



# Property Management Agreement

**THIS PROPERTY MANAGEMENT AGREEMENT** (hereinafter referred to as the "Agreement"), entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2008, by and between \_\_\_\_\_

(Hereinafter referred to as "Owner") of property located at: \_\_\_\_\_

In the City of \_\_\_\_\_, County of Clark, State of Nevada, Zip Code \_\_\_\_\_ (hereinafter referred to as the "Property") and **Advanced Management Group** (hereinafter referred to as "Agent").

**1. AGENCY:** Owner hereby employs Agent as exclusive leasing and managing agent for the Property.

**2. COMPENSATION:** Owner agrees to pay Agent, as compensation for the services of Agent provided herein, the following

- (a) **\$85 per month**, for any rent collected between \$1 and \$1,499; or  
**\$125 per month**, for any rent collected \$1,500 or above
- (b) A one-time leasing fee of **\$125.00** at time of **any** new lease
- (c) All advertising costs or fees and any required maintenance (including cleaning) fees
- (d) 75% of all late fees; if any are collected

**3. MANAGEMENT AND OPERATION:** Owner grants Agent the following authority and powers and agrees to assume any and all expenses in connection therewith.

- (a) **Diligent Efforts:** Agent shall make diligent efforts to obtain a suitable tenant as soon as possible at the monthly rent of \$ \_\_\_\_\_ but not less than \$ \_\_\_\_\_ or market value, as determined by agent. If the determined amount is LESS than what was originally determined by the owner and agent listed in this agreement, the agent will obtain authorization to lower the monthly rent. Authorization will be acknowledged in a separate addendum to this agreement.
- (b) **Lease Negotiations:** Agent shall handle all negotiations with tenants and prospective tenants. Upon execution of a lease, Agent shall collect from the tenant all prorated rents plus a refundable Security Deposit. Depending on market conditions or special circumstances, Agent may collect additional rents and/or deposits in advance. The tenant's Security Deposit shall be maintained in Agent's trust account and shall not be used to pay Owner's obligations. Owner waives any right to interest which may accrue on tenant's Security Deposit.
- (c) **Collection of Rents:** Agent shall collect the rents from the Property promptly when such amounts come due, taking all necessary steps to collect same and performing all reasonable acts on behalf of Owner for the protection of Owner in the collection of such amounts. Owner waives the right to receive any fee collected by Agent for returned checks. Owner will receive 25% of all late charges collected.
- (d) **Account Balance / Payments / Other Expenses:** Owner agrees to maintain sufficient funds in Owner's account with Agent necessary to pay all normal expenses prior to the collection of any monthly rent.
- (e) **No Advancement of Funds:** Agent shall not be required to advance any monies for the care, repair, upkeep, or management of the Property and Owner agrees to advance all monies necessary for those purposes. Agent reserves the right to place a lien against the real property and rents collected or to be collected under the lease for any advances and expenditures made by Agent for the benefit of said Owner and the real property with improvements thereon and which are not thereafter reimbursed by Owner.
- (f) **Disbursements:** Agent may withdraw from Owner's account all disbursements which Agent may make pursuant to the Agreement and which are to be made at the expense of Owner, including any compensation which becomes due and owing to Agent as set forth in this Agreement. Agent shall make disbursements from Owner's account in the following

Owner acknowledges that he/she has read, understood, and agrees to each and every provision of this page. INITIALS: \_\_\_\_\_/\_\_\_\_\_

order of priority: (1) management fees; (2) advertising costs; (3) pool service; (4) lawn services; (5) any and all repair bills; (6) utilities as required; (7) proceeds to Owner; and (8) other \_\_\_\_\_.

