

# SAMPLE PROPERTY MANAGEMENT AGREEMENT

## PARTIES

In consideration of the covenants herein contained \_\_\_\_\_  
(hereafter called "Owner"), and \_\_\_\_\_ (hereinafter  
called "Agent"), agree as follows:

## EXCLUSIVE AGENCY

The owner hereby employs the Agent exclusively to lease and manage the property bearing the municipal address: \_\_\_\_\_ upon the terms hereinafter set forth for the period one year beginning on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ and ending on the LAST day of \_\_\_\_\_, \_\_\_\_\_, and thereafter for annual periods unless on or before sixty (60) days prior to the expiration date mentioned above or any renewals or extensions of said Agreement, either party hereto shall notify the other in writing of an intention to terminate this Agreement. If notice is not received as mentioned above, this Agreement shall renew for the same amount of time as the original Agreement term. Notwithstanding the foregoing, either party may terminate this Agreement for *cause upon* thirty (30) days written notice to the other party.

## AUTHORITY

Owner hereby warrants and acknowledges that he/she has the authority to execute this Agreement on behalf of all record Owner(s) of the property which is the subject of this Agreement and agrees to save, hold harmless, and indemnify Agent, its agents and employees and all liability and defense costs resulting from any challenge to Owner's authority to enter into this Agreement.

## AGENT'S RESPONSIBILITIES

1. The Agent accepts the employment and agrees:
  - a) To use due 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 leasing and managing the herein described premises. However, Agent's due diligence in management does not create any extended duty of care including, but not limited to, any situations which deal with facts that Agent has not been made aware.
  - b) To render monthly statements of receipts, expenses and charges and to remit to Owner receipts less disbursements. In the event the disbursements shall be in excess of the monies collected by the Agent, the Owner hereby agrees to pay such excess promptly upon demand of the Agent.
  - c) To deposit all receipts collected for Owner (less sums properly deducted or otherwise provided herein) in a trust account in a national or state

institution qualified to engage in banking or trust business, separate from Agent's personal account. However, Agent will not be held liable in event of bankruptcy or failure of depository.

- d) Agent's employees who handle or are responsible for Owner's monies shall be bonded by a fidelity bond in adequate amount.

#### **AGENT'S AUTHORITY**

2. The owner hereby gives the Agent the following authority and powers and agrees to assume the expenses in connection herewith:
  - a) To advertise the availability for lease of the herein described premises or any part thereof, and to display "for lease" signs thereon; to sign, renew and/or cancel leases for the premises or any part thereof; to collect rents due or to become due and give receipts therefor; to terminate tenancies and to sign and serve in the name of the Owner such notices as are appropriate; to institute and prosecute actions; to evict Tenants and to recover possession of said premises; to sue for, in the name of the Owner, and recover any and all sums due under the lease or occupancy including but not limited to rent, damages, and eviction costs and fees; and when expedient, to settle, compromise, and release such actions or suits or reinstate such tenancies. Any lease executed for the Owner by the Agent shall not exceed one (1) year without Owner's written approval.
  - b) To make or cause to be made and supervise repairs and alterations, and to do decorating on said premises; to purchase supplies and pay all bills therefore. The Agent agrees to secure the prior approval of the Owner on all expenditures in excess of \$\_\_\_\_\_ for any one item, except monthly or recurring operating charges and/ or emergency repairs in excess of the maximum, if in the opinion of the Agent such repairs are necessary to protect the property from damage or to maintain services to the Tenants as called for in their leases.
  - c) To hire, discharge and supervise all labor and employees required for the operation and maintenance of the premises; it being agreed that all employees shall be deemed employees of the Owner and not the Agent, and that the Agent may perform any of its duties through Owner's attorneys, agents or employees and shall not be responsible for their acts, defaults or negligence if reasonable care has been exercised in their appointment and retention.
  - d) To make contracts for electricity, gas, fuel, water, telephone, window cleaning, trash or rubbish hauling and other such services as the Agent shall deem advisable; the Owner to assume the obligation of any contract so entered into at the termination of this Agreement.

## **OWNER'S RESPONSIBILITIES**

3. The Owner further agrees:

a) To save, hold harmless, and indemnify Agent, its agents and employees from all damage suits, claims, or causes of action in connection with the management of the herein described property including, but not limited to, actions involving LEAD BASED PAINT, LEAD POISONING, MOLD, ASBESTOS, CHINESE DRY WALL, AND FAIR HOUSING DISCRIMINATION, in addition to all other actions. Additionally, Owner further agrees to save, hold harmless, and indemnify Agent, its agents and employees from liability from injury suffered by any employee to any person whomsoever, and to carry, at his own expense, necessary public liability insurance adequate to protect the interests of the parties hereto, which policies shall be written as to protect the Agent in the same manner and to the same extent they protect the Owner, and will name the Agent as co-insured. The Agent also shall not be liable for any error of judgment or for any mistake of fact in or of law, or for anything which it may do or refrain from doing hereinafter, except in cases of willful misconduct or gross negligence.

b) To pay the Agent:

1) For Management: \_\_\_% of the gross monthly income.

