



**Monterey County Housing,  
Inc.  
(MCHI)  
Request for Proposal**

**Property Management  
Services for MCHI Rental  
Properties**

**Job # 2021.10**

**Issue Date: November 1, 2021**

**Due Date: December 3, 2021 – 3:00 p.m. (Pacific Time)**

## REQUEST FOR PROPOSALS

Notice is hereby given that proposals will be received by the Monterey County Housing, Inc. ("MCHI"), for:

### **Property Management Services for MCHI Rental Properties**

File with Executive Director, 303 Front Street, Salinas, CA 93901 Proposals received later than **3:00 p.m. December 3, 2021 will not** be considered.

A copy of this Request for Proposal (RFP) may be obtained from MCHI's web site at <http://www.mc-housing.org>. Click on the Procurement tab on the left of the page and then click on the Request for Proposals link (or [tinyurl.com/2rexn3jy](http://tinyurl.com/2rexn3jy) ).

MCHI reserves the right to reject any and all proposals, and to waive irregularities and informalities in the submittal and evaluation process. This RFP does not obligate MCHI to pay any costs incurred by respondents in the preparation and submission of a proposal. Furthermore, the RFP does not obligate MCHI to accept or contract for any expressed or implied services.

A Service Provider response that indicates that any of the requested information in this RFP will only be provided if and when the Service Provider is selected as the apparently successful Service Provider is not acceptable, and, at MCHI's sole discretion, may disqualify the proposal from consideration.

MCHI assures that no person shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity. MCHI further assures that every effort will be made to ensure non-discrimination in all of its programs and activities, whether those programs are federally funded or not.

In addition to nondiscrimination compliance requirements, the Service Provider(s) ultimately awarded a contract shall comply with federal, state and local laws, statutes and ordinances relative to the execution of the work. This requirement includes, but is not limited to, protection of public and employee safety and health; environmental protection; waste reduction and recycling; the protection of natural resources; permits; fees; taxes; and similar subjects.

**Dated this 1<sup>st</sup> day of November, 2021.**

John Rose Executive Director  
[MCHI\\_ED@mc-housing.org](mailto:MCHI_ED@mc-housing.org)  
831-970-9252

## **Background Information**

MCHI, and its sister non-profit , MCHI Affordable Acquisitions, Inc. (MCHI/AA), currently own three (3) facilities in Monterey County, two (2) in Salinas, CA and one (1) in King City, CA.

## **Scope of Work**

MCHI is seeking proposals from qualified, professional property management firms to provide property management services for MCHI's rental properties which currently include and apartment complexes and town houses.

## **Project Description**

The purpose of this RFP is to solicit proposals from vendors to act as the exclusive leasing broker and agent for properties set forth immediately below, with the responsibilities and upon the terms and conditions set forth herein. The ideal vendor(s) will have experience marketing, leasing and maintaining subsidized multi-unit properties.

Name	Address	City	Units	
Parkside One	1114 & 1115 Parkside Street	Salinas, CA	36	1 Bedroom
			4	2 Bedroom
			4	4 Bedroom
			4	5 Bedroom
Jardines Del Monte	1253 Del Monte Avenue	Salinas, CA	11	3 Bedroom Townhouses
Leo Meyer	425 Queen Street	King City, CA	44	1 Bedroom

## **Response Requirements**

- **Qualifications and Experience** – summarize your firm's qualifications, experience and special expertise in providing the type of services identified in the project description, include resumes of key personnel.
- **Project Approach** – provide a brief overview of your property management philosophy, methods and practices and how they would meet the needs identified in the requested services section. Describe how communication and reporting would occur between your firm, the tenants and MCHI.
- **Pricing Methodology** – provide base property management fees expressed as a fixed monthly fee for property management services. Any additional fees (above the fixed fee) should be itemized as a separate line item and priced as a cost reimbursement plus administrative markup with the markup clearly identified.
- **References** – include a list of references (including contact names, telephone numbers and email addresses) of at least two (2) recent or current properties managed by your firm within the last four years of the same size and nature. MCHI reserves the right to

contact references without prior notification.

- Proposals must be made in the official name of the firm or individual under which the business is conducted (showing official business address) and **MUST BE SIGNED** by a person duly authorized to legally bind the person, partnership, company or corporation submitting the proposal. A corporation must indicate place and date of incorporation. A statement indicating the number of calendar days the proposal shall be valid. (MCHI's minimum number of days is 60.)

### **Requested Services**

Currently MCHI owns rental properties that include: 11 town houses (adjacent to one another), 1 multi-family apartment complexes aggregating 48 units and 44 units of a cottage orientation. We are seeking a property management firm to rent, lease and manage these properties.

The services we are requesting include:

- Setting rents according to market demand and prepare market analysis of each property establishing fair market rental value during each rental period
- Providing tenants with 24 hour emergency telephone contact numbers for emergency repairs
- Ordering repairs, services and maintenance on the various buildings, appurtenances and grounds as requested by MCHI
- Bi-annual inspection of properties, including management plans and recommendation for maintenance needed
- Advertise properties for lease, screen and select tenants using the following tools:
  - Credit application, personal and business reference checks and personal interviews
  - Prepare and execute lease agreements using only lease forms approved by MCHI
- Conduct a minimum of two exterior and interior inspections per year of the properties, providing a written report of major deficiencies with photos to MCHI
- Determine and verify insurance requirements for tenants when appropriate
- Re-key locks for new tenants when appropriate
- Change electrical, gas, garbage, sewer & water billing as required between property occupancies
- Acknowledge and comply with the provisions of the landlord/Tenant Act of the State of California particularly concerning deposits. Vendor will collect a deposit from every tenant, additional deposits required for properties allowing animals
- Collect rent and late charges as needed
- Inspect the properties, in the company of the renter, prior to move in and complete a detailed inspection report that shall be provided to MCHI
- Conduct a final inspection when the property is vacated, with a move out inspection report
- Provide a monthly report/statement for each individual property clearly indicating the income received, income withheld for services, what those services are, vacancies, turn-over schedule and budget for unit/property turn over. MCHI reserves the right to request further information from the chosen property management professional.

