid a one time, non-refundable fee of \$ \_\_\_\_\_ .

(D) **Referral Commission.** Owner also authorizes payment of an MLS referral commission to the referring broker not to exceed \$ \_\_\_\_\_. Owner understands and agrees that such commission will be paid to any real estate Broker (including Broker's leasing staff) who brings a qualified tenant that results in a signed lease.

(E) **Lease Renewals.** For Lease renewals, Broker shall be paid a leasing fee of \$ \_\_\_\_\_ - OR - \_\_\_\_\_ % of the monthly rent - OR - \_\_\_\_\_ % of the annual scheduled rent.

(F) **Advertising.** Owner agrees to pay in advance for any and all advertisements placed on Owner's behalf. Unless specified by Owner, Owner agrees that advertising (including choice of media) is in the Broker's discretion.

(G) **Selling Commission.** If, within the term of this Agreement or within 180 days thereafter, a tenant shall enter into a purchase agreement or lease/option to purchase the Property, Broker shall be deemed the procuring cause of the sale, and Owner shall pay Broker a fee of \_\_\_\_\_ % of the selling price. If, within the term of this Agreement, Owner shall decide to sell the Property on the market, Owner shall list the Property with Broker for a fee of \_\_\_\_\_ %, subject to a separate listing agreement.

(H) **Interest on Unpaid Sums.** Any sums due Broker under the terms of this Agreement, and not paid within 30 days after such sums have become due, shall bear interest at the rate of 12% per annum.

(I) **Extraordinary Services.** An hourly fee of \$ \_\_\_\_\_ per hour shall be paid to Broker for all necessary or requested tasks not considered normal management duties.

(J) **Termination Fees.** Additional fees may be due upon Termination of this Agreement pursuant to Section 18 herein.

#### 4. BANK ACCOUNTS

(A) **Trust Accounts.** Broker shall establish a separate Trust Account, apart from any company or corporate account, for the deposit of collected receipts in an institution whose deposits are insured by the federal government. Such depository shall be selected by Broker. Designated funds relating to the Property in the Trust Account remain the property of Owner subject to disbursement of expenses by Broker as described in this Agreement. Any interest accrued on this account will be retained by Broker. Broker shall notify Owner if a new reserve amount is required.

(B) **Initial Deposit and Reserve.** Immediately upon commencement of this Agreement, Owner shall remit to Broker the sum of \$ \_\_\_\_\_ as a reserve. Owner shall maintain the reserve stated above at all times in the Trust Account to enable Broker to pay the obligations of Owner under this Agreement as they become due. Broker shall notify Owner if additional funds are required.

(C) **Security Deposit Trust Account.** Broker shall maintain a separate Security Deposit Trust Account for security deposits, cleaning, pet, and key and other deposits.

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## 5. COLLECTION OF RENTS AND OTHER RECEIPTS

(A) **Broker's Authority.** Broker shall collect all rents, charges and other amounts receivable on Owner's account in connection with the management and operation of the Property. Such receipts shall be deposited in the Trust Account maintained by Broker for the Property.

(B) **Special Charges.** If permitted by applicable law, Broker may collect from the tenants and retain any and or all, but not limited to the following: an administrative charge for late payment of rent, a charge for returned or non-negotiated checks, interest and a rental application fee.

(C) **Security Deposit Trust Account.** Broker shall collect a security deposit and deposit it into the Trust Account and disburse it in accordance with NRS Chapter 118A. Any interest earned on tenant security deposits shall be retained by Broker.

## 6. DISBURSEMENTS OF RENTS AND OTHER RECEIPTS

(A) **Operating Expenses.** From the Trust Account, Broker is hereby authorized to pay or reimburse itself for all expenses and costs of operating the Property and for all other sums due Broker under this Agreement, including Broker's compensation.

(B) **Debt Service.** Owner shall give Broker advance written notice of at least 30 days to make any additional monthly or recurring payments (such as mortgage indebtedness, general taxes, special assessments or insurance premiums) out of Owner's proceeds from the Property. If Owner notifies Broker to make such payments after the beginning of the term of this Agreement, Broker shall have the authority to name a new contingency reserve amount, and Owner shall maintain this new contingency reserve amount at all time in the Trust Account.

