

SAMPLE ONLY



PROPERTY MANAGEMENT AGREEMENT

1. PARTIES:

1.1. The parties to this agreement are:

Owner: _____

Broker: Straight Up Realty & Property Management LLC ("Broker"),

1.2. **Owner** warrants that Owner is the sole Owner of the Property or has unconditional authority to execute this Agreement on behalf of any Co-Owner.

1.3. **Employment of the Broker:** Owner hereby employs the Broker as Owner's sole and exclusive Agent and Broker to rent, manage, maintain and operate the property described below.

2. **Property Address:** _____
County: _____

3. **Term:** This agreement will commence on _____ and shall automatically renew every 3 months so long as there has not been at least a thirty (30) day notice prior to the next term given by either party to terminate.

4. **Compliance with the Law:** The parties will comply with all obligations, duties, and responsibilities under all Florida and Federal laws, including fair housing laws, and any other statute, administrative rule, ordinance, or homeowners' association covenant applicable to the property. Owner acknowledges that as a Florida property management company, Broker is subject to regulation by the Florida Real Estate Commission and must comply with Florida Real Estate Commission rules and regulation in the formation of this contract, and the performance of its duties under this Agreement.

5. **Reserves/Repair Account:** Owner will deposit \$_____ with Broker as a property reserve. In the event repairs are made and funds are not sufficient, Broker shall withhold the amount disbursed from the next ensuing rent payment or from any rents received but not yet forwarded to Owner. Broker will arrange for all repairs, inspections, maintenance and cleanings, unless Owner has notified Broker in writing prior to the commencement of repairs

to use someone else that Owner has selected, and Owner makes arrangements with the third party directly. Owner agrees that they shall pay third party directly and shall indemnify and hold Broker harmless for payment of same or for said vendor's failure to abide by state, local or federal law or in the event of pre-1978 properties, the failure of such vendor to not be certified under the Federal RRP Rules. At Broker's option, if there are not sufficient funds to make a repair, Broker can require payment by Owner prior to making the repairs and shall hold Broker harmless for any delay or failure to make a repair if the funds are not available.

6. Authority of the Broker:

6.1. Leading and Management Authority: Owner grants Broker the following authority, which Broker will exercise at Brokers discretion:

- A. Advertise and show the property for rent at Owner's expense by means and methods Broker determines are reasonably competitive.
- B. Negotiate and execute leases on Owner's behalf for the Property at market rates and on competitively reasonable terms. Broker shall, at Brokers sole discretion, establish, maintain, and terminate tenancies with tenants of the Property. The Broker shall have sole responsibility for establishing the terms and conditions for tenancies of the Property, including but not limited to approving applicants, establishing rents, deposits, fees, pet terms, and lease terms and conditions. Broker shall not be required to present all offers to lease.
- C. Terminate leases for the Property, negotiate lease terminations, and serve notices of termination; Settle, compromise, or withdraw any eviction or collection action; Negotiate and make reasonable concessions to tenants or former tenants of the Property.
- D. Security deposits shall be held by the Broker in a trust account on behalf of the Owner and financial responsibility of such security deposits is that of the Broker. The disposition of the security deposits of all tenants, whether the deposit is held by the Broker or Owner, shall be the sole discretion of Broker.
- E. Institute and prosecute, at Owner's expense, actions to evict tenants in the Property, recover possession of the Property or hire a collection agency to recover lost rent and other damages; Broker shall authority on behalf of the Owner to terminate any lease or rental agreements covering the Property, to execute and serve such legal and other notices as Broker deems appropriate, to institute legal actions for the benefit of, and at the expense of, Owner for the purpose of evicting tenants in default and to recover possession of the Premises, to recover unpaid rents and other sums due from any tenant to settle, compromise and release claims by or against any tenant, and to employ attorneys for payment of rent. Owner agrees that Broker is not responsible for the collection of delinquent accounts. Broker assumes no liability for monies that are uncollectible or for any damages or costs related to the tenancy and the property.
- F. If a collection agency is utilized to collect funds as a result of an eviction, Owner agrees to accept the terms of the collection agency's standard contract when executed for Owners by Broker. When acting in a collection capacity to collect funds due from ex-tenants, Broker will, at Brokers expense, pay all legal fees associated with the collection of such account and Broker will retain 40% of all funds collected for this service in addition to the management fee listed in Section 10.

