

## Property Management Agreement

THIS AGREEMENT, made this \_\_\_\_ . \_\_\_\_\_, \_\_\_\_ between \_\_\_\_\_, (Herein referred to as **OWNER**) and **Onyx Management Group** (Herein referred to as **AGENT**).

WHEREAS: The OWNER hereby employs the AGENT to exclusively rent, lease, operate and manage the property known as \_\_\_\_\_ **under** the terms and conditions hereinafter set forth.

### 1. EMPLOYMENT:

The AGENT accepts employment and agrees:

(a) To use due diligence in obtaining tenants for space which is vacant during the terms hereof and in the collection of rents for the subject property/premises; promptly addressing tenant's complaints or issues; and to advertise for the rental of the herein described property/premises.

(b) To permit AGENT to institute legal proceedings in the name of the Owner(s), whenever it deems such necessary for the collection of rent, enforcement of lease provisions or eviction of tenants, all legal expenses and court costs to be paid by OWNER. The OWNER hereby ratifies such action as may be taken by the AGENT.

(c) To enter into Contracts on favorable terms, including the quality and service provided, for supplies, materials, alterations and repairs and the supervision of all repairs, replacements and rehabilitations of the subject property. The AGENT agrees to secure the prior approval of OWNER on all expenditures in excess of \$200.00 (Two Hundred Dollars).

(d) To maintain proper records and furnish such statements as may be required by the OWNER as to all rent collections and disbursements, and maintain records as to each tenant and as to each of the properties. The AGENT shall, on or before of 20th day of each month, render to the OWNER a statement as to the operations of the monies collected and/or disbursed, accompanied by a remittance for the balance, if any, owed by the AGENT to the OWNER.

(e) To retain the first months rent (per unit) in consideration of services rendered in obtaining the tenant(s), preparing leases and setting up accounting records.

(f) To retain 7% (Seven Percent) of gross monthly rent/utilities.

(g) To hold all deposits and disburse same when necessary.

### 2. POWERS AND AUTHORITY:

The OWNER hereby gives to the AGENT the following powers and authority:

(a) To advertise for the rental of the herein described property/premises; to sign, renew, and or cancel leases for the property/premises; to collect rent due and/or owing; to terminate landlord tenant agreements/leases; to sign and serve in the name of the owner such notices as are appropriate; to institute and prosecute legal actions on behalf of the OWNER in order to evict tenants and to recover possession of said premises; to institute legal proceedings in the name of the OWNER in order to recover rents and other sums due and owing; and when expedient, to settle, compromise and discontinue such legal actions and/or litigation and reinstate such landlord/tenant agreements.

(b) To make, or cause to be made, supervise and pay bills from income for repairs, replacements, rehabilitations and alterations and to decorate the subject premises; to purchase supplies and pay all bills due and owing. Further, the agent agrees to secure the prior approval of the owner on all expenditures in excess of \$200.00 (Two Hundred Dollars) for any item, except monthly or recurring operation charges and/or emergency repairs, if, in the opinion of the agent, such repairs are necessary to protect the property from damage or maintain services to the tenants as set forth in their respective leases.

(c) In the event that AGENT hires a contractor/representative to perform work and/or repairs to the subject premises, OWNER will be responsible for the payment of all charges, surcharges and/or fees.

(d) To notify the following contractors/representatives of any and/or all repairs, work to be performed and/or alterations required for the subject premises: \_\_\_\_\_

### 3. LIABILITY:

The OWNER agrees to:

(a) Save and hold the AGENT harmless from any and all claims and/or lawsuits in connection with and/or arising from the management of the herein described property and from liability from injury suffered by an employee or other person whomsoever and to carry at OWNER'S own expense premises liability insurance adequate to protect the interest of the parties hereto, which policies shall be so written as to protect the AGENT in the same manner as the OWNER and will name the AGENT as co-insured. Further, the AGENT is not liable for negligence, any error of judgment or for any mistake of fact of law, except for cases of willful/intentional misconduct.

(b) The covenants and conditions herein contained shall apply to and upon the parties of this agreement, their heirs and legal representatives hereto, and all covenants are construed as conditions of this agreement.

### 4. COMPENSATION & ESCROW:

The OWNER agrees to pay the AGENT:

(a) For Management of the subject premises: 7% of gross monthly rent/utilities

(b) For Leasing the subject premises: One month rent

(c) The sum of \$350.00 (Three Hundred and Fifty Dollars) to be placed into escrow to be used for any and/or all emergency repairs as outlined in paragraph 2(b) above. In the event that OWNER fails to pay

the AGENT the sum of \$350.00 (Three Hundred and Fifty Dollars) to be placed into an escrow account, the AGENT will not make or be responsible for making any emergency repairs which exceed the sum of \$200.00 (Two Hundred Dollars) .

5. ADDITIONAL AUTHORITY:

(a) The AGENT shall have authority to determine necessary cleaning to render the property marketable for the OWNER's expense.

(b) The AGENT shall not be responsible for any items which the OWNER leaves in either secured or unsecured storage at this property.

6. TERM OF AGREEMENT:

(a) This Agreement shall commence on \_\_\_/\_\_\_/\_\_\_ and end on \_\_\_/\_\_\_/\_\_\_.

(b) Upon expiration of the above initial term, this Agreement shall automatically be renewed and extended for a like period of time unless terminated in writing by either party at least thirty (30) days prior to the expiration date. This Agreement may also be terminated by mutual agreement of the parties at any time upon payment to AGENT of all fees, commissions and expenses due AGENT under terms of this Agreement.

(c) The terms and conditions of this Agreement are the entire agreement and understanding of the parties. The OWNER acknowledges that he has read, understands and approves of the provisions and covenants of this agreement.

IN WITNESS THEREOF the parties have hereto or caused to be affixed their respective signatures this

OWNER \_\_\_\_\_

OWNER \_\_\_\_\_

AGENT \_\_\_\_\_

Tax Id/SS#

ONYX MANAGEMENT GROUP will send statement to:

\_\_\_\_\_

It is intended by the Owner that the ownership of the property shall not constitute a passive activity under Section 469 of the Internal Revenue Code, Section 501 of the Tax Reform Act of 1986. The Owner will, therefore, actively participate in the making of management decisions in a significant and bona fide sense. The Owner's participation shall be regular, continuous and substantial. The Owner will approve (in writing) new tenants, rental terms, capital or repair expenditure except monthly or recurring operating charges and/or emergency repairs; if, in the professional judgment of the Agent, such repairs are necessary to protect the property from damage or to maintain services to the tenants as called for in their leases or as required under the laws of the Commonwealth of Pennsylvania.