- (g) **Accounting Statements:** Agent shall provide Owner with a monthly statement of receipts and disbursements incurred in the management of the Property. Agent shall also provide Owner with an annual statement of receipts and disbursements and shall prepare a 1099 Form as required.
- (h) **Fair Housing:** Advanced Management Group abides by all Fair Housing Laws and Practices. By acknowledging this Property Management Agreement you are contractually obligated to follow the same Fair Housing Laws and Practices. Failure to do so will immediately terminate this agreement.
- (i) **Repair and Maintenance:** Agent may make or cause to be made, any emergency and / or normal expenditures reasonably necessary for the upkeep, protection, and management of the Property to be paid out of Owner's account. Owner shall not hold Agent responsible for the maintenance or upkeep of the yard or lawn. No improvements, alterations, or repair work costing more that **\$250.00** shall be made by Agent without the prior authorization of Owner, except in the event of emergency situations that require immediate repairs or alterations or when maintenance or repairs are necessary to preclude the delay of occupancy by a new tenant or Owner (i.e., interior painting). In the event of a vacancy, Agent shall take reasonable precautions to safeguard the Property and its contents; however, it is agreed that Agent shall not be held liable for the cost of replacement of Owner's personal property in case of theft or vandalism. In addition, in the event of a vacancy, Agent shall not make or cause to be made any emergency or normal expenditure for the repair, maintenance, or upkeep of the Property which will be in excess of the Security Deposit on hand plus the balance in Owner's account unless and until the additional funds needed to complete the work are received by Agent from Owner.
- (j) **Property Evaluation:** Agent shall make routine interior and / or exterior evaluations of the Property upon renewal of the lease agreement, vacation of premises, or substitution of roommates. Owner agrees to pay Agent forty-five (**\$45.00**) dollars for any additional evaluation performed at the request of or as authorized by Owner. **First evaluation will be completed at Owner's request at no cost.** An evaluation shall not be interpreted as an "Inspection" as outlined in NRS645D. An evaluation is designed to make the Owner(s) aware of obvious physical aspects of the Property, which are generally referred to as "cosmetic" in nature. Agent will not observe inaccessible areas of the property. Should Agent become aware of what could be a structural or systems problem, the Owner will be notified in writing, and a licensed professional will be contacted at owner's request.
- (k) **Special Project Repairs:** Owner agrees to pay exact cost for any modernization, redecoration, improvement, major repair, or alteration contracted by Agent at Owner's request, including, but not limited to carpet replacement, landscaping or sprinkler installation, block wall construction or other fencing, remodeling of kitchen or bath, exterior painting, or re-roofing for any work performed.
- (l) **Legal Actions:** Agent shall have the authority to terminate tenancies and to sign and serve notices as are deemed necessary by Agent, to institute and prosecute actions to oust tenants and to recover possession of the Property, to sue for and recover rent, and when expedient, to settle, compromise, and release such actions or suits, or reinstate such tenancies. Owner agrees to reimburse Agent for all expenses of litigation including attorney's fees, filing fees, and court costs which Agent does not recover from tenants. Owner agrees that such legal actions may be filed in Owner's name. In the event a summary eviction proceeding is appealed to district court, Owner shall be solely responsible for obtaining outside legal counsel or assistance to handle the appeal and must pay for all costs and fees incurred in connection with the appeal.
- (m) **Additional Services:** If Owner requests that Agent perform services which are in addition to the services set forth herein, Owner agrees to pay Agent a fee equal to established market rate per hour to perform such service.

**4. PETS:** Owner agrees to allow tenants to have pets on the premises. YES NO

If yes, Maximum Weight \_\_\_\_\_ Number of Pets Allowed \_\_\_\_\_

Type of pets allowed CATS DOGS OTHER \_\_\_\_\_

**5. PROSPECTIVE TENANTS:** Agent may require a prospective tenant to pay a deposit for the purposes of taking the Property off the rental market until an agreed upon occupancy date. If the prospective tenant does not take occupancy by the agreed upon date, tenant shall forfeit said deposit. Upon forfeitures of said deposit, deposit shall be split equally between Owner and Agent.

**6. SIGNAGE:** Owner agrees to allow Agent to post "For Rent" or "For Lease" signs on the Property which comply with local zoning and/or city or county regulations and Association CC&R's.

