

## PROPERTY MANAGEMENT AGREEMENT

THIS PROPERTY MANAGEMENT AGREEMENT, hereinafter referred to as (the "Agreement"), is made and entered into as of this day \_\_\_\_\_, by and between the \_\_\_\_\_ thereafter referred to as (the "Owner"), and \_\_\_\_\_ hereinafter referred to as (the "Manager").

### WITNESSETH:

**WHEREAS**, the Owner is the owner of real property located at \_\_\_\_\_ on which properties, buildings, and other improvements now or hereafter located thereon shall hereinafter be collectively referred to as the "Project"; and

**WHEREAS**, the Owner wishes to retain the services of the Manager as manager of the Project with responsibilities for managing, operating, maintaining, leasing, and servicing the Project as stated in this Agreement; and

**WHEREAS**, the Manager is willing to perform such services with regard to the Project;

**NOW, THEREFOR**, in consideration of the forgoing the parties agree as follows:

1. **APPOINTMENT OF MANAGER:** The Owner hereby appoints the Manager as the exclusive manager and the agent of the Project with responsibilities and upon the terms and conditions set forth herein, and the Manager, by its execution hereof, does hereby accept such appointment.
2. **MANAGEMENT SERVICES OF MANAGER:**
  - A. Orientation: General The manager hereby acknowledges receipt of certain books and records with respect to the operation of the Project, personal property on the Project belonging to the Owner, and all service contracts, relating to the maintenance and operation of the Project.
  - B. Management of the Project: The Manager shall devote its reasonable best-efforts consonant with the capable professional management to serving the Owner as manager of the Project, and shall perform its duties hereunder in a diligent and careful manner so as to manage, operate, maintain and service the Project in a business-like manner. The services of the Manager hereunder are to be of a scope and quality not less than those generally performed by professional managers of similar complexes and properties in the area. The Manager shall make available to the Owner the full benefit of the judgement, experience, and advice of the members of the Manager's organization and staff with respect to the policies to be pursued by the Owner in operating the Project, and will perform such services as may be reasonably requested by the Owner on operating, maintaining, servicing, improving, and leasing the Project.
  - C. Use and Maintenance of the Project: The Manager agrees not to knowingly permit the use of the Project for any purpose which might void any policy of insurance held by the Owner or which would be in violation of any governmental restriction, statute, ordinance, rule or regulation. The Manager shall be expected to perform such other acts and deeds as are reasonable, necessary and proper in the discharge of its duties under this Agreement.
  - D. Specific Duties of Manager: Without limiting the duties and obligations of the Manager under any other provisions of this Agreement, the Manager shall have the following duties and perform the following services to the extent that the Manager is in possession of sufficient funds from the project:
    - i. Monies collected. Collect all dues and other payments due from tenants, concessionaires and others in the ordinary course of business. The Owner authorizes the Manager to request, demand, collect, receive and receipt for all such dues and other charges. All monies collected by the Manager shall be deposited by the Manager, in a separate bank account or accounts ("the Separate Account") established as agreed upon between Owner and Manager. Funds deposited in such Separate Account shall not be co-mingled with any funds of the Manager. In no event, shall Manager be obligated to expend its own funds on behalf of Owner. The Manager shall be responsible for collection, disbursement, handling and holding of the monies collected to the extent that a normal, reasonable and prudent businessperson would be responsible for such collection, disbursement, handling and holding of monies. Both Manager and Owner shall be signatories on all such Project bank accounts, however, it shall not be a requirement that Manager and Owner co-sign checks drawn on said accounts.
    - ii. Assessments and Insurance. Duly and punctually pay on behalf of the Owner all assessments and insurance premiums payable in respect of the Project or any part thereof, such to be done prior to the time that any insurance policy would lapse due to nonpayment of the premium and prior to the time any penalties or interest would accrue upon any real estate taxes or assessments.
    - iii. Repairs and Maintenance. To the extent that monies are available from operation of the Project, to make all repairs and perform all maintenance on the buildings, appurtenance and grounds of the project as required to be made by the Owner and in accordance with standards acceptable to the Owner. For any individual item of repair or replacement, the non-budgeted expenses incurred shall not exceed the sum of \_\_\_\_\_ unless specifically authorized in advance by the Owner, excepting,

however, that emergency repairs immediately necessary for the protection and safety of the Project or danger to life or property may be made by the Manager without the prior approval of the Owner, provided, that immediately after such emergency repairs, the Manager shall send the Owner a report of any repairs made.

