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# PROPERTY MANAGEMENT AGREEMENT

This **Property Management Agreement** ("Agreement") is made and entered into as of **[Effective Date]**, by and between:

- **[Property Owner's Full Legal Name]**, residing at **[Owner's Address]**, hereinafter referred to as the **"Owner"**, and
- **[Property Manager's Full Legal Name]**, with a principal office at **[Manager's Address]**, hereinafter referred to as the **"Manager"**.

The Owner desires to engage the Manager to provide professional management services for the Property described below, and the Manager agrees to perform such services under the terms and conditions set forth in this Agreement.

## RECITALS

**WHEREAS,** the Owner is the legal owner of certain real property located at **[Property Address]**, legally described as **[Legal Description from Title or Deed]**, including all improvements, fixtures, and rights associated with the property (the "Property");

**WHEREAS,** the Owner wishes to engage the Manager to provide **property management services**, including leasing, rent collection, maintenance, and other related duties, for the Property;

**WHEREAS,** the Manager has the necessary qualifications, licenses, and experience to provide professional property management services and agrees to do so in accordance with the terms of this Agreement;

**WHEREAS,** the parties desire to set forth their respective rights, obligations, and compensation for the management of the Property;

**NOW, THEREFORE,** in consideration of the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## 1. DEFINITIONS

For the purposes of this Agreement, the following terms shall have the meanings set forth below:

### 1.1 "Agreement"

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This Property Management Agreement, including any **exhibits, schedules, and amendments** hereto.

### 1.2 "Owner"

[Owner's Name], including their **heirs, successors, assigns, and legal representatives**.

### 1.3 "Manager"

[Manager's Name], including its **agents, employees, and authorized representatives** responsible for managing the Property.

### 1.4 "Property"

The real estate located at **[Property Address]**, legally described as **[Legal Description from Title or Deed]**, including all **buildings, improvements, fixtures, and common areas**, that are subject to this Agreement.

### 1.5 "Management Services"

The duties and responsibilities to be performed by the Manager as outlined in **Clause 2 (Scope of Management Services)**, which include:

- Leasing and tenant management
- Rent collection and financial reporting
- Property maintenance and repairs
- Compliance with laws and regulations

### 1.6 "Management Fee"

The **compensation** payable to the Manager for performing management services, calculated as **[Flat Fee OR Percentage %] of gross rental income**, as further detailed in **Clause 3 (Compensation and Expenses).**

### 1.7 "Lease Agreement"

A **rental contract** between the Owner (or Manager acting on behalf of the Owner) and a tenant, governing the terms of occupancy of a unit or space within the Property.

### 1.8 "Operating Expenses"

All **costs associated with managing and maintaining the Property**, including but not limited to:

- Utilities and insurance

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- Repairs and maintenance
- Legal fees and eviction costs
- Advertising and leasing expenses

### 1.9 "Security Deposit"

The **funds collected from tenants** as a guarantee against damages, unpaid rent, or lease violations, held in a **separate escrow account** managed by the Owner or Manager in accordance with applicable landlord-tenant laws.

### 1.10 "Term"

The duration of this Agreement, commencing on **[Start Date]** and continuing for **[Term Length, e.g., 1 year]**, unless terminated earlier in accordance with **Clause 6 (Termination).**

### 1.11 "Governing Law"

This Agreement shall be governed by and construed in accordance with the **laws of the State of [State]**, and any disputes shall be resolved in the courts of **[County, State]**.

## CLAUSE 2 – SCOPE OF MANAGEMENT SERVICES

The Manager agrees to perform the following **property management services** on behalf of the Owner, subject to the terms of this Agreement.

### 2.1 Leasing and Tenant Management

The Manager shall:
(a) Advertise and market available rental units within the Property using online platforms, signage, and other approved methods.
(b) Screen prospective tenants, including **credit checks, background checks, rental history verification, and income verification**.
(c) Prepare, execute, and enforce **Lease Agreements** in accordance with local, state, and federal laws.
(d) Collect **security deposits** and ensure compliance with applicable escrow regulations.
(e) Handle **tenant relations**, including complaints, disputes, and requests.
(f) Initiate eviction proceedings if necessary and coordinate with legal counsel for compliance with eviction laws.

### 2.2 Rent Collection and Financial Management

The Manager shall:
(a) Collect monthly rent payments and any applicable late fees from tenants.
(b) Enforce **rent due dates and penalties** for late or missed payments.
(c) Maintain an **accurate accounting system** for tracking rental income, security deposits, and expenses.

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(d) Provide the Owner with **monthly and annual financial reports**, including income statements, expense reports, and tax documentation.
(e) Disburse rental proceeds to the Owner **on or before [Disbursement Date]** each month, after deducting the **Management Fee and any applicable expenses**.