**7. DOCUMENTS / INSURANCE:** Owner shall provide all necessary documents and records and fully cooperate with Agent in all matters with respect to this Agreement. Owner shall procure and maintain Fire and Liability insurance naming Owner and Agent as insured parties and in an amount that will adequately protect Owner and Agent. Owner agrees to provide Agent the

Owner acknowledges that he/she has read, understood, and agrees to each and every provision of this page. INITIALS: \_\_\_\_\_ / \_\_\_\_\_

name of the insurance company, Insurance Agent, policy number, certificates of insurance, and a copy of the Declaration page. Owner agrees to contact insurance agent for any necessary changes to policy regarding renting said property. Owner agrees to provide these documents to Agent within thirty (30) days from the date of this Agreement. (Paragraph read and acknowledged by Owner)

Initials

**8. CONDOMINIUM BLANKET POLICY:** If the Property is covered by a blanket policy with a condominium homeowners association, Owner shall provide Agent with information regarding this policy, including, but not limited to, all information necessary to file a claim.

**9 HOMEOWNERS ASSOCIATIONS:** Property owner is a member of \_\_\_\_\_ HOA (Homeowners Association) which is managed by \_\_\_\_\_ Phone #: \_\_\_\_\_ Owner agrees to immediately provide Agent with a copy of the Declaration of Covenants, Conditions, and Restrictions ("CC&Rs"), Bylaws, and any other relevant rules and regulations that apply to the Property. Owner shall timely notify Agent if management of the association is transferred to another individual or management company.

**10. INDEPENDENT CONTRACTORS / VENDORS:** Agent shall hire, supervise, discharge, and pay all independent contractors / vendors on behalf of Owner required for the operation and management of the Property. All persons so employed shall be deemed employees of Owner and not Agent. It is Agent's policy to recommend and hire only those independent contractors / vendors that are licensed, bonded, certified and insured in the State of Nevada. Agent shall not be held liable for any acts or omissions of any employees, independent contractor, vendors, or personnel hired to do repair or other work on the Property. If Owner chooses to hire an independent contractor / vendor who is neither recommended nor approved by Agent, Owner shall be required to directly contact, hire, supervise and pay said independent contractor / vendor. Agent shall not be held liable for any act or omission of Owner or said non-recommended or non-approved independent contractor/vendor.

**11. WARRANTIES ON EQUIPMENT:** Owner shall provide Agent with a copy of all current warranties on installed equipment and the names of those authorized to perform warranty repairs. If Owner fails to provide Agent with a copy of such warranty and the identity of those authorized to make warranty repairs, Owner agrees to pay for work performed by an independent contractor / vendor hired to make such repairs.

Home Warranty Company: \_\_\_\_\_

Phone: \_\_\_\_\_

**12. WARRANTIES OF NEWLY-CONSTRUCTED PROPERTIES:** Owner shall be solely responsible for conducting the initial inspection and walk-thru of newly constructed properties and providing the builder with a list of needed repairs. Owner shall also be responsible for ensuring that the builder makes all repairs listed on the initial walkthrough list.

**13. NOTICE PRIOR TO EXPIRATION OF LEASE:** At least sixty (60) days prior to the expiration of any lease, Owner shall notify Agent in Writing as to whether Owner intends to terminate the lease, allow a month-to-month tenancy, enter into new lease, or sell the Property. If Owner does not provide Agent with such a notice, Agent may re-lease the Property upon expiration of the lease or extensions thereto.

**14. COLLECTION ACCOUNTS:** Should a tenant break a lease or move owing the Owner any funds, Agent shall turn the account over for collection. Agent may charge a percentage of any sums recovered, on top of what the collection agency charges.

**15. AGENCY DISCLOSURES:** Owner authorizes and instructs Agent to provide Agency Disclosure forms to any and all tenants and to maintain copies of said Disclosure in the file for future use.

**16. INDEMNIFICATION:** Owner shall indemnify and hold Agent and its employees, agents, officers and directors harmless from liability for any and all claims, costs, suits and damages, including attorney's fees, arising directly or indirectly out of or in connection with the management and operation of the Property and from liability for injuries suffered by any person relating to the Property; provided, however, Owner's duty to indemnify shall not extend to the acts of Agent constituting gross negligence or willful misconduct. The duty to indemnify Agent extends to any acts or omissions, statements, or representations made by Agent in the performance or nonperformance of Agent's duties and relating to all contractual liabilities that may be alleged or imposed against Agent. Owner's duty to indemnify shall survive termination of this Agreement.

