

PROPERTY MANAGEMENT AND LEASE AGREEMENT

This property Management Agreement (the “**Agreement**”), is made and entered into as of the date set forth on the signature page, by and between the undersigned signatory(ies) hereto (singly or jointly referred to as “**Owner**”). The Addendum hereto are hereby incorporated into this Agreement by this reference and are considered to be a part hereof for all purposes.

In consideration of the mutual covenants and agreement contained herein, the parties hereto for themselves, their respective heirs, personal representatives, successors and permitted assigns agree as follows.

Section 1. Appointment of Agent. Owner hereby appoints Agent as sole and exclusive leasing and management agent to lease and manage the property located at the address listed on Addendum A (the “**Premises**”). Agent will seek renters (the “**Tenant(s)**”) to lease (the “**Lease**”) the Premises as more fully described herein. The terms of this Agreement shall be binding upon Owner during the Term (as defined below), and thereafter as set forth herein, notwithstanding the subsequent leasing or sale of the Premises by Owner during the Term. The Owner shall not be permitted to use any other leasing company or agent to lease the Premises during the Term.

Section 2. Term. This Agreement shall become effective on the Effective Date as set forth on Addendum A and shall continue in full force and effect, unless sooner terminated as herein provided, until the Initial Termination Date, as set forth on Addendum A. The Agreement shall terminate on the Initial Termination Date only upon receipt by the non-terminating party of written notice by registered mail (the “**Termination Notice**”) from the terminating party at least thirty (30) days prior to the Initial Termination Date. The Termination Notice shall set forth the terminating party’s intent to terminate this Agreement as of the Initial Termination Date (the “**Initial Term**”). If, as of the Initial Termination Date neither party has properly delivered a Termination Notice to the other, this Agreement shall continue in full force and effect for successive twelve (12) month periods (“**Automatic Renewal Term**”), until either party shall serve a Termination Notice on the other party at least thirty (30) days prior to the end of the then current Automatic Renewal Term, in which event this Agreement shall end at the end of such Automatic Renewal Term. The Initial Term with any and all Automatic Renewal Terms are referred to as the “**Term**”.

Section 3. Early Termination. Notwithstanding the provisions of Section 2, this Agreement may be terminated and the obligations of the parties hereunder shall thereupon cease, upon occurrence of any of the following circumstances.

- (a) If Owner shall fail to authorize and pay for repairs and/or maintenance deemed necessary by Agent, Agent may terminate this Agreement upon thirty (30) days written notice by registered mail to Owner.
- (b) If Owner shall fail to remit funds to Agent within thirty (30) days of invoice date, Agent may, but is not obligated to, terminate this Agreement upon ten (10) days written notice by registered mail to Owner.
- (c) If Owner shall fail to comply with any rule, order, determination, ordinance or law of any federal, state or municipal authority, Agent may terminate this Agreement upon ten (10) day written notice by registered mail to Owner.
- (d) In the event of total destruction of the improvements located upon the Premises, Owner may terminate this Agreement upon not less than thirty (30) days notice by registered mail to Agent.
- (e) If a petition in bankruptcy is filed by either Owner or Agent, or if either shall make an assignment for the benefit of creditors or take any insolvency act, either party may terminate this Agreement upon serving a ten (10) day written notice by registered mail to the other party.
- (f) Within the Term of this Agreement but prior to a potential applicant Tenant wishing to lease having been acquired, or prior to an executed lease with a Tenant, Owner may terminate this Agreement upon not less than ten (10) days notice by registered mail to Agent, and payment of \$500 for Agent marketing expenses, plus all direct advertising expenses incurred by Agent on Owner’s behalf. The \$500 Marketing Fee, all direct advertising costs, outstanding maintenance expenses, utility expenses, and other related costs, incurred by Agent on Owner’s behalf, must be tendered to Agent using certified payment funds, prior to termination becoming effective. Upon receipt of aforementioned payments, this Agreement will be terminated. Keys, and other Owner materials, will be returned to Owner by Agent.
- (g) Within the Term of this Agreement after finding a potential applicant tenant wishing to lease, or after an executed lease with a Tenant, Owner may terminate this Agreement upon not less than thirty (30) day notice by registered mail to Agent and payments in full for all fees as described in this Agreement through the end of the term of the Agreement, Leasing Fees, Management Fees, outstanding maintenance expenses, utility expenses, and other related costs incurred by Agent on the Owner’s behalf, must be tendered to Agent using certified payment funds, prior to termination becoming effective. Upon receipt of aforementioned payments, this Agreement will be terminated, keys, and other Owner materials, will be returned to Owner by Agent.

