

# PROPERTY MANAGEMENT AGREEMENT

Parties: In consideration of the mutual promises and covenants herein contained \_\_\_\_\_ (Hereinafter called **OWNER**), and **E & E Capital Management, LLC** (hereinafter called **MANAGER**) agree as follows:

## A. EMPLOYMENT

In consideration of the acceptance by the undersigned **MANAGER** of the terms of this contract and **MANAGER'S** promise to use their best efforts to effect a continuous rental of the property described below, the **OWNER** hereby employs and appoints the **MANAGER** exclusively to rent, lease, operate and manage the premises known as:

Hereinafter referred to as the **PROPERTY**, and any personal property thereon belonging to the **OWNER** upon the terms hereinafter set forth, commencing as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_ and ending on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_. This contract will renew automatically for a period of two years on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_ unless otherwise stated by either party, with (30) thirty days' written notice. If the management agreement expires prior to the end of the lease, this management agreement shall automatically continue and be extended in full force and effect to the termination of the lease and any additional periods that the same tenant shall occupy the premises. If **OWNER** cancels the management agreement prior to the expiration of any current lease, a cancellation fee of \$\_\_\_\_ - \_\_\_\_\_ or \_\_\_\_10% and all commissions shall be due and payable immediately on balance of lease and/or outstanding bills paid for by **MANAGER**.

## B. TERMINATION

Either party may terminate this agreement upon thirty- (30) days' written notice. Upon termination of or withdrawal from this Agreement, **OWNER** shall assume the obligations of any contract or outstanding bill executed by **MANAGER** under this Agreement for and on behalf of **OWNER** and responsibility for payment of all unpaid bills. **MANAGER** may withhold funds for thirty- (30) days after the end of the month, in which this Agreement is terminated, in order to pay bills previously incurred but not yet invoiced and to close accounts. **MANAGER** shall deliver to **OWNER**, within thirty- (30) days after the end of the month in which this agreement is terminated, any balance of monies due **OWNER** or of tenant security deposits (see Section G, paragraph 2 regarding security deposits,) or both which were held by **MANAGER** with respect to the **PROPERTY**, as well as a final accounting reflecting the balance of income and expenses with respect to the **PROPERTY** as of the date of termination or withdrawal. In the event a petition in bankruptcy is filed by or against either **OWNER** or **MANAGER**, or in the event that either shall make an assignment for the benefit of creditors or take advantage of any insolvency act, either party may immediately terminate this Agreement with written notice to other party. If **OWNER** shall fail or refuse to comply with or abide by any rule, order, determination, ordinance or law of any Federal, State, or Local authority, **MANAGER** upon giving twenty-four hours' written notice to **OWNER** may terminate this Agreement.

## C. MANAGER'S RESPONSIBILITIES

1. The **MANAGER** shall use its best efforts to manage, maintain, operate, lease or rent the **PROPERTY** including negotiating for, entering into, signing, renewing, transferring and/or canceling leases for the **PROPERTY** or any part thereof, except that the **MANAGER** shall have the authority to execute and sign leases and renewals for terms not in excess of 2\_\_\_\_ years and a minimum rent amount of \$\_\_\_\_\_ month.
2. **MANAGER** may advertise the premises, prepare and secure renting signs, renting plans, circular

Initial here \_\_\_\_\_/\_\_\_\_\_

matter and other forms of advertising. **MANAGER** will not advertise property through MLS unless instructed by **OWNER** in writing. **OWNER** agrees to complete separate written documentation in that case and until documentation is received by **MANAGER**, **OWNER** understands it will not go into MLS.

3. **MANAGER** will inspect the **PROPERTY** on a regular basis when vacant and exercise supervision of the property when occupied. **MANAGER** will make a diligent effort to screen potential tenants and to collect rents, but in no way guarantees rent collections or tenancy, and are not obligated to refund commission in cases of tenant default.
4. **MANAGER** shall use its best efforts in collecting and depositing all rents, miscellaneous income, and tenant security deposits to a E&E Capital Management Trust Account (TA) separate from the funds of other accounts.
5. **MANAGER** will disburse collected funds, except refundable tenant deposits, to the **OWNER** monthly, net of the operating expenses, unless instructed otherwise by **OWNER**. At no times are any of the funds of said bank account to be intermingled with the funds of the **MANAGER**. Although monies belonging to **OWNER** may be co-mingled in such trust bank account with monies of other owners for who **MANAGER** is rendering managerial services. **MANAGER** shall not permit monies standing to the credit of the **OWNER** to be used to satisfy the obligation of any other owner. The said trust account may earn interest. **MANAGER** as additional compensation for **MANAGER'S** services will use any interest earned.
6. **MANAGER** will issue by the 25<sup>th</sup> of the following month, an accounting monthly of all funds collected and/or disbursed on the **OWNER'S** behalf, including the balance of the tenant security deposits, and also a year-end bookkeeping package.
7. **MANAGER** will pay from **OWNER'S** funds all fees, bills or charges, including service work, management fees and commissions due from management of this **PROPERTY** (see Section D, #2.)