- G. Hire contractors to repair, maintain, or alter the Property provided that Broker does not expend more than \$350 for any single repair, maintenance item, or alteration without Owner's consent, unless the repair is deemed necessary by Broker and due to an emergency and or necessary in Broker's sole judgment for the safety of the Tenants or the welfare of the property, Broker has authority to institute repairs, even if over the aforementioned limit and Owner agrees to be responsible for the sums expended. Broker is not required to hire vendors to institute emergency repairs if Owner has not approved the emergency repair or provided the necessary funds but may do so at Brokers discretion with Owner holding Broker harmless for and failure to do so.
- H. Contract and establish, at Owner's expense, any required utilities and maintenance to the Property and other regularly recurring expenses that Broker determines are reasonable to maintain and care for the Property. Owner may be required to have water and electric service turned on if the premises are not occupied, or in the situation where utilities are included in the Tenants rent payment, and Owner grants Broker the authority to have such services turned on.
- I. Perform other services deemed necessary by Broker, related to the leasing and management of the Property.

6.2 Record Keeping:

- A. Broker will maintain accurate records related to the Property and file Form 1099 with the Internal Revenue Service related to funds received on behalf of the Owner. Broker will remit, on or about the 10th day of each month, the following items to the Owner: funds transferred electronically, collected by Broker for Owner under the agreement less deductions and charges, directly to Owner's bank account; and a statement of disbursements, delivered electronically.

6.3 Deductions and Offset:

Broker may disburse from any funds Broker holds in a trust account for Owner: Any compensation or reimbursement due Broker or other vendors under this agreement.

7 Owner's Representations:

- A. Owner is not delinquent in the payment of property taxes, Owner's association fees, property insurance, mortgage, or any encumbrance on or affecting the Property.
- B. The Property is not subject to a lis pendens or any legal action.
- C. Owner agrees to furnish Broker with funds, as requested by Broker, as needed to cover all fees, repairs, and maintenance.
- D. Owner and Broker are obligated under law to disclose to a tenant or a prospective tenant any known condition that materially and adversely affects the health or safety of a tenant. Owner is obligated to disclose any such conditions to Broker prior to execution of the agreement and if found after agreement has been executed to immediately inform Broker.

8 Owner's Cooperation; Owner agrees to:

- A. Not hold Broker responsible for personal property left by the Owner on the Property. Owner will remove all personal property from the Property.
- B. Not contact, deal with, or negotiate with any prospective or current tenant in the Property concerning any matter related to the management or leasing of the Property, but refer all such dealing to Broker.

- C. Not enter into a listing agreement or property management agreement with another Broker for the rental, leasing, or management of the Property to become effective during this agreement.
- D. Retain only insured and licensed contractors, subcontractors and/or vendors to perform repair or maintenance services on the Property.
- E. Not list the property for sale except during the last 30 days of any lease agreement and with prior written notice to Broker.
- F. Abide by all Federal, State and Local Fair Housing Laws.
- G. If the property is vacant, the Owner may choose to coordinate repairs, however during this time period, Broker will not advertise for rent until the repairs are completed.
- H. If the Owner does NOT want Broker to perform a lease renewal, Owner must notify Broker in writing a minimum of 90 days prior to the lease expiration date.