## **Length of Contract**

The length of the contract is expected to be a three year term with a MCHI option to extend for one additional year.

## **Official Contact**

Upon release of this RFP, all vendor communications concerning the overall RFP should be directed to the RFP Coordinator/Executive Director listed below. Any oral communications will be considered unofficial and non-binding on MCHI. Vendors should rely only on written statements issued by the RFP Coordinator/Executive Director.

Name: John Rose, Executive Director  
Address: 303 Front Street, Suite 107, Salinas, CA 93901  
E-mail: [mchi\\_ed@mc-housing.org](mailto:mchi_ed@mc-housing.org)

## **Proposal Submittal Instructions**

Proposals must be received by no later than **3:00 pm PDT on December 3, 2021**. **We require that proposals be submitted by email.** Emailed proposals should include "Proposal- Job #2021.10" in the subject line and be addressed to: [mchi\\_ed@mc-housing.org](mailto:mchi_ed@mc-housing.org). (Emailed proposals must be in MS Word or PDF format and cannot exceed 20MB).

## **Submittal Deadlines**

November 1:	Release RFP
December 3:	Proposals due
December 10:	Interviews
December 17:	Notify selected service provider
December 27:	Contract preparation/processing
February 1, 2022	Anticipated start work date

## **Evaluation Procedures**

The RFP coordinator and a MCHI Board Committee will evaluate the submitted proposals.

The evaluators will consider how well the vendor's proposal meets the needs of MCHI as described in the Project description of this RFP. It is important the responses be clear and complete so the evaluators can adequately understand all aspects of the proposal. The evaluation process is not designed to simply award the contract to the lowest cost vendor. Rather, it is intended to help MCHI select the vendor with the best combination of attributes, including price and demonstrated experience providing comprehensive property management services for multi-unit properties, MCHI reserves the right to require a subset of finalist vendors make a virtual presentation to a MCHI Board Committee.

Following selection, MCHI and the selected firm will negotiate the services to be provided. Any agreement resulting from acceptance of a proposal by MCHI shall be in the form supplied by

MCHI, similar to the Institute of Real Estate Management (IREM) standard Property Management Agreement attached as Exhibit A. MCHI reserves the right to reject any proposed agreement or contract that does not conform to the specifications in the RFP and which is not approved by MCHI's outside counsel.

MCHI reserves the right to renew the agreement for a one (1) year period. Should renewal of this agreement occur, MCHI would consider a request for price increase not to exceed the local Consumer Price Index (CPI-W) for the most recent completed year.

### **Required Information**

The proposal must include the following:

1. Cover Letter
2. Proposal Summary
3. Acceptance of Terms and conditions
4. General Vendor Information
  - a. Required credentials:
    - i. Institute of Real Estate Management (IREM) certification, and
    - ii. Current California real estate broker's license (housing authorities are exempt)
5. Customer References
6. Fee Schedule

### **Pricing Request**

Pricing must be complete and list any available discounts. Pricing information supplied with the response must be valid for at least 60 days. All one-time and recurring costs must be fully provided. Provide estimates of total hours and hourly rates associated to each requested services associated with this RFP.

### **Acceptance of Terms and Conditions**

Use this form to indicate exceptions your firm takes to any terms and conditions listed in this RFP, including MCHI's standard Property Management Agreement. Proposals which take exception to the specifications, terms or conditions of this RFP or offer substitutions shall explicitly state the exception (s), reason(s) therefore, and language substitute(s) (if any) in this section of the proposal response. Failure to take exception(s) shall mean the proposer accepts the conditions, terms and specifications of the RFP.

If your firm takes no exception to the specifications, terms, and conditions of this RFP please indicate so.

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

\_\_\_\_\_

Title

Date

For: \_\_\_\_\_

### **General Information**

1. Name of parent company
2. Length of time in business
3. Length of time in business of providing proposed services
4. Gross revenue for the prior fiscal year (in US dollars)
5. Percentage of gross revenue generated by proposed services
6. Total number of clients
7. Total number of clients in the proposed service area
8. Number of public sector clients
9. Number of full-time personnel
10. Where is your headquarters located, do you have any field offices, if so where
11. Which office would service this account?
12. Please provide a list of references that can verify the financial standing of your company.

# Management Agreement

For Properties located at:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Beginning \_\_\_\_\_ 20\_\_\_\_ Ending  
\_\_\_\_\_ 20\_\_\_\_

OWNER

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

AGENT

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This Agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by  
and between \_\_\_\_\_ (the  
"Owner") and  
\_\_\_\_\_ (the  
"Agent").

