

# PROPERTY MANAGEMENT AGREEMENT

## Tenant Science



Commercial Property Management

This Property Management Agreement (the "Agreement") is made and effective \_\_\_\_\_, 2019 .

**BETWEEN:** \_\_\_\_\_, (the "Owner"), **AND:** \_\_\_\_\_, **Tenant Science, LLC** (the "Agent"), a corporation organized and existing under the laws of the State of Georgia with its head office located at 4153C Flat Shoals Road, Suite 320, Decatur, GA 30034.

### **RESPONSIBILITIES OF THE AGENT**

The Agent will serve as an independent contractor, as the Owner's exclusive agent, beginning on \_\_\_\_\_, 2019. Agent will provide to the Owner the following services:

1. Collection and Disbursement: Agent agrees to collect all rents as they become due, to pay expenses, to render to the Owner a monthly accounting of rents received and expenses paid, and to remit to the Owner all income, less any sums paid.
2. Maintenance and Labor: Agent agrees to decorate, maintain and repair the property and to hire and supervise all employees and other needed labor.
3. Real estate brokerage and listing services for the Property.

### **RECITALS**

- A. Owner holds title to the following described real property:  
\_\_\_\_\_ herein referred to as the "Property."
- B. Agent is experienced in the business of operating and managing real estate similar to the above-described property.
- C. Owner desires to engage the services of agent to list, lease, manage and operate the property, and agent desires to provide such services on the following terms and conditions.

In consideration of the mutual covenants contained herein, the parties agree:

#### **1. EMPLOYMENT OF AGENT**

Agent shall act as the exclusive agent of Owner to manage, operate and maintain the property.

#### **2. BEST EFFORTS OF AGENT**

On assuming the management and operation of the property, agent shall thoroughly inspect the property and submit a written report to owner. The written report shall contain the

opinion of agent concerning the present efficiency under which the property is being managed and operated and recommended changes if necessary in the management structure of the property, in the rehabilitation of the property, and any other matters that will improve the efficient management and operation of the property. After conferring with Owner and obtaining approval to make any necessary improvements, agent shall undertake completion of the improvements.

**3. POWER OF ATTORNEY**

Owner shall execute a Power of Attorney in favor of Agent in the form attached hereto to permit Agent to carry out the duties outlined in this Agreement.

**4. LEASING OF PROPERTY**

Agent shall make reasonable efforts to lease available space of the property and shall be responsible for all negotiations with prospective tenants. Agent shall also have the right to execute and enter into, on behalf of Owner, month-to-month tenancies of units of the property. Agent may negotiate all extensions and renewals of such month-to-month tenancies and leases. Agent shall not, without the prior written consent of Owner, enter into any lease for a term less than twelve (12) months or more than three hundred sixty (360) months. Agent shall have the right to make concessions, including rental concessions, as inducements to prospective tenants to occupy the property. Agent shall be the Owner's sole broker and agent for the leasing of the property. Agent shall have the exclusive right to lease vacant spaces, renew existing leases and expand or downsize tenants.

**5. ADVERTISING AND PROMOTION**

Agent shall advertise vacancies by all reasonable and proper means; provided, agent shall not incur expenses for advertising in excess of five hundred dollars (\$500.00) during any calendar quarter without the prior written consent of Owner.

**6. MAINTENANCE, REPAIRS AND OPERATIONS**

Agent shall use its best efforts to ensure that the property is maintained in an attractive condition and in a good state of repair. In this regard, agent shall use its best skills and efforts to serve the tenants of the property and shall purchase necessary supplies, make contracts for, or otherwise furnish, electricity, gas, fuel, water, telephone, window-cleaning, refuse disposal, pest control, and any other utilities or services required for the operation of the property. Agent shall make or cause to be made and supervise necessary repairs and alterations and shall decorate and furnish the property. Expenditures for repairs, alterations, decorations or furnishings in excess of \$2,000.00 shall not be made without prior written consent of Owner, except in the case of emergency, or if agent, in good faith, determines that such expenditures are necessary to protect the property from damage, to prevent injury to persons or loss of life, or to maintain services to tenants.

**7. EMPLOYEES**

- 7.1. Agent shall employ, discharge and supervise all on-site employees or contractors required for the efficient operation and maintenance of the property. Agent shall pay the salaries of such on-site employees and, to the extent there are revenues from the property available, pay all charges for services rendered by independent contractors and the employees of independent contractors.
  
