

# Property Management Proposal

Prepared for [CLIENT.Company]  
By [COMPANY.FirstName] [COMPANY.LastName]  
[COMPANY.Company]

# Cover Letter

Dear [CLIENT.FirstName] [CLIENT.LastName],

Almost every real estate investor desires a satisfactory income from their properties without the inconvenience of having to manage and attend to it.

At [COMPANY.Company] we offer our expertise and personalized techniques of managing your property. Our management concept is founded on professionalism, integrity, accountability, and quality service that guarantees the maximum return from your investment, while maintaining your property at the highest standards to attract the best tenants possible.

[COMPANY.Company] offers leasing and property management services for residential and commercial properties in [LOCATION OF SERVICES]. Our Company has [NUMBER YEARS EXPERIENCE] years experience in the property management business. We are a full-service property management company, providing rental property supervision and management, from rent collection, tenant relations, evictions and mortgage and bill payments to disaster protection and property maintenance, etc. We will eliminate your headaches that come from being a landlord.

We will gladly submit a free quotation for the management of your real estate property. Below you will find a list of our clients for your reference.

Sincerely,

[COMPANY.FirstName] [COMPANY.LastName]  
[COMPANY.Company]  
[COMPANY PHONE]

## 1. Executive Summary

### **Mission Statement**

[COMPANY.Company] manages your Real Estate Properties 24-7! Our Mission: Maximizing

Client income by applying exceptional Real Estate Property Management skills, while ensuring Tenant satisfaction by adopting first rate property maintenance!

The Headache:

All Real Estate Investors have 4 major concerns:

- Maximizing Earnings while Minimizing Expenses
- Timely and Proper Rental Collections and Payables Disbursement
- Up to Date Reporting and Complete Accountability
- Regular and Complete Real Estate Maintenance

The Answer:

Take the headaches of property management away by hiring us- the experts, then sit back and enjoy your well deserved profits!

[COMPANY.Company] website will provide your vacant property with continuous quality exposure. By using innovative marketing and advertising techniques we will fill out vacant spaces with qualified tenants fast. We take great care throughout the tenant qualification and selection process.

Our streamlined operations system eliminates unnecessary costs and wastage. We have a stringent selection process for all suppliers and service providers in place.

We have an automated Collections and Disbursement system that takes care of the revenue flow of the property; all entries are also checked by our auditor monthly. We have also engaged the services of an external auditor that inspects our books quarterly.

Everything is documented intimately in user friendly forms and documents that are open for inspection by property owners and their representatives.

We employ professional maintenance people to care for all properties under our management. Our dedicated staffs are knowledgeable on all aspects of real estate property maintenance and supervision. We have contingency plans for all risks and disaster related incidents in place. We safeguard your investment by keeping your property attractive through painstakingly detailed maintenance, attention to the Cost to Benefit Ratio and practicing regular inspections in order to prevent rather than fix problems.

We will be honored to manage your real estate properties for you.

## 2. Company Profile

### Company Information

Company Name: [COMPANY.Company]

Head Office Address: [COMPANY ADDRESS]

Email Address: [COMPANY EMAIL]

Website: [COMPANY WEBSITE]

Telephone Numbers: [COMPANY PHONE NUMBERS]

### References

1. Name: [REFERENCE1 NAME]

Contact Information: [REFERENCE1 CONTACT INFO]

2. Name: [REFERENCE2 NAME]

Contact Information: [REFERENCE2 CONTACT INFO]

3. Name: [REFERENCE3 NAME]

Contact Information: [REFERENCE3 CONTACT INFO]

### Awards & Recognitions Earned

1. Award Issuing Body: [AWARD1] Date Received: [DATE RECEIVED AWARD1]

2. Award Issuing Body: [AWARD2] Date Received: [DATE RECEIVED AWARD2]

### License & Permits

1. License Issuing Body: [LICENSE1] Expiration: [EXPIRATION OF LICENSE1]

2. License Issuing Body: [LICENSE2] Expiration: [EXPIRATION OF LICENSE2]

## 3. Costs

### Detailed Estimation

[PRICING TABLE]

No additional charges for regular evictions, however additional legal fees, court charges and expenses will apply.