## **Section 1 APPOINTMENT OF MANAGING AGENT**

### **1.1 APPOINTMENT AND ACCEPTANCE**

Owner hereby appoints Agent as sole and exclusive Agent of Owner to lease and manage the property described in subsection 1.2 upon the terms and conditions provided herein. Agent accepts the appointment and agrees to furnish

the services of its organization for the leasing and management of the Premises; and Owner agrees to pay all expenses in connection with those services.

**1.2 DESCRIPTION OF PREMISES**

The property to be managed by Agent under this Agreement (the "Premises") is known as \_\_\_\_\_ located at \_\_\_\_\_ consisting of the land, buildings, and other improvements described as \_\_\_\_\_ in the State of \_\_\_\_\_.

**1.3 TERM**

The term of this Agreement shall be for an initial period of \_\_\_\_\_ years (the "initial term") from the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, to and including the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_. Thereafter, there shall be \_\_\_\_\_ automatic renewal(s) for a periods of \_\_\_\_\_ year(s) unless terminated as provided in sections 21 or 27 herein. Each of said one-year period is referred to as a "term year."

**1.4 MANAGEMENT OFFICE**

Owner shall provide adequate space on the Premises for a management office. All expenses related to such office, including, but not limited to furnishing, equipment, postage and office supplies, electricity and other utilities, and telephone shall be paid through operating expenses and/or reserve accounts as provided in subsection 2.1.

**Section 2 BANK ACCOUNTS**

The various bank accounts established under this Agreement shall at all times be established in Owner's name but under Agent's control. Agent's designees

shall be the only parties authorized to draw upon such accounts unless the Owner requests their own designee(s) also to be authorized to draw upon such accounts. No amounts deposited in any accounts established under this Agreement shall in any event be commingled with any other funds of Agent.

**2.1 OPERATING (AND/OR) RESERVE ACCOUNT(S)**

Agent shall establish a separate account(s) known as the \_\_\_\_\_  
\_\_\_\_\_ Operating (and/or) Reserve Account(s), separate and apart from Agent's corporate accounts, for the deposit of receipts collected as described herein, in a bank or other institution whose deposits are insured by the federal government. Such depository shall be mutually agreed upon by the Agent and Owner. However, Agent shall not be held liable in the event of bankruptcy or failure of a depository. Funds in the Operating (and/or) Reserve Account(s) remain the property of Owner subject to disbursement of expenses by Agent as described in this Agreement.

**2.1.1 INITIAL DEPOSIT AND CONTINGENCY RESERVE**

Immediately upon commencement of this Agreement, Owner shall remit to Agent the sum of \$\_\_\_\_\_ to be deposited in the Operating (and/or) Reserve Account(s) as an initial deposit representing the estimated disbursements to be made in the first month following the commencement of this Agreement, plus an additional sum of \$\_\_\_\_\_ as a contingency reserve. Owner agrees to maintain the contingency reserve stated above at all times in the Operating (and/or) Reserve Account(s) to enable Agent to pay the obligations of Owner under this Agreement as they become due. Owner and Agent shall review the amount of the contingency reserve from time to time and shall agree in writing on a new contingency reserve amount when such is required.

**2.2 SECURITY DEPOSIT ACCOUNT**

Agent shall, if required by law, maintain a separate interest-bearing account for tenant security deposits and advance rentals. Such account shall be maintained in accordance with applicable state or local laws, if any.

**2.3 FIDELITY BOND**

Agent shall cause all personnel who handle or are responsible for the safekeeping of any monies of Owner to be covered by a fidelity bond in the amount of \$\_\_\_\_\_ with a company determined by Agent. Such bond shall be secured at Owner's expense. If a fidelity bond cannot be obtained, an arrest and conviction bond shall be obtained at Owner's expense.

**Section 3 COLLECTION OF RENTS AND OTHER RECEIPTS**

**3.1 AGENT'S AUTHORITY**

Agent shall collect (and give receipts for, if necessary) all rents, charges and other amounts receivable on Owner's account in connection with the management and operation of the Premises. Such receipts (except tenants' security deposits and advance rentals, which shall be handled as specified in subsections 2.2 and 3.3 hereof; and special charges, which shall be handled as specified in subsection 3.2 hereof) shall be deposited in the Operating (and/or) Reserve Account(s) maintained by Agent for the Premises.

**3.2 SPECIAL CHARGES**

If permitted by applicable law, Agent may collect from tenants any or all of the following: an administrative charge for late payment of rent, a charge for returned or non-negotiable checks, a credit report fee, an administrative charge and/or broker's commission for subleasing.

**3.3 SECURITY DEPOSITS**

Agent shall collect, deposit, and disburse tenants' security deposits in accordance with the terms of each tenant's lease. Agent shall pay tenants interest upon such security deposits only if required by law to do so; otherwise, any interest earned on tenant security deposits is to be retained by Agent as compensation for administering these funds. Agent shall comply with all applicable state or local laws concerning the responsibility for security deposits and interest, if any.

**Section 4 DISBURSEMENTS FROM OPERATING (AND/OR) RESERVE ACCOUNT(S)**

**4.1 OPERATING EXPENSES**

From the Operating (and/or) Reserve Account(s), Agent is hereby authorized to pay for costs of operating the Premises and for all other sums due Agent under this Agreement, including Agent's compensation under section 17.

**4.2 DEBT SERVICE**

Owner shall give Agent advance written notice of at least \_\_\_\_\_ days if Owner desires Agent to make any additional monthly or recurring payments (such as mortgage indebtedness, general taxes, or special assessments, or fire, steam boiler, or other insurance premiums) out of the proceeds from the Premises.

