

# **PROPERTY MANAGEMENT AGREEMENT**

This Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, between \_\_\_\_\_ (Hereafter referred to as Owner), and \_\_\_\_\_, (Hereafter referred to as Managing Broker). Owner hereby employs the services of Managing Broker as an independent contractor to manage, operate, control, rent and lease the following described property: \_\_\_\_\_ . (\_\_\_\_\_) unit(s).

## **Responsibilities of Managing Broker**

Owner hereby appoints Managing Broker as their agent with full authority to do any and all lawful things necessary for the fulfillment of this Agreement, including the following:

1. To collect all rents as they become due, giving receipts therefore and to render to Owner a monthly accounting of rents received and expenses paid out; and to remit to Owner all income, less any sums paid out and required reserve. All rents collected and reserves will be deposited in a separate account from security deposits.
2. To pay all invoices and bills with funds that Owner provides. Owner's shall retain control of mortgage, insurance and tax payments.
3. To make or cause to be made all decorating, maintenance, alterations and repairs to the property and to hire and supervise all contractors and other labor for the accomplishment of same.
4. To advertise the property and display signs thereon; to rent and lease the property; to sign, renew and cancel rental agreements and leases for the property or any part thereof; to sue and recover for rent and for loss or damage to any part of the property and/or furnishings thereof; and, when expedient, to compromise, settle and release any such legal proceedings or lawsuits. **Owner and Managing Broker acknowledge that it is illegal for either the Owner or the Managing Broker to refuse to display or rent to any person because of one's membership in a protected class, e.g.; race, color, religion, national origin, ancestry, age, sex, sexual orientation, marital status, familial status, order of protection status, disability, military status, unfavorable discharge from military service, or any other class protected by the Illinois Human Rights Act.**

## **Liability of Managing Broker**

Owner hereby agrees to hold Managing Broker, Managing Broker's Company, and any employees of Managing Broker harmless from any and all claims, charges, debts, demands and lawsuits, including attorney's fees related to their management of the herein-described property, and from any liability for injury on or about the property which may be suffered by any tenant or guest upon the property except in instances where the claim, charge, debt, demand, and/or lawsuit arises out of the Managing Broker, Managing Broker's Company, and/or Managing Broker's employees own negligence. Similarly, the Managing Broker agrees to indemnify and hold the Owner harmless from all claims, losses, expenses, fees including attorneys fees, costs, and judgments that may be asserted against the Owner that result from the negligence of the Managing Broker, Managing Broker's Company, and/or Managing Broker's employees. It is understood by the parties that each party is an independent contractor with respect to the other party, and not an employee of the other party.

## **Compensation of Managing Broker**

### **Initial Maintenance**

Any properties or units that are not in rentable condition will be charged \_\_\_% of all work or services preformed to get property or unit ready to rent. If Owner chooses, they can ready these units themselves to a condition agreeable to all parties, and avoid these costs. These costs will not be charged after this initial period, namely once property or unit has been rented for the first time. This fee is completely separate from Monthly Management Fees and Tenant Placement Fees. Listed below are the properties or units that are not in rentable condition.

### **Monthly Management Fees**

Fee equal to \_\_\_% (\$\_\_\_ minimum) of total monthly rental income, payable in monthly installments. Fee is not paid during vacancies unless otherwise specified above, or in the event tenant does not pay.

### **Tenant Placement Fees**

Tenant placement fee of \$\_\_\_\_\_ per placement during contract. If during the listing period the property is rented by Owner, the Managing Broker, or anyone else produces a renter, ready, willing, and able to lease the property, Seller agrees to pay Managing Broker as the listing agent the Tenant Placement fee mentioned above. If, within \_\_\_\_\_ days after the expiration or cancellation of this contract or any extensions thereof a the property is rented to any person to whom the property has been shown by the Owner, Managing Broker or anyone else during the listing period, Owner agrees to pay Managing Broker the Tenant Placement Fee, provided the premises is not listed with another licensed Managing Broker.

## **Additional Covenants and Agreements**

### **Property Costs**

Owner is financially responsible for any and all costs associated with the managed property. Including, but not limited to: Repairs, supplies, contracted services and legal costs. Owner understands that the management fee is strictly an administrative fee, and does not cover any of the expenses associated with owning rental property.

Owner is not responsible for advertising or screening costs in conjunction with placement services. However, if Owner elects to advertise or screen over and above what Managing Broker provides, owner will be responsible for those expenses. Managing Broker will advertise Owner's property in various web based mediums such as Craigslist and RentRockford.com which are subject to change based on performance of said mediums. When deemed necessary to rent property, Agent will recommend local newspaper advertising. Local newspaper advertising will be approved by and paid directly by the Owner.

Owner will be notified and will consent to any repair estimated in good faith to be in excess of \$\_\_\_\_\_, except in the case of an emergency. Owner shall deposit and maintain with Managing Broker a minimum of \$\_\_\_\_\_ as a reserve. Owner is required to fund this reserve to Managing Broker by the next business day after signing this agreement. Failure to do so will immediately void this agreement.

Owner will cover any excess of expenses over income within \_\_\_ days of any request by Managing Broker. Managing Broker may terminate this agreement immediately if the request for additional funds is not paid. Owner understands that it is not Managing Broker's obligation to advance its own funds for payment of Owner's operating expenses.

### **Property Standards**

Owner agrees to comply with Managing Brokers requests to keep property up to local code and to generally accepted property standards. Failure to comply with these requests may result in termination of this agreement.

### **Security Deposits**

Managing Broker will keep all security deposits for the managed property in the company escrow account, except for buildings over \_\_\_ units that require a separate escrow account. All company escrow accounts are subject to audit by the Illinois Department of Financial and Professional Regulation. Owner is required to fund previously collected security deposits to Managing Broker by the next business day after signing this agreement. Failure to do so will immediately void this agreement.

### **Leases, Forms, and Disclosures**

Owner understands that Managing Broker will use only Managing Broker's approved leases, forms, and disclosures. This is a must to ensure consistency through all properties managed. Company forms can be provided to Owner, for their review. Owner is not to share or copy any leases, forms or disclosures.

Managing Broker will honor owner leases that are still valid, but will change to Managing Broker's lease upon renewal. It is Owner's responsibility to provide Managing Broker with any lease that is not month to month. Any additional correspondence or disclosures are to be provided as well.

### **Keys and Garage Door Openers**

Owner will provide Managing Broker with copies of all keys and all extra garage door openers to property within one week of signing this agreement. Failure to do so will immediately void this agreement. Managing Broker will maintain one set of keys for their use. Owner is required to pay for all key duplication costs, except in the case of Tenant or Managing Broker neglect.

### **Locks**

Owner agrees to re-key unit locks after every tenant moves out. In multiple unit properties, locks that are not mastered will be replaced and/or re-keyed to a master key upon move out. These costs can be charged to a tenants deposit if they fail to return their keys. This cost is very reasonable due to our vendor's competitive pricing.

### **Carpet Shampooing**

Owner agrees to have the carpets shampooed after every tenant moves out. This is a simple measure to make your carpet last longer and a credit is provided for in our lease. Tenants are required to pay a reasonable fee to have the carpets cleaned after move out. This cost is very reasonable due to our vendor's competitive pricing, and there is very little resistance to this from our Tenants.

### **Property Insurance**

Owner is required to maintain a current landlord insurance policy to protect the structure in case of an event that causes damage to the property or harm to the tenants. Failure to do so will result in immediate termination of this agreement.



**Owner/Property Details**

Please answer the following questions to streamline management.

**Owner(s) or Business Name:** \_\_\_\_\_

**Social Security Number(s) or FEIN:** \_\_\_\_\_

**Home Phone #** \_\_\_\_\_ **Cell Phone #** \_\_\_\_\_

**Additional #** \_\_\_\_\_ **Fax #** \_\_\_\_\_

**Owner Mailing Address:** \_\_\_\_\_

**E-mail:** \_\_\_\_\_

Rental Address:	Garage: <input type="checkbox"/> None <input type="checkbox"/> 1 Car <input type="checkbox"/> 2 Car <input type="checkbox"/> 3 Car - Opener: <input type="checkbox"/> Yes <input type="checkbox"/> No #:
City: State: Zip:	# spaces for off Street Parking: # of Carport spaces:
Date Available:	Water Softener: <input type="checkbox"/> Yes <input type="checkbox"/> No
Rent Amount:	Laundry: <input type="checkbox"/> None <input type="checkbox"/> Coin <input type="checkbox"/> Hookups on main level/basement
Deposit Amount:	Satellite Dish allowed: <input type="checkbox"/> Yes <input type="checkbox"/> No
Lease Term: <input type="checkbox"/> 1 year <input type="checkbox"/> 6 month <input type="checkbox"/> M-T-M	Stove: <input type="checkbox"/> Yes <input type="checkbox"/> No
Type: Duplex/Townhouse/House/Multi Unit # of units: _____	Refrigerator provided: <input type="checkbox"/> Yes <input type="checkbox"/> No
Type: Upper / Lower Unit size: _____ sq. ft.	Dishwasher: <input type="checkbox"/> Yes <input type="checkbox"/> No
Living Room <input type="checkbox"/> yes <input type="checkbox"/> no Type of flooring _____	Disposal: <input type="checkbox"/> Yes <input type="checkbox"/> No
Dining Room <input type="checkbox"/> yes <input type="checkbox"/> no Type of flooring _____	Microwave provided: <input type="checkbox"/> Yes <input type="checkbox"/> No
Family Room <input type="checkbox"/> yes <input type="checkbox"/> no Type of flooring _____	Washer/Dryer provided: <input type="checkbox"/> Yes <input type="checkbox"/> No
Kitchen <input type="checkbox"/> yes <input type="checkbox"/> no Type of flooring _____	Central air: <input type="checkbox"/> Yes <input type="checkbox"/> No
# of Bedrooms Type of flooring _____	Window air provided: <input type="checkbox"/> Yes <input type="checkbox"/> No
# of Bathrooms Type of flooring _____	Fireplace: <input type="checkbox"/> None <input type="checkbox"/> Wood <input type="checkbox"/> Gas
Section 8: <input type="checkbox"/> Yes or <input type="checkbox"/> No / Smoking: <input type="checkbox"/> Yes or <input type="checkbox"/> No	Deck: <input type="checkbox"/> Yes <input type="checkbox"/> No Fenced yard: <input type="checkbox"/> Yes <input type="checkbox"/> No
Pets: Cats: <input type="checkbox"/> Yes <input type="checkbox"/> No Dogs: <input type="checkbox"/> Yes <input type="checkbox"/> No	Pool: <input type="checkbox"/> Yes <input type="checkbox"/> No Whirlpool: <input type="checkbox"/> Yes <input type="checkbox"/> No
Pet Deposit: _____ Extra \$/mo. for Pet: _____	Security alarm: <input type="checkbox"/> Yes <input type="checkbox"/> No
Garbage pick-up day:	Key location: _____
Water meter location:	Lockbox: <input type="checkbox"/> Yes <input type="checkbox"/> No Combination: _____
<input type="checkbox"/> City water <input type="checkbox"/> City sewer <input type="checkbox"/> Septic sewer <input type="checkbox"/> Well water	Yard sign: <input type="checkbox"/> Yes <input type="checkbox"/> No
Services Provided By: T= Tenant O=Owner	Furnace filter size: _____
Gas: _____ Provider: _____ Avg. Mthly Bill: _____	Pre-payment requirements (check all that apply): <input type="checkbox"/> 1 <sup>st</sup> months rent <input type="checkbox"/> Last months rent <input type="checkbox"/> Security deposit
Electric: _____ Provider: _____ Avg. Mthly Bill: _____	Driving directions _____
Heat: _____ Provider: _____ Avg. Mthly Bill: _____	_____
Water: _____ Provider: _____ Avg. Mthly Bill: _____	_____
Garbage: _____ Provider: _____ Avg. Mthly Bill: _____	_____
Sewer: _____ Provider: _____ Avg. Mthly Bill: _____	_____
Lawn Maintenance: _____ Provider: _____	_____
Snow Removal: _____ Provider: _____	_____
Association fees: _____ \$ _____/mo.	_____

\*A separate Specification Sheet must be completed for each building

Comments: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Complete only if building built before 1978

## DISCLOSURE OF INFORMATION ON LEAD BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

### Lead Warning Statement

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessor must also provide a federally approved pamphlet on lead poisoning prevention.

### Lessor's Disclosure: Presence of lead-based paint and/or lead hazards (initial below):

Known lead-based hazards are present in the housing (explain).

Lessor has no knowledge of lead-based paint and/or lead-paint hazards in the housing.

Explain: \_\_\_\_\_

### Records and reports available to the lessor (initial below):

Lessor has provided the lessee with all available records and reports pertaining to the lead-based paint and/or lead-based hazards in the housing (list documents below).

Lessor has no reports or records pertaining to lead-based records and reports pertaining to the lead-based paint and/or lead-based paint in the housing.

List: \_\_\_\_\_

### Lessee's Acknowledgement (initial)

Lessee has received copies of all information listed above and/or received the pamphlet PROTECT YOUR FAMILY FROM LEAD IN YOUR HOME.

### Agents Acknowledgement (initial)

Agent has informed the lessor of the lessor's obligations under 42 U. S. C. 4852d and is aware of his/her responsibility to ensure compliance

### Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

\_\_\_\_\_  \_\_\_\_\_  
Lessee Date Lessee Date

\_\_\_\_\_  \_\_\_\_\_  
Lessee Date Lessee Date

\_\_\_\_\_  \_\_\_\_\_  
Agent Date Lessor Date

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