- 7.2. All salaries (including all contributions of employer not listed in the paycheck) of such on-site employees shall be charged to Owner. To the extent there are insufficient funds available from revenues received from the operation of the property to reimburse agent for such salaries, Owner shall directly reimburse agent within seven (7) days after demand by agent for reimbursement. Agent shall not be responsible or liable to Owner for any act, default or negligence of on-site personnel, or for any error of judgment or mistake of law or fact in connection with their employment, conduct or discharge except that agent shall be responsible for any such act, default or negligence that is due directly or indirectly to its own negligent act or omission in the hiring or supervision of any such on-site personnel.
  
- 7.3. On-site personnel shall include all resident personnel, including, but not limited to, managers and maintenance personnel, all recreational personnel (whether part-time or full-time), day-care center personnel, and all other individuals located, rendering services or performing activities on the property in connection with its operation.

**8. GOVERNMENT REGULATIONS**

Agent shall manage the property in compliance with all laws and regulations of any federal, state, county or municipal authority having jurisdiction over the property.

**9. COLLECTION OF INCOME; INSTITUTION OF LEGAL ACTION**

- 9.1. Agent shall use its best efforts to collect promptly all rents and other income issuing from the property when such amounts become due. It is understood that agent does not guarantee the collection of rents.
  
- 9.2. Agent shall, in the name of Owner, execute and serve such notices and demands on delinquent tenants as agent may deem necessary or proper. Agent, in the name of owners, shall institute, settle or compromise any legal action and make use of such methods of legal process against a delinquent tenant or the property of a delinquent tenant as may be necessary to enforce the collection of rent or other sums due from the tenant, to enforce any covenants or conditions of any lease or month-to-month rental agreement, and to recover possession of any part of the property. No other form of legal action will be instituted and no settlement, compromise, or adjustment of any matters involved therein shall be made without the prior written consent of Owner, except when agent determines that immediate action is necessary.

## 10. **BANK ACCOUNTS**

Agent shall deposit (either directly or in a depository bank for transmittal) all revenues from the property into the building owners own accounts, herein referred to as the “trust account.” Agent shall not commingle any of the above-described revenues with any funds or other property of agent. From the revenues deposited in the trust account, agent shall pay all items with respect to the property for which payment is provided in this Agreement, including the compensation of agent and deposits to the reserve accounts as provided for in Section 11. After such payments, agent shall remit any balance of any monthly revenues to Owner concurrently with the delivery of the monthly report referred to in Section 12.

## 11. **RESERVE ACCOUNT**

11.1. Owner shall establish a reserve account for the following items: taxes, assessments, debt service, insurance premiums, repairs (other than normal maintenance), replacement of personal property, and refundable deposits. Agent shall use its best judgment in transferring adequate funds from the trust account to the reserve account in order to pay the above items without incurring late pay interest fees, cancellations or forfeitures. If the reserve account contains inadequate funds to pay any of the above items, agent must obtain approval from Owner before paying the items directly from the trust account. If Owner determines that the funds in the reserve account are excessive, Owner shall direct that agent return such excess funds to the trust account. The reserve account shall be maintained in an interest-bearing savings account in a national or state bank that is a member of the Federal Deposit Insurance Corporation.

11.2. Anything in this Agreement to the contrary notwithstanding, agent shall not be liable for any failure or bankruptcy of any bank used as a depository of any funds maintained in the reserve account.

## 12. **RECORDS AND REPORTS**

12.1. Agent will keep books, accounts and records that reflect all revenues and all expenditures incurred in connection with the management and operation of the property. The books, accounts and records shall be maintained at the principal place of business of agent. Agent shall, during regular business hours, make the books, accounts and records required to be maintained hereunder available to Owner or the representatives of Owner for examination and audit by appointment on no less than thirty (30) days' prior notice. All such audits shall be at the expense of Owner.

12.2. Agent shall furnish Owner, no later than the end of the next succeeding month, a detailed statement of all revenues and expenditures for each preceding month, a summary of all concessions and rental concessions given to induce prospective tenants to occupy the property, the original copy of all invoices, statements,

purchase orders and billings received and paid during such preceding month as well as such other information relating to the operation or management of the property that, in the opinion of agent, requires the attention of Owner. Owner shall retain for safekeeping and store all original invoices, statements, purchase orders, billings and other documents delivered by agent with respect to the property. Owner, on payment of reasonable costs incurred by it, shall make available to agent copies of all or any portion of any invoice, statement, purchase order, billing report or other document received from agent with respect to the property.

- 12.3. Within thirty (30) days after the end of each calendar year, agent shall prepare and deliver to Owner a detailed statement of revenues received and expenditures incurred and paid during the calendar year that result from operations of the property. Within thirty (30) days following expiration or termination of this Agreement, Agent shall deliver to Owner all books, accounts and records pertaining to the property.

