

Assured Property Management, LLC
PROPERTY MANAGEMENT AGREEMENT

THIS IS A LEGALLY BINDING CONTRACT. IF NOT UNDERSTOOD, SEEK COMPETENT ADVICE.

THIS PROPERTY MANAGEMENT AGREEMENT (this "Agreement"), made and entered into this _____ day of _____, 2009 (the "Effective Date"), between _____ ("Owner"), a _____ of _____ County, _____ MO and Assured Property Management, LLC, a Missouri limited liability company ("Agent").

1. AUTHORIZATION OF AGENT AND DESCRIPTION OF PROPERTY. Agent is hereby employed as a Landlord's Limited Agent (as that term is defined in the Missouri Real Estate Commission Broker Disclosure Form provided to Owner (the receipt of which is hereby acknowledged by Owner)) as the sole and exclusive rental agent and representative of Owner during the Term (as defined below) for the purpose of performing the Management Duties of Agent (defined below) for the unit[s] and/or property[ies] described on Exhibit A (each a "Property" and collectively the "Properties"), attached hereto and made a part hereof. Upon the expiration of the then current lease (which is attached hereto as Exhibit B, and made a part hereof) for a Property, Agent is authorized to lease a Property on its then current lease form, or, if a Property is not then leased, to lease such Property on such form. The minimum rent, security deposit, lease charges and responsibility for payment of utility charges, taxes, insurance and maintenance Agent may negotiate in leases for the corresponding Property[ies] (the "Minimum Lease Terms"), including renewals and new leases, without consultation or consent of Owner shall be in accordance with the corresponding Essential Property Information sheet completed for each Property and attached to Exhibit A. Owner may amend the Minimum Lease Terms for a Property or the Properties upon reasonable notice to Agent identifying the effective date of such amendment, which notice shall be not less than sixty (60) days prior to the effective date of such amendment and shall be effective only for new leases and renewals executed by Agent following the effective date of such amendment.

2. TERM OF AGREEMENT. This Agreement shall commence on the _____ day of _____, 2009 (the "Commencement Date") and terminate upon sixty (60) days written notice to the other party (the "Termination Date"), unless sooner terminated in accordance with this Agreement (the "Term"). This Agreement may be terminated (in whole or in part) in accordance with the terms of this Paragraph by either Party (a) upon sixty (60) days' written notice to the other Party identifying the Properties or (b) upon the most notice possible (if less than sixty (60) days) effective upon the sale of a Property. In the event Owner terminates this Agreement less than twelve (12) months following the Commencement Date for any or all Properties identified on Exhibit A (including, without limitation, the sale of a Property), Owner shall pay Agent fifty percent (50%) of the rent then being charged (or minimum rent identified on Exhibit A, if not then rented) for each Property in which Agent's agency is terminated for the month in which notice of termination is provided or the month in which such termination is effective, whichever is greater (the "Termination Fee"). In the event of a claimed default by Agent, Owner must provide Agent written notice and a reasonable right to cure (which shall not be less than thirty (30) days) (the "Cure Period") and, if not cured, such termination shall be effective sixty (60) days following the expiration of the Cure Period. Agent shall perform the Management Duties of Agent (defined below) and Owner shall perform the Duties of Owner (defined below) during the Term, including any Cure Period or following any notice of termination until the Termination Date.

3. MANAGEMENT DUTIES OF AGENT. The duties and responsibilities of Agent in connection with the management of the Property(ies) during the Term are as follows:

A. **NEGOTIATION OF LEASES:** Agent shall have the authority and exclusive right to negotiate leases with existing and prospective tenants; to advertise the Unit, and to display signs thereon (as permitted by the applicable leases); and to renew or cancel leases for the Unit in the name of Agent and in a form acceptable to Agent upon terms no less favorable to Owner than the Minimum Lease Terms. The Unit shall be offered for lease without respect to race, color, religion, handicap, familiar status, or national origin of the prospective tenant and in accordance with applicable law and regulation.