2) For Leasing: \_\_\_% of the first full month's rent.

3) Lease Renewal Fee: \_\_\_% of one month's gross income, due upon renewal completion

4) For Sale: \_\_\_% of the sales price.

5) For Disaster Restoration: \_\_\_% of total restoration costs.

6) Minimum Management Fee: \$\_\_\_\_\_/month.

7) Other: \_\_\_\_\_.

## **OTHER ITEMS OF MUTUAL AGREEMENT**

1. Nothing in the Management Agreement shall be construed to require Agent to advance any of its own funds.
2. Under Louisiana Law, "notwithstanding the provisions of Civil Code Articles 2985 through 3034 or any other provisions of law, a licensee engaged in any real estate transaction shall be considered to be representing the person(s) with whom he is working as a Designated

Agent(s) unless there is a written agreement between the Broker and the person, providing that there is a different relationship or the licensee is performing only ministerial acts on behalf of the person. The listing agent(s) acts as the Designated Agent(s) for the Owner and may not disclose any information about what price or terms the Owner will accept other than the price or terms listed. An Owner's Designated Agent(s) does owe a duty of fair dealing to all parties.

Owner understands that the Designated Agent(s) assigned by Agent as Broker may be representing another party who has employed the Designated Agent(s) to locate a property for them. Owner further understands that this type of situation creates dual representation. Should Designated Agent(s) represent a prospective Tenant who wishes to lease the property from Owner, Owner hereby consents to this dual representation by Designated Agent(s). Moreover, Owner authorizes Broker to file this listing and appropriate leasing data with the Multiple Listing Service and to report leasing information upon leasing of property to the Multiple Listing Service.

3. Owner hereby agrees that if an Attorney is employed to protect any right of Agent, its agents and/or employees under this Agreement, I/We agree to pay reasonable attorney's fees, court costs, and expenses, including, but not limited to sheriff's fees incurred.
4. For the purposes of this Agreement, Late Fees shall not be considered part of the gross monthly income. Any Late Fees collected shall be considered earned by Agent and deemed additional compensation for its collection efforts.
5. At all times during the term of this Agreement, Owner hereby agrees to maintain in full force and effect Owners Comprehensive General Public Liability Insurance including insurance for loss or damage by explosion of steam boilers or similar apparatus now, or hereafter installed in the hereinafter described premises, with an insurance company duly licensed to do business in the State of Louisiana. Policy limits should be as follows: at least \$300,000.00 Combined Single Limit for Bodily Injury and Property Damage for Residential properties containing 1 - 4 dwelling units and at least \$1,000,000.00 Combined Single Limit for Bodily Injury and Property Damage for Commercial properties and Residential properties containing 5 dwelling units or more. Such policies shall name \_\_\_\_\_ as an additional insured and I/we shall, upon execution hereof deliver to \_\_\_\_\_ certificates of insurance certifying that such insurance is in full force and effect.
6. For purposes of the Louisiana Worker's Compensation Act, Owner ("Principal Employer"), and \_\_\_\_\_ ("Contractor"), mutually agree that Principal Employer is recognized as a statutory employer for purposes of L.R.S. 23:1061(A) of Contractor's employees, including all direct and statutory employees of Contractor, while such employees are providing work and/or services to be performed by Contractor or any subcontractor under this contract.
7. This Agreement shall be governed by and interpreted in accordance with the laws of the

State of Louisiana.

8. Descriptive headings are used in this Agreement for convenience only and shall not control, limit, amplify or otherwise modify or affect the terms and provisions of this Agreement or the meaning or construction of the terms and provisions of this Agreement.
9. If any provision of this Agreement shall, for any reason or to any extent, be invalid or unenforceable, the remainder of this Agreement shall be enforced to the fullest extent permitted by law.

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**\*\*\*WE DO BUSINESS IN ACCORDANCE WITH THE FAIR HOUSING LAW\*\*\***

This Agreement shall be binding upon the successors and assigns of the Agent, and the heirs, administrators, executors, successors and assigns of the Owner.

IN WITNESS WHEREOF the parties hereto have affixed or caused to be affixed their respective signatures this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
**OWNER**

\_\_\_\_\_  
**BROKER/AGENT**