

Sample Property Management Agreement

This is a sample contract between a property manager and an HDFC co-op, created by UHAB. Your own building may have different procedures in place.

Property Manager's Address
New Rochelle, New York XXXXX

Tel.
Fax

PROPERTY MANAGEMENT AGREEMENT

THIS AGREEMENT made this _____ day of _____ between _____, **HDFC** a corporation organized and existing under the laws of the state of New York, having its principal office at _____ in the Borough of Manhattan, City of New York, hereinafter referred to as the "Owner" and **Sample Property Management, Inc.** a company organized and existing under the laws of the State of New York, having its principal office at 10 Manhattan Ave, New Rochelle, New York 10801, hereinafter referred to as the "Agent."

First: The Owner hereby appoints the Agent on the terms and conditions hereinafter provided, as the Managing Agent of the cooperative apartment house located at _____ **HDFC New York, New York 10039** of New York, hereinafter referred to as the building.

Second: The Agent shall perform the following services with due diligence and care:

- (a) Cause to be hired, paid and supervised, all persons necessary to be employed in order to properly maintain and operate the building. However, it is understood that the employee in all instances, shall be the owners and not the Agent's employees, and cause to be discharged only with the Owner's prior approval.
- (b) Cause the building to be maintained in a manner deemed advisable by the Owner, including interior and exterior cleaning, and cause repairs and alterations to the building to be made, including but not limited to electrical, carpentry, plumbing, masonry, elevator, decorating, and such incidental alterations or changes therein as may be proper, subject only to limitations contained in this agreement or in any proprietary lease or other agreement with any tenant shareholder or other tenant. Ordinary repairs or alterations involving an expenditure of over one thousand (\$1,000.00) for any one item shall be made only with prior approval of the Owner. Emergency repairs i.e., those immediately necessary for the preservation or safety of the building or for the safety of the Shareholders or other persons, or required to avoid the suspension of any necessary service in the building may be made by the agent irrespective of the cost thereof, without the prior approval of the Owner, and, if practicable, after consultation with the President, Vice President or Treasurer of the Owner (in order given) if none of them is available, with any member of the Board of Directors.
- (c) Recommend, and with the approval of the Owner, cause all such acts and things to be done in or about the building as shall be necessary or desirable to comply with any and all orders or violations affecting the building placed thereon by any Federal, State, or Municipal authority having jurisdiction and orders of the New York Board of Fire Underwriters, the New York Fire Insurance Exchange or other similar body, except that if failure to promptly comply with any such order or violations would or might expose the Owner or the Agent to criminal or civil liability, the Agent may cause such order

or violations to be complied with after consulting with the President, Vice President, or Treasurer of the Owner (in the given order), after consultation with the Owner's attorneys. The Agent shall notify the Owner's Board immediately after receipt of any order or violation, as aforesaid.

- (d) Enter into contracts for electricity, gas, boilers, oil burners, steam, water treatment, telephone, window cleaning, rubbish removal, fuel oil, detective agency protection, vermin extermination and other services or such of them as shall be advisable, provided, however, that the Agent has obtained the prior approval of the Board of Directors of the Owner. Obtain all competitive bids as needed and supervise work as per contract specification.
- (e) Purchase all supplies to properly maintain and operate the building; make all such contracts and purchases in either the Owner's or the Agents name, as the Agent shall elect; and credit to the Owner any discounts or commissions obtained for purchases or otherwise (except any insurance and other commissions payable to the Agent under the terms of this agreement).
- (f) Check all bills received for services, work, and building, advise the Owner of any discrepancies with respect thereto. Pay or cause to be paid all such bills and mortgage interest, mortgage amortization, water charges, sewer rent, assessments, real estate, taxes and corporate income, and other taxes assessed against the Owner or the building as and when same shall become due and payable with knowledge of tax arrears and building geared toward regulatory agreement. Stated for the record all checks will be co-signed by a designated board member (usually the Treasurer) and the Property Manager before being issued.
- (g) If requested by the Owner, cause to be affected and/ or maintained, insurance in such amounts and through such carriers as the Owners shall designate or approve on the basis of competitive bids secured by agent and presented to Owner and in rent, plate glass, and boiler. Water damage, liability, worker's compensation, employer's liability, disability and any other insurance the Owner may elect to carry; and to cooperate with any independent insurance broker or consultant that the Owner may designate or approve and engage for the purpose of effecting insurance and protecting its interests with respect thereto. Agent shall promptly make a full written report as to all accidents or claims for damage relating to the ownership, operation and maintenance of the building including, but not limited to, any damage or destruction to the building and the estimated cost of repair thereof, and shall cooperate with and make all reports required by any insurance company. Owner shall maintain general commercial liability insurance providing coverage amounts determined by the insurance company. Agent and Agent's employees as additional insured there under.
- (h) Sample Property Management will not rent nor act with respect to any sale of the residential premises unless specific authority is provided by the proprietary lessee or the cooperative corporation. Only if asked by the Board of Directors and/ or at the discretion of the Board shall Sample Property Management cause or bring about the sale of any shares of the cooperative. A separate commission rate of 4% has been negotiated while EPM is in a management position for the sale of any units as established in the third section (1b) of this contract.
- (i) Accept applications and references from all prospective tenant shareholders, tenants, and subtenants in connection with the transfer of stock and proprietary leases, subleases, mortgage refinancing on tenant-shareholder apartments and alterations; at apartment Owner's expenses obtain credit and other reports relating to prospective tenant-shareholders and tenant-shareholders seeking to refinance mortgages; obtain from tenant-shareholders proposing to assign their proprietary leases such record searches and other information as the Apartment Owner may reasonably require, and submit same to the Apartment Owner; and facilitate transfers of shares of stock of the owner and proprietary leases held by its tenant-shareholders; and review tenant-shareholder alteration plans, arrange for the execution of alteration