(C) **Net Proceeds.** To the extent that funds are available and after maintaining the cash contingency reserve amount as specified in Section 4(b), Broker shall transmit the cash balances to Owner monthly.

**7. BROKER IS NOT REQUIRED TO ADVANCE FUNDS.** If the balance of the Trust Account is at any time insufficient to pay disbursements due and payable, Owner shall, not later than 10 days after notice, remit to Broker sufficient funds to cover the deficiency and replenish the contingency reserve. In no event shall Broker be required to use its own funds to pay such disbursements, nor shall Broker be required to advance any monies to Owner or to the Trust Account. If Broker advances any monies in connection with the Property to pay any Owner expense, Owner shall reimburse Broker, including interest at a rate of 12% per annum, and Broker may deduct such amounts from any monies due Owner.

## 8. FINANCIAL AND OTHER REPORTS

(A) **Owner/IRS Relationship.** Owner is required to file all required Internal Revenue Service (IRS) forms and meet all IRS requirements. Owner agrees to provide Broker with appropriate IRS forms (e.g., W-9) before any funds are disbursed to Owner.

(B) **Reports.** Broker shall furnish Owner with a statement of cash receipts and disbursements from the operation of the Property monthly. In addition, Broker shall, on a mutually acceptable schedule, prepare and submit to Owner such other reports as are agreed on by both parties. Broker shall submit as required by the IRS at the conclusion of each calendar year a Form 1099 indicating the total income received from the Property.

## 9. LEASING AND RENTING

(A) **Authority.** Broker is authorized to negotiate, prepare and sign all leases, including all renewals and extensions of leases and to cancel and modify existing leases for Owner. All costs of leasing shall be paid out of the Property Trust Account. Leases are to be written on Broker's standard lease form.

(B) **Enforcement of the Leases.** Broker is authorized to institute, in Owner's name, all legal actions or proceedings for the enforcement of any lease term, for the collection of rent or other income from the Property, or for the eviction or dispossession of the tenants or other persons from the Property. Broker is authorized to sign and serve such notices as Broker deems necessary for lease enforcement, including the collection of rent or other income. If Broker deems it necessary, Broker may retain an attorney of Broker's choice (unless Owner supplies Broker with the name of Owner's attorney). Owner shall pay all attorneys fees and court costs.

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(C) **Management/Maintenance Review.** Broker shall make management/maintenance reviews of the Property at the time of occupancy, when the tenant vacates and at such other times as Broker feels necessary or advisable and report matters concerning the condition of the Property to Owner. In the event of vacancy, Broker will take reasonable precautions to secure the Property.

## 10. REASONABLE MAINTENANCE AND REPAIR

(A) **Ordinary/Emergency Maintenance Repair.** Broker shall make or cause to be made, through contracted services, employees or otherwise, all ordinary repairs and replacements reasonably necessary to preserve the Property in a habitable condition and for the operating efficiency of the Property, and all alterations required to comply with lease requirements, governmental regulations or insurance requirements. Any cost exceeding \$ \_\_\_\_\_ must be approved by Owner in advance except that in an emergency where repairs are immediately necessary for the preservation and safety of the Property, to avoid the suspension of any essential service to the Property, to avoid danger or life of property, or to comply with federal, state or local law; such emergency repairs shall be made by Broker at Owner's expense without prior approval.

(B) **Smoke Detectors.** At Owner's expense, smoke detectors will be installed on the Property in working condition in accordance with the law prior to the tenant's occupancy. During the occupancy, it shall be the tenant's responsibility to maintain all smoke detectors.

**11. UTILITIES AND SERVICES.** Broker shall, in Owner's name and at Owner's expense, make contracts for electricity, gas or water and such other services as necessary or prudent for the operation of the Property. All utility charges and deposits shall be Owner's responsibility.

