

PROPERTY MANAGEMENT AGREEMENT

_____ (Hereinafter “**OWNER**”) and
Property Manager, **AMERICAN CAPITAL REALTY GROUP, INC.** (Hereinafter
“**AMCAP**”) mutually agree as follows:

I. GRANT

OWNER hereby employs and grants **AMCAP** the right to rent, lease, operate and manage the property known as: _____
_____ (Hereinafter “**SUBJECT PROPERTY**”).

II. TERM

This **AGREEMENT** shall begin on _____ and end on _____. This **AGREEMENT** shall automatically renew for successive periods.

III. AMCAP’s DUTIES

- a) **AMCAP** shall use due diligence in the performance of this **AGREEMENT**.
- b) **AMCAP** shall deposit all monies and/or receipts collected for **OWNER** (less any sums properly deducted or otherwise provided herein) in a Separate Account in a national or state institution qualified to engage in the trust or banking business, separate from **AMCAP**’s business account.
- c) **AMCAP** shall render monthly reports and/or statements of receipts, expenditures and charges (Hereinafter “**DISBURSEMENTS**”) to **OWNER**. In the event that **DISBURSEMENTS** shall be in excess of the rents collected by **AMCAP**. **OWNER** hereby agrees to reimburse **AMCAP** promptly upon demand of **AMCAP**.
- d) **AMCAP** shall forward **OWNER**’s Draw from **OWNER**’s Separate Account on approximately the fifteenth (15th.) day of each month.

IV. SCOPE OF AMCAP's DUTIES

At all times during the entire term and successive terms of this **AGREEMENT**, **OWNER** grants **AMCAP** the following authority and powers. **OWNER** agrees to pay the expenses in connection with **OWNER's** grant of authority and powers as follows:

- a) To advertise the availability for rental of the **SUBJECT PROPERTY** or any part thereof, and to display "For Rent/For Lease" signs thereof;
- b) To sign, renew or cancel rental agreements;
- c) To collect other charges and expenses due or to become due and give receipt therefore;
- d) To terminate tenancies and to sign and serve in the name of the **OWNER** such notices as are appropriate;
- e) To institute and prosecute actions to evict tenants and to recover possession of said premises in the name of **OWNER** and recover rents and other sums due; and when expedient, to settle, and/or release such actions or suits or reinstate such tenancies;
- f) To execute leases on behalf of **OWNER**. Each lease shall not exceed ___ months, unless first approved by **OWNER**;
- g) To make or cause to be made and supervise repairs and alterations, to purchase supplies; to mail items and pay all bills therefrom. **AMCAP** agrees to secure the prior approval of the **OWNER** on all expenditures in excess of \$_____ for any one item, except monthly or recurring operation charges and emergency repairs as necessary to protect the property from damage or prevent damage to life or to the property of others or to avoid suspension of necessary services or to avoid penalties or fines or to maintain services to the tenants as called for in their leases;
- h) To hire, discharge and supervise all labor and employees required for the operation and maintenance of the premises. If instructed by **OWNER**, **AMCAP** may perform any of its duties as described in this **AGREEMENT** through **OWNER's** attorneys, agents and/or employees and shall be held harmless for their acts, defaults, negligent or intentional conduct;
- i) To enter into service contracts, if necessary, for electricity, gas, fuel, water, telephone, window cleaning, trash or rubbish hauling and other services or such of them as **AMCAP** shall deem advisable. Upon termination or default of this **AGREEMENT**, **OWNER** agrees to assume the obligation of any service contract so entered;
- j) To pay **OWNER's** scheduled loan indebtedness, property taxes, employee taxes, and special assessments pertaining to the **SUBJECT PROPERTY**;

- k) At no additional expense to **OWNER**, **OWNER** shall allow **AMCAP** to be named as an additional insured and maintain in full force and effect the insurance coverage delineated in Section V, paragraph c;
- l) **AMCAP** shall have all other necessary authority to carry out the intent of the **AGREEMENT** and to protect the interests of the **OWNER**;
- m) **AMCAP** shall have the opportunity to list the **SUBJECT PROPERTY** for sale for a period of not less than 120 days upon **OWNER**'s desire to sell **SUBJECT PROPERTY**;
- n) **AMCAP** will place Professional Management and Now-Renting signs on the complex. In addition, banners, flags and additional For Rent signs are available to attract walk-in/drive-by prospects.