**Exhibit A**

If Owner notifies Agent to make such payments after the beginning of the term of this Agreement, Agent shall have the authority to name a new contingency reserve amount pursuant to subsection 2.1.1 of this Agreement, and Owner shall maintain this new contingency reserve amount at all times in the Operating (and/or) Reserve Account(s).

**4.3 NET PROCEEDS**

To the extent that funds are available, and after maintaining the cash contingency reserve amount as specified in subsection 2.1.1, Agent shall transmit cash balances to Owner periodically, as follows: \_\_\_\_\_ . Such periodic cash balances shall be remitted to the following person(s), in the percentage(s) specified, and at the address(es) shown:

Name	Percentage	Address
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Section 5 AGENT NOT REQUIRED TO ADVANCE FUNDS**

In the event that the balance in the Operating (and/or) Reserve Account(s) is at any time insufficient to pay disbursements due and payable under subsections 4.1 and 4.2 above, Owner shall, immediately upon notice, remit to Agent sufficient funds to cover the deficiency and replenish the contingency reserve. In no event shall Agent be required to use its own funds to pay such disbursements. Nor shall Agent be required to advance any monies to Owner, to the Security Deposit Account, or to the Operating (and/or) Reserve Account(s).

If Agent elects to advance any money in connection with the Premises to pay any expenses for Owner, such advance shall be considered a loan subject to repayment with interest, and Owner hereby agrees to reimburse Agent, including interest as provided in subsection 17.7, and hereby authorizes Agent to deduct such amounts from any monies due Owner.

**Section 6 FINANCIAL AND OTHER REPORTS**

By the \_\_\_\_\_ day of each month, Agent shall furnish Owner with a statement of cash receipts and disbursements from the operation of the Premises during the previous month. In addition, Agent shall, on a mutually acceptable schedule, prepare and submit to Owner such other reports as are agreed on by both parties.

**6.1 OWNER'S RIGHT TO AUDIT**

Owner shall have the right to request periodic audits of all applicable accounts managed by Agent, and the cost of such audit(s) shall be paid by Owner.

**Section 7 ADVERTISING**

Agent is authorized to advertise the Premises or portions thereof for rent, using periodicals, signs, plans, brochures, or displays, or such other means as Agent may deem proper and advisable. Agent is authorized to place signs on the Premises advertising the Premises for rent, provided such signs comply with applicable laws. The cost of such advertising shall be paid out of the Operating (and/or) Reserve Account(s). All advertising shall make clear that Agent is the manager and NOT the Owner of the Premises. Newspaper ads that share space with other properties managed by the Agent shall be prorated based on:

---

---

---

---

---

---

**Section 8 LEASING AND RENTING**

**8.1 AGENT'S AUTHORITY TO LEASE PREMISES**

Agent shall use all reasonable efforts to keep the Premises rented by procuring tenants for the Premises. Agent is authorized to negotiate, prepare, and execute all leases, including all renewals and extensions of leases, and to cancel and modify existing leases. Agent shall execute all leases as agent for the Owner. All costs of leasing shall be paid out of the Operating (and/or) Reserve Account(s). No lease shall be in excess of \_\_\_\_\_ year(s) without written approval by Owner. The form of the lease shall be agreed upon by Owner and Agent.

**8.2 NO OTHER RENTAL AGENT**

During the term of this Agreement, Owner shall not authorize any other person, firm, or corporation to negotiate or act as leasing or rental agent with respect to any leases in the Premises. Owner agrees to promptly forward all inquiries about leases to Agent.

**8.3 RENTAL RATES**

Agent is authorized to establish and change or revise all rents, fees, or deposits, and any other charges chargeable with respect to the Premises with proper Owner approval.

**8.4 ENFORCEMENT OF LEASES**

Agent is authorized to institute, in Owner's name, all legal actions or proceedings for the enforcement of any lease term, for the collection of rent or other income from the Premises, or for the evicting or dispossessing of tenants or other persons from the Premises. Agent is authorized to sign and serve such notices as Agent deems necessary for lease enforcement, including the collection of rent or other income. Agent is authorized, when expedient, to settle, compromise, and release such legal actions or suits or reinstate such tenancies. Any monies for such settlements paid out by Agent shall not exceed \$\_\_\_\_\_ without prior approval by Owner. Attorneys' fees, filing fees, court costs, and other necessary expenses incurred in connection with such actions and not recovered from tenants shall be paid out of the Operating (and/or) Reserve Account(s). Agent may select the attorney of its choice to handle such litigation.

**Section 9 EMPLOYEES**

**9.1 AGENT'S AUTHORITY TO HIRE**

Agent is authorized to hire, supervise, discharge, and pay all employees, contractors, or other personnel necessary to be employed in the management, maintenance, and operation of the Premises.

**9.2 OWNER PAYS EMPLOYEE EXPENSES**

All wages and fringe benefits payable to such employees hired per subsection 9.1 above, and all local, state, and federal taxes and assessments (including but not limited to Social Security taxes, unemployment insurance, and workers' compensation insurance) incident to the employment of such personnel, shall be paid by Agent out of the Operating (and/or) Reserve Account(s) and shall be treated as operating expenses.

