

Sunshine Management

PROPERTY MANAGEMENT AGREEMENT

Date: _____

This Property Management Agreement ("Agreement") is entered into as of the date first set forth above by _____ ("Owners") and Sunshine Management Group, Inc. ("Manager").

Owner and Manager agree as follows:

1. **Appointment of Manager:** Owners hereby appoint the Manager as its sole and exclusive agent to manage and operate the property located at _____

2. **Terms of Agreement:** The initial term of this Agreement shall commence on the date first set forth above and will terminate on _____. The term of this Agreement shall automatically renew for consecutive renewal terms of one year each, unless the Owners or Manager elects to terminate this Agreement by giving written notice of termination to the other party at least 90 days prior to the scheduled commencement date of any such renewal term.

3. **Manager's Duties:** Manager shall perform the following duties in a diligent and competent manner so as to protect and promote Owner's interest in the Property. All costs incurred in connection with the Manager's performance of such duties shall be borne by the Owners and shall be paid by the Manager out of the Property Account (As that term is defined in paragraph 4.) Notwithstanding anything to the contrary contained here, Manager shall not incur any one expense in excess of \$500.00 per item without first obtaining Owner's prior consent, unless the incurring of such cost is required to respond to an emergency.

- (a) **Maintenance of Property:** Manager shall supervise and coordinate the maintenance of the Property in good order and condition of repair, normal wear and tear excepted. It is acknowledged and agreed by both parties hereto that Manager will have no liability or responsibility for the Property's compliance with zoning or building codes or other applicable laws, including without limitation any environmental laws and the Americans With Disabilities Act; provided, however, that Manager shall promptly notify Owners of its receipt of any complaint, warning or notice relating to such matters. It is further specifically acknowledged and agreed by the parties hereto that Manager will have no authority to make any structural changes to the Property, without first obtaining the consent of the Owners.
- (b) **Rent Collection:** Manager shall invoice tenants for and use reasonable and customary efforts to collect all rent, sales taxes and other charges payable by tenants under leases on the property. Manager is specifically authorized to pursue all available legal remedies to collect delinquent rents from any tenants of the Property and to retain legal counsel to aid him in such efforts, all at the cost of the Owners.
- (c) **Leasing Files:** Manager shall establish and maintain complete records and files of all leases and maintenance records on or with the Property. At Owner's request, all such records and files shall be delivered to the Owners within 60 days after the effective date of the termination of this Agreement.
- (d) **Operating Statements:** Manager shall prepare and submit to the Owners a monthly statement for the Property for each calendar month during the term of this Agreement. Each such operating statement shall delineate in reasonable detail all items of income and expense flowing from the Property for such month.
- (e) **Personnel:** Manager shall hire, supervise, pay and discharge such employees, contractors and other personnel as Manager deems necessary or appropriate to properly manage and operate the Property. All persons so hired by Manager will be deemed to be the employees or contractors of the Manager. Manager may also contract with third parties to perform any or all of the duties otherwise required to be performed by manager pursuant to this Agreement.

4. **Property Account:** All monies collected by the Manager hereunder (Including, without limitation, all rents collected from the tenants) will be promptly deposited by Manager in an account which Manager will maintain with a federally insured banking institution for that purpose. Manager's designees will be the only authorized signatures for the Account or any other bank or investment account established by the Manager hereunder. No amounts deposited in the Property Account or any other such bank or investment account shall in any event be co-mingled with any other funds of Manager. Manager may withdraw from the Property Account such amounts as are required to pay expenses incurred by him in connection with the performance

of his duties pursuant to paragraph 3 of this Agreement, including but without limitation to all operating expenses, maintenance and repair costs, legal fees, and supply costs related to the Property. Manager may also withdraw from the Property Account all fees, reimbursements and other compensation payable to Manager pursuant to this Agreement.

Any funds in the Property Account which are not required for the payment of expenses and to maintain any agreed upon reserves will be paid to or for the benefit of the Owners in accordance with Owner's instructions to Manager. If at any time the funds in the Property Account are insufficient to permit Manager to pay all expenses required to be paid by him, the Manager shall so notify the Owners in writing and the Owners will within 5 days remit sufficient funds to Manager to bring the Property Account positive.