Owner acknowledges that he/she has read, understood, and agrees to each and every provision of this page. INITIALS:  /

**17. TERM / AUTOMATIC RENEWAL:** This Agreement shall be for an initial term of one year commencing on \_\_\_\_\_ and ending on \_\_\_\_\_. This Agreement shall be automatically renewed for successive one-year periods unless terminated by either party upon written notice sent to the other party not less than thirty (30) days before any expiration date. Should agreement be terminated prior to expiration date management fees through the remainder of term will be due immediately.

**18. TERMINATION:** This Agreement may be terminated by either party upon thirty (30) days written notice which is sent to the other party not less than thirty (30) days before any expiration date. Upon termination by Owner or expiration of this Agreement, Owner shall pay Agent all management fees which would have accrued through the end of the term of the lease, or in the event of a month-to-month tenancy, all management fees which would have accrued through the expiration of the thirty (30) days following notice of termination.

**19. TRANSFER OF SECURITY DEPOSIT:** In the event Owner terminates this Agreement with Agent, Agent may release and transfer the Security Deposit to Owner or other company or individual designated by Owner upon written authorization by tenant.

**20. WHO IS BOUND:** This Agreement is binding upon the parties hereto, their representatives, successors, and assigns.

**21. HEADINGS:** The paragraph headings in this Agreement are not a substantive part of this Agreement and shall not limit or restrict this Agreement in any way.

**22. MODIFICATION:** This Agreement may not be modified, altered, or amended in any manner except by an agreement in writing executed by the parties hereto.

**23. SPECIAL INSTRUCTIONS:** Owner will be provided with an Advanced Make Ready Checklist. If the property fails to meet the Make Ready criteria, the property may be temporarily removed from the market (until the necessary work and / or cleaning is performed) or a 30 day notice to terminate this agreement may be given by Advanced Management Group. If Owner wants Advanced Management Group to perform the work, the funds must be paid in advance and Owner will be charged exact costs for all contracted work.

**24. SALE TO TENANT:** During the term of this agreement, should any property that is subject of this agreement be sold to any tenant residing in said property purchase said property; Owner agrees to pay agent a real estate commission equal to three percent (3%) of the sales price at the close of escrow through the escrow company.

**25 ADVERTISING/ MLS:**

- (a) The cost(s) of advertising (see advertising rate sheet).
- (b) The cost of Multiple Listing Service referral fee. This is paid as a referral fee/commission if leased from and outside agency, up to three hundred dollars (\$300).

***Giving agent such authorization to do so, the owner will be billed for such costs when the property is rented. If owner cancels agreement for any reason prior to the property being leased, owner agrees to pay for all marketing pursued by Advanced Management Group in attempt to lease the property.***

- (c) Advanced Management Group charges all rental applicants a thirty-five dollar (\$35) application fee. This fee is retained by Advanced Management Group.

**26. UTILITIES/ASSOCIATION FEES:** Owner is responsible for the payment of sewer cost and association fees; in addition, the owner would like to keep the following utilities on in their name (please **circle** utilities below to be kept in Owner name):

Alarm      Electricity      Water      Sewer      Trash      Gas      Pool/Spa      Service Landscaper

***NOTE: For showing purposes the owner is responsible for having the gas, water and power on at the property when vacant.***

**27. APPLIANCES:** We highly recommend that your property contain all appliances including a washer, dryer, and refrigerator in order to compete with other rental properties in the area.

Owner will provide:

Washer: \_\_\_\_\_ Dryer: \_\_\_\_\_ Refrigerator: \_\_\_\_\_ Microwave: \_\_\_\_\_ Dishwasher: \_\_\_\_\_ Stove/Oven: \_\_\_\_\_

**28. SIGNATURES:** As evidenced by the signatures on the following page, the parties have agreed to this contract.

Owner acknowledges that he/she has read, understood, and agrees to each and every provision of this page. INITIALS: \_\_\_\_\_ / \_\_\_\_\_