## 12. INSURANCE.

(A) **Owner's Insurance.** Owner shall obtain and keep in force adequate insurance against damage and against liability for loss, damage or injury to property or persons which might arise out of the occupancy, management, operation or maintenance of the Property. The deductible required under such insurance policies shall be Owner's expense. Broker shall be covered as an additional insured on all liability insurance maintained with respect to the Property. Liability insurance shall be adequate to protect the interests of both Owner and Broker and in form, substance and amounts reasonably satisfactory to Broker, but not less than \$500,000 (five hundred thousand dollars). Owner shall provide Broker with proof of fire insurance policies in force and shall obtain adequate vandalism coverage for the Property. Owner shall furnish Broker with certificate evidencing fire and liability insurance or with duplicate copies of such policies within 15 days after the date of this Agreement. Such policies shall provide that notice of default or cancellation shall be sent to Broker as well as Owner and shall require a minimum of 30 days written notice to Broker before any cancellation of or changes to such policies.

(B) **Tenant's Insurance.** Tenants  (shall)  (shall not) be required to obtain renter's insurance.

**13. SAVE HARMLESS.** Owner shall indemnify, defend and save Broker harmless from all loss, investigation, suits, damage, cost, expense (including attorneys fees) liability or claims for personal injury or property damage incurred or occurring in, on or about the Property.

**14. BROKER ASSUMES NO LIABILITY.** Broker assumes no liability for any damages, losses, or acts of omission by the Tenant. Broker assumes no liability for any acts or omissions of Owner or previous Owners or previous brokers. Broker assumes no liability for default by any tenant. Broker assumes no liability for violations of environmental or other regulations which may become known during the term of this Agreement. Any such regulatory violations or hazards discovered by Broker shall be brought to the attention of Owner, and Owner shall promptly cure them. Broker shall not be liable in the event of bankruptcy or failure of the depository bank where Owner's funds are deposited.

## 15. OWNER'S RESPONSIBILITY FOR EXPENSES OF LITIGATION.

(A) **Litigation and Compliance Expenses.** Owner shall pay all fines, penalties, or other expenses in connection with any claim, proceeding or suit involving an alleged violation of any law pertaining to fair employment, fair credit reporting, environmental protection, rent control taxes or fair housing, including illegal discrimination on the basis of race, sex, color, religion, national origin, physical handicap, familial status, elderliness or all other protected classes; provided, however, that Owner shall not be responsible to Broker for any such expenses if Broker is finally adjudged in a court of law to have personally, and not in a representative capacity, violated any such law. Nothing contained in this Agreement shall obligate Broker to employ legal counsel to represent Owner in any such proceeding or suit.

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**(B) Fees for Legal Advice.** Owner shall pay reasonable expenses incurred by Broker in obtaining legal advice regarding compliance with any law affecting the Property. If such expenditure also benefits other principals of Broker, Owner shall pay an apportioned amount of such expense.

## 16. REPRESENTATIONS

**(A) Owner Representations.** Owner represents and warrants that Owner has full power and authority to enter into this Agreement; that there are no written or oral agreements affecting the Property other than disclosed tenant leases, copies of which have been furnished to Broker; that there are no recorded easements, restrictions, reservations or rights of way which adversely affect the use of the Property for the purposes intended under this Agreement; that the Property is zoned for the intended use; that all permits for the operation of the Property have been secured and are current; that the building and its construction and operation do not violate any applicable statutes, laws, ordinances, rules, regulations, orders or the like; that the information supplied by Owner is dependable and accurate; that any loans, notes, mortgages, dues or trust deeds are fully paid and are current without defaults; and that any future defaults on any loans, mortgages, dues or trust deeds will be reported to Broker within 14 business days of Owner's receipt of notice of default.

**(B) Multiple Listing Service.** No Multiple Listing Service or Association of REALTORS® is a party to this Agreement and no Multiple Listing Service or Association of REALTORS® sets, controls, recommends or suggests the amount of compensation for any service rendered pursuant to this Agreement.