**13. COMPENSATION OF AGENT FOR MANAGEMENT**

**Agent shall receive a management fee equal to 5% of the gross receipts collected from the operation of the property. Gross receipts are defined as all revenues collected plus refundable deposits. Additionally, agent shall receive 10% of all expenses related to labor and materials and 50% of any late charges collected by agent. Any management fee due agent hereunder shall be paid to agent within fifteen (15) days after the end of each month.**

**14. COMMISSIONS FOR NEGOTIATING LEASES OR MONTH-TO-MONTH RENTAL AGREEMENTS**

**The Agent shall also be entitled to a commission on leases generated by Agent in amount equal to the first full month's rent plus five percent of each subsequent rent payment, if there is one broker in the transaction. If there are two brokers in the transaction the procuring broker will be paid amount equal to the first full months' rent plus five percent of each subsequent rent payment and the listing broker will be paid ½ of the first month's rent plus 2.5% of each subsequent rent payment. These fees are in addition to regular management fees outlined in the contract.**

**Agent shall also receive commissions or additional compensation for negotiating leases or month-to-month rental agreements with tenant's payable at lease signing of an amount equal to the first month's rent plus 5% of each subsequent month's rent.**

**15. ADDITIONAL DUTIES AND RIGHTS OF AGENT**

In addition to the foregoing, agent shall perform all services that are necessary and proper for the operation and management of the property, and shall report to Owner promptly any conditions concerning the property that, in the opinion of agent, require the attention of Owner.

In order to properly perform the services required by this Agreement, agent is authorized to engage, on behalf of Owner any entity that is an affiliate of agent, provided that the

compensation paid for the services shall be competitive with nonaffiliated entities providing the same or similar services.

**16. TERMINATION AND RENEWAL**

This Agreement shall be for a term commencing on \_\_\_\_\_, 2019, and ending on \_\_\_\_\_, 2019. This Agreement shall be automatically renewed for additional terms of one (1) year unless either party shall give written notice of termination to the other party at least ninety (90) days prior to the annual termination date. At any time during the term of this Agreement or the renewal term(s) of this Contract, the parties may agree to extend this Agreement. Either party may terminate this Agreement with or without cause upon giving ninety (90) days written notice to the other party.

**17. TERMINATION FOR CAUSE**

If agent breaches any of the terms of this Agreement, Owner shall give agent written notice of such breach. If agent fails to remedy the breach within thirty (30) days after receiving the above-described notice, Owner may terminate this Agreement.

**18. SALE OF PROPERTY**

On the voluntary sale of the property by Owner and the delivery of the deed of conveyance therefore, this Agreement shall automatically terminate. Owner shall notify agent of the sale of the property as soon as such sale is negotiated.

**19. CONDEMNATION**

This Agreement shall terminate in the event of a total condemnation of the property. If there is a partial condemnation of the property, this Agreement may be terminated at the option of Owner. If such a partial condemnation of the property reduces the compensation of agent by more than 1%, agent may terminate this Agreement. Owner shall be entitled to all consequential damages awarded as a result of any eminent domain proceeding.

**20. BANKRUPTCY**

If bankruptcy proceedings, whether voluntary or involuntary, are commenced against either Owner or agent, or if either party enters into a composition agreement with its

creditors, either party may terminate this Agreement by giving ninety (90) days written notice to the other party.

**21. NO PROPERTY INTEREST CREATED**

Nothing contained in this Agreement shall be deemed to create or shall be construed as creating in agent any property interest in or to the property.

**22. LICENSING OF AGENT**

Agent shall at all times during this Agreement maintain such licenses and permits as are required for any of the various services to be performed by agent on behalf of Owner, delegate the performance of (but not responsibility for) any duties and obligations of agent to any independent contractor or entity.

**23. RELATIONSHIP OF THE PARTIES**

Agent is an independent contractor and not an employee of Owner for any purpose.

**24. COVENANTS AND CONDITIONS**

All of the terms and conditions of this Agreement are expressly intended to be construed as covenants as well as conditions.

