



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

This Exclusive Property Management Agreement (“Agreement”) made _____ date], between _____, a corporation/individual organized under the laws of the State of _____, having its principal office at _____, here referred to as “**Owner**”, and Silver Property Management, Inc., a corporation organized under the laws of the State of Indiana, having its principal office at 12710 Meetinghouse Road Carmel, Indiana 46032, here referred to as “**Agent**”.

RECITALS

- A. Owner holds title to the following – described real 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:

1. **EMPLOYMENT OF AGENT:** Owner gives Agent the exclusive right to manage the real and personal property (collectively “Property”) as described in the Property Management and Maintenance portion of this contract, except that either party may terminate this Agreement by giving 30 calendar days written notice to the other party by certified mail. **Owner** certifies and represents that he/she has the legal authority and capacity to lease the Property and execute improvements.

2. DESCRIPTION OF PROPERTY:

a. Real Property - Street Address:

b. Legal Description:

c. Personal Property, including appliances:

d. Type of Property (single family home, duplex, etc.):

Single Family Home

e. Occupancy: Property is _____ is not _____ currently occupied by a tenant. If occupied, the lease term expires _____.

3. AGENT OBLIGATIONS AND AUTHORITY: Agent will use due diligence to manage, operate and lease the Property in accordance with this Agreement.

I – Tenant Placement Contract:

a. Tenant Placement: Owner authorizes Agent to:

Secure a tenant for the Property – One year (1) Exclusive Right to Lease Agreement

Execute and enter into at least a one year lease/contract to lease on Owner’s behalf using documents and application verification methods deemed appropriate by the Agent.

Complete and sign the lead-based paint/hazards certification on Owner’s behalf (for Property built before 1978).

Manage tenant relations including negotiating new and renewals of existing leases; collecting, holding and disbursing rents and other amounts due or to become due to Owner, handling tenant requests and negotiations on behalf of Owner.

If the Owner elects to have any repair and/or maintenance work completed on the home prior to tenant placement by any party other than the Agent, the Agent must complete a walkthrough of the home at the time of contract execution. At this time the Agent will determine if the home

meets the Agent's minimum quality housing standards prior to engaging in any tenant placement and/or management procedures. The Agent may elect to delay the inception of tenant placement and/or management procedures until any repairs/maintenance are completed and are deemed acceptable by the Agent.

- b. **Compensation – Tenant Placement:** Owner agrees to compensate Agent as follows, plus any applicable taxes on Agent's services:

For securing and qualifying a tenant an application fee will be collected from prospective tenants and retained by Agent.

A fee of \$ Market rate which is equivalent of one month's rental value of the associated Property will be due for any newly executed tenant lease commencement date. Any extensions or renewals of leases with existing tenants shall be subject to a tenant extension fee equal to one-half of one month's rent payable to the Agent. These fees are due in full to the Agent within 10 business days.

During the one year Exclusive Right to Lease Agreement, as defined above, if the Owner identifies a potential tenant for the Property all tenant documents must be completed using the approved documents from the Agent. Tenant application verification must be completed by the Agent and an application fee is to be remitted to the Agent with 10 business days of collection.

The Agent may coordinate appliance rental to the tenant with a third party company. A fee will be collected per appliance supplied most often in conjunction with the collection of rent.

During the one year Exclusive Right to Lease Agreement, as defined above, if the Owner secures a tenant and lease agreement is executed a per annum fee \$ Market Rate which is equivalent of 80% of one month's rental value of the associated Property will be due in full to the Agent within 10 business days of the executed tenant lease agreement move-in date.

II – Property Management & Maintenance Contract:

- c. **Property Management & Maintenance:** On assuming the management and operation of the Property, Agent may commission a thorough inspection of the property and submit a written report to Owner. The written report may contain the opinion of the commissioned contractor(s) covering the present efficiency under which the property is being managed and operated, and recommended changes, if necessary, in the 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, the Agent commissioned contractor(s) shall undertake completion of the improvements.

Subject to the limitations set by law, Owner authorizes Agent:

Property Management & Maintenance agreement commences on _____ . This agreement is in force for a term of 365 days or the term of the executed lease agreement (lease commencement to lease expiration date).