9 Insurance:

- A. At all times during this agreement, Owner must maintain public liability insurance coverage on the property at all times in an amount not less than \$300,000.00 per occurrence and shall furnish Broker with proof of insurance and a copy of the declaration page.
- B. Owner is required to notify all insurance providers the property is being used as a rental.
- C. Owner does hereby indemnify and hold harmless Broker, it's employees, agents and assigns, from any and all claims, suits, damages costs, losses and expenses arising from the management of the property and from any injury to persons and/or property occurring on or about the premises unless due to Brokers negligence.
- D. If Owner requires tenant(s) purchase "Renters Insurance" Owner agrees and understands that Tenant(s) may discontinue coverage without notice to Broker and agrees to hold Broker harmless for any damages suffered as a result of any lapse in or failure by TENANT to maintain insurance.

10 Broker Fees:

This paragraph 10 survives termination or expiration of this agreement with regard to fees earned during this agreement, which are not payable until after its termination. Broker may deduct any fees from any funds Broker holds in trust for Owner.

- A. Management Fees: Each month Owner will pay Broker _____ % of the gross monthly income collected that month, paid in advance. Gross income shall include all rents and other income including tenant rent credits, move-in specials, forfeited security deposits, funds collected by collection agencies, and other miscellaneous income.
- B. Marketing: When a property is advertised for rent, Owner will pay Broker a one-time marketing investment of \$_____, due, and payable at the time the property is advertised for rent. This fee includes our standard in-house photography and extensive on-line marketing. Owner may elect to participate in the premium marketing which would include professional photography and drone photography. If Owner wishes to participate in the premium marketing there is an additional one-time fee of \$300.00.

- C. Leasing Fees for New Tenancies: Each time the Property is leased to a new tenant, Owner will pay Broker a leasing fee equal to 50% of one full month's rent, due and payable at the time the lease is executed.
- D. Lease Renewal: Each time a tenant in the Property renews or extends a lease, Owner will pay Broker a renewal fee of \$100, due and payable at the time the lease is executed.
- E. Vendor Oversight/Repair Coordination: Any vendor invoice will be billed to Owner at a rate of cost plus 4%, or a current market rate, as determined by Broker.

10.1 Fees charged to Tenants:

Broker may charge any of the below fees directly to tenants as Broker sees fit and Broker will retain such fees as compensation under this agreement and need not account to Owner for such fees: Rental application fees, posting fees, lease administrative and technology fees, returned check fees, late fees, or other customary fees.

11 Management services do not include:

Normal property management does not include monthly inspections, representation at court hearings, depositions, homeowner meetings, providing on-site management, preparing Property for sale, supervising and coordinating modernization, rehabilitation, fore or other major damage restoration projects; obtaining income tax, accounting or legal advice; advising on proposed new construction, debt collection, counseling, legal proceedings, or insurance related paperwork and estimates. If Owner requests services not covered under normal property management, Broker will provide a fee estimate to Owner for Owner's consideration and approval.

12 Liability and Indemnification:

- A. Owner is responsible and liable for all contracts and obligations related to the Property (for example, maintenance, service, repair and utility agreements) entered into before or during this agreement by Owner or by Broker under Broker's authority under this agreement. Owner agrees to hold Broker harmless from all claims related to any such contracts.
- B. Owner agrees to protect, defend, indemnify, and hold Broker harmless from any damage, costs, attorney's fees, and expenses that:
 - a. Are caused by Owner, negligently or otherwise;
 - b. Arise from Owner's failure to disclose any material or relevant information about the Property;
 - c. Are caused by Owner giving incorrect information to any person; or
 - d. Are related to the management of the Property and are not caused by Broker, negligently or otherwise.
 - e. Owner represents that the Property complies with the legal requirements regarding carbon monoxide. Owner agrees to indemnify and hold Broker harmless if the Property does not comply with the legal requirements referenced.
- C. Broker is not responsible or liable in any manner for:
 - a. Any late fees or other charges Owner incurs to any creditor caused by late or insufficient payments by any tenant in the Property; or

- b. Damages to the Property, or Owner, caused by a tenant's breach of lease.
 - c. Any liabilities for bankruptcy or failure of the bank where escrow funds are deposited.
- D. Broker is not responsible or liable in any manner for personal injury to any person or for loss or damage to any person's real or personal property resulting from any act or omission not caused by Broker's negligence, including but limited to injuries or damages caused by:
 - a. Other Brokers, their associates, inspectors, appraisers, and contractors who are authorized to access the Property;
 - b. Acts of third parties (for example, acts of God, vandalism, theft or criminal acts);
 - c. A dangerous condition or environmental condition on the Property; or the Property's non-compliance with any law or ordinance.
- E. Owner agrees that in all cases, Brokers liability under this contract is limited to the amount of management fees that Broker has charged to Owner.

13 Agreement of Parties:

- A. Entire Agreement: This document contains the entire agreement of the parties.
- B. Assignment: Broker may assign its rights and delegate its duties under this agreement without the Owners consent, provided that the assignee agrees to assume and perform each and every covenant and term of this agreement to Broker.
- C. Binding Effect: Owner's obligation to pay Broker an earned fee is binding upon Owner and Owner's heirs, administrators, executors, successors, and permitted assignees.
- D. Joint and Several: All Owners executing this agreement are jointly and severally liable for the performance of all its terms. Any act or notice to, refund to, or signature of, any one or more of the Owners regarding any term of this agreement, its extension, its renewal, or its termination is binding on all Owners executing this agreement.
- E. Governing Law: Florida law governs the interpretation, validity, performance, and enforcement of this agreement.
- F. Severability: If a court finds any clause in this agreement invalid or unenforceable, the remainder of this agreement will not be affected, and all other provisions of this agreement will remain valid and enforceable.
- G. Notices: Notices between parties must be in writing and are effective when sent to the receiving party's address, or e-mail address. All terms and conditions of this agreement are subject to change by Broker, with a 30-day notice to Owner.
- H. Fair Housing: In compliance with the Federal Fair Housing laws and any state or local laws or ordinances Owner will not ask or expect Broker to place any restrictions on the property based on a prospective tenant(s) or occupant's race, color, religion, handicap, sex, national origin, familial status, sexual orientation or service member status. Federal, state and/or local laws prohibit Broker from placing any such restrictions on the properties Broker handles for rent or be illegally discriminating in any way.
- I. Smoke Detectors: Florida law requires smoke detectors be installed in rental property. These devices will be checked, and fresh batteries installed, or devices replaced, each time a new tenant occupies the property, at the Owner's expense.

- J. Locks will be rekeyed each time a new tenant occupies the property, at the Owner's expense. Broker will not provide Owner with keys to the property while occupied.
- K. Normal Wear and Tear: The Owner understands that some "wear and tear" expenses will occur and that these costs cannot be charged to a tenant and realizes Owner will incur these expenses. Upon renting, the law recognizes the property as a business and requires Owner to expect some expenses for cleaning and maintenance as "normal wear and tear" while operating a rental property.
- L. Service Animals: Owner are not allowed to prevent tenant(s) to have Service Animal(s), Emotional Support Animal(s) or any animal deemed needed for a Tenant(s) disability. Broker and Owner are not permitted by law to collect any pet fee or pet deposit for any animal(s) deemed medically necessary.
- M. Termination: If this agreement terminates before, at the same time, or within 60 days after expiring tenant lease agreement, the Owner shall be responsible for completing the security deposit disposition to the tenant or ex-tenant. All funds shall be distributed to Owner within 30 days of the termination date.
- N. In the event of a pending foreclosure, Broker may freeze all Owner related funds and withhold disbursements.
- O. Legal Advice: Broker cannot give legal advice. READ THIS AGREEMENT CAREFULLY. If you do not understand the effect of the agreement, consult an attorney BEFORE signing.

Signatures:

Owner 1 Name – print

Owner 2 Name – print

Owner 1 Name – signature

Owner 2 Name – signature

Broker: Straight Up Realty & Property Management LLC

Date