### 2.3 Property Maintenance and Repairs

The Manager shall:
(a) Conduct **routine inspections** of the Property to identify necessary repairs and maintenance.
(b) Coordinate and supervise **repairs, maintenance work, and improvements**, using **licensed and insured contractors** when required.
(c) Respond to **tenant maintenance requests** in a timely manner.
(d) Ensure compliance with **health, safety, and building codes**, including fire inspections and environmental regulations.
(e) Manage emergency repairs **[24/7 emergency contact information may be required]**.

### 2.4 Legal Compliance and Risk Management

The Manager shall:
(a) Ensure that the Property and all rental agreements comply with applicable **federal, state, and local landlord-tenant laws**.
(b) Handle **tenant disputes, lease violations, and eviction proceedings** as necessary.
(c) Provide legal notices to tenants regarding rent increases, lease terminations, or violations.
(d) Obtain and maintain required **permits and licenses** for rental operations, if applicable.
(e) Maintain **insurance coverage** as required under **Clause 5 (Insurance and Liability).**

### 2.5 Owner's Obligations and Cooperation

The Owner shall:
(a) Provide the Manager with **full authority** to manage the Property in accordance with this Agreement.
(b) Maintain a **property reserve fund of [$Amount]** for repairs, maintenance, and emergency expenses, which shall be managed by the Manager.
(c) Reimburse the Manager for **approved expenses** related to property management, repairs, and compliance costs.
(d) Ensure that all **mortgage, property tax, and insurance payments** remain current.

## CLAUSE 3 – COMPENSATION AND EXPENSES

In consideration for the management services provided, the Owner agrees to compensate the Manager as follows:

### 3.1 Management Fee

(a) The Owner shall pay the Manager a **management fee** calculated as:

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- ☐ **Flat monthly fee of [$Amount]** OR
- ☐ **Percentage [%] of gross rental income collected each month**.

(b) The Management Fee shall be **deducted from collected rental income** before disbursement to the Owner.
(c) The Management Fee shall be **payable on or before [Payment Date]** each month.

### 3.2 Leasing Fees *(If Applicable)*

(a) For new tenant placements, the Owner agrees to pay the Manager a **leasing fee** equal to:

- ☐ **A flat fee of [$Amount]** OR
- ☐ **[Percentage %] of one full month's rent**.

(b) This fee covers **advertising, tenant screening, lease preparation, and move-in coordination**.
(c) The leasing fee **shall be due upon execution of a new Lease Agreement**.

### 3.3 Renewal Fees *(If Applicable)*

(a) For lease renewals with existing tenants, the Owner shall pay the Manager a **renewal fee** of:

- ☐ **[$Amount] per renewal** OR
- ☐ **[Percentage %] of one month's rent**.

(b) This fee covers lease renewal negotiations, documentation, and tenant retention efforts.

### 3.4 Maintenance and Repair Expenses

(a) The Manager is **authorized to approve repairs and maintenance costs** up to **[$Amount] per occurrence** without prior approval from the Owner.
(b) For expenses exceeding this limit, the Manager shall obtain the Owner's **written consent** before proceeding, except in emergency situations where immediate repairs are necessary to prevent damage or tenant harm.
(c) The Manager shall use **licensed, insured, and reasonably priced vendors** for all maintenance and repair services.

### 3.5 Advertising and Marketing Costs *(If Applicable)*

(a) The Owner ☐ **shall OR** ☐ **shall not** reimburse the Manager for **advertising and marketing costs** associated with listing vacant units.
(b) If applicable, advertising costs shall be **limited to [$Amount] per vacancy** unless otherwise approved in writing.

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### 3.6 Reimbursement of Operating Expenses

(a) The Owner shall reimburse the Manager for the following **out-of-pocket expenses** incurred in connection with the management of the Property, including but not limited to:

- Property inspections and legal compliance costs.
- Utility payments (if Owner is responsible).
- HOA fees, if applicable.
- Legal and eviction-related fees.

(b) The Manager shall provide the Owner with **itemized invoices and receipts** for all reimbursable expenses.

### 3.7 Security Deposit Handling

(a) Security deposits collected from tenants shall be **held in a separate escrow account** managed by ☐ **Owner OR** ☐ **Manager**.
(b) Deposits shall be handled in accordance with **state landlord-tenant laws**.

## CLAUSE 4 – TERM AND TERMINATION

This section outlines the duration of this Agreement, renewal terms, and the conditions under which either party may terminate the Agreement.

### 4.1 Term of Agreement

(a) This Agreement shall commence on **[Start Date]** and remain in effect for a period of **[Term Length, e.g., 12 months]** (the "Initial Term").
(b) Upon expiration of the Initial Term, this Agreement shall ☐ **automatically renew for successive [Term Length] periods OR** ☐ **terminate unless renewed in writing by both parties**.