**9.3 AGENT'S AUTHORITY TO FILE RETURNS**

Agent shall do and perform all acts required of an employer with respect to the Premises and shall execute and file all tax and other returns required under the applicable federal, state, and local laws, regulations, and/or ordinances governing employment, and all other statements and reports pertaining to labor employed in connection with the Premises and under any similar federal or state law now or hereafter in force. In connection with such filings, Owner shall upon request promptly execute and deliver to Agent all necessary powers of attorney, notices of appointment, and the like. Owner shall be responsible for all amounts required to be paid under the foregoing laws, and Agent shall pay the same from the Operating (and/or) Reserve Account(s).

**9.4 WORKERS' COMPENSATION INSURANCE**

Agent shall, at Owner's expense, maintain workers' compensation insurance covering all liability of the employer under established workers' compensation laws.

**9.5 HOLD HARMLESS, LABOR LAWS**

Agent shall be responsible for compliance with all applicable state or federal labor laws. Owner shall indemnify, defend, and save Agent harmless from all claims, investigations, and suits, and from Owner's actions or failures to act, with respect to any alleged or actual violation of state or federal labor laws except in cases of gross negligence by the Agent. Owner's obligation with respect to such violation(s) shall include payment of all settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay awards, court costs, litigation expenses, and attorneys' fees.

**Section 10 MAINTENANCE AND REPAIR**

Agent is authorized to make or cause to be made, through contracted services or otherwise, all ordinary repairs and replacements reasonably necessary to preserve the Premises in its present condition and for the operating efficiency of the Premises, and all alterations required to comply with lease requirements, governmental regulations, or insurance requirements. Agent is also authorized to decorate the Premises and to purchase or rent, on Owner's behalf, all equipment, tools, appliances, materials, supplies, uniforms, and other items necessary for the management, maintenance, or operation of the Premises. Such maintenance and decorating expenses shall be paid out of the Operating (and/or) Reserve

Account(s).

**10.1 APPROVAL FOR EXCEPTIONAL MAINTENANCE EXPENSE**

The expense to be incurred for any one item of maintenance, alteration, refurbishing, or repair shall not exceed the sum of \$\_\_\_\_\_, unless such expense is specifically authorized by Owner, or is incurred under such circumstances as Agent shall reasonably deem to be an emergency. In an emergency where repairs are *immediately* necessary for the preservation and safety of the Premises, or to avoid the suspension of any essential service to the Premises, or to avoid danger to life or property, or to comply with federal, state, or local law, such emergency repairs shall be made by Agent at Owner's expense without prior approval.

**Section 11 CONTRACTS, UTILITIES AND SERVICES**

Agent is authorized to negotiate contracts for nonrecurring items of expense, not to exceed \$\_\_\_\_\_ unless approved by Owner, and to enter into agreements in Owner's name for all necessary repairs, maintenance, minor alterations, and utility services. Agent shall, in Owner's name and at Owner's expense, make contracts on Owner's behalf for electricity, gas, telephone, fuel, or water, and such other services as Agent shall deem necessary or prudent for the operation of the Premises. All utility deposits shall be the Owner's responsibility, except that Agent may pay same from the Operating (and/or) Reserve Account(s) at Owner's request.

**Section 12 CONSTRUCTION MANAGEMENT SERVICES**

Agent shall provide construction management services for tenant and capital improvements including but not limited to review and approval of plans; creating requests for proposals; analyzing bids; overseeing contractors; ensuring adherence to all federal, state, and local codes, regulations, and laws; and closing out projects. Agent shall be compensated as agreed in section 18.

**Section 13 RELATIONSHIP OF AGENT TO OWNER**

The relationship of the parties to this Agreement shall be that of Principal and Agent, and all duties to be performed by Agent under this Agreement shall be for and on behalf of Owner, in Owner's name, and for Owner's account. In taking

any action under this Agreement, Agent shall be acting only as Agent for Owner, and nothing in this Agreement shall be construed as creating a partnership, joint venture, or any other relationship between the parties to this Agreement except that of Principal and Agent, or as requiring Agent to bear any portion of losses arising out of or connected with the ownership or operation of the Premises. Nor shall Agent at any time during the period of this Agreement be considered a direct employee of Owner. Neither party shall have the power to bind or obligate the other except as expressly set forth in this Agreement, except that Agent is authorized to act with such additional authority and power as may be necessary to carry out the spirit and intent of this Agreement.

**Section 14 SAVE HARMLESS**

Owner shall indemnify, defend, and save Agent harmless from all loss, damage, cost, expense (including attorneys' fees), liability, or claims for personal injury or property damage incurred or occurring in, on, or about the Premises.

**Section 15 LIABILITY INSURANCE**

Owner shall obtain and keep in force adequate insurance against physical damage (e.g., fire with extended coverage endorsement, boiler and machinery, etc.). The Owner and Agent shall obtain and keep in force adequate insurance against liability for loss, damage, or injury to property or persons which might arise out of the occupancy, management, operation, or maintenance of the Premises. The amounts and types of insurance shall be acceptable to both Owner and Agent, and any deductible required under such insurance policies shall be Owner's expense. Owner and Agent shall be covered as an additional insured on all liability insurance maintained with respect to the Premises. Liability insurance shall be adequate to protect the interests of both Owner and Agent and in a mutually agreeable form, substance, and amounts. Each agrees to furnish the other with certificates evidencing such insurance or with duplicate copies of such policies within \_\_\_\_\_ days of the execution of this Agreement. Said policies shall provide that notice of default or cancellation shall be sent to Owner or Agent and shall require a minimum of \_\_\_\_\_ days' written notice to Owner or Agent before any cancellation of or changes to said policies.

