

PROPERTY MANAGEMENT AGREEMENT

THIS AGREEMENT is made this, the _____ day of _____, 20__
between _____ (hereinafter called "Owner")
and _____ (hereinafter called "Agent"), on
the following terms and conditions:

1. **APPOINTMENT AND ACCEPTANCE.** Owner hereby appoints Agent as exclusive agent for Owner to manage, operate, lease and rent the property identified in Section 2 of this Agreement (hereinafter called the "Property") on the terms and conditions set forth in this Agreement. Agent accepts such appointment as Owner's exclusive agent on the terms and conditions set forth in this Agreement.

2. **PROPERTY.** The Property is described as follows:
Location: _____
Number of Dwelling Units: _____

3. **CONSIDERATION.** This Agreement is made for and in consideration of the mutual promises and covenants of the parties hereto and the services to be rendered hereunder by Agent and the compensation herein agreed by Owner to be paid to Agent for such services.

4. **MANAGEMENT STANDARDS AND GOALS.** Agent agrees to furnish the services of its organization, _____, to manage the Property competently and professionally with the goal of providing Owner with the maximum economic return on the Property consistent with the terms of this Agreement. Agent shall strive to keep the Property rented by procuring tenants for the townhouses or apartments or dwelling units (hereinafter "Rental Units") which compromise the Property and are available for rental. Agent will offer the Rental Units for lease upon terms and conditions approved by Owner from time to time and in compliance with all state and federal housing laws, including but not limited to, any state and/or federal laws prohibiting discrimination on the basis of race, color, religion, sex, national origin, handicap or familial status.

5. **AUTHORITY AND DUTIES WITH RESPECT TO LEASING AND TENANTS.** Owner hereby delegates to Agent and Agent hereby accepts all authority necessary and proper to perform the following responsibilities and duties:
 - a. On behalf of and in the name of Owner, Agent will negotiate and execute all leases for Rental Units, provided, however, that Agent shall not execute any lease

for a term in excess of twelve (12) months without securing the prior written consent of Owner.

- b. Agent will advertise the availability of Rental Units for lease by the ~~full~~ use of appropriate communications media such as internet, website and/or newspaper advertisements, display signs posted on the Property or in available Rental Units, the use of floor plans, solicitation aids, and/or economic surveys as may be appropriate to market available rental space. All reasonable expenses of advertising will be charged to Owner's account as an operating expense.
- c. Agent will conduct, on all non-student applicants, a reasonable investigation of the references of prospective tenants, including credit checks where allowed and appropriate, before entering into leases on behalf of Owner with such persons. Agent will attempt to obtain parental guarantees on student applicants but shall not be held liable to Owner for the failure to do so.
- d. Agent will collect, deposit, and disperse, in accordance with the terms of each lease, funds collected as security deposits (not to include non-refundable pet deposits) from tenants. Agent has established an escrow account for this purpose. Owner is not entitled to any interest which may accrue to said escrow account. If at any time the escrow account of Owner is insufficient to pay disbursements due and payable, Owner shall, not later than ten (10) days after notice, remit to Agent sufficient funds to cover the deficiency and replenish a reasonable contingency reserve. In no event shall Agent be required to use its own funds to pay such disbursements, nor shall Agent be required to advance monies to Owner.
- e. Agent will collect, when due, all rents, charges and other accounts receivable payable in connection with the management and operation of the Property.
- f. Agent is not responsible for maintenance and repairs to Property. Should maintenance and/or repairs be necessary, other than maintenance and/or repairs for which Tenant is responsible, and Agent is informed of said necessary maintenance and/or repairs, Agent may hire persons or entities to conduct said repairs and/or maintenance at the cost and expense of Owner. Agent may use its own staff or affiliated companies to perform maintenance functions at the Property. Owner hereby authorizes Agent to deduct the cost for said maintenance and/or repairs from Owner's account.
- g. Agent may supervise the making of all repairs or minor alterations to the Property, either using its own forces or employing independent contractors and charging the cost thereof to Owner's account. Agent may make extraordinary repairs or major alterations to the Property only with the prior permission of Owner, which permission need not be in writing. In the event of an emergency situation, when in the opinion of Agent repairs are necessary to protect the Property from further damage or necessary to maintain services to the lessees as provided in their lease agreements(s), Agent may proceed to undertake said

repairs on Owner's behalf at Owner's expense. Agent may require Owner's prior approval for all repairs in excess of \$350.00.

- h. On behalf of Owner, Agent will serve notices on lessees to vacate the leased premises when the Agent deems such notice necessary. On behalf of and in the name of Owner, Agent may institute and prosecute legal action or other proceeding to recover possession of leased or rented premises and/or to collect amounts due to Owner and may, with the approval of Owner, compromise and settle any such legal proceeding. If owner approves a settlement of less than the amount of rent due, Owner shall in doing so release Agent from any and all causes of action for the remainder of the rent. Agent shall have the sole and exclusive right to select counsel to initiate any necessary legal action, at the cost of Owner.

Should Agent determine that eviction is necessary, Agent may institute and prosecute legal action to achieve eviction. Agent may choose whether to proceed with one action or two separate actions for eviction and collection of rent in arrears. If Agent is successful in its action to evict lessee(s), Agent may, as soon as practical, find new tenants and enter into a new lease on behalf of the Owner.