## 4. Property Management Agreement

THIS PROPERTY MANAGEMENT AGREEMENT is entered into on [DATE ENTERED INTO] By and Between: [CLIENT.Company] hereinafter referred to as the "OWNER", and [COMPANY.Company] hereinafter referred to as the "MANAGER."

## **PARTICULARS**

WHEREAS The OWNER is the duly registered and lawful owner of the Real Estate Property for lease hereunder described as follows:

Title Number: [TITLE NUMBER]

Lot Area: [LOT AREA]

Building(s): [BUILDING]

Floor Area: [FLOOR AREA]

Location: [LOCATION]

WHEREAS the MANAGER is a duly and registered licensed Property Management company;  
WHEREAS the MANAGER agrees to manage the above mentioned property for the OWNER;  
NOW THEREFORE both parties bind themselves and agree as follows:

## **1. DUTIES AND AUTHORITY OF THE MANAGER**

### **1.1 General Duties and Authority**

MANAGER shall have the sole and exclusive duty and authority to fully manage the Property and supervise and direct the business and affairs associated or related to the daily operation thereof, to collect on behalf of OWNER all revenues related to the Property, to pay on behalf of OWNER all expenses of the Property (including payment of all debt service to the mortgage lender with respect to the Property if any) and to execute on behalf of OWNER such documents and instruments as, in the sole judgment of MANAGER, are reasonably necessary or advisable under the circumstances in order to fulfill MANAGER's duties hereunder. Such duties and authority shall include, without limitation, those set forth below.

### **1.2 Renting Of The Property**

MANAGER shall establish policies and procedures for the marketing activities for the Property, and shall advertise the Property through such media as MANAGER deems advisable, including, without limitation, advertising with the Yellow Pages. MANAGER's marketing activities for the Property shall be consistent with the scope and quality implemented by MANAGER at any other properties managed by MANAGER. MANAGER may jointly advertise the Property with other properties owned or managed by MANAGER.

### **1.3 Repair, Maintenance and Improvements**

MANAGER shall make, execute, supervise and have control over the making and executing of all decisions concerning the acquisition of furniture, fixtures and supplies for the Property, and

may purchase, lease or otherwise acquire the same on behalf of OWNER. MANAGER shall make and execute, or supervise and have control over the making and executing of all decisions concerning the maintenance, repair, and landscaping of the Property. MANAGER shall, on behalf of OWNER, negotiate and contract for and supervise the installation of all capital improvements related to the Property; provided, however, that MANAGER agrees to secure the prior written approval of OWNER on all such expenditures, except monthly or recurring operating charges and/or emergency repairs if in the opinion of MANAGER such emergency-related expenditures are necessary to protect the Property from damage.

#### 1.4 Personnel

MANAGER shall select all vendors, suppliers, contractors, subcontractors and employees with respect to the Property and shall hire, discharge and supervise all labor and employees required for the operation and maintenance of the Property. Any employees so hired shall be employees of MANAGER, and shall be carried on the payroll of MANAGER. Employees may include, but need not be limited to, on-site resident managers, on-site assistant managers, and relief managers located, rendering services, or performing activities on the Property in connection with its operation and management. MANAGER shall be responsible for all legal and insurance requirements relating to its employees.

#### 1.5 Service Agreements

MANAGER shall negotiate and execute on behalf of OWNER such agreements which MANAGER deems necessary or advisable for the furnishing of utilities, services, concessions and supplies, for the maintenance, repair and operation of the Property and such other agreements which may benefit the Property or be incidental to the matters for which MANAGER is responsible hereunder.