V. OWNER's DUTIES

- a) **OWNER** shall pay **AMCAP**, in consideration for the management services provided to **OWNER** by **AMCAP**, a management fee calculated on the basis of ____% of the total gross receipts/rents collected, including but not limited to laundry service fees, late fees and other miscellaneous income;
- b) **OWNER** shall except in the event of **AMCAP**'s willful negligence, indemnify and hold **AMCAP** harmless from any and all costs, damages, attorney's fees, suits, liabilities, damages or claim for damages including but not limited to those arising out of any injury or death to any person or persons or damage to any property of any kind whatsoever, and to whomsoever, belonging, including **OWNER**, in any way or its performance or exercise of any of the duties, obligations, powers or authorities herein or hereafter granted to **AMCAP**;
- c) **OWNER** shall provide **AMCAP** with proof of coverage with a competent insurance broker, fire insurance, comprehensive general liability insurance including public liability and property damage coverage, Workers Compensation insurance in the minimum amount required by local law and/or any additional insurance necessary for **OWNER**'s protection. **OWNER** hereby directs **AMCAP** to acquire (unless policies are already in place) and pay for said insurance coverage from the **OWNER**'s Separate Account;
- d) _____ For Retail or Commercial properties, in consideration for the leasing services provided to **OWNER** by **AMCAP**, a leasing fee calculated on the basis of ____%;
- e) **OWNER** shall, if **OWNER** requests for **AMCAP** to undertake work exceeding that usual to normal management, then **OWNER** and **AMCAP** shall be agreed upon for such services before work begins. Normal management does not include

modernization, refinancing, fire restoration, major rehabilitation, obtaining income tax advice, presenting petitions to planning or zoning committees, advising on proposed new construction, preparation and submission of annual loan requirements or other counseling;

f) **OWNER** shall be responsible for costs of advertising.

VI. ACCOUNT PROVISIONS

Upon termination or default of this **AGREEMENT**, **OWNER** agrees that _____ shall remain in **OWNER**'s Separate Account for a minimum of sixty (60) days to ensure payment of all expenses, unless otherwise directed in writing by **AMCAP**.

VII. NOTICE REQUIREMENTS

If it shall become necessary for **AMCAP** or **OWNER** to give notice of any kind, the notice shall be written and served by delivering such notice personally or by registered or certified mail to the address shown under the signature to the **AGREEMENT**.

This **AGREEMENT** shall be binding upon the successors of **AMCAP**, and the heirs, administrators, executors, successors and assigns of the **OWNER**, except upon sale of **SUBJECT PROPERTY**, which automatically voids this **AGREEMENT**.

VIII. ATTORNEY'S FEES

In the event a lawsuit is instituted to enforce the terms of the **AGREEMENT**, or to determine the rights of either party in relation to this **AGREEMENT**, the prevailing party herein shall be entitled to reasonable attorney's fees.

IX. DEFAULT

- a) **OWNER** shall be in default under this **AGREEMENT** if **OWNER** fails to timely make payment to **AMCAP** as described herein or if **OWNER** fails to perform any of the obligations described herein.
- b) If at any time **AMCAP** reasonably believes that the prospect of **OWNER**'s payment of any indebtedness is impaired, then **OWNER** shall be considered in default.
- c) **OWNER** shall be in default if **OWNER** is involved in the following events: insolvency, commencement of bankruptcy or the sale of **SUBJECT PROPERTY**. **AMCAP** shall be held harmless in the event of **OWNER**'s bankruptcy.

X. TERMINATION

With cause, **AMCAP** or the **OWNER** shall have the right to terminate this **AGREEMENT** with thirty (30) days written notice.

Parties acknowledge having read and understood the foregoing prior to execution and receipt of a duplicate original.

OWNER: _____ **DATE:** _____

ADDRESS: _____

AMCAP _____ **DATE:** _____

12631 E. Imperial Highway, Suite F-200
Santa Fe Springs, CA 90670

**A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE.
IF YOU DESIRE LEGAL ADVICE, PLEASE CONSULT YOUR ATTORNEY.**