Section 4. Lease Terms to Tenant. Agent shall act on Owner’s behalf in negotiating, preparing and executing the Lease, including extensions and renewals thereof. The form of Lease shall be the standard Tenant Lease Agreement used by Agent. The Lease shall be signed by Agent as Owner’s Agent. Owner hereby desires Agent to negotiate the rent and terms as set forth on Addendum A to prospective Tenants.

Section 5. Acceptance of Appointment. Agent does hereby accept appointment as Owner's Agent, in connection therewith, and agrees as follows:

- (a) To accept responsibility of management of the Premises for the period and terms herein provided and to furnish the services of its organization for the leasing and management of the Premises.
- (b) To render monthly statement of receipts, disbursements and charges to the person(s) at the address(es) shown on Addendum A.
- (c) To remit to Owner, by the tenth (10th) day of each month, rent received during the month, after deducting disbursements and the Management Fee and Lease Fee or Re-Lease Fee, as applicable. In case the charges and disbursements are in excess of receipts, Owner agrees to pay such excess promptly, but nothing herein contained obligates Agent to advance its own funds on behalf of Owner. The parties understand and agree that Agent may withhold reserve funds for sixty (60) days after the end of the month in which this Agreement terminates in order to allow Agent to pay bills previously incurred but not yet invoiced.
- (d) Agent shall retain all late charges, bad check charges, credit report fees, and similar charges paid by Tenant to compensate for collections and administrative costs incurred by agent in collecting rents. Additionally, if any deposit for a non-rental of the Premises is forfeited by a potential Tenant, Owner and agent agree to divide such deposit equally (50% / 50%).

Section 6. Agent's Authority. Owner hereby gives Agent the following authority and powers, and agrees to assume the expenses incurred in connection therewith.

- (a) Agent is authorized to advertise the availability of the Premises for rent as agent deems advisable using periodicals, signs, plans, brochures, displays, the internet or other media and to display a "FOR RENT or FOR LEASE" sign thereon, to enter and access to show Premises to prospective tenants in an effort to secure a lease with the tenant, to execute, renew or cancel Leases for the Premises, to collect rents due or to become due and give receipts thereof, to terminate tenancies and to sign and serve in the name of Owner and recover rents and sums due, and when expedient, to settle and compromise disputes and to dismiss such actions or lawsuits and reinstate such tenancies when deemed appropriate by Agent.
- (b) Agent is authorized access and entry to make or cause to be made, all ordinary repairs and replacement to preserve the Premises in its present condition and which are necessary to comply with the Lease obligations at Owners cost. Agent shall secure the prior approval of Owner for any maintenance repairs or expenditure in excess of the sum set forth on Addendum A in any given occurrence with the exception of emergency repairs or if in the opinion of Agent such repairs are necessary to protect the Premises from damage or to maintain the safety of the Premises, or for provisions as called for by the Lease with Tenant.
- (c) Agent is authorized to handle Tenants security deposits and to comply, on Owner's behalf, with applicable state or local laws concerning Agent's responsibility for security deposits. Agent is authorized to deposit all security deposit funds in an interest bearing account with a bank, savings and loan, or credit union and shall be entitled to receive all interest earnings resulting from these deposits.
- (d) Agent shall not be required to advance monies for the care of management of the Premises and Owner agrees to advance all monies necessary thereof in the event that monies are required in advance of major repairs. If agent elects to advance monies in connection with the Premises, Owner agrees to reimburse Agent forthwith and authorizes Agent to deduct any such advance from any monies to be remitted or due Owner.
- (e) Agent is authorized to establish and maintain a standard of cleanliness consistent with those described in the "Deposit Refund List" at the Owners expense prior to Tenant move-in. Agent will market the Premises depicting these cleanliness standards and will deliver the Premises in the promised condition to new Tenants. Agent will charge the exiting Tenant for this service at move-out.
- (f) Agent is authorized to contract for electrical, gas, water, trash removal or other services as Agent deems advisable and Owner shall either pay such services directly to the utility company, or Agent shall be entitled to such amounts by deduction of same from rental proceeds due Owner. Owner shall assume obligations of any contracts so entered into by Agent at the termination of this Agreement.
- (g) Agent shall have the authority, in Owner's name, to enforce the Lease by means of notices, court orders, and legal actions. All costs that result therefrom that are not recovered from Tenant shall be paid by Owner. Owner shall cooperate with Agent in taking any action Agent deems necessary to enforce, modify or terminate the Lease.