### 4.2 Termination by Owner

The Owner may terminate this Agreement **before the expiration date** under the following conditions:
(a) The Owner must provide the Manager with **[Number] days' written notice** of termination.
(b) If the Owner terminates the Agreement **without cause**, the Owner may be required to pay the Manager:

- ☐ **A termination fee of [$Amount]** OR
- ☐ **Management Fees owed through the remaining contract term** OR

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- ☐ **Reimbursement for advertising and pending tenant placement costs**.
  (c) If the Owner sells the Property during the term of this Agreement, the Owner must provide **[Number] days' notice**, and any unpaid fees due to the Manager shall be paid at the time of sale.

### 4.3 Termination by Manager

The Manager may terminate this Agreement before the expiration date under the following circumstances:
(a) The Owner fails to pay management fees, reimbursement costs, or other financial obligations required under this Agreement.
(b) The Owner engages in conduct that prevents the Manager from fulfilling its duties, including **failure to fund property repairs, non-compliance with rental laws, or unsafe property conditions**.
(c) The Manager provides **[Number] days' written notice** of termination to the Owner.

### 4.4 Immediate Termination for Cause

Either party may **immediately terminate** this Agreement without advance notice if the other party:
(a) Engages in **fraud, misrepresentation, or illegal activity** related to the Property.
(b) Files for **bankruptcy or insolvency**.
(c) Violates any material term of this Agreement **and fails to cure such violation within [Number] days of receiving written notice**.

### 4.5 Rights and Obligations Upon Termination

(a) Upon termination, the Manager shall:

- Provide the Owner with **copies of all financial records, lease agreements, and tenant information**.
- Transfer **tenant security deposits and unpaid rents** to the Owner or their designated agent.
- Cease all management services, including rent collection, maintenance, and tenant communications.

(b) The Owner shall:

- Pay any outstanding fees due to the Manager, including **final invoices for management services, reimbursements, and pending expenses**.
- Take over **tenant communications, repairs, and all other property-related responsibilities**.

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## CLAUSE 5 – INSURANCE AND LIABILITY

This section outlines the insurance requirements and liability protections for both the Owner and the Manager in connection with the management of the Property.

### 5.1 Owner's Insurance Obligations

(a) The Owner shall maintain adequate **property insurance coverage** on the Property, including but not limited to:

- Hazard insurance covering **fire, flood, vandalism, and natural disasters**.
- General liability insurance with a coverage amount of at least **[$Coverage Amount]** per occurrence.
- Rental income loss insurance, if applicable.

(b) The Owner ☐ **shall OR** ☐ **shall not** name the Manager as an **additional insured** on all insurance policies related to the Property.

(c) The Owner shall provide **proof of insurance** to the Manager upon request.

### 5.2 Manager's Insurance Obligations

(a) The Manager shall maintain:

- Professional liability or errors and omissions insurance with coverage of **[$Coverage Amount]**.
- General liability insurance covering **property management services**.
- Workers' compensation insurance for employees, if applicable.

(b) The Manager ☐ **shall OR** ☐ **shall not** provide a certificate of insurance to the Owner upon request.

### 5.3 Indemnification and Liability Protections

#### (a) Owner's Indemnification of Manager

The Owner agrees to **indemnify, defend, and hold harmless** the Manager from any **claims, damages, or liabilities** arising from:

- Injuries, property damage, or losses occurring on or related to the Property, **except due to the Manager's negligence or willful misconduct**.
- Tenant disputes, lease violations, or legal actions related to rental agreements.
- Failure of the Owner to maintain adequate insurance or comply with landlord-tenant laws.

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**(b) Manager's Indemnification of Owner**

The Manager agrees to **indemnify, defend, and hold harmless** the Owner from any **claims, damages, or liabilities** arising from:

- Negligence, fraud, or willful misconduct by the Manager or its employees.
- Violation of property management laws or professional regulations.

**(c) Limitation of Liability**

Neither party shall be liable for **indirect, consequential, or incidental damages**, except in cases of **gross negligence or intentional misconduct**.

## 5.4 Claims and Legal Compliance

(a) The Manager shall **promptly notify** the Owner of any **claims, lawsuits, or potential legal issues** involving the Property.
(b) Both parties shall cooperate in any **insurance claims, legal proceedings, or government inspections** affecting the Property.

## CLAUSE 6 – DISPUTE RESOLUTION AND GOVERNING LAW

This section outlines the procedures for resolving disputes between the Owner and the Manager, as well as the applicable governing law for this Agreement.

## 6.1 Good Faith Negotiation

(a) In the event of any dispute, controversy, or claim arising from or related to this Agreement, both parties agree to first engage in **good faith negotiations** to resolve the matter amicably.
(b) Either party may submit a written notice detailing the dispute, after which both parties shall have **[Number] days** to attempt resolution before taking further action.