**17. COMMON INTEREST COMMUNITY.** If the Property is located within a Common Interest Community (CIC), Owner understands and agrees that Broker is not involved in and has no control over the CIC. Owner understands that the CIC's Declaration of Covenants, Conditions and Restrictions (CC&Rs) may restrict the leasing of the Property, and it is Owner's sole responsibility to determine whether the Property is so affected. Broker assumes no liability for any costs associated with a Tenant's move-out. Broker assumes no liability for understanding or complying with the CC&Rs, and has no responsibility for any future amendments or additions to the CC&Rs. Owner remains solely responsible for assessments, violations and fines/fees payable to the CIC, and agrees to reimburse Broker for any such assessments, fines or fees which Broker may pay on Owner's behalf. Any subsequent and separate notice which identifies Broker as Owner's property manager will not affect the terms of this Section.

## 18. TERMINATION

**(A) Early Termination.** This Agreement may be terminated by Owner before the termination date specified in Section 2(d) by written notice to Broker not less than 30 days prior to the termination date specified in such notice, together with a cancellation fee in the amount equal to the management fee that would accrue over the remainder of the stated term of any existing lease agreement or this Agreement, whichever is greater. For this purpose, the monthly management fee for the remainder of the stated term of the existing lease agreement shall be presumed to be the same as that of the last full calendar month prior to service of the notice of cancellation. In the event Owner directs Broker to transfer files and documents to a succeeding management company, Owner will pay Broker a transfer fee of \$ \_\_\_\_\_. This Agreement may be terminated by Broker before the termination date specified in Section 2(d) upon 30 days written notice to Owner. Within ten days of termination, Owner will pay Broker all monies due under this Agreement. Should this Agreement be terminated by either party prior to leasing the Property, Broker is entitled to retain the Set-Up Fee, and Owner shall reimburse Broker for the actual cost of any expenses incurred relative to the Property. If Owner terminates this Agreement prior to leasing the Property, Owner agrees to pay a cancellation fee of \$ \_\_\_\_\_.

**(B) Owner Responsible for Payments.** Upon termination of this Agreement, Owner shall assume the obligations of any contract or outstanding costs incurred by Broker under this Agreement. Broker may withhold funds for 30 days after the end of the month in which this Agreement is terminated in order to pay bills previously incurred but not yet invoiced and to close accounts. Broker shall deliver to Owner, within 30 days after the end of the month in which this Agreement is terminated, any balance of monies due Owner or tenant security deposits, or both, which were held by the Broker with respect to the Property, as well as a final accounting reflecting the balance of income and expenses with respect to the Property as of the date of termination or withdrawal. The security deposit will not be released unless all parties agree in writing to the transfer of the security deposit from the Broker's trust account to Owner.

**19. INDEMNIFICATION SURVIVES TERMINATION.** All representations and warranties of the parties contained herein shall survive the termination of this Agreement. All provisions of this Agreement that require Owner to have insured or to defend, reimburse or indemnify Broker shall survive any termination. If Broker becomes involved in any proceeding or litigation by reason of having been Owner's Broker, such provisions shall apply as if this Agreement were still in effect.

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**EXHIBIT 1**

**PROPERTY INFORMATION**

Owner Name: \_\_\_\_\_

Property Address: \_\_\_\_\_

\_\_\_\_\_

APN: \_\_\_\_\_

Existing Tenant (if any):

Name: \_\_\_\_\_

Home Phone: \_\_\_\_\_

Work Phone: \_\_\_\_\_

Acceptable Rental Rate/Month: Minimum: \$ \_\_\_\_\_ Maximum: \$ \_\_\_\_\_

Acceptable Lease Term: Minimum \_\_\_\_\_ Years / Maximum: \_\_\_\_\_ Years

Will pets be considered? Yes  -OR- No  (If yes, Tenant must complete Application for Pet Approval.)

As applicable:

CBU & Mail Box Number: \_\_\_\_\_

Parking Space Number: \_\_\_\_\_

Gate Code: \_\_\_\_\_

Alarm Code: \_\_\_\_\_

Property Address: \_\_\_\_\_

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