In connection with any or all legal proceedings, Agent may incur reasonable costs of collection, including attorney fees and court costs. Agent will charge such costs, fees and expenses to Owner's account as expenses of operating the Property.

- 1. Agent will maintain books and records (which may be in electronic form) on the operation and maintenance of the Property. The books and records will be available for inspection by Owner upon reasonable notice during normal business hours.
 - j. Pay outs and/or other distributions of funds held by Agent and due to Owner will be on the tenth (10th) and twentieth (20th) days of each month. In the event either the tenth (10th) and twentieth (20th) day falls on a legal holiday or weekend, distributions shall be made on the next regular business day. Agent will provide Owner with a report on the tenth (10th) day of each month as to whether or not Agent is holding any funds for or on behalf of the Owner, and whether Owner is owed any funds by lessee(s) or other parties.
 - k. Owner is required to file all necessary Internal Revenue Service (IRS) forms and meet all IRS requirements pertaining to the Property or income derived therefrom. Agent shall be considered an independent contractor of Owner and not an employee.
6. HOMEOWNER'S ASSOCIATIONS. If a Property subject to this Agreement is located within or belongs to a homeowner's association (HOA) and/or condominium owner's association (COA) that provides services such as cable television, internet, water or sewer

utilities, etc. to its members, Owner must continue to provide all services upon the terms and conditions of the lease agreement at the time of execution of the lease agreement until the expiration of the lease agreement, notwithstanding any HOA/COA changes as to the provision and/or allocation of cost to their members. For example, if Agent on behalf of Owner executes a lease with lessee which includes the provision of cable television service at no additional charge to lessee, Owner cannot begin charging lessee for cable service during the term of the lease agreement even if Owner's HOA increases Owner's cost for said service.

7. COMPENSATION FOR MANAGERIAL SERVICES. In consideration for the services to be rendered to Owner by Agent under this Agreement, Owner agrees to pay Agent _____ percent (_____ %) of the gross revenues actually collected from the Property. Payment to Agent will be on a monthly basis. Expenses of office overhead of the Agent, whether or not allocable to services rendered in the management of the Property, are not to be charged to the Owner.
8. TERM OF AGREEMENT. The initial term of this Agreement shall be one year from the date first written above, or until the expiration of the initial term of any lease agreement procured by Agent, whichever is later. This Agreement shall be automatically extended on a year-to-year basis after the expiration of the initial term hereof unless written notice of termination is given by either party to the other at least sixty (60) days before the expiration of the term of the Agreement or any extension thereof. Upon the expiration of this Agreement, copies of all records in possession of Agent pertaining to the operation of the Property, together with all supplies or other items of property owned by Owner and in possession of Agent, shall forthwith be delivered to Owner.

Owner or Agent may terminate this Agreement for cause. "Cause" shall mean any breach of the obligations contained within this Agreement where notice of said breach is provided to the breaching party and not rectified within ten (10) days. If Agent terminates the Agreement for cause, Owner shall be liable for two months management fees or six percent (6%) of the remaining gross revenue from the Property, whichever is greater.

Agent may terminate this Agreement immediately should the Agent, in its sole discretion, feel that the Owner-Agent relationship is irreparably broken or damaged, or if Agent determines that it can no longer full its duties to Owner. Upon such termination of this Agreement, copies of all records in possession of Agent pertaining to the operation of the Property, together with all supplies or other items of property owned by Owner and in possession of Agent, shall forthwith be delivered to Owner. Agent shall be entitled to the management fees otherwise payable under this Agreement until the termination date.

If Owner sells property during the term of this Agreement, this Agreement shall be terminated upon payment of two months management fees to Agent.

- 9. ATTORNEY FEES. If either party finds it necessary to employ the services of an attorney to enforce the terms of this Agreement, then the prevailing party shall be entitled to recover its reasonable attorney's fees, expenses and court costs from the other party.
- 10. HOLD HARMLESS. Owner agrees to hold Agent harmless and to indemnify and defend Agent from all claims for damages or suits in connection with the management of the Property, and from liability for injury suffered by any employee or other person, including lessees and their social guests, and to name Agent as a co-insured or additional insured on any policy of insurance which Owner may purchase for the benefit of the Property. Owner further agrees to and does release Owner from any claims related to any errors in judgment or for any mistake of fact or law, or for anything which he may do or refrain from doing hereunder (sometimes referred to as discretionary acts).
- 11. EXTRAORDINARY SERVICES. Agent may charge Owner an hourly fee of \$_____ for all necessary or requested tasks not considered normal management duties.
- 12. ADDITIONAL PROVISIONS. This Agreement will inure to the benefit of and constitute a binding obligation on the parties hereto and their respective heirs, successors and assigns.

This Agreement constitutes the entire agreement between Owner and Agent with respect to the management and operation of the Property. All prior agreements and understandings, written or oral, if any, are incorporated herein. No modification of this Agreement will be valid unless made by supplemental written agreement, executed and approved by the parties.

This Agreement shall be construed in accordance with the laws of the State of Mississippi.

- 13. INSPECTION. Owner must contact and receive permission from Summit Management Services, LLC prior to entering the Property during the term of any lease agreement or during any other such time as the Property is leased.

14. SPECIAL PROVISIONS: _____

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

AGENT:

OWNER:

Date: _____

Date: _____