## 6.2 Mediation and Arbitration *(If Applicable)*

(a) If negotiation fails, the parties agree to submit the dispute to **mediation** before filing a lawsuit.
(b) Mediation shall take place in **[City, State]** and be conducted by a neutral mediator mutually agreed upon by both parties.
(c) If mediation does not resolve the dispute, the matter shall be submitted to **binding arbitration**, unless prohibited by law.
(d) The arbitration shall be governed by the rules of **[Arbitration Association Name]**, and the arbitrator's decision shall be **final and binding**.
(e) Each party shall bear its own arbitration or mediation costs, unless otherwise determined by the mediator/arbitrator.

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### 6.3 Legal Proceedings

(a) If mediation or arbitration is **not required or does not apply**, either party may file a lawsuit in the appropriate court located in **[City, State]**.
(b) The prevailing party in any legal proceeding shall be entitled to recover **reasonable attorneys' fees and court costs** from the non-prevailing party.

### 6.4 Governing Law

(a) This Agreement shall be governed by and construed in accordance with the **laws of the State of [State]**, without regard to conflict of law principles.
(b) Any legal actions, claims, or disputes arising under this Agreement shall be brought in the courts located in **[County, State]**, unless otherwise required by applicable real estate laws.

### 6.5 Waiver of Jury Trial (If Permissible)

To the extent permitted by law, both parties **waive their right to a jury trial** in any dispute arising under this Agreement.

## CLAUSE 7 – MISCELLANEOUS PROVISIONS AND FINAL TERMS

This section outlines the general provisions governing this Property Management Agreement, including legal compliance, amendments, and contract enforcement.

### 7.1 Entire Agreement

(a) This Agreement, including any **schedules, addenda, exhibits, and amendments**, constitutes the **entire agreement** between the Owner and the Manager concerning the management of the Property.
(b) It supersedes all prior oral or written agreements, negotiations, and understandings between the parties.

### 7.2 Amendments and Modifications

(a) No amendment, modification, or waiver of any provision of this Agreement shall be valid unless **made in writing and signed** by both the Owner and the Manager.
(b) Any verbal agreements or informal understandings **shall have no legal effect** unless documented in a signed addendum.

### 7.3 Severability

(a) If any provision of this Agreement is found to be **invalid, illegal, or unenforceable**, the remaining provisions shall remain in full force and effect.
(b) The parties agree to replace any unenforceable provision with a valid provision that most closely reflects the original intent.

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## 7.4 Notices

(a) Any **notices** required under this Agreement shall be in writing and delivered by:

- **Personal delivery**
- **Certified mail (return receipt requested)**
- **Email (if both parties have agreed in writing to receive notices electronically)**
  (b) Notices shall be deemed **effective upon receipt** or, if sent by certified mail, **three (3) business days after mailing**.
  (c) The addresses for notice purposes are as follows:

**OWNER:**
[Owner's Name]
[Owner's Address]
[Owner's Phone Number]
[Owner's Email (if applicable)]

**MANAGER:**
[Manager's Name]
[Manager's Address]
[Manager's Phone Number]
[Manager's Email (if applicable)]

## 7.5 Assignment and Binding Effect

(a) The Manager ☐ **may OR** ☐ **may not** assign its rights and obligations under this Agreement to another party without the prior written consent of the Owner.
(b) The Owner may transfer ownership of the Property, in which case this Agreement ☐ **shall OR** ☐ **shall not** remain binding upon the new owner, subject to a written assignment.
(c) This Agreement shall be **binding upon and inure to the benefit** of the Owner, the Manager, and their respective **heirs, successors, and assigns**.

## 7.6 Force Majeure

Neither party shall be liable for **delays or failures in performance** caused by **unforeseen events** beyond their control, including but not limited to:

- Natural disasters, extreme weather, or earthquakes
- Governmental actions or new regulations
- Acts of war, terrorism, or pandemics
- Labor strikes or economic crises

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### 7.7 Waiver of Rights

(a) The failure of either party to enforce any provision of this Agreement shall **not** be considered a waiver of future rights.
(b) Any waiver must be in writing and signed by the waiving party.

### 7.8 Counterparts and Electronic Signatures

(a) This Agreement may be executed in **multiple counterparts**, each of which shall be deemed an original but together shall constitute one agreement.
(b) Electronic or digital signatures shall be **legally binding** and have the same effect as handwritten signatures.

## SIGNATURES

IN WITNESS WHEREOF, the parties have executed this Property Management Agreement as of the date first written above.

**OWNER:**

[Owner's Name]
Signature: _____
Date: _____

**MANAGER:**

[Manager's Name]
Signature: _____
Date: _____

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