#### 1.6 Regulations and Permits

MANAGER shall comply in all respects with any statute, ordinance, law, rule, regulation or order of any governmental or regulatory body, having jurisdiction over the Property, respecting the use of the Property or the maintenance or operation thereof, the non-compliance with which could reasonably be expected to have a material adverse effect on OWNER or the Property. MANAGER shall apply for and obtain and maintain, on behalf of OWNER, all licenses and permits required or advisable in connection with the management and operation of the Property.

#### 1.7 Records and Reports of Disbursements and Collections

MANAGER shall establish, supervise, direct and maintain the operation of a system of record keeping and bookkeeping with respect to all receipts and disbursements in connection with the

management and operation of the Property. The books, records and accounts shall be maintained at the MANAGER's office or at OWNER's office, or at such other location as MANAGER and OWNER shall determine, and shall be available and open to examination and audit quarterly by OWNER, or its representatives. On or before sixty (60) days after the close of each quarter, MANAGER shall cause to be prepared and delivered to OWNER a monthly statement on a per-Property basis, of receipts, expenses and charges, together with a statement, on a per-Property basis, of the disbursements made by MANAGER during such period on OWNER's behalf.

#### 1.8 Collection

MANAGER shall be responsible for the Billing and Collection of all Accounts Receivable and for payment of all Accounts Payable with respect to the Property and shall be responsible for establishing policies and procedures to minimize the amount of bad debts.

#### 1.9 Legal Actions

MANAGER shall cause to be instituted, on behalf and in its name or in the name of OWNER as appropriate, any and all legal actions or proceedings MANAGER deems necessary or advisable to collect charges, rent or other income due to OWNER with respect to the Property and to oust or dispossess Owners or other persons unlawfully in possession under any lease, license, concession agreement or otherwise, and to collect damages for breach thereof or default thereunder by such Owner, licensee, concessionaire or occupant.

#### 1.10 Insurance

MANAGER shall obtain and maintain in full force and effect the insurance with respect to the Property and the operation of OWNER's and MANAGER's business operations thereat, and MANAGER's employees, as required by law.

#### 1.11 Taxes

During the term of this Agreement, MANAGER shall pay on behalf of OWNER, prior to delinquency, all real estate taxes, personal property taxes, and all other taxes assessed to, or levied upon, the Property. If required by the holder of any note secured by the Property, MANAGER will set aside, from OWNER's funds, a reserve from each month's rent and other income collected, in an amount required by said holder for purposes of payment of real property taxes.

#### 1.12 Limitations on Manager Authority

Notwithstanding anything to the contrary set forth in this Section 1, Manager shall not, without obtaining the prior written consent of Owner:

1.12.1 Rent storage space in the Property by written lease or agreement for a stated term in

excess of one year unless such lease or agreement is terminable by the giving of not more than thirty (30) days written notice; 1.12.2 Alter the building or other structures of the Property;

1.12.3 Make any other agreements which exceed a term of one year and are not terminable on thirty day's notice at the will of Owner, without penalty, payment or surcharge;

1.12.4 Act in violation of any Law, or

1.12.5 Violate any term or condition of the Loan Documents if any.

### 1.13 Deposit of Gross Revenues

All Gross Revenues shall be deposited into a bank account maintained by MANAGER for the benefit of the OWNER. Gross Revenues of the OWNER shall be applied first to the repayment of OWNER's senior debt with respect to the Property, and then to MANAGER in reimbursement of expenses and for Management Fees as provided under Section 3 below.

### 1.14 Obligations under Loan Documents and other Material Contracts

MANAGER shall take such actions as are necessary or appropriate under the circumstances to ensure that OWNER is in compliance with the terms of the Loan Documents and any other Material Agreement relating to the Property to which OWNER is a party. Nothing herein contained shall be deemed to obligate MANAGER to fund from its own resources any payments owed by OWNER under the Loan Documents or otherwise be deemed to make MANAGER a direct obligor under the Loan Documents, except as may otherwise be expressly provided therein.