B. **COLLECTION OF RENTS AND OTHER CHARGES.** Agent shall take all reasonable steps to collect and enforce the collection of rentals and all other charges due Owner from tenants for the Property in accordance with the terms of the applicable Lease. Agent may, in Agent's sole discretion, employ attorneys on behalf of Agent to institute and prosecute lawsuits in the name of Agent for unlawful detainer, rent and possession, breach of contract and any other cause of action arising out of a lease made and entered into by Agent for a Property, possession of a Property or damage to a Property during the Term. Agent may, in Agent's sole and absolute discretion and without consultation with Owner, expedite, settle, compromise and release such actions and/or suits as Agent deems reasonable to limit the time a Property will be unrented (or occupied by a tenant not caring for the Property or remaining current on rent and other lease charges). The Parties agree that Agent's primary responsibility to Owner pursuant to this paragraph is to keep the Property occupied by a tenant paying rent and reasonably caring for the Property. In the event a lawsuit brought in accordance with this paragraph is pending upon the Termination Date, Agent shall, in Agent's sole discretion, be permitted to continue to prosecute and defend, as the case may be, such claim at Owner's sole cost and expense. The terms of this paragraph shall survive

termination of this Agreement. In the event suit is brought (whether as an original claim, a counterclaim, cross claim or otherwise) against Agent not resulting from Agent's gross negligence or willful unlawful act, Owner releases Agent from any and all liability to Owner resulting therefrom and agrees to indemnify, defend and hold harmless Agent from any liability, including reasonable attorneys fees incurred by Agent in the defense of such claims or enforcement hereof, to any other person therefore. Agent's obligation to enforce and pursue collection of amounts due and owing, or defend Owner's or Agent's actions under the terms of a lease or occupancy of or damage to a Property during the Term shall be limited to making prompt demand for such amounts and employing legal counsel to regain possession of a Property (if necessary). Agent may, but shall have no obligation, to employ legal counsel or the services of a collection agency to pursue collection of any unpaid amounts owed on the account of Owner. In the event Agent pursues any such collection (whether as part of an eviction proceeding or a separate action), Agent shall, as additional consideration for such services, be entitled to retain one-half of the net proceeds (after deduction for the reasonable expenses of collection, including applicable attorneys fees) of any collection (the "Collection Fee").

C. EXPENSES AND MORTGAGES: From gross revenues collected from the Unit, Agent shall have authority to:

- Pay all operating expense, including but not limited to utilities, cleaning, advertising, collection, attorneys' fees, pest control, lawn care, and unit inspections.
- Pay any lenders designated by Owner all sums that may be due on loans affecting a Property (herein referred to as a "mortgage"), which is identified on the Special Agreements Exhibit (Exhibit C), attached hereto and by this reference made a part hereof.
- Pay for all maintenance, repairs, alterations and improvements on the Unit. No improvements, alterations or repair work estimated to cost more than \$250.00 (the "Maximum Authorized Expenditure") which are not properly charged against a tenant's security deposit shall be made by the Agent without the prior oral authorization of Owner. In case of an emergency that requires immediate repairs or alterations, if Owner is not readily available for consultation, Agent shall have the right to use its own discretion regarding said repairs or alterations in excess of \$250.00.