**25. HOLD HARMLESS**

*Owner agrees to and does hereby indemnify and hold harmless, in perpetuity, the Agent, its officers, successors and assigns from and against any and all claims or demand, costs, penalties, damages, losses, liabilities and expenses of every kind or character, past, present or future (including reasonable attorneys' fees) (hereinafter, "Claims") that may be asserted by any person or entity whomsoever against, or incurred by the Agent arising from or relating to the performance of its duties hereunder, except only those claims arising from the sole negligence of the Agent.*

**26. NOTICE**

All notices, requests, demands or other communications hereunder shall be in writing, and shall be deemed to have been duly given if delivered in person, or within thirty (30) days after deposited in the mail, postage prepaid, certified with return receipt requested, or otherwise actually delivered to Owner at:

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Marc Glaser, Tenant Science, 4153C Flat Shoals Road, Suite 320, Decatur, GA 30034.

Either party hereto may change the address at which it receives written notices by so notifying the other party hereto in writing.

**27. PARTIES BOUND; ASSIGNMENT**

This Agreement shall be binding on and inure to the benefit of the successors and assigns of the parties hereto, and their respective successors and assigns; provided, however, that this Agreement may not be assigned by agent without prior written consent of Owner, or by Owner without prior written consent of agent. Anything in the foregoing to the contrary notwithstanding, agent may, without the consent of Owner, delegate the performance of (but not responsibility for) any duties and obligations of the Agent to any independent contractor or entity.

**28. EFFECT OF PARTIAL INVALIDITY**

Should any section or any part of any section of this Agreement be rendered void, invalid or unenforceable for any reason by any court of law exercising competent jurisdiction, such a determination shall not render void, invalid or unenforceable any other section or any part of any section in this Agreement.

**29. GOVERNING LAW**

This Agreement has been made and entered into in the State of Georgia, and the laws of such state shall govern the validity and interpretation of this Agreement and the performance due hereunder.

**30. INTEGRATION**

The drafting, execution and delivery of this Agreement by the parties have been induced by no representations, statements, warranties or agreements other than those expressed in this Agreement. This Agreement embodies the entire understanding of the parties, and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof unless expressly referred to in this Agreement.

**31. ARBITRATION**

In case of any dispute regarding any terms or performance of the terms of this Agreement, the dispute shall be subject to arbitration in accordance with the rules and regulations then obtaining under the Atlanta Commercial Board of Realtors.

**32. ATTORNEY FEES**

Should either party bring suit to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover court costs and reasonable attorney fees.



**33. MODIFICATION**

This Agreement may not be modified unless such modification is in writing and signed by both parties to this Agreement.

**Special Stipulations**

The following Special Stipulations shall control over and supersede the printed provisions of the Agreement:

1.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**OWNER:**

**AGENT:**

\_\_\_\_\_  
Gregg Smith, Owner

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Darlyne Smith, Owner

\_\_\_\_\_  
Marc Glaser, Manager  
Print Name and Title

**STATE OF GEORGIA**

**COUNTY OF GWINNETT**

**POWER OF ATTORNEY**

I, \_\_\_\_\_, of \_\_\_\_\_ hereby appoint Marc Glaser of Tenant Science, LLC as my lawfully appointed attorney in fact (referred to as the “Agent”) with full power of delegation and substitution.

The Agent shall have full power to be my lawful Attorney and Agent in my name, place and stead to:

- a. Enter into real estate decisions on the Owner’s behalf regarding the property;
- b. Endorse decisions on building utilities;
- c. Sign leases on behalf of the Owner; and
- d. Initiate and complete legal proceedings to collect rent and obtain possession of the Property.

Agent shall provide accurate records on a monthly basis of all transactions completed on my behalf and shall provide accounting records on a six-monthly basis.

This power of attorney will be governed by the laws of the State of Georgia without regard for conflicts of laws principles and is intended to be valid in all jurisdictions of the United States of America and all foreign nations.

The authority granted in this document is limited to the following properties:

**PROPERTY 1**

\_\_\_\_\_

This Power of Attorney shall remain in effect until October 13th, 2018. This power of attorney will be extended automatically for a period of three hundred sixty-five (365) days without written notice provided to Tenant Science, LLC, within sixty (60) days of the contract termination date.

Executed this \_\_\_\_ day of \_\_\_\_\_ 2018,

at \_\_\_\_\_

Signature: \_\_\_\_\_ (SEAL)

in the presence of the undersigned witnesses:

**WITNESS 1:** Full legal name \_\_\_\_\_

Signature \_\_\_\_\_

**WITNESS 2:** Full legal name \_\_\_\_\_

Signature \_\_\_\_\_

**ACKNOWLEDGEMENT**

This document was signed and subscribed before me on this \_\_\_\_ day of \_\_\_\_\_,  
2018

by \_\_\_\_\_ (Principal's full legal name)

Signature of Notary Public \_\_\_\_\_

Full legal Name \_\_\_\_\_

My Commission Expires: