



**Beacon Property Management and Realty, Inc.**

**Management Agreement**

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In consideration of the covenants herein contained \_\_\_\_\_ a/an Individual(s)/Corporation/ Limited Partnership/General Partnership/Limited Liability Company/ registered in the State of \_\_\_\_\_, acting by and through \_\_\_\_\_, its duly authorized \_\_\_\_\_ (hereinafter called "Owner" and shall include all owners if more than one) and Beacon Property Management and Realty, Inc., an Ohio Corporation (hereinafter called "Agent") agree as follows:

1. The owner hereby employs the Agent exclusively to rent, lease, operate, and manage the property known as:

\_\_\_\_\_, consisting of \_\_\_\_\_ dwelling units (inclusive of the model apartments and resident manager's apartment if applicable) upon the terms hereinafter set forth for a period of ( 1 ) year and thereafter for successive periods of ( 1 ) year(s) duration unless on or before sixty (60) days prior to the end of the initial one year term or prior to the expiration of any such renewal period; either party hereto shall notify the other in writing of an intention to terminate this agreement.

2. The Owner may terminate this agreement during the original term, or any renewal term, only pursuant the provisions set forth herein in the event of material breach by the Agent, or in the event of gross negligence on the part of the Agent.

In the event of a material breach by the Owner, the Agent shall give the owner written notice of the alleged breach. Unless the alleged breach is cured or determined by both parties to not be a breach, the Agent may, at his/her option, terminate the Agreement at the end of the thirty (30) day period.

In the event of a material breach by the Agent, the Owner shall give the Agent written notice of the alleged breach. Unless the alleged breach is cured or determined by both parties to not be a breach, the Owner may, at his/her option, terminate the Agreement at the end of the thirty (30) day period.

3. The Agent accepts the employment and agrees:

- a. To use ordinary care in the management of the premises for the period and upon the terms herein provided, and agrees to furnish the services of its organization for the renting, leasing, operating, and managing of the herein described premises.
- b. To render to the Owner by the twentieth (20<sup>th</sup>) day of each month, statements of receipts, expenses and charges for the preceding month, and to remit to the Owner receipts less disbursements and reserves [per paragraph 5 (d)] at such time. In the event the disbursements shall be in excess of the rents collected by the Agent, the Owner hereby agrees to pay such expenses and charges promptly upon demand of the Agent.
- c. To deposit all receipts collected for the Owner (less any sums properly deducted or otherwise provided herein) in a bank account in a federally insured national or state bank or savings and loan, separate from Agent's personal or corporate accounts or those of other Owners. Agent will not be held liable in the event of bankruptcy or failure of the depository provided same was federally insured at all times.
- d. The Agent may maintain a separate non-interest bearing account for tenants' funds placed security deposits, or other deposits in said depository set forth in paragraph c.  
The agent shall, as required and/or permitted by law, negotiate, adjust, and/or refund said deposits to the respective tenants at the expiration of each tenant's lease term.  
Agent shall be responsible and liable for any damages occasioned by Agent's failure to timely and/or properly refund and tenant's security deposit lawfully due such tenant provided the Owner was promptly provided said deposits to the Agent.  
When needed, Owner shall transfer to Agent any security deposits presently held for the present tenants who have a security deposit posted.  
In the event of sale of the property, all security deposits held by Agent shall be remitted to the Owner or the Buyer pursuant to the sales agreement, unless another agreement can be reached between the Agent, Owner, and Buyer.
- e. The agent may establish and maintain its own Central Disbursement Account at Agent's sole risk. Checks for disbursement of expenses may be written on said disbursement account and funds transferred by check or wire from the operating as well as the security deposit account to cover disbursements, provided however, Agent shall be liable for, indemnify the Owner against, and immediately reimburse Owner for any of the Owner's funds which may be lost, stolen, transferred, attached, or otherwise appropriated to persons, firms, or associations who are not the lawful creditors of the Owner. The only funds of Owner which may be deposited into or transferred from said account shall be for the necessary expenses associated with the performance of this management agreement.  
Each month the Agent shall furnish to the Owner monthly check registers or statements of account indicating those bills paid from the disbursement account on behalf of the Owner. Upon request by the Owner, the Agent shall within ten (10) days of any such

request provide to Owner receipts, invoices, itemizations, or other documentation acceptable to Owner which pertain to or evidence a disbursement being questioned by the Owner.

- f. The agent represents that it is and shall remain at all times properly licensed and authorized by the State of Ohio to lease, show, manage, and maintain the premises described herein.
4. The Owner hereby gives the Agent the following authority and powers and agrees to assume the expenses in connection herewith:
- a. To lawfully advertise the availability for rental of the herein described premises or any part thereof, and to display "for rent" signs thereon; to sign and renew leases for the premises or any part thereof; to collect rents or any other amount lawfully due from the tenants or that may become due from the tenants and give proper receipts therefor; to lawfully terminate tenancies and to sign and serve in the name of the Owner such notices as are appropriate and required; to lawfully initiate and prosecute all causes of action which may arise as and between the tenants and the Owner in accordance with law and the lease agreements; to lawfully evict tenants and to recover possession of said premises; to sue for in the name of the Owner and recover rents and all other sums lawfully due from tenants. The Agent shall prior to settling, compromising, or releasing any legal action between a tenant and the Owner or Agent, or prior to cancelling any lease agreement, obtain the Owner's approval for the same. Agent shall not execute any lease agreement on behalf of the Owner which exceeds twelve (12) months without the Owner's prior written permission.
  - b. To lawfully and properly make or cause to be made and supervise repairs and alterations, and to do decorating of said premises; to purchase supplies and pay all bills therefor. The Agent agrees to secure the prior approval of the Owner on all expenditures in excess of \$2,000.00 for any one item or multiple like kind expenditures made contemporaneously, except monthly or recurring operation charges and/or emergency repairs in excess of the maximum, if in the opinion of the Agent such repairs are strictly necessary to protect the property from damage or to maintain services to the tenants as called for in their leases or by law.
  - c. To make contracts for any necessary utility service, including but not limited to electricity, water, sewer, telephone, trash removal, lawn care, and other services or such of them as the Agent shall deem advisable; The Owner to assume the obligation of any contract properly entered into, even at the termination of this agreement.
  - d. To do any act or thing necessary to carry out the Agent's responsibilities as set forth herein.
  - e. To fully comply with and see that all employees comply with all applicable Federal, State, and Local laws including but not limited to the Fair Housing Act, Chapters 5321 and 1923 of the Ohio Revised Code, the Fair Credit Reporting Act, the Fair Debt Collection Practices Act, Civil Rights Act, and the local building, zoning housing, and safety and health codes.
5. The Owner further agrees:
- a. To save the Agent harmless from all damage suits, costs, and attorney fees arising out of or in connection with the management of the herein described property to the extent that they arise from the Agent's proper and lawful performance of his duties as set forth herein. The Owner further agrees to indemnify Agent from any and all costs, damages, expenses, and attorney fees arising from civil or criminal prosecution by any governmental entity related to any regulation pertaining to the maintenance of the premises (including but not limited to housing, building, health, zoning, graphics, or safety codes) if the Owner has failed to maintain said premises or to provide sufficient funds to Agent to maintain said premises in compliance with said code.
  - b. To maintain at his own expense, necessary business insurance adequate to protect the interests of the parties hereto, which policies shall be written so as to protect the Agent in the same manner and to the same extent they protect the Owner, and will name the Agent as a co-insured.
  - c. Provided the Agent has lawfully and properly fulfilled his duties, the Agent shall not be liable for any reasonable error of judgment or from any reasonable mistake of fact of law.
  - d. The Agent is hereby instructed and authorized to pay mortgage indebtedness, property and employee taxes, special assessments, and similar indebtedness. The Owner hereby authorizes the Agent to accumulate and maintain cash reserves for the following items: (a) real estate taxes; (b) mortgage payments; and (c) insurance. The reserves for real estate taxes and insurance are computed as the pro-rated amount due at any point in time for the next installment to be paid.
  - e. To pay the Agent the following monthly fees: **See Addendum "Management Fees"**
6. The parties further mutually agree as follows:
- a. The Agent shall have the right to establish rent levels and to implement rent changes deemed in the best interest of the property except when such changes represent a decrease in the monthly rentals presently being charged, in which event, such changes shall be made with the prior approval of the Owner.
  - b. The Agent shall not without prior written approval of the Owner employ any attorney, accountant, maintenance service company, lawn service company, or any other person, firm, company, or association which is in any way related to, affiliated with, owned by, or managed by the Agent (in whole or in part) or any employee, or relative of any employee of Agent. Any such affiliation, relationship, ownership interest, management interest, or other similar connection between the Agent and the contractee shall be deemed a conflict of interest and shall be communicated to Owner prior to any decision to so employ said person, firm, association, or company and shall only occur with the

prior written approval of the Owner. At the present time, the Agent employs William J. Rees, Attorney at Law to represent the Owner and Agent in eviction actions, escrow actions, and any other Landlord/tenant dispute.

- c. The employment at the Owner's expense of any person (and their rate of compensation) by the Agent, regardless of their affiliation, shall be pursued reasonably and solely in the best interest of the Owner, the property, and the economics of the apartment complex.
- d. The parties executing this Agreement are duly authorized and empowered to execute same on behalf of the respective Owner or Agent.

7. Termination/Liquidated Damages:

- a. If the Owner causes this Agreement to be prematurely terminated, except due to the breach of this agreement by the Agent, gross negligence of the Agent, as set forth herein, during the original term or any subsequent term, the Owner shall pay to the Agent as and for total liquidated damages, a sum of money equal to the management fees earned by the Agent for the calendar month immediately preceding the month in which notice of termination is given to Agent, multiplied by the number of months and/or portions thereof remaining from the termination date until the end of the initial term or term year in which the termination occurred. Such damages plus any amounts accruing to Agent prior to such termination shall be due and payable upon within thirty (30) days of termination of this Agreement.
- b. In the event the property is sold during the initial term, or any renewal term of this Agreement, Owner shall encourage and not hinder the Buyer and the Agent from entering into an agreement to continue Agent's services under new ownership. The Owner's continuing obligations or liabilities to the Agent with respect to this contract shall become null and void.
- c. The Owner may, at its sole discretion, terminate this Agreement as a result of the Agent's failure to cure any breach of this Agreement, or as a result of the Agent's gross negligence. In the event of such termination, the Owner shall not have any continuing obligations or liabilities to the Agent with respect to this contract, and this contract shall become null and void.

8. The Owner agrees that payments due to the Agent under Item 5 (d) above can and shall be deducted from collected rental receipts on the first day of each month or as soon thereafter as the agent shall deem practicable.

9. The Owner further agrees and understands that upon termination of this Agreement, he shall pay and honor all debts and agreement properly and lawfully entered into on his behalf by Agent during the period of this Agreement so long as the Agent has not acted in these matters with malice or negligence.

10. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Ohio.

11. This Agreement, together with the "Management Fees" addendum, contains all the terms and conditions agreed upon by the parties hereto with reference to the subject matter hereof and supersedes all prior agreement and negotiations with respect to the subject matter hereof. This Agreement cannot be modified or changed except by a written instrument signed by all parties hereto.

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures on this day \_\_\_\_\_ of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Property Manager

\_\_\_\_\_  
Witness

By \_\_\_\_\_

Title \_\_\_\_\_