Section 7. Lease and Management Fees. Owner agrees to compensate Agent as set forth in Addendum A, until such time as stated in Section 2 or Section 3 above.

- (a) In consideration of the services provided hereunder, during the Term of this Agreement, Owner agrees to pay Agent the Management Fee and the Lease Fee as set forth on Addendum A hereto.
- (b) The Lease Fee, as set forth on Addendum A hereto, shall be due Agent upon execution of any Lease of the Premises to Tenant. The Lease Fee shall be deducted from Owner's net proceeds received by Agent for the first months Lease payment for the Premises and shall be payable in addition to the Management Fee. Agent shall not be entitled to a Lease Fee for the renewal of an existing lease of the Premises by an existing Tenant of the Premises, but will be entitled to a Re-Lease Fee as defined in this Agreement.
- (c) Upon the expiration or termination of the Lease on the Premises, Owner agrees to pay Agent a Re-Lease Fee as set forth on Addendum A, for its services in obtaining and for negotiating a new lease for the renewal of an existing lease of the Premises by an existing Tenant of the Premises in the same Tenant re-leases the Premises.

- (d) In the event the Owner elects to have Agent coordinate construction, rehabilitation, deferred maintenance or casualty adjustments relating to the Premises, Owner agrees to pay Agent a Project Management Fee that will be negotiated at such time services are needed and added to Addendum A at that time.

Section 8. Condition of Premises. Owner hereby represents and warrants to Agent that the Premises and such equipment and fixtures related thereto comply with all requirements of any statute, ordinance, law or regulation of any governmental body or any public authority thereof, having jurisdiction and authorizes Agent to disclose the ownership of the Premises to any official. Owner shall indemnify and hold harmless Agent, its representatives and employees from any and all losses, costs, expenses (including reasonable attorney fees), and liabilities whatsoever, which may be imposed on them by reason of any present or future violations of such laws.

Section 9. Indemnification/Insurance.

- (a) Owner agrees to indemnify, defend and hold Agent harmless from any liability suit in connection with the Premises for damage to property and/or injury or death to any person whomsoever.
- (b) Owner agrees to pay all expenses incurred in connection with any suit involving the Premises, including but not limited to fair employment, fair credit reporting, debt collection, environmental protection, rent control taxes, or fair housing unless Agent has personally, rather than as the representative of Owner, violated any of these laws. Agent, may but is not obligated to employ legal counsel on behalf of Owner in the event a suit occurs.
- (c) Owner shall obtain and keep in force adequate insurance against physical damage and against liability for loss, damage, or injury to property of persons which might arise out of the occupancy, management, operation, or maintenance of Premises. The amounts and types and carriers of insurance policy shall be defined in addendum A, and any deductible required under such insurance policies shall be Owner's expense. Agent shall be covered as an additional insured on all liability insurance maintained with respect to the Premises. Liability insurance shall be adequate to protect the interests of both owner and agent and in form, substance, and amounts reasonably satisfactory to Agent. Owner agrees to furnish Agent with certificated evidencing such insurance or with duplicate copies of such policies with ten (10) days of the execution of this Agreement. If Owner fails to do so, Agent may, but shall not be obligated to, place such insurance and charge the cost thereof to Owner or deduct such costs from remittances due Owner.