D. EMPLOYEES AND INDEPENDENT CONTRACTORS: Agent shall have the authority to hire, supervise and terminate, on behalf of Owner, all independent contractors, if any, reasonably required by Agent to fulfill its duties hereunder (including, without limitation, attorneys employed to enforce leases and otherwise protect Owner's interests). Agent shall choose independent contractors to provide services in its sole and absolute discretion; however, consideration shall be given to factors including, without limitation, time pressure, cost, reputation, skill and availability. Except as provided herein, any independent contractor, their employees or agents doing work for the benefit of the Owner or Owner's Unit, shall be the responsibility of the Owner and not the Agent. Agent may, but has no obligation, to employ its own maintenance personnel (or hire an affiliate of Agent) and to charge Owner reasonable market rates for such, providing such services in lieu of hiring independent contractors. Subject to the Maximum Authorized Expenditure, Agent may directly or through an affiliate agree to perform construction and rehabilitation services for a Property or Properties, which may include employing subcontractors and charge a reasonable contractor's fee for performing such general contracting services. The rates charged for performing maintenance in lieu of hiring independent contractors or for providing general contracting services shall be in addition to the compensation Owner agrees to pay for the Management Duties of Agent. Furthermore, Owner acknowledges and agrees that the expenses incurred on behalf of Owner (including attorneys employed to enforce lease terms or otherwise protect Owner's interests) shall be paid by Owner without consideration of negotiated discounts, including, early payment, cash, volume or other terms Agent has agreed to with purveyors of goods and services, such discounts belonging to Agent and being additional consideration for the Management Duties of Agent.

E. TENANTS: Agent shall handle all reasonable tenant requests and negotiations that may arise from time to time.

F. PERIODIC STATEMENTS OF PROPERTY INCOME AND EXPENSES: Agent shall maintain accurate records of all monies received and disbursed in connection with its management of the Unit, and such records shall be open for inspection by Owner at reasonable times and with reasonable frequency. Agent shall render to Owner a monthly written statement of income and expenses relating to the Properties (each a "Monthly Report") for the previous calendar month no later than the twentieth (20th) day of each calendar month during the Term (the "Monthly Report Date"). Agent shall provide an annual summary report (each an "Annual Report") not later than each January 31 during the Term for the preceding calendar year activities. Agent shall provide Owner with a final summary report (the "Final Report") not later than sixty (60) days following the termination of this Agreement for the receipts and disbursements commencing January 1 of the calendar year in which this Agreement is terminated through the Termination Date.

G. RENTS, PREPAID RENTS AND SECURITY DEPOSITS: Rents, prepaid rents, collections for lease charges, other monies paid on behalf of Owner and deposits (including, without limitation rental, damage and pet deposits) (collectively "Receipts") shall be received and held by the Agent. Owner understands and authorizes Agent to deposit all Receipts into Agent's Property Management Escrow bank account with such monies of other owners or otherwise held on behalf of

others. Although Agent may commingle monies held on behalf of Owner with monies held for others, Agent shall maintain separate records for Owner. Earned interest, if any, from Receipts prior to distribution to Owner shall be the sole property of the Agent (and additional consideration for the services of Agent). Owner represents that, except as shown on Exhibit C, attached hereto, Owner has not received and is not holding any security deposits or prepaid rent at the time of the execution of this Agreement. Owner recognizes and agrees that Owner's funds are commingled with funds belonging to other persons, and Missouri real estate law does not permit advancements from such account on account of any owner in excess of such owner's deposits to avoid the use of other persons' funds.

H. PAYMENT TO OWNER: On the Monthly Report Date, Agent shall pay to the Owner the balance of Receipts from the previous calendar month less (1) all expenses (including, without limitation, Agent's management fees, leasing fees and general contracting fees, if any) and (2) the amount necessary to restore the Reserves. As used herein, "Reserves" shall mean an amount equal to \$250.00 plus the sum of the current month's rent for any single unit Property identified on Exhibit A. For Properties identified on Exhibit A with more than one unit, the reserve amount will be equal to the sum of the current month's rent not to exceed \$5,000.00. Reserves shall not include security deposits held by Agent.

I. INSURANCE: Agent shall at all times during the period of this contract maintain general liability insurance and workers compensation insurance (as required by law) for the acts of its employees and agents.

J. REPORTING and CONSULTATION: Agent shall reasonably report to Owner regarding the Management Duties of Agent upon Owner's request therefore; however, Agent shall have no duty to consult with Owner prior to the performance of the Management Duties of Agent (except to incur expenses estimated to exceed the Maximum Authorized Expenditure, as described in Paragraph C of this Section 3, above).