**Section 16 AGENT ASSUMES NO LIABILITY**

Agent assumes no liability whatsoever for any acts or omissions of Owner,

or any previous owners of the Premises, or any previous management or other agent of either. Agent assumes no liability for any failure of or default by any tenant in the payment of any rent or other charges due Owner or in the performance of any obligations owed by any tenant to Owner pursuant to any lease or otherwise. Nor does Agent assume any liability for previously unknown violations of environmental or other regulations which may become known during the period this Agreement is in effect. Any such regulatory violations or hazards discovered by Agent shall be brought to the attention of Owner in writing, and Owner shall promptly cure them.

**Section 17 OWNER RESPONSIBLE FOR ALL EXPENSES OF LITIGATION**

Owner shall pay all expenses incurred by Agent, including, but not limited to, reasonable attorneys' fees and Agent's costs and time, and any liability, fines, penalties or the like, in connection with any claim, proceeding, or suit involving an alleged violation by Agent or Owner, or both, of any law pertaining to fair employment, fair credit reporting, environmental protection, rent control, taxes, or fair housing, including, but not limited to, any law prohibiting or making illegal discrimination on the basis of race, sex, creed, color, religion, national origin, or mental or physical handicap, provided, however, that Owner shall not be responsible to Agent for any such expenses in the event Agent is finally adjudged to have personally, and not in a representative capacity, violated any such law. Nothing contained in this Agreement shall obligate Agent to employ legal counsel to represent Owner in any such proceeding or suit.

**17.1 FEES FOR LEGAL ADVICE**

Owner shall pay reasonable expenses incurred by Agent in obtaining legal advice regarding compliance with any law affecting the Premises or activities related to them. If such expenditure also benefits others for whom Agent in this Agreement acts in a similar capacity, Owner agrees to pay an apportioned amount of such expense.

**Section 18 AGENT'S COMPENSATION AND EXPENSES**

As compensation for the services provided by Agent under this Agreement (and exclusive of reimbursement of expenses to which Agent is entitled hereunder), Owner shall pay Agent as follows:

**18.1 FOR MANAGEMENT SERVICES**

**Exhibit A**

The greater of (i) \$\_\_\_\_\_ per month or (ii) \_\_\_\_\_% of the total monthly gross receipts from the Premises, payable by the \_\_\_\_\_ day of the \_\_\_\_\_ month for the duration of this Agreement. Payments due Agent for periods of less than a calendar month shall be prorated over the number of days for which compensation is due. The percentage amount set forth in (ii) above shall be based upon the total gross receipts from the Premises during the preceding month.

The term "gross receipts" shall be deemed to include all rents and other income and charges from the normal operation of the Premises, including, but not limited to, rents, parking fees, laundry income, forfeited security deposits, pet deposits, other fees and deposits, and other miscellaneous income. Gross receipts shall NOT be deemed to include the special charges listed in subsection 3.2, or excess interest on security deposits (from subsection 3.3), or income arising out of the sale of real property or the settlement of fire or other casualty losses and items of a similar nature.

**18.2 FOR APARTMENT LEASING**

---

---

---

---

---

**18.3 FOR COMMERCIAL LEASING**

---

---

---

---

---

**18.4 FOR MODERNIZATION (REHABILITATION/CONSTRUCTION)**

---

---

---

---

---

**18.5 FOR FIRE RESTORATION**

---

---

---

---

---

---

**18.6 FOR OTHER ITEMS OF MUTUAL AGREEMENT**

---

---

---

---

---

---

**18.7 INTEREST ON UNPAID SUMS**

Any sums due Agent under any provision of this Agreement, and not paid within \_\_\_\_\_ days after such sums have become due, shall bear interest at the rate of \_\_\_\_\_% per annum.

---

---

---

---

---

---

**Section 19 REPRESENTATIONS**

Owner represents and warrants: That Owner has full power and authority to enter this Agreement; that there are no written or oral agreements affecting the Premises other than tenant leases, copies of which have been furnished to Agent; that there are no recorded easements, restrictions, reservations, or rights of way which adversely affect the use of the Premises for the purposes intended under this Agreement; that to the best of Owner's knowledge, the property is zoned for the intended use; that all leasing and other permits for the operation of the Premises have been secured and are current; that the building and its construction and operation do not violate any applicable statutes, laws,

ordinances, rules, regulations, orders, or the like (including, but not limited to, those pertaining to hazardous or toxic substances); that the building does not contain any asbestos, urea, formaldehyde, radon, or other toxic or hazardous substance unless Owner notifies Agent prior to entering into this Agreement; and that no unsafe condition exists.

**19.1 AGENT AUTHORIZATION AND LICENSING**

The Agent has full power and authority to enter this Agreement. In addition, the Agent holds all applicable licenses as required by state and local laws to carry out the duties of this Agreement.

**Section 20 STRUCTURAL CHANGES**

Owner expressly withholds from Agent any power or authority to make any structural changes in any building, or to make any other major alterations or additions in or to any such building or to any equipment in any such building, or to incur any expense chargeable to Owner other than expenses related to exercising the express powers vested in Agent through this Agreement, without the prior *written* consent of the following person:

\_\_\_\_\_

\_\_\_\_\_

Name Address

However, such emergency repairs as may be required because of danger to life or property, or which are immediately necessary for the preservation and safety of the Premises or the safety of the tenants and occupants thereof, or required to avoid the suspension of any necessary service to the Premises, or to comply with any applicable federal, state, or local laws, regulations, or ordinances, shall be authorized pursuant to subsection 10.1 of this Agreement, and Agent shall notify Owner appropriately.