Section 10. Non-Discrimination. Neither Owner nor Agent shall discriminate on the basis of race, color, creed, national origin, marital or family status, sex, handicap or age in the leasing of the Premises.

Section 11. Relationship of the Parties. The relationship of the parties to this Agreement shall be that of principal and agent, and all duties to be performed by Agent under this Agreement shall be for and on behalf of Owner, in Owner's name, and for Owner's account. In taking any action under this Agreement, Agent shall be acting only as agent for Owner and nothing in this Agreement shall be construed as creating a partnership, joint venture, employer/employee or any other relationship between the parties to this Agreement except that of principal and agent.

Section 12. Premises Code Compliance. Agent does not assume and is given no responsibility for compliance of the Premises or any building thereon or any equipment therein with the requirements of any building codes or with any statute, ordinance, law, or regulation of any governmental body or of any public authority or official thereof having jurisdiction, except to notify Owner promptly or forward to Owner promptly any complaints, warnings, notices, or summonses received by Agent relating to such matters. Owner agrees to indemnify and hold agent, its representative, servants, and employees, harmless of and from all loss, costs, expense, and liability whatsoever which may be imposed by reason of any present or future violation of such laws, ordinances, statutes or regulations.

Section 13. Binding Effect; Assignment. This Agreement shall be binding on the parties hereto and each of their respective successors and assigns, provided, however that Agent may not assign its rights hereunder without prior written permission of Owner, except in the case of an assignment in connection with a corporate reorganization of Agent. A change of control of Agent shall not be deemed an assignment for the purpose of this Section.

Section 14. Representations. Owner represents and warrants that Owner has full power and authority to enter the Agreement; that there are no written or oral agreements affecting the Premises; that there are no recorded easements, restriction, reservations or rights of way which adversely affect the use of the Premises for the purposes intended under this Agreement; that to the best of Owner's knowledge, the property is zoned for the intended use; that any leasing and other permits for the operation or habitation of the Premises have been secured and are current; that the building and its construction and operation do not violate any applicable statutes, laws, ordinances, rules, regulations, orders, or the like (including but not limited to, those pertaining to hazardous or toxic substances); that the Premises does not contain asbestos, urea, formaldehyde, radon, or other toxic hazardous substances; and that no unsafe conditions exists.

Section 15. Indemnification to Survive Agreement. All provisions of this Agreement which requires Owner to defend, reimburse or indemnify. Agent shall survive any termination hereof, and if Agent becomes involved in any proceedings or litigation by reason of having been Owner's Agent, such provisions shall apply as if this Agreement was still in full force. Further, Owner shall continue to list Agent as an additional insured on its insurance policy for three (3) years after the termination hereof for any reason.

Section 16. Force Majeure. Agent is excused for a delay in performance of its duties in the event of an emergency such as war, natural disaster, or like occurrences.

Section 17. Complete Agreement. This Agreement, with the current Addendum is the valid agreement between the parties and supersedes any other agreement previously entered into or negotiated. No change to this Agreement or the Addendum is valid unless made in a supplemental written agreement signed by both parties and dated.

Section 18. Rights Cumulative; No Waiver. No right given in this Agreement prevents any other right from being valid, and a failure by either party to exercise any right in this Agreement does not mean that the party waives that right in the future.

Section 19. Applicable Law and Partial Invalidity. This Agreement is governed by the laws of the State in which the Premises are located. Agent has the right, but not the obligation, to terminate this Agreement if a part of it is found to be invalid.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date written below.

AGENT

Date: _____

By: _____

Print: _____

Title: _____

OWNER

Date: _____

Print: _____

Signature: _____

Date: _____

Print: _____

Signature: _____