4. RESPONSIBILITIES OF OWNER. In further consideration of the Management Duties of Agent, Owner shall:

A. FURNISHING OF DOCUMENTS: Promptly furnish Agent all documents and records required to properly manage the Properties, including but not limited to leases, status or rental payments, loan payment information (if Agent is to make payment of a mortgage for a Property), copies of existing service contracts, copies of any applicable certificates of compliance, and such other information as Agent may request from time to time to aid Agent in performing the Management Duties of Agent.

B. DELIVERY OF SECURITY DEPOSITS AND ESTABLISHMENT OF RESERVES: Unless otherwise agreed by the Parties and identified on Exhibit C, attached hereto, upon the Effective Date, Owner shall deposit \$250.00 as a deposit toward the Reserves with Agent and deliver to Agent all security deposits then held by Owner for the Properties identified on Exhibit A. The balance of the Reserves shall be collected from the Receipts collected by Agent.

C. INSURANCE POLICIES: Maintain the insurance (including type and amount) and furnish Agent copies of all insurance policies that are from time to time carried by Owner during the term of this Agreement and the endorsement called for herein.

D. REIMBURSEMENT OF ADVANCEMENTS BY AGENT: Reimburse Agent, on demand, to the full extent of all money advanced by Agent for account of Owner in carrying out the purposes of this Agreement; it being understood that Agent is not obligated to make such advances of money. Reimbursements include, but are not limited to rents that are returned by the bank (due to and including, but not limited to, closed accounts, non-sufficient funds and stop payments), related bank charges and maintenance repairs.

E. COMMISSION DUE AGENT: To pay Agent monthly for the Management Duties of Agent the following:

FOR MANAGEMENT: _____ percent (____%) of the gross amount of money received from the rental of each Property identified on Exhibit A.

FOR LEASING: Owner shall pay Agent a leasing fee for all new leases or renewals of leases executed for a Property identified on Exhibit A during the Term, as follows: a fee of ½ the first month's rent for new leases of six months or longer; and a \$50.00 fee will apply on all renewal leases. As used herein, new leases shall mean a lease for a Property where all signatories to the lease are not then residing in the corresponding Property. A renewal lease, as used herein, shall mean no less than a six (6) month extension (whether by amendment or alternative lease form) of the lease then in effect for the corresponding Property and all signatories to such extension are currently in possession of the Property.

EARLY TERMINATION, INCLUDING SALE OF PROPERTY: Subject to the Termination Fee Waiver (defined below), in the event Owner terminates this Agreement less than twelve (12) months following the Commencement Date (in accordance with the terms of this Agreement), Owner shall pay the Termination Fee.

ADDITIONAL CONSIDERATION: The interest on Owner's Receipts while held by Agent, negotiated discounts and refunds from independent contractors and suppliers, general contracting fees, the Collection Fee and profit from the use of Agent's maintenance staff and such other consideration described in this Agreement as additional consideration for this Agreement. Agent shall further be entitled to one-half (½) of late fees collected by Agent and one hundred percent (100%)

of all bad check charges, lock-out fees, application fees and all other lease charges paid by Tenants in accordance with the terms of a lease for a Property.

5. TAXES AND INSURANCE.

A. Unless otherwise agreed by the Parties and identified on Exhibit C, hereto, Owner shall timely pay any and all real property taxes and special assessments levied and assessed against each Property identified on Exhibit A.