**Section 21 BUILDING COMPLIANCE**

Agent does not assume and is given no responsibility for compliance of the Premises or any building thereon or any equipment therein with the requirements of any building codes or with any statute, ordinance, law, or regulation of any governmental body or of any public authority or official thereof having jurisdiction,

except to notify Owner promptly or forward to Owner promptly any complaints, warnings, notices, or summonses received by Agent relating to such matters and to work with the owner to ensure compliance as required. Owner represents that to the best of Owner's knowledge the Premises and all such equipment comply with all such requirements, and Owner authorizes Agent to disclose the ownership of the Premises to any such officials and agrees to indemnify and hold Agent, its representatives, servants, and employees, harmless of and from all loss, cost, expense, and liability whatsoever which may be imposed by reason of any present or future violation or alleged violation of such laws, ordinances, statutes, or regulations.

## **Section 22 TERMINATION**

### **22.1 TERMINATION BY EITHER PARTY**

This Agreement may be terminated by either Owner or Agent, with or without cause, at the end of the initial term or of any following term year upon the giving of \_\_\_\_\_ days' written notice prior to the end of said initial term or following term year.

### **22.2 TERMINATION FOR CAUSE**

Notwithstanding the foregoing, this Agreement shall terminate in any event, and all obligations of the parties hereunder shall cease (except as to liabilities or obligations which have accrued or arisen prior to such termination, or which accrue pursuant to subsection 22.3 as a result of such termination, and obligations to insure and indemnify), upon the occurrence of any of the following events:

(a) BREACH OF AGREEMENT--Thirty (30) days after the receipt of notice by either party to the other specifying in detail a material breach of this Agreement, if such breach has not been cured within said thirty (30) day period; or if such breach is of a nature that it cannot be cured within said thirty (30) day period but can be cured within a reasonable time thereafter, if efforts to cure such breach have not commenced or/and such efforts are not proceeding and being continued diligently both during and after such thirty (30) day period prior to the breach being cured. HOWEVER, the breach of any obligation of either party hereunder to pay any monies to the other party under the terms of this Agreement shall be deemed to be curable within thirty (30) days.

(b) FAILURE TO ACT, ETC.--In the event that any insurance required of

Owner is not maintained without any lapse, or it is alleged or charged that the Premises, or any portion thereof, or any act or failure to act by Owner, its agent and employees with respect to the Premises, fails to comply with any law or regulation, or any order or ruling of any public authority, and Agent, in its sole discretion, considers that the action or position of Owner or its representatives with respect thereto may result in damage or liability to Agent, or disciplinary proceeding with respect to Agent's license, Agent shall have the right to terminate this Agreement at any time by written notice to Owner of its election to do so, which termination shall be effective upon the service of such notice. Such termination shall not release the indemnities of Owner set forth herein.

(c) EXCESSIVE DAMAGE--Upon the destruction of or substantial damage to the Premises by any cause, or the taking of all or a substantial portion of the Premises by eminent domain, in either case making it impossible or impracticable to continue operation of the Premises.

(d) INADEQUATE INSURANCE--If Agent deems that the liability insurance obtained by Owner per section 14 is not reasonably satisfactory to protect its interest under this Agreement, and if Owner and Agent cannot agree as to adequate insurance, Agent shall have the right to cancel this Agreement upon the service of notice to Owner.

### **22.3 TERMINATION COMPENSATION**

If (i) Owner terminates this Agreement before the end of the initial term or any subsequent term year as provided in subsection 22.1 above for any reason other than for a breach by Agent under subsection 22.2(a) above, or if (ii) Agent terminates this Agreement for a breach by Owner under subsection 22.2(a) above or pursuant to the provisions of subsections 22.2(b) or 22.2(d) above, then in any such event, Owner shall be obligated to pay Agent as liquidated damages an amount equal to the management fee earned by Agent, as determined under subsection 18.1 above, for the calendar month immediately preceding the month in which the notice is given to Agent or to Owner, 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 termination of this Agreement. To the extent that funds are available, such sums shall be payable from the Operating (and/or) Reserve Account(s). Any amount due in excess of the funds available from the Operating (and/or) Reserve Account(s) shall be paid by Owner to Agent upon demand.

**22.4 OWNER RESPONSIBLE FOR PAYMENTS**

Upon termination of or withdrawal from this Agreement, Owner shall assume the obligations of any contract or outstanding bill executed by Agent under this Agreement for and on behalf of Owner and responsibility for payment of all unpaid bills. In addition, Owner shall furnish Agent security, in an amount satisfactory to Agent, against any obligations or liabilities which Agent may have properly incurred on Owner's behalf under this Agreement.

Agent may withhold funds for ninety (90) days after the end of the month in which this Agreement is terminated, in order to pay bills previously incurred but not yet invoiced and to close accounts. Agent shall deliver to Owner, within ninety (90) days after the end of the month in which this Agreement is terminated, any balance of monies due Owner or of tenant security deposits, or both, which were held by Agent with respect to the Premises, as well as a final accounting reflecting the balance of income and expenses with respect to the Premises as of the date of termination or withdrawal, and all records, contracts, leases, receipts for deposits, and other papers or documents which pertain to the Premises.