agreements and obtain required certificates of insurance at a set fee to be discussed.

- (j) Coordinate with superintendent moving dates, so that there shall be a minimum of disturbance to the operation of the Building and of inconvenience to other tenant-shareholders and tenants. Collect and process applicable move-in and move-out fees.
- (k) Bill or cause to be billed, tenant-shareholders, tenants, including commercial tenants, if any, and subtenants for maintenance charges, real estate tax and operating escalations, CPI (Consumer Price Index) increases, water charges, etc.; use reasonable commercial efforts to collect such maintenance charges, rent and other charges and, when and if directed by the Owner, serve or cooperate with Owner's attorneys to serve notices upon tenant-shareholders, tenants and subtenants to quit and surrender space occupied by them, cooperate with the Owner's maintenance charges, rent and other charges which may at any time be or become due to the Owner from any tenant-shareholder, tenant or subtenant with respect to space in the Building and/or to recover possession of any such space. Agent will also attend Court proceedings and give updated reports to the Board, as appropriate in Agent's reasonable judgment.
- (l) Consider and attend to reasonable complaints of tenant-shareholders, tenants and subtenants. Advise Board as necessary.
- (m) Cause to be prepared, maintained and filed by an accountant, at the cost of Owner necessary forms for all payrolls, payroll records, unemployment insurance, withholding and social security taxes and all other tax and other forms relating to employment of Building employees and maintenance and operation of the Building employees and maintenance and municipal authority of the employee's union. This will be charged at \$70.00 per employee per quarter.
- (n) Not later than the twentieth day of each month, render of cause to be rendered regular monthly statements, supported by disbursement vouchers, to the Owner with retaining of amounts collected during the previous month less disbursement made on behalf of and for the account of the Owner and less, accountants it may be necessary or advisable to reserve or withhold to meet obligations due of which will or may become due thereafter, and for which current income will not or may not be adequate. A copy of each such monthly statement shall be sent by the Agent to the Board of Directors. The Treasurer and Owner's accountants shall also receive copies of paid bills and schedule of accounts payable on hand.
- (o) Set up, keep and maintain in good order a separate, accurate and full set of accounting records and books (other than books of account maintained by the Owner's accountants) for the Owner, maintain orderly files containing rent records, insurance policies, proprietary and other leases and subleases including commercial lease abstracts, correspondence, receipted bills and vouchers; and all other documents and papers pertaining to the Building or the operation thereof, and the same shall be and shall at all times remain the property of the Owner, and the Agent shall upon request of the owner make same available to the Owner, the Owner's officers, accountants, attorneys or other representatives and shall deliver up same to the Owner or its aforesaid agents on demand from the Owner. Agent's obligation to surrender to Owner all such records, books, documents, and etc., referred to herein shall survive the expiration or termination of this Agreement, other than cancelled checks. However, Owner shall be entitled to copies of checks.
- (p) Cooperate with the Owner's accountants with regard to the annual audit of the books of account of the Owner, including the annual report of the operations of the Owner for the year then ended. A copy of each such annual report, when received, shall be promptly sent by the Agent to each tenant shareholder of the owner.