- iv. Equipment and Supplies. Make all arrangements for the furnishing to the Project of utility, maintenance and other services and for the acquisition of equipment and supplies as necessary for the management, operation, maintenance and servicing of the Project as required by the Owner.

E. Compliance With Laws: The Owner shall fully comply with all statutes, ordinance, rules and regulations governing the ownership of the Project, provided, that at Manager's election, the Manager may take such action as may be necessary to comply with any and all statutes, rules, regulations, ordinances, orders or requirements affecting the Project promulgated by a federal, state, county or municipal authority having jurisdiction thereover, and all applicable orders of the Board of Fire Underwriters or other such similar bodies. Manager shall advise Owner of any such statutes, ordinances, rules and regulations which Manager has knowledge of that may affect the Property.

**3. AUTHORITY OF MANAGER:**

- a. Execution of Contracts: The Manager shall execute all contracts, agreements, and other documents and may undertake action necessary in the performance of its obligations for the maintenance of the Project as an agent of the Owner.
- b. Use of Name: The Owner authorizes the Manager to use the name of the Project in the performance of its obligations hereunder and for the purposes of identification and advertising. Owner authorizes agent to place "Managed By" signs on the project.

**4. COMPENSATION FOR MANAGEMENT SERVICES:**

- a. Management Fee. Owner shall pay Manager as compensation for the management services rendered hereunder on a monthly basis an amount equal to \_\_\_\_\_ % of the gross rents. The Management fee for a particular month shall be paid during the succeeding month.

**5. ACCOUNTING, RECORDS, REPORTS:**

- a. Records. The Manager shall maintain a comprehensive system of office records, books, and accounts which shall belong to the Owner. The Owner and others designated by the Owner shall have, at all reasonable times, access to such records, accounts and books and to all vouchers, files and other material pertaining to the Project and this Agreement all of which the Manager agrees to keep safe, available and separate from any records not having to do with the project.
- b. Monthly Reports. The Manager shall deliver to Owner monthly, a financial report in the same methodology as is currently in effect with a copy to Owner's accountant.

**6. TERM AND TERMINATION:**

- a. Term. Manager and Owner shall have the right to terminate this Agreement anytime during the term of the Agreement by serving the other with a \_\_\_\_\_ day written notice to terminate.
- b. Manager's Obligation After Termination. Upon the termination of this Agreement as provided above, the Manager shall:
  - i. Deliver Records. Deliver to the Owner or such person or persons designated by the Owner, copies of all books and records of the Project and all funds in the possession of the Manager belonging to the Owner or received by the Manager pursuant to the terms of this Agreement.
  - ii. Assignment. Assign, transfer or convey to such person or persons all service contracts and personal property relating to or used in the operation and maintenance of the Project, except any personal property which was paid for and is owned by the Manager. The Manager shall, at its sole cost and expense, remove all signs that it may have placed at the Project indicating that it is the Manager of same and replace and restore the property due to any damages resulting therefrom.
  - iii. Termination of Obligations; Right to Compensation. Upon any termination pursuant to the terms and conditions set forth, the obligations of the parties hereto shall cease as of the date specified in the notice of termination; provided that the Manager shall comply with the applicable provisions hereof; and provided further that Manager shall be entitled to receive any and all compensation which may be due the Manager hereunder at the time of such termination or expiration including but not limited to Additional Owner Service Fees; Lease Commissions; Option Commissions; 3 Day Notice Service Fees; and Management Fees based on rent collected on or before the termination date.
- c. **BROKERAGE SERVICES:**
  - a. Marketing of Vacancies. If at any time during the management agreement, there are any vacancies to a unit on the property, the Manager shall have the exclusive right to offer said space for lease. The Manager shall diligently market the units for lease using the Manager's standard efforts, to include placing for lease signs on the property, distributing brochures to local and regional brokers, and any other such practices that Manager deems effective.

- b. Compensation for Brokerage Services. In the event a lease is consummated between a tenant and Owner, Owner shall pay to Manager a commission pursuant to the following schedule:
- i. \_\_\_\_\_ % of the total aggregate rental due for the first \_\_\_\_\_ years of any lease term and \_\_\_\_\_ % of the total aggregate rental due for the remainder of the term, or any extension thereof.
  - ii. In the event a lease extension is consummated between the Owner and an existing tenant, Owner shall pay to Manager a commission of \_\_\_\_\_ % of the total aggregate rent or \$ \_\_\_\_\_, whichever is greater.

**ADDENDUM**

The aforementioned commissions shall be earned in full by Manager upon mutual execution and delivery of a lease by Tenant and Owner.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written:

\_\_\_\_\_  
**Owner**

\_\_\_\_\_  
**Manager**