Maintain and repair interior, exterior and landscaping of Property, including making periodic inspections of vacant homes; purchasing supplies and supervising alterations, modernization and redecoration of Property. Agent will obtain prior approval of Owner for any item(s) or service in excess of \$ 300, except for monthly or recurring expenses and emergency repairs which, in Agent's opinion and good faith are necessary to prevent the Property from becoming uninhabitable or damaged, to avoid suspension of services required to be provided by law or lease, to avoid penalties or fines to be imposed by a governmental entity, or to prevent injury to persons or loss of life.

Enter into contracts on Owner's behalf for maintenance, repairs and other services as Agent deems advisable.

Hire, discharge and supervise all labor and employees required for the operation and maintenance of the Property.

Agent shall use its best efforts to collect promptly all rents and other income issuing from the property when such amounts become due. Remittance of collected monies will be submitted to the Owner within 10 business days of collection. It is understood that Agent does not guarantee the collection of rents or associated fees.

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 tenants, to enforce any covenants or conditions of any lease or month-to-month rental agreement, and to recover possessions 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 consent of Owner, except when agent determines that immediate action is necessary.

Any maintenance or repairs made to the Property during the term of this contract, entered into by the Agent on the Owners behalf or directly entered into by the Owner, must be completed by licensed/bonded/insured contractors and proof must be provided to the Agent prior to the commencement of any maintenance or repairs to the Property. If the Owner engages any maintenance or repairs to be completed on the Property during the term of this agreement the Agent must be in charge of the scheduling and review of all work performed.

The Agent may issue the tenant a letter authorizing the cable company to install the necessary items to make cable functional in the home.

Any maintenance or repairs may be approved by the Owner either verbally or in writing with the Agent. The Agent is not responsible for the maintenance or repairs that the Owner elects or does not elect to perform that may impact the condition of the property and/or the tenant now or in the future.

The following are deemed, but not limited to; those items deemed emergency service items by Silver Property Management. If the property under management either has or is believed to have one of the following items Silver Property Management will utilize its best judgment in the deployment of the appropriate personnel or subcontractors in order to ensure that the issue is corrected to an extent that limits or removes the damage to the property and the tenant. The Owner will be responsible for fees associated with emergency service items.

In an emergency service situation, the Agent will not be able to provide a cost estimate prior to the completion of any work performed. Therefore, the work will be done in the spirit of minimizing the potential impact on the condition of the home and/or the tenant now or in the future.

- Property is not Secure- Broken doors, windows, and locks
- No Heat call when temperature is below 65 degrees-Fix furnace to get heat to property or add emergency heat until parts are available
- Roof Leak- use of tarp
- Mold Issue-Find water source, secure leak or water intrusion, spray area with mold removal solution
- Basement Flood- Removal of water
- Plumbing
 - Leaks – Find water source, secure leak and begin 1st stage of waste remediation if necessary

- Drains – Remove blockage that will cause damage to property or limit use of property by the tenant.
 - Electrical-Fix or secure any issue that puts the property and the tenant in danger.
- d. **Compensation - Property Management & Maintenance:** Owner agrees to compensate Agent as follows:

For managing the Property, a fee of \$75.00 per Property will be deducted from rents due to the Owner on the first of each month, or when rents are actually collected. If payment cannot be made through the collection of rent then payment is due by the fifteenth of the applicable. If the Owner cancels (see section 8) the agreement prior to the contract expiration date a lump sum payment equivalent to the remaining contract term monthly management fees must be paid in full within 10 business days of cancellation.

If collection services are requested by the Owner, all Property related tenant rent late fees collected in excess of the monthly rental payment amount will be retained by the Agent.

When the Agent coordinates, dispatches, and/or verifies any work and/or services on a property, a fee equivalent to 10% of the total costs to perform said work and/or services will be charged to the owner. Agent will not perform any work and/or services on a property until 100% of the estimated total cost of the work/services is paid in full by the owner via credit card (credit card authorization form must be completed and updated regularly). Whenever possible, the Agent will provide the owner with an estimated total of any work and/or services, however, in certain circumstances this is not possible.