- (q) Cooperate with the Owner’s Accountant in regard to the preparation and filing on behalf of the Owner of Federal, State, City and other income and other tax returns required by any governmental authority.
- (r) All deposits for rent and/or other common charges as well as all commercial income and/or common charges will be deposited in the bank whose deposits are insured by the FDIC and the name of the account will be _____ H.D.F.C., in care of Sample Property Management, Inc. with your Federal Tax ID number.
- (s) Upon request of Owner, after submission of historical data by Owner or Owner’s accountant, as required by the agent, prepare an annual operating budget. The Agent will make arrangements for water, electricity, gas, fuel oil, sewage, vermin extermination, decorating, laundry facilities and telephone service. Subject to the Owner’s approval, the Agent will make such contracts as may be necessary to ensure such utilities and services.
- (t) When requested, provide or arrange a suitable meeting place for, sent notices to Directors and Shareholders of, prepare agendas for and cause a representative of its organization to attend meetings of the tenant-shareholders and monthly meetings of the Board of Directors of the Owner.
- (u) Prepare and send out all letters, notices and reports as the Board of Directors of the Owner may reasonably request.
- (v) Promptly file an amended building registration statement with the appropriate governmental agency (or agencies), designating one of the officers of responsible employees of the Agent as the “Managing Agent” of the building in accordance with the **Multiple Dwelling Law and Housing Maintenance Code**.
- (w) Generally, do all things reasonably deemed necessary or desirable by the Board of Directors of the Owner for the proper management of the building.

THIRD: Owner agrees to pay Agent the following compensation, which has been negotiated between Owner and Agent:

(1) (a) For Management: The management fee will be 8% of the rent collected.

(b) It is understood that the foregoing shall be in addition to reimbursements to Agent for any expenses incurred by Agent for Owner, such as but not limited to Court House parking for agent. For all paperwork provided to a prospective purchaser of any residential unit, we are to be reimbursed by the owner of the unit. There will be a charge to the tenant of one month’s rent for a new lease. There is a four (4%) percent commission on the sale of apartments while in a management position with HDFC.

(2) (a) This agreement shall become effective on the 1st day of **November, 20xx** and shall continue in full force and effect until the 31st day of **October, 20xx**. Thereafter it shall continue in full force and effect from month to month unless either party hereto shall serve written notice of cancellation personally or by registered or certified mail sent to the address first hereinabove set forth, in which event this Agreement shall terminate thirty (30) days after the service of such notice.

(b) Within sixty (60) days of termination, the parties shall account to each other with respect to all uncompleted business, and the Agent shall deliver to the owner all monies, proprietary and other leases, subleases, corporate files, books and records and other instruments relating to the Building and the Owner shall furnish the Agent with reasonable security against any outstanding obligations or liabilities which the Agent may

have incurred hereunder.

Fourth: The agent shall not be liable to the Owner for any loss covered by insurance or for any loss or damage not caused by the Agent’s own negligence or failure to comply with its obligations hereunder. The Owner will indemnify the Agent against and hold the Agent harmless from (a) any liability, damages, costs and expenses (including reasonable attorney’s fees) sustained or incurred for injury to any person or property in, about and in connection with the Building, from any cause whatsoever, unless such injury shall be caused by the Agent’s own negligence, except that to the extent covered by Owner’s insurance, agent shall have no liability, or (b) any liability, damages, penalties, costs and expenses, statutory or otherwise, for all acts properly performed by the Agent pursuant to the instructions of the Owner, provided, in each of the foregoing receipt of information concerning any such injury and the amount of any such liability, damages, penalties, costs and expenses. The Owner will carry liability insurance (with limits acceptable to the Agent in its reasonable judgment of not less than two million dollars), worker’s compensation and employer’s liability insurance, will include the Agent as a party insured under the liability policy and will deliver a copy of such liability policy to the Agent and a certificate evidencing the same.

Fifth: (a) In connection with the processing of any application for the sale/ transfer of shares of stock and such greater sum Agent shall be required to disburse to effectuate; said sum to be paid by the Apartment Owner of said shares and not by the owner; such payment not to include and be applied to the cost of a credit check and preparation of an Admission Committee package. This fee will be at no cost to the cooperative provided the Board advises the outgoing Shareholder they are responsible for these fees.

IN WITNESS WHEREOF, the parties hereto have executed this agreement and have affixed their seals hereunto the day and year first above written.

**Sample Property Management
New Rochelle, New York XXXXX**

Date _____

By: _____
(Authorized Representative)

HDFC

New York, N.Y. 10039

Date _____

By: _____

By: _____