**22.5 SALE OF PREMISES**

In the event that the Premises are sold by Owner during the period of this Agreement, Agent shall have exclusive rights of representation in the sale as stated in a specific sales agreement to be negotiated separately. Upon transfer of ownership, this Agreement shall terminate on the close of the sale.

**Section 23 INDEMNIFICATION SURVIVES TERMINATION**

All representations and warranties of the parties contained herein shall survive the termination of this Agreement. All provisions of this Agreement that require Owner to have insured or to defend, reimburse, or indemnify Agent (including, but not limited to, subsections 2.1, 2.3, 5, 8.4, 9.2, 9.5, 14, 15, 16, 17, 18.7, 21, 22.3, and 22.4) shall survive any termination; and if Agent is or becomes involved in any proceeding or litigation by reason of having been Owner's Agent, such provisions shall apply as if this Agreement were still in effect.

**Section 24 HEADINGS**

All headings and subheadings employed within this Agreement and in the accompanying List of Provisions are inserted only for convenience and ease of

reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

**Section 25 FORCE MAJEURE**

Any delays in the performance of any obligation of Agent under this Agreement shall be excused to the extent that such delays are caused by wars, national emergencies, natural disasters, strikes, labor disputes, utility failures, governmental regulations, riots, adverse weather, and other similar causes not within the control of Agent, and any time periods required for performance shall be extended accordingly.

**Section 26 COMPLETE AGREEMENT**

This Agreement, including any specified attachments, constitutes the entire agreement between Owner and Agent with respect to the management and operation of the Premises and supersedes and replaces any and all previous management agreements entered into or/and negotiated between Owner and Agent relating to the Premises covered by this Agreement. No change to this Agreement shall be valid unless made by supplemental written agreement executed and approved by Owner and Agent. Except as otherwise provided herein, any and all amendments, additions, or deletions to this Agreement shall be null and void unless approved by Owner and Agent in writing. Each party to this Agreement hereby acknowledges and agrees that the other party has made no warranties, representations, covenants, or agreements, express or implied, to such party, other than those expressly set forth herein, and that each party, in entering into and executing this Agreement, has relied upon no warranties, representations, covenants, or agreements, express or implied, to such party, other than those expressly set forth herein.

**Section 27 RIGHTS CUMULATIVE; NO WAIVER**

No right or remedy herein conferred upon or reserved to either of the parties to this Agreement is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Agreement or now or hereafter legally existing upon the occurrence of an event of default under this Agreement. The failure of either party to this Agreement to insist at any time upon the strict observance or performance of any of the provisions of this Agreement, or to

exercise any right or remedy as provided in this Agreement, shall not impair any such right or remedy or be construed as a waiver or relinquishment of such right or remedy with respect to subsequent defaults. Every right and remedy given by this Agreement to the parties to it may be exercised from time to time and as often as may be deemed expedient by those parties.

**Section 28 APPLICABLE LAW AND PARTIAL INVALIDITY**

The execution, interpretation, and performance of this Agreement shall in all respects be controlled and governed by the laws of the State of \_\_\_\_\_. If any part of this Agreement shall be declared invalid or unenforceable, Agent shall have the option to terminate this Agreement by notice to Owner.

**Section 29 ARBITRATION**

Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial [or other] Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

**Section 30 NOTICES**

Any notices, demands, consents, and reports necessary or provided for under this Agreement shall be in writing and shall be addressed as follows, or at such other address as Owner and Agent individually may specify hereafter in writing:

Agent:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Owner:

---

---

---

---

---

---

---

---

Such notice or other communication may be mailed by United States registered or certified mail, return receipt requested, postage prepaid, and may be deposited in a United States Post Office or a depository for the receipt of mail regularly maintained by the post office. Such notices, demands, consents, and reports may also be delivered by hand or by any other receipted method or means permitted by law. For purposes of this Agreement, notices shall be deemed to have been "given" or "delivered" upon personal delivery thereof or forty-eight (48) hours after having been deposited in the United States mails as provided herein.

**Section 31 AGREEMENT BINDING UPON SUCCESSORS AND ASSIGNS**

This agreement shall be binding upon the parties hereto and their respective personal representatives, heirs, administrators, executors, successors and assigns.

**SIGNATURES**

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

Witnesses:

\_\_\_\_\_  
(Owner Name)

\_\_\_\_\_  
\_\_\_\_\_  
(Company)

\_\_\_\_\_  
\_\_\_\_\_  
(Address)

\_\_\_\_\_  
\_\_\_\_\_  
(City/State/Zip)

Agent:

Firm \_\_\_\_\_

\_\_\_\_\_  
By

Submitted by \_\_\_\_\_

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, THAT

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(State whether individual, partnership, corporation, etc.)

located \_\_\_\_\_ at

has made, constituted, and appointed, and, by these presents does hereby make, constitute, and appoint,

\_\_\_\_\_  
a resident of the United States, whose address is

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (its) true and lawful attorney  
for (it)(me) in (its)(my) name, place, and stead to execute and to file any Tax Returns due on or  
after

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ under the provisions of the Social Security Act, now in force or future amendments thereto.

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature of Taxpayer

\_\_\_\_\_  
Title

Executed in the presence of:

\_\_\_\_\_  
Signature of Taxpayer

\_\_\_\_\_  
Title

\_\_\_\_\_  
Witness \_\_\_\_\_ Signature of Taxpayer

\_\_\_\_\_  
Witness \_\_\_\_\_ Title

Acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

NOTARIAL SEAL