The total balance due on any work and/or services is due from the Owner to the Agent upon completion. If payment is not paid via credit card immediately, funds can be withheld from any monies collected on the Owner's behalf. Any invoices open in excess of 5 days will incur a late fee of 10% of total invoice compounded every 30 days.

If the Agent is not contracted to complete all work to the Property deemed required by the Agent then the Agent will provide the owner with two walkthrough inspections at no cost (typically one walkthrough to occur at initiation and a second walkthrough once the Owner states that any work deemed "required" by the Agent is complete). If the Agent is required to walkthrough the home in excess of two times then a fee of \$75.00 will be charged to the Owner. Also, if at any time an estimate for work is not accepted by the Owner, the Owner will compensate the Agent for labor hours associated with the preparation of the estimate.

4. **OWNER OBLIGATIONS:** In consideration of the obligations of Agent, Owner agrees:
- a. To cooperate with Agent in carrying out the purpose of this Agreement.
 - b. To provide Agent with all applicable keys to the Property. If three keys are not provided to the Agent a key duplication fee of \$6.00 per key will be charged to the Owner.
 - c. To provide complete and accurate information to Agent including disclosing all known facts that materially affect the value of the Property. If the Property was built in 1977 or earlier, Owner will provide Agent with all information Owner knows about lead-based paint and lead-based paint hazards in the Property and with all available documents pertaining to such paint and hazards, as required by federal law. Owner understands that the law requires the provision of this information to Agent and to prospective tenants before the tenants become obligated to lease the Property. Owner acknowledges that Agent will rely on Owner's representations regarding the Property when dealing with prospective tenants. Owner bears any liability concerning any lack of information, misinformation, or omissions pertaining to lead-based paint hazards.
 - d. To carry, at Owner's sole expense, public liability and property damage insurance adequate to protect the interests of Owner and Agent. Agent will not be liable for any error of judgment or mistake of law or fact or for any loss caused by Agent's negligence, except when the loss is caused by Agent's willful misconduct or gross negligence.
 - e. Upon termination of this Agreement, to assume obligations of all contracts that Agent entered into on Owner's behalf.
 - f. If Owner fails to promptly reimburse Agent, Owner authorizes Agent to reimburse itself out of rents collected and/or from the Reserve Account, as described below.
 - g. To indemnify and hold harmless Agent and Agent's officers, directors, agents and employees from all claims, demands, causes of action, costs and expenses, including reasonable attorneys' fees at all levels, and from liability to any person, to the extent based on:
 - 1. Owner's misstatement, negligence, action, inaction or failure to perform the obligations of this contract or any lease or agreement with a vendor;
 - 2. The existence of undisclosed material facts about the Property;

- 3. Services or products provided and expenses incurred by any vendor. This subparagraph will survive Agent's performance and the transfer of title.
 - h. The Owner is responsible for the tracking and reimbursement of any property security deposit.
 - i. The Owner is responsible for the timely payment of any property related expenses. The owner is obligated to immediately notify the Agent of any late mortgage, insurance or tax payments.
5. **RESERVE ACCOUNT:** Agent shall establish a reserve account funded by the owner in the amount of \$ 0.00 . If the Agent determines that a balance remains in the reserve account upon the completion/termination of this Agreement, a refund of the remaining balance will be provided to the Owner within 30 calendar days.
6. **WARRANTY WORK:** The Owner shall state below any work previously completed on the Property that is under warranty:

Description of Work Performed	Warranty Expiration Date	Warranty Provided By: Name & Phone Number

The Agent will make an effort to utilize the information provided above to notify the Owner of any potential warranty related work to the Property. The Agent will not guarantee that work performed on the Property will not be completed on warranty related items. If the Owner wishes the Agent to contact and coordinate the completion of any work associated with a warranty related item a fee, as described in section II paragraph d, will be incurred by the Owner.

7. **RECORDS AND REPORTS:** 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 10 calendar days' prior notice. All such audits shall be at the expense of Owner.

