

COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

THIS AGREEMENT made effective as of the ____ day of _____, _____ (“Effective Date”).

BETWEEN:

[NAME OF PROPERTY OWNER]
a body corporate incorporated under the laws of _____
with an office address at _____
(the “Owner”)

- and -

[NAME OF PROPERTY MANAGER]
a body corporate incorporated under the laws of _____
with an office address at _____
(the “Manager”)

WHEREAS:

- A. Owner is the registered owner of an enclosed retail center containing approximately _____ square feet of gross leasable area and ____ square feet of common area, located in _____ on the real property more fully described and depicted on the survey plan attached as Exhibit “A” (the “Shopping Center”); and
- B. Owner desires that Manager perform management services with respect to the Shopping Center on behalf of Owner and Manager has agreed to perform such services.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the mutual covenants herein contained, the parties, intending to be legally bound, covenant and agree with each other as follows:

ARTICLE I - ENGAGEMENT

Owner engages Manager as an independent contractor to perform the services described in this Agreement as the sole and exclusive manager of the Shopping Center, and Manager accepts and agrees to perform such services as an independent contractor.

ARTICLE II – MANAGER’S OBLIGATIONS

Manager shall commence and thereafter with due diligence shall perform all services described in this Agreement with respect to the management of the Shopping Center. In furtherance thereof, Manager shall promptly, fully, faithfully and in compliance with all applicable laws, statutes, rules and regulations of all authorities having jurisdiction perform, among other things, the following duties, subject in all respects and in all instances to the prior approval of, direction from and control by Owner:

- (a) liaison on an ongoing basis with all leasing, design and construction personnel hired by Owner;
- (b) not later than ____ days following the date of this Agreement, submit to Owner for its approval a plan for the routine operations of the Shopping Center, including, but not limited to:
 - (i) the number and type of employees to be hired,
 - (ii) collection of rents and other charges,
 - (iii) supervision of maintenance and repair of the Shopping Center,
 - (iv) an insurance program for the Shopping Center;

- (c) not later than _____ [insert date] of each full calendar year during the term of this Agreement, prepare and submit for Owner's approval, an annual detailed budget ("Budget") for the Shopping Center in the form substantially similar to that set out in Exhibit "B" attached hereto, for the next calendar year, setting out the estimated operating receipts and expenditures of the Shopping Center on a month to month basis for a period covered by the Budget and showing ongoing expenses and any anticipated extraordinary expenses and capital expenditures and the approximate date funds therefor will be needed. The Budget shall be acceptable to Owner and be consistent with generally accepted accounting principles, consistently applied. In connection with the budgeting process, Manager shall submit for the approval of Owner an operational plan ("Operational Plan"). Upon receipt of the proposed Budget, Owner shall have thirty (30) days to review and approve same. In the event Owner does not object in writing to the proposed Budget, then the Budget shall be deemed approved. If Owner does not approve the proposed Budget, Owner shall forward its required changes to Manager and Manager shall revise the proposed Budget and Operational Plan in accordance with Owner's requirements as set forth in the revised Budget. When the Budget, the detailed leasing plan in the form attached hereto as Exhibit "E", (which leasing plan shall be supplied by Manager no later than _____ [insert date] of each full calendar year i.e., seventy-five (75) days prior to submission by Manager of Budget to Owner) and the Operational Plan are approved by the Owner, Manager shall have the right and authority to operate within the parameters of the approved Budget and Operational Plan and shall be required to obtain the Owner's approval for actions intended to be taken by Manager only when such actions would materially deviate from the approved Budget and Operational Plan. For purposes of this Agreement, "materially deviate" shall mean the lesser of \$ _____ or _____ percent (____%) of the approved line item as defined in the Budget;
- (d) retain copies of all leases and tenant and occupant information relating to the Shopping Center in its files;
- (e) bill tenants and other occupants in the Shopping Center for, and collect and deposit in segregated joint bank account(s) in the name of Owner and Manager at a lending institution approved by Owner (the "Bank Accounts"), all revenues received by Manager from the Shopping Center including, without limitation, all fixed rents, percentage rents and other sums, whether payable as additional rent or otherwise payable by such tenants and occupants under their respective leases and other agreements, or by other parties under license, service or other agreements. Manager shall have the authority to write checks from the Bank Accounts to pay the obligations of the Shopping Center in accordance with the Budget and this Agreement; provided, however, that checks exceeding \$ _____ shall require the signatures of both Owner and manager, excluding only checks for the Management Fee agreed upon herein, which shall not require the signature of Owner. Owner agrees to cooperate with Manager in a timely manner in order to avoid any late fee payment, default, penalty or other charge caused by the failure to timely pay obligations of the Shopping Center;
- (f) obtain and review statements of sales furnished by tenants to support their payment of percentage rentals or other sums and deductions. With Owner's prior approval, Manager may engage legal counsel on behalf of and at Owner's expense and institute, prosecute or settle any legal proceedings or arbitrations with respect to collection activities against tenants. Manager will keep Owner advised of Manager's collection activities hereunder and will promptly advise Owner if Manager is unable to collect any such income or charges;
- (g) use diligent efforts to enforce the performance by tenants of all requirements of their respective leases by all reasonable means. It is understood by both parties hereto that Manager does not guarantee the payment or performance of any lease by any tenant;
- (h) cause the Shopping Center to be maintained in a first-class manner comparable to other similar shopping centers located in the _____ area and in good operating condition and repair at Owner's cost, supervise the maintenance thereof, and hire such persons, firms or corporations and purchase or lease such equipment and supplies at reasonable rates and costs as may be necessary or desirable to accomplish such purposes all within the limits of the Budget. Manager shall negotiate contracts for electricity, gas, fuel supply, water, telephone, window washing, exterminating, equipment maintenance, trash handling and other contracts relating to the