## **2. DUTIES OF OWNER**

OWNER shall cooperate with MANAGER in the performance of MANAGER's duties under this Agreement and to that end, upon the request of Manager, to provide, at such rental charges, if any, as are deemed appropriate, reasonable office space for MANAGER's employees on the premises of the Property and to give MANAGER access to all files, books and records of OWNER relevant to the Property. OWNER shall not unreasonably withhold or delay any consent or authorization to MANAGER required or appropriate under this Agreement.

## **3. COMPENSATION OF MANAGER**

### 3.1 Reimbursement of Expenses

MANAGER shall be entitled to reimbursement, on a monthly basis, for all out-of-pocket reasonable and customary expenses actually incurred by MANAGER in the discharge of its duties hereunder. Such reimbursement shall be the obligation of OWNER, whether or not Gross Revenues are sufficient to pay such amounts.

### 3.2 Management Fee

OWNER shall pay to MANAGER as the full amount due for the services herein provided a Monthly Service Fee (the "Management Fee") which shall be [MANAGEMENT FEE] ([PERCENT]%) of the Property's Gross Revenue, plus an annual incentive fee (the "Incentive Fee") at each fiscal year ending, based upon the performance of the Property. For purposes of this Agreement, the term "Gross Revenue" shall mean all receipts (excluding security deposits unless and until OWNER recognizes the same as income) of MANAGER or OWNER (whether or not received by MANAGER on behalf or for the account of OWNER) arising from the operation of OWNER 's business at the Property, including without limitation, rental payments of self-storage customers at the Property, vending machine or concessionaire revenues, maintenance charges, if any, paid by the Owners of the Property in addition to basic rent and parking fees, if any. Gross Revenue shall be determined on a cash basis. The Management Fee shall be paid promptly, in arrears, within thirty (30) days of OWNER 's receipt of the invoice therefor, which invoice shall be sent from MANAGER to OWNER following the end of each calendar month. Such invoice shall be itemized and shall include reasonable detail. Except as provided in this Section 3, it is further understood and agreed that MANAGER shall not be entitled to additional compensation of any kind in connection with the performance by it of its duties under this Agreement.

### 3.3 Inspection of Books and Records

OWNER shall have the right, upon prior reasonable notice to MANAGER, to inspect MANAGER's books and records with respect to the Property, to assure that proper fees and charges are assessed hereunder. MANAGER shall cooperate with any such inspection. OWNER shall bear the cost of any such inspection; provided, however, that if it is ascertained that MANAGER has overcharged OWNER by more than [PERCENT OVERCHARGED]% in any given month, the cost of such inspection shall be borne by MANAGER. MANAGER shall promptly reimburse OWNER for any overpayment.

## 4. DEFAULT; TERMINATION

4.1 Any material failure by MANAGER or OWNER (a "Defaulting Party") to perform their respective duties or obligations hereunder (other than a default by OWNER under Section 3 of this Agreement), which material failure is not cured within thirty (30) calendar days after receipt of written notice of such failure from the non-defaulting party, shall constitute an event of default hereunder; provided, however, the foregoing shall not constitute an event of default hereunder in the event the Defaulting Party commences cure of such material failure within such thirty (30) day period and diligently prosecutes the cure of such material failure thereafter but in no event shall such extended cure period exceed ninety (90) days from the date of receipt by the non-defaulting party of written notice of such material default; In addition, following notice to MANAGER of the existence of any such material failure by MANAGER, OWNER shall each have the right to cure any such material failure by MANAGER, and any sums so expended in

curing shall be owed by MANAGER to such curing party and may be offset against any sums owed to MANAGER under this Agreement.

4.2 Any material failure by OWNER to perform its duties or obligations under Section 3, which material failure is not cured within ten (10) calendar days after receipt of written notice of such failure from MANAGER, shall constitute an event of default hereunder.

