

Nielsen PROPERTY MANAGERS



Property Management Agreement

In consideration of the covenant herein contained, _____ (hereinafter called "OWNER"), NIELSEN PROPERTY MANAGERS, INC. (hereinafter called "AGENT") agrees as follows:

1. The Owner hereby employs the Agent exclusively to rent and manage the property hereinafter called the "PREMISES" known as, _____ upon the terms hereinafter set forth, for a period of one year beginning on the ___ day of _____, **2008** and ending on the ___ day of _____, **2008** and thereafter to be renewed on a month to month basis.

2. THE AGENT AGREES:

- a) To use diligence in the management of the premises for the period and upon the terms herein provided, and agrees to furnish the services of its organization for the renting, leasing, operating and managing of the herein described Premises.
- b) To render monthly statements of receipts, disbursements and charges to the Owner named in this contract along with copies of all bills including apartment number if applicable.
- c) To cause all employees of the Agent who handle or are responsible for the safekeeping of any monies of the Owner to be covered by a fidelity bond in an amount of not less than \$10,000 and with a company determined by the Agent at no cost to the Owner.
- d) To secure prior approval of Owner on all expenses in excess of **\$500.00** for any one item, except for monthly or recurring operating charges and/or emergency repairs in excess of the maximum, if, in Agent's opinion, such emergency repairs are necessary to protect the property from damage or to maintain services.
- e) To maintain a bank account, separate from Agent's personal accounts, insured by an agency of the United States Government, into which Agent will deposit all monies collected from subject property, and from which Agent shall make payment of all premises expenses. Said account shall be referred to as the "General Account".
- f) To maintain complete records with all receipts and disbursements resulting from the operation and management of the Premises. Owner may request an audit by an independent Certified Public Accountant, to be performed at Owner's expense, and payable from the General Account.
- g) To post notices, prepare all correspondence to residents and others involved with property, oversee eviction proceedings, handle emergency calls during or after business hours, hire any independent contractors needed for special jobs, supply stationary/postage/mileage/gas for driving time and handle/oversee any other incidental requirement of Agents time.

3. THE OWNER AGREES:

- a) To give AGENT the following authority and powers (all or any of which may be exercised in the name of the OWNER) and agrees to assume all expense in connection therewith:

- I) To advertise the Premises or any part thereof, to display signs thereon and to rent the same; to cause references of prospective residents to be investigated; to sign leases and to renew and or cancel the existing leases and prepare and execute the new leases; to terminate tenancies and to sign and serve such notices as are deemed needful by the Agent; to institute and prosecute actions to oust tenants and to recover possession of the Premises; to sue for and recover rent; and, when expedient, to settle, compromise and release such actions or suits, or reinstate such tenancies.
- II) To hire, discharge and pay all employees/contractors; to make or cause to be made all ordinary repairs and replacements necessary to preserve the Premises and for the operating efficiency thereof and all alterations required to comply with lease requirements, and to do decorating on the Premises; to negotiate contracts for nonrecurring items and to enter into agreements for all necessary repairs, maintenance, minor alterations and utility services, and to purchase supplies and pay all bills. The direct cost of hiring, equipping, and providing the services of premises personnel, including, but not limited to compensation, payroll taxes, workman's compensation insurance, shall be considered an operating expense of the premises and shall be reimbursed to Agent from the General Account. Agent is an independent contractor and not an employee of the Owner.
- III) To collect rents and/or assessments and other items due or to become due and give receipts therefore and deposit all funds collected hereunder in the General Account.
- IV) To refund tenant's security deposits at the expiration of leases. All residents' security deposits shall be sent to Owner in the month following receipt by Agent.
- b) Indemnify, defend and hold harmless Agent, and all persons in Agent's firm, regardless of responsibility, from all costs*, expenses, suits, liabilities, damages, attorney's 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, in any way relating to the management, rental, security deposits, or operations of the Property by Agent, or any person in Agent's firm, or the performance or exercise of any of the duties, powers, or authorities granted to Agent. If either party commences a lawsuit against the other to enforce any provision of this Agreement the successful party shall be awarded court costs from the other and reasonable attorney fees as set by the Court.
*Up to the limits of the policy coverage.
- c) To promptly after the execution of this Agreement, furnish Agent with copies of all insurance policies relating to the Premises, along with the names of the agent to whom claims and/or losses are to be presented. To maintain general public liability insurance with minimum limits of \$1,000,000.00 for bodily injury and \$50,000 for property damage. Said insurance will name the Agent as additional insured during the period of this Agreement. Owner shall pay the cost for this insurance from the General Account. In the event that additional services and administration with regard to the insuring of the Premises are required, Agent will charge an administration fee for this work to be carried out. The fee will be %0 of the most recent annual premium of the insurance policy. Such services are construed as above and beyond the paying of the invoice from the General Account and can include but are not limited to: arranging and carrying out inspections as required by the insurance carrier, and arranging for repair work that is beyond normal wear and tear as required by the insurance carrier.
- c) That in the event disbursements or monies owed to Agent shall be in excess of rents collected by Agent, the Owner agrees to pay such excess promptly upon notification. Maintain a reserve in Agent's trust account of \$300.00.
- d) That in the event the Owner chooses to sell the property, Agent will charge administration fees for assisting the broker representing the Premises. Specifically, posting of notices, copying of rental paperwork and showing the property/units. The cost for Agent's time will be \$100.00 per hour.
- e) To pay all expenses incurred by the Agent, including, without limitation, attorney's fees for counsel employed to represent the Agent or the Owner in any proceeding or suit.

g) Provide all documentation and records required by Agent to manage and operate the Property.

4. PAYMENT:

As compensation for the performance of duties and obligations hereunder, Agent shall receive a monthly management fee equal to _____ of the gross amount of rents and other income collected from the subject Premises during each month to and including the end of the term of this Agreement. Said amount to be paid on the last day of each month from the General Account.

In the event that any renovation work is required that is above and beyond basic turnover renovation (carpet replacement, painting and general decorating), Agent will charge Owner 0% of the total bills for the administration and organization of this renovation work which must have prior approval by Owner. Examples of such renovation work are: pest clearances (termite or other), complete re-modeling of the Premises, etc.

In the event that this Management Agreement is for commercial property, the Agent will charge a leasing fee of 0% for the entire amount of lease term, per each new lease executed. This does not apply to lease renewals or month-to-month agreements. This leasing fee is in addition to the management fee collected monthly.

5. CANCELLATION:

Owner or Agent may cancel this agreement by giving written notice of cancellation 30 days prior to the date of termination as specified in clause 1 of this agreement. Thereafter, this agreement may be canceled at any time with 30 days written notice.

6. ATTORNEY'S FEES:

In any action, proceeding, or arbitration between Owner and Agent regarding the obligation to pay compensation under this Agreement, the prevailing Owner or Agent shall be entitled to reasonable attorney's fees and costs.

7. ENTIRE CONTRACT:

All prior discussions, negotiations, and agreements between the parties concerning the subject matter of this Agreement are superseded by this Agreement, which constitutes the entire contract and a complete and exclusive expression of their agreement, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. This Agreement and any supplement, addendum, or modification, including any photocopy or facsimile, may be executed in counterparts.

By signing below, Owner warrants full ownership and/or the authority to execute this contract and has read and understands this Agreement.

Owner _____

Agent _____

Nielsen Property Managers, INC.

Date _____

Owner _____

Date _____

Date _____

Tax I.D. _____