**D. OWNER'S RESPONSIBILITIES**

1. **OWNER** agrees to save the **MANAGER** harmless from all damage suits in connection with prior management of the property and/or any deposits not released to E&E Capital Management, LLC.

**Initial** \_\_\_\_\_

2. **OWNER** agrees to maintain a reserve account of \$ \_\_\_\_\_ operating balance in the Trust Account as reserves to meet obligations that may occur due to a shortage of current income (**based on the minimum lease value as stated in Section C #1**). In the event the disbursements shall be in excess of the rents collected by the **MANAGER**, the **OWNER** hereby agrees to pay such excess upon demand of **MANAGER**. Although **MANAGER** may elect to advance to **OWNER** sufficient monies to pay for the excess disbursements, nothing contained herein shall be construed to obligate **MANAGER** to make such advances.

**Initial** \_\_\_\_\_

3. **OWNER** has responsibility for meeting all obligations required to maintain services and full use of the property by the tenant, per the rental or lease agreement.

**Initial** \_\_\_\_\_

4. **OWNER** agrees to save the **MANAGER** harmless from all damage suits in connection with the management of the herein described property and from liability from injury suffered by an employee or

Initial here \_\_\_\_\_/\_\_\_\_\_

other person whomsoever, and to carry, at **OWNER'S** sole expense, necessary public liability, and such other insurance adequate and necessary to protect the interests of the parties hereto, which policies shall be so written as to protect the **MANAGER** in the same manner and to the same extent they protect the **OWNER**, and will name the **MANAGER** as co-insured. Such insurance shall remain in full force and effect during the term of the agreement and any renewals thereof, with a current copy to be sent to **MANAGER**. **OWNER** further agrees to promptly and diligently defend, at **OWNER'S** sole expense, any legal action, claim or proceedings brought against the **MANAGER** by the tenant or any other party arising from the management of the subject property, except in cases of willful misconduct and/or gross negligence by the **MANAGER**. **OWNER** agrees to reimburse **MANAGER** upon demand for any monies which the **MANAGER** is required to pay out for any reason whatsoever, either in connection with, or as an expense in defense of, any claim, civil or criminal action proceeding, charge or prosecution made, instituted, or maintained against **MANAGER** or **OWNER** and **MANAGER** jointly or severally. **MANAGER** may advise the **OWNER** on general real estate matters, however, if legal assistance is required regarding tenancy or related matters; said assistance would be at the **OWNER'S** expense. Under Georgia Law, only an attorney is qualified to give legal advice or represent the **OWNER** in court. It is expressly understood and agreed that the foregoing provisions of this section shall survive the termination of this Agreement, but this shall not be construed to mean that **OWNER'S** liability does not survive as to other sections.

Initial \_\_\_\_\_

5. **OWNER** agrees to refer all inquiries for any leases or renewals or agreement for the rental or operation of the **PROPERTY** to **MANAGER** for the duration of this Agreement, and all negotiations connected shall be conducted solely by or under the direction of **MANAGER**.
6. In the event **OWNER** determines to effect a sale, exchange or lease of the **PROPERTY**, **OWNER** hereby agrees to appoint and by execution of separate written instructions and receipt by **MANAGER**, the exclusive right to sell, exchange, rent or lease **PROPERTY**. **OWNER** also authorizes **MANAGER** to accept and issue receipt for a deposit on any such transaction. This exclusive right to sell, exchange, rent or lease said **PROPERTY** shall be effective and remain in full force and be irrevocable by **OWNER** for the duration of this Agreement, including any renewals, and for a period of ninety (90) days thereafter. In the event **MANAGER** produces a purchaser or tenant in accordance with the terms and conditions of this Agreement, or in the event a sale or lease is made by **OWNER** or through any other agent during the term of this Agreement, then for services rendered, **OWNER** agrees to pay to **MANAGER** \_\_\_3% of the sale price or half of one month's lease amount \$\_\_\_\_\_based on the lease value . The same conditions shall prevail if within 90 days after expiration of this Agreement, a sale, exchange, rent or lease of **PROPERTY** is made directly by **OWNER** to any person to whom this property has been shown by **MANAGER**, unless this exclusive listing is renewed, or **PROPERTY** is relisted on an exclusive basis with another Manager, in which this stipulation becomes void.

#### **E. REPAIRS AND MAINTENANCE**

**MANAGER** will contract for repairs and maintenance at fair market rates as is deemed necessary. The **MANAGER** shall secure the approval of the **OWNER** on all expenditures in excess of **\$ 200.00** for any one item, except monthly or recurring operating charges and/or emergency repairs in excess of the maximum, if in the opinion of the **MANAGER** such repairs are necessary to protect the property from damage or to maintain services to the tenants as called for in their leases.

#### **F. CONTRACTORS**

**MANAGER** to employ, hire, discharge, and supervise all labor and contractors required for the operation and maintenance of the **PROPERTY**; it being agreed that all labor and contractors shall be deemed employees and contractors of the **OWNER** and not the **MANAGER**, and that the **MANAGER** may perform any of its duties through **OWNER'S** attorneys, agents or contractors and shall not be responsible

Initial here \_\_\_\_\_/\_\_\_\_\_