Agent shall furnish Owner, no later than the end of the next succeeding month, a detailed statement of all revenues and expenditures for each preceding month, a summary of all concessions and rental concessions given to induce prospective tenants to occupy the property, copy of all invoices, statements, purchase orders, and billings received and paid during such preceding month, as well as such other information relating to the operation or management of the Property that, in the opinion of Agent, requires the attention of Owner.

8. **TERMINATION AND RENEWAL:** The Property Management & Maintenance agreement shall be for the term as described in this Agreement. At the termination of this agreement, it shall be renewed automatically on a month-to-month basis that may be terminated by either party by giving not less than 30 calendar days' notice in writing to the Agent.

The Agent may terminate the property management agreement immediately by giving notice in writing to the Owner if the Owner is not timely paying the associated property mortgage and/or taxes, open invoices, or any bill that can impact the property, tenant, or Agent, or is involved in any illegal or immoral acts which could impact the tenant and/or Silver Property Management, Inc. In addition, the Agent may terminate the property management agreement immediately if an invalid credit card is on file.

9. **SALE OF PROPERTY:** On the voluntary sale of the property by Owner and the delivery of the deed of conveyance therefore, this agreement shall automatically terminate. Owner shall notify Agent of the sale of the Property as soon as such sale is negotiated.
10. **CONDEMNATION:** This agreement shall terminate in the event of total condemnation of the Property. If there is a partial condemnation of the Property, this agreement may be terminated at the option of the Owner or Agent.
11. **BANKRUPTCY:** If bankruptcy proceedings, whether voluntary or involuntary, are commenced against either Owner or Agent, or if either party enters into a composition agreement with its creditors, either party may terminate this Agreement by giving 30 calendar days' written notice to the other party.
12. **NO PROPERTY INTEREST CREATED:** Nothing contained in this Agreement shall be deemed to create or shall be construed as creating in Agent any property interest in or to the Property.
13. **AGENT AS INDEPENDENT CONTRACTOR:** Agent is an independent contractor and not an employee of owner for any purpose.

14. **COVENANTS AND CONDITIONS:** All of the terms and conditions of this Agreement are expressly intended to be construed as covenants as well as conditions.
15. **PARTIES BOUND; ASSIGNMENT:** This Agreement shall be binding on and inure to the benefit of the successors and assigns of the parties hereto, and their respective successors and assigns; provided, however, that this Agreement may not be assigned by Agent without prior written consent of Owner, or by Owner without prior written consent of Agent. Anything in the foregoing to the contrary notwithstanding, Agent may, without the consent of Owner, delegate the performance of (but not responsibility for) any duties and obligations of Agent to any independent contractor or entity.
16. **EFFECT OF PARTIAL INVALIDITY:** Should any section or any part of any section of this Agreement be rendered void, invalid or unenforceable for any reason by any court of law exercising competent jurisdiction, such a determination shall not render void, invalid, or unenforceable any other section or any part of any section in this Agreement.
17. **CHOICE OF LAW:** This Agreement has been made and entered into in the State of Indiana, and the laws of such state shall govern the validity and interpretation of this Agreement and the performance due hereunder.
18. **INTEGRATION:** The drafting, execution, and delivery of this Agreement by the parties have been induced by no representations, statements, warranties, or agreements other than those expressed in this Agreement. This Agreement embodies the entire understanding of the parties, and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof unless expressly referred to in this Agreement.
19. **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 Indianapolis, State of Indiana.
20. **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.
21. **MODIFICATION:** This Agreement may not be modified unless such modification is in writing and signed by both parties to this Agreement.
22. **TENANT COMMUNICATIONS:** All communication with the tenant must be facilitated through Silver Property Management, Inc.

23. **SIGNATURE PAGE:** If the owner elects to sign only the signature page of this agreement the owner is therefore requesting all services denoted in this contract.

IN WITNESS WHEREOF, the parties have executed this agreement at

_____ via fax/email _____ [designate place of execution]
the day and year first above written.

[Agent Signature]

[Owner Signature]

_____ Work Number _____ Cell Number

_____ Home Number _____ Fax Number

_____ Tax ID _____ Email



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