Manager shall not under any circumstances be obligated to make any advance for the account of Owners or to pay any expense associated with the Property with funds other than those deposited in the Property Account, nor shall Manager be obligated to incur any liability unless the Owners furnish Manager with the necessary funds for the discharge of such liability. If Manager voluntarily advances funds for the payment of any expenses associated with the Property, then the Owners shall reimburse Manager with such costs, on demand, with interest thereon at the highest rate allowable by law

5. Manager's Compensation: Manager shall be paid in accordance with the management fee schedule attached hereto ("Exhibit A"). Manager shall also be reimbursed for all other reasonable and customary out-of-pocket expenses incurred by Manager in connection with management and operation of the Property.

All fees, reimbursements and other compensation payable to Manager for each calendar month during the term of this Agreement shall be paid to Manager within ten days after the end of each month. If sufficient funds are in the Property Account to permit the payment of such fees, reimbursements and other compensation to Manager then Manager may pay the same out of such Property Account without obtaining any further consent of direction of the Owners.

7. Indemnification of Manager: The Owners shall indemnify, defend and hold Manager harmless from and against any and all claims, losses, costs, expenses and liabilities incurred by or asserted against Manager in connection with the Property or Manager's performance of services pursuant to this Agreement. Said indemnity to include reasonable attorney and paralegal fees and other costs incurred by manager in defense of such claims at any trial and appellate litigation. Said indemnities also to include Owner's misstatement, negligence, action, inaction or failure to perform the obligations of this contract or any lease or agreement with a vendor based on:

- a) The existence of undisclosed material facts about the Property;
- b) The Manager's performance, at Owner's request, of any task beyond the scope of services regulated by Chapter 475, F.S., as amended, including the Manager's referral, recommendation or retention of any vendor; or
- c) Any services or products provided and expenses incurred by any vendor. This subparagraph will survive Manager's performance and the transfer of title.

8. Owner Obligations: In consideration of the obligations of Manager, Owner agrees:

- a) To cooperate with Manager in carrying out the purpose of this Agreement.
- b) To provide Manager with the following keys to the Property (specify number): unit _____ / building access _____ / mailbox _____ / pool _____ / garage door or opener _____ / other _____
- c) To provide complete and accurate information to the Manager including disclosing all known facts that materially affect the value of the Property (see Exhibit B entitled Inventory and Special Instructions). If the Property was built in 1977 or earlier, Owner will provide Manager with all information Owner knows about lead-based paint and lead-based paint hazards in the Property and with all available documents pertaining to such paint and hazards, as required by federal law. Owner understands that the law requires the provision of this information to Manager and to prospective tenants before the tenants become obligated to lease the Property. Owner acknowledges that Manager will rely on Owner's representations regarding the Property when dealing with prospective tenants.
 - 1) Manager will reasonably inspect the Property before allowing the tenant to take possession and to make the repairs necessary to transfer a reasonably safe dwelling unit to the tenant.
 - 2) Manager will exercise reasonable care to repair dangerous defective conditions upon notice of their existence by the tenant, after the tenant takes possession.

- d) To carry, at Owner's sole expense, public liability and property damage insurance of adequate coverage and to cause Owner's agent to provide Manager with certificate of insurance at each renewal anniversary. Manager will not be liable for any error of judgment or mistake of law or fact or for any loss caused by Manager's negligence, except when the loss is caused by the Manager's willful misconduct or gross negligence.
- e) Liability for personal injury and property damage in the minimum amount required by Florida law.
- f) To inform Manager before conveying or leasing the Property.
- g) Upon termination of this Agreement, to assume obligations of all contracts that Manager entered into on Owner's behalf.

9. Amendment: This Agreement may not be amended except by a written instrument executed and delivered by both Management and Owner.

10. Applicable Law: This Agreement will be governed and construed in accordance with the laws of the State of Florida.

11. Attorney's Fees: In the event either party is required to enforce their rights under this Agreement, the prevailing party shall be entitled to recover all costs and fees incurred therein, including reasonable attorney's fees at all trial and appellate levels.

12. Mortgage, Taxes and Associations: By signing this Agreement, Owner hereby guarantees that the mortgage loan, property taxes and condo or homeowner's association fees are all current and/or paid in full for the current year of _____.

NOTE: We at Sunshine Management will NOT represent an Owner who is negligent or in arrears of mortgage, property tax and/or condominium or homeowner's association obligations.

13. Miscellaneous: This Agreement is binding on Manager's and Owner's heirs, personal representatives, administrators, successors and assigns. Signatures, initials, documents referenced in this Agreement, counterparts and modifications communicated electronically or on paper will be acceptable for all purposes and will be binding.

14. Additional Clauses: _____

Owner and Manager have executed this Agreement as of the date first set forth above.

 Owner Date

 Owner Date

 Manager Date