4.3 OWNER shall have the right to terminate this Agreement, with or without cause, by giving not less than thirty (30) days' written notice to MANAGER pursuant to Section 10 hereof. MANAGER shall have the right to terminate this Agreement, with or without cause, by giving not less than ninety (90) days' written notice to OWNER pursuant to Section 10 hereof.

4.4 Upon termination of this Agreement, MANAGER shall promptly return to OWNER all monies, books, records and other materials held by MANAGER for or on behalf of OWNER and shall otherwise cooperate with OWNER to promote and ensure a smooth transition to the new manager and MANAGER shall be entitled to receive its Management Fee and reimbursement of expenses through the effective date of such termination, including the reimbursement of any prepaid expenses for periods beyond the date of termination.

## **5. INDEMNIFICATION**

MANAGER hereby agrees to indemnify, defend and hold OWNER, all persons and companies affiliated with OWNER, and all officers, shareholders, directors, employees and agents of OWNER and of any affiliated companies or persons (collectively, the "Indemnified Persons") harmless from any and all costs, expenses, attorneys' fees, suits, liabilities, judgments, damages, and claims in connection with the management of the Property and operations thereon (including the loss of use thereof following any damage, injury or destruction), arising from any cause or matter whatsoever, including, without limitation, any environmental condition or matter, except to the extent attributable to the willful misconduct or gross negligence on the part of the Indemnified Persons.

## **6. ASSIGNMENT**

MANAGER shall not assign this Agreement to any party without the consent of OWNER.

## **7. STANDARD FOR PROPERTY MANAGER'S RESPONSIBILITY**

MANAGER agrees that it will perform its obligations hereunder according to Industry Standards, in good faith, and in a commercially reasonable manner.

## **8. TERM; SCOPE**

Subject to the provisions hereof, this Agreement shall have an initial term of [TERM] year(s) commencing on the date hereof [DAY] of [MONTH], [YEAR] and ending on [DAY ENDING] of [MONTH ENDING], [YEAR ENDING].

## **9. HEADINGS**

The headings contained herein are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provision of this Agreement.

## **10. NOTICES**

Any notice required or permitted herein shall be in writing and shall be personally delivered or mailed first class postage prepaid or delivered by an overnight delivery service to the respective addresses of the parties set forth above on the first page of this Agreement, or to such other address as any party may give to the other in writing. Any notice required by this Agreement will be deemed to have been given when personally served or one day after delivery to an overnight delivery service or five days after deposit in the first class mail.

## **11. SEVERABILITY**

Should any term or provision hereof be deemed invalid, void or unenforceable either in its entirety or in a particular application, the remainder of this Agreement shall nonetheless remain in full force and effect and, if the subject term or provision is deemed to be invalid, void or unenforceable only with respect to a particular application, such term or provision shall remain in full force and effect with respect to all other applications.

## **12. SUCCESSORS**

This Agreement shall be binding upon and inure to the benefit of the respective parties hereto and their permitted assigns and successors in interest.

## **13. ATTORNEYS' FEES**

If it shall become necessary for any party hereto to engage attorneys to institute legal action for the purpose of enforcing their respective rights hereunder or for the purpose of defending legal action brought by the other party hereto, the party or parties prevailing in such litigation shall be entitled to receive all costs, expenses and fees (including reasonable attorneys' fees) incurred by it in such litigation (including appeals).

## **14. COUNTERPARTS**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

## **15. AMENDMENT AND SUPPLEMENT**

Any amendment and supplement to this Agreement shall come into force only after a written agreement is signed by both parties seven (7) days before the start of management. The amendment and supplement duly executed by both parties shall be part of this Agreement and shall have the same legal effect as this Agreement.

**16. GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of the USA.

IN WITNESS THEREOF the parties hereto have caused this Agreement to be duly executed on their behalf by a duly authorized representative as of the date first set forth above.

\_\_\_\_\_  
[CLIENT.FirstName] [CLIENT.LastName]  
[CLIENT.Company]

\_\_\_\_\_  
[COMPANY.FirstName] [COMPANY.LastName]  
[COMPANY.Company]