B. It is understood and agreed that Owner will maintain sufficient insurance to protect Owner and Agent against all insurable risks, and the Agent shall be named as an additional insured on said policy. Owner agrees to provide and pay, unless otherwise agreed by the Parties and identified on Exhibit C, the fire and extended coverage insurance for each Property identified on Exhibit A. Owner shall also keep and maintain a policy of general liability upon each Property, in an amount not less than \$500,000 and shall show Agent as an additional insured upon said policy. Owner shall provide Agent with a copy of said insurance policy, and maintain a current copy with the Agent. Anything contained herein to the contrary notwithstanding, if Agent has notice that the insurance coverage required by this Agreement has not been paid, has or is scheduled to lapse or otherwise is subject to termination or has terminated, Agent may, but has no obligation, to take such actions necessary to reinstate such insurance or obtain alternative insurance, including, without limitation, pay the applicable premiums and other charges required to bind, reestablish or otherwise continue such insurance coverage(s). In the event Agent takes action to bind, reestablish or otherwise continue insurance coverage in accordance with this paragraph, Agent shall be entitled to collect such amounts advanced on behalf of Owner (as provided in paragraph D. of Section 4, above) plus a fee for such advancement equal to the amount advanced on behalf of Owner for such payment (the "Advancement Fee").

C. Agent shall not make a claim on Owner's insurance without Owner's consent. Agent shall reasonably work with insurance claim adjusters and attorneys for claims made relating to damage to a Property or a claim against Agent or Owner relating to a Property (including, without limitation, personal injuries and wrongful charges against a security deposit). To the extent that repair, restoration or other services are required following an adjustment by Owner's policy, Agent may provide such services in the same manner, and at such additional fees, as Agent would provide for the maintenance of a Property.

6. CONFORMITY WITH LAW. Owner agrees that Agent shall manage the Properties in full compliance with the requirements of all applicable laws, and that Agent is authorized to take such action, as Agent deems appropriate, to comply with such laws.

7. INDEMNIFICATION OF AGENT. Owner and Agent shall defend, indemnify and hold harmless the other from and against all claims, demands, obligations, debts or liabilities, including reasonable attorney's fees, arising out of or relating to any obligation or liability of the other hereunder.

8. MISCELLANEOUS AGREEMENTS

a. Except as provided in Exhibit C, it is understood and agreed between Owner and Agent that Agent and the Owner will not be responsible for any snow or ice removal at any time for a Property, nor be liable for non-removal of same.

b. It is understood between Owner and Agent that when Agent deems advisable, for the showing of prospective tenants or for servicemen or repairmen, or protecting unoccupied or vacant units, Agent may have utilities turned on and billed to Agent, which shall be a proper expense deductible from Receipts. This may be on a Property by Property basis, or Agent may participate in the City of Columbia Utilities department landlord reversion program or similar program of the applicable utility.

9. COOPERATION WITH OTHER AGENTS OR BROKERS. Owner authorizes Agent to cooperate with and compensate other agents or brokers acting as Owner's agents, Tenant's agents, and/or transaction brokers.

10. MISCELLANEOUS. This Agreement shall be binding upon the parties hereto, upon the successors and assigns of Agent and the heirs, personal representatives, successors and assigns of Owner. The parties agree that the parties can sign faxed copies of this Agreement and the faxed signatures are binding upon the parties. This Agreement may be executed in multiple counterparts that, taken together, shall constitute this Agreement. This Agreement shall be enforced in accordance with the laws of the State of Missouri. Venue for the enforcement of this Agreement shall be proper only in the Circuit Court of Boone County, Missouri or the division of the Federal District Court having primary jurisdiction over Boone County, Missouri. This Agreement may be assigned by Agent with the consent of Owner, which consent shall not be unreasonably withheld. This Agreement, or a portion hereof, may only be assigned by Owner upon the sale of a Property and with the consent of Agent, which consent shall not be unreasonably withheld. In the event Owner assigns this Agreement with Agent's consent and otherwise in accordance with the terms hereof, Agent hereby waives the Termination Fee (the "Termination Fee Waiver"), if any.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written and acknowledged having received a copy of this Agreement.

Property Titled

Owner/Agent/Member:

Owner/Agent/Member

Address: _____

Phone: _____

Cell Phone: _____

Email:

Agent: Robert Smith

Agent

Broker: ASSURED PROPERTY MANAGEMENT, LLC
Address: 3700 Monterey Drive, Suite A
Columbia, MO 65203

Phone: 573-815-0063 Fax: 573-815-1064

SAMPLE DOCUMENT