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COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

Commercial Property Management is an agreement between an owner or homeowner and a real estate agent whereby the agent provides property management services to the owner. Such agreement may also include provision of leasing services by the agent. Property management services mostly includes taking care of and maintenance of the property, marketing or advertising the property, sorting out tenant applications, negotiation of leases, collection of rents, depositing of security deposits, extending leases and keeping accounts and records for the owner.

COMMERCIAL PROPERTY MANAGEMENT AGREEMENT

THIS COMMERCIAL PROPERTY MANAGEMENT AGREEMENT (the “Agreement”) is made on the _____200 (the “Commencement Date”) entered by and between _____ hereinafter called "OWNER", and **WPM PROPERTIES INC.**, hereinafter called the “AGENT”.

1. PARTIES:

WHEREAS, OWNER will is legal OWNER and has the rights and interests to the property _____ (the “Property”).

WHEREAS, OWNER desires that AGENT to;

- (1) manage the Property, but not lease the Property.
- (2) manage and lease the Property,

With respect to the Property on behalf of OWNER and AGENT has agreed to perform such services.

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

1. ENGAGEMENT:

OWNER engages AGENT as an independent contractor to perform the services described in this Agreement as the sole and exclusive manager and AGENT accepts and agrees to perform such services as an independent contractor. This agreement does not create a partnership or joint venture between the parties. AGENT is an independent contractor.

2. PROPERTY:

“Property” means:

Address: _____ legally described as:
_____ in
County, _____, together with the following non-real-property items:

.

“Property” also includes any other Property described in any attached Multiple Property Addendum.

3. TERM:

A. Initial Term: The Initial term of this agreement begins and ends as follows:

Commencement Date: _____

Expiration Date: _____

B. Automatic Renewal: Unless either party provides written notice of termination to the other party at least 30 days before the Expiration Date, this agreement will automatically extend on a monthly basis until either party terminates by providing at least 30 days written notice to the other party.

4. OWNER'S GRANT OF AUTHORITY AND POWERS:

A. Management Authority: AGENT shall have the following authority which AGENT may exercise when and to the extent AGENT determines to be in OWNER's interest:

(1) collect and deposit for OWNER rents and other charges such as returned check charges and late charges) from tenants in the Property in a trust account;

(2) collect and deposit security deposits from tenants in:

- (a) a trust account separate from the account described under Paragraph 4A (1);
- (b) the same trust account described under Paragraph 4A (1);

(3) pay from the account described under Paragraph 4A(1) expenses to operate the Property, including but not limited to, maintenance, taxes, insurance, utilities, repairs, security, management fees, leasing fees, and expenses authorized under this agreement;

(4) hire contractors to renovate, remodel, or redecorate the Property provided that AGENT does not expend more than \$ _____ for any single renovation, remodel, or redecoration without OWNER's consent;

(5) terminate leases for the Property, negotiate lease terminations, and serve notices of termination;

(6) institute and prosecute, at OWNER's expense, actions to: (a) evict tenants in the Property; or (b) recover possession of the Property;

(7) negