



**PROPERTY MANAGEMENT AGREEMENT: General form of an agreement for the operation, management, and maintenance of real property located at:**

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Agreement made \_\_\_\_\_, 20\_\_, between \_\_\_\_\_, here referred to as owner, and \_\_\_\_\_, an entity organized under the laws of the State of Indiana, having its principal office at \_\_\_\_\_, here referred to as agent.

**RECITALS**

A. Agent is experienced in the business of operating and managing real estate similar to the above-described property.

B. Owner desires to engage the services of agent to manage and operate the property, and agent desires to provide such services on the following terms and conditions.

In consideration of the mutual covenants contained herein, the parties agree:

**SECTION ONE.**

**EMPLOYMENT OF AGENT**

Agent shall act as the exclusive agent of owner to manage, operate, and maintain the property.

## SECTION TWO.

### BEST EFFORTS OF AGENT

On assuming the management and operation of the property, agent shall thoroughly inspect the property and submit a written report to owner whenever necessary. The written report shall contain the opinion of agent concerning the present efficiency under which the property is being managed and operated, and recommended changes, if necessary, in the management structure of the property, in the rehabilitation of the property, and any other matters that will improve the efficient management and operation of the property. After conferring with owner and obtaining approval to make any necessary improvements, agent shall undertake completion of the improvements.

## SECTION THREE.

### LEASING OF PROPERTY

Agent shall make reasonable efforts to lease available space of the property, and shall be responsible for all negotiations with prospective tenants. Agent shall also have the right to execute and enter into, on behalf of owner, lease agreements of units of the property. Agent may negotiate all extensions and renewals of such tenancies and leases. Agent shall not, without the prior consent of owner, enter into any lease for a term less than 6 months or more than 24 months. Agent shall have the right to make concessions, including rental concessions, as inducements to prospective tenants to occupy the property.

## SECTION FOUR.

### ADVERTISING AND PROMOTION

Agent shall advertise vacancies by all reasonable and proper means; provided, agent shall not incur expenses for advertising in excess of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) during any calendar quarter without the prior written consent of owner.

## SECTION FIVE.

### MAINTENANCE, REPAIRS, AND OPERATIONS

Agent shall use its best efforts to insure that the property is maintained in an attractive condition and in a good state of repair. In this regard, agent shall use its best skills and efforts to serve the tenants of the property and shall purchase necessary supplies, make contracts for, or otherwise furnish, electricity, gas, fuel, water, telephone, window cleaning, refuse disposal, pest control, and any other utilities or services required for the operation of the property. Agent shall make or cause to be made and supervise necessary repairs and alterations and shall decorate and furnish the property.

## SECTION SIX.

### EMPLOYEES

6.1. Agent shall employ, discharge, and supervise all on-site employees or contractors required for the efficient operation and maintenance of the property. All on-site personnel, except independent contractors and employees of independent contractors, shall be the employees of agent. Agent shall pay the salaries of such on-site employees and, to the extent there are revenues from the property available, pay all charges for services rendered by independent contractors and the employees of independent contractors.

6.2. All salaries (including all contributions of employer not listed in the paycheck) of such on-site employees shall be charged to owner. To the extent there are insufficient funds available from revenues received from the operation of the property to reimburse agent for such salaries, owner shall directly reimburse agent within 30 days after demand by agent for reimbursement. Agent shall not be responsible or liable to owner for any act, default, or negligence of on-site personnel, or for any error of judgment or mistake of law or fact in connection with their employment, conduct, or discharge, except that agent shall be responsible for any such act, default, or negligence that is due directly or indirectly to its own negligent act or omission in the hiring or supervision of any such on-site personnel.

## SECTION SEVEN.

### GOVERNMENT REGULATIONS

Agent shall manage the property in full compliance with all laws and regulations of any federal, state, or municipal authority having jurisdiction over the property.

## SECTION EIGHT.

### INSURANCE

6.1. Agent shall obtain the property insurance at the expense of the owner, and such insurance shall be maintained in force during the full term of this agreement:

## SECTION NINE.

### COLLECTION OF INCOME; INSTITUTION OF LEGAL ACTION

6.1. Agent shall use its best efforts to collect promptly all rents and other income issuing from the property when such amounts become due. It is understood that agent does not guarantee the collection of rents.

6.2. Agent shall, in the name of owner, execute and serve such notices and demands on delinquent tenants as agent may deem necessary or proper. Agent, in the name of

owners, shall institute, settle, or compromise any legal action and make use of such methods of legal process against a delinquent tenant or the property of a delinquent tenant as may be necessary to enforce the collection of rent or other sums due from the tenant, to enforce any covenants or conditions of any lease or month-to-month rental agreement, and to recover possession of any part of the property. No other form of legal action will be instituted and no settlement, compromise, or adjustment of any matters involved therein shall be made without the prior written consent of owner, except when agent determines that immediate action is necessary.

## SECTION TEN.

### RECORDS AND REPORTS

6.1. Agent will keep books, accounts, and records that reflect all revenues and all expenditures incurred in connection with the management and operation of the property. The books, accounts, and records shall be maintained at the principal place of business of agent. Agent shall, during regular business hours, make the books, accounts, and records required to be maintained hereunder available to owner or the representatives of owner for examination and audit by appointment on no less than 15 days' prior notice. All such audits shall be at the expense of owner.

## SECTION ELEVEN.

### COMPENSATION OF AGENT

Agent shall receive a management fee equal to \_\_\_\_\_ percent (\_\_\_%) of the gross receipts collected from the operation of the property. Gross receipts are defined as all revenues collected plus refundable deposits. Any management fee due agent hereunder shall be paid to agent within \_\_\_\_\_ days after the end of each month. Agent shall not markup any expenses in relation to the operation the property in excess of \_\_\_\_\_ percent (\_\_\_%).

## SECTION TWELVE.

### TERMINATION FOR CAUSE

If agent breaches any of the terms of this agreement, owner shall give agent written notice of such breach. If agent fails to remedy the breach within 30 days after receiving the above-described notice, owner may terminate this agreement.

## SECTION THIRTEEN.

### SALE OF PROPERTY

On the voluntary sale of the property by owner and the delivery of the deed of conveyance therefor, this agreement shall automatically terminate. Owner shall notify agent of the sale of the property as soon as such sale is negotiated.

SECTION FOURTEEN.

ARBITRATION

In case of any dispute regarding any terms or performance of the terms of this agreement, the dispute shall be subject to arbitration in accordance with the rules and regulations then obtaining under the American Arbitration Association in the City of \_\_\_\_\_, State of Indiana.

SECTION FIFTEEN.

ATTORNEY FEES

Should either party bring suit to enforce any of the terms of this agreement, the prevailing party shall be entitled to recover court costs and reasonable attorney fees.

SECTION SIXTEEN.

MODIFICATION

This agreement may not be modified unless such modification is in writing and signed by both parties to this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

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| _____ | _____      |
| Owner | Print Name |
| _____ | _____      |
| Agent | Print Name |