operation or maintenance of the Shopping Center (collectively, "Contracts"), subject to Owner's final review, approval and execution. Owner agrees to respond to proposed Contracts within _____ days after submission by Manager. Upon execution, Owner shall promptly deliver copies of all executed Contracts to Manager. All on-site personnel costs, including managers and marketing staff, are a direct cost and thus are not included in the Management Fee (as hereinafter defined);

- (i) maintain complete and accurate books, records and accounts of Owner, prepare and submit to Owner on or before the 25th day of each month the various reports listed in Exhibit "C" which shall, without limitation, provide Owner with (i) monthly income and expense statements containing monthly and year to date information, and (ii) statements listing rent delinquencies. Title to the books and records relating to the Shopping Center shall at all times remain in Owner, and Owner shall have the right to examine such books and records at any reasonable time during normal business hours at Manager's place of business and make copies thereof;
- (j) advise Owner as to insurance coverage and administer Owner's insurance program. Manager shall, to the extent requested by Owner, assist Owner in procuring insurance coverage;
- (k) set up regular periodic meetings with Owner in order to review the status of the Shopping Center and establish direction as necessary;
- (l) assist Owner as required in making any necessary application for a zoning change or other applications made by Owner to any governmental authority relating to the Shopping Center;
- (m) establish and oversee an advertising and promotional program for the Shopping Center;
- (n) establish and oversee a marketing plan for the Shopping Center;
- (o) review annually the tax assessments made with respect to the Shopping Center and recommend to Owner (if Manager should deem it advisable) that proceedings be instituted by Owner to contest or appeal such assessments;
- (p) deposit all funds of every kind and nature received by Manager for Owner pursuant to this Agreement immediately in the Bank Accounts. Subject to Article II(c), Manager shall disburse from said account funds necessary for the operation and maintenance of the Shopping Center provided: (i) the item or purpose for which disbursement is to be made has previously been approved by Owner in the Budget, or (ii) the item has otherwise been approved by Owner in writing, or (iii) the item is within a contingency line item in an amount to be agreed upon annually by Owner and Manager which Manager may use in any fiscal year for items not approved in the Budget, not including monies expended for "emergencies" (hereinafter defined); in "emergencies" disbursements may be made for items not previously approved by Owner. Except as expressly permitted above, Manager shall not have any authority to disburse funds belonging to Owner from said account. As used herein, "emergencies" shall mean any sudden, unexpected happening in which a failure on the part of Manager to act immediately would cause appreciable risk of damage to person or property within the Shopping Center. Even in an "emergency", Manager shall exercise good faith efforts to obtain the approval of Owner, if reasonably possible, before making any such "emergency" expenditure;
- (q) at least quarterly, after payment of Management Fees due to Manager, and allowing reasonable reserves as approved by Owner to be held for the payment of operating expenses and real estate taxes thereafter coming due and payable and for other items in the Budget which may not be operating expenses, together with a proper accounting, remit the net amount due to Owner; and
- (r) perform such other related normal management functions as shall pertain to the Shopping Center as contemplated by this Agreement.

**THIS IS A 17-PAGE DOCUMENT, INCLUDING SCHEDULES.
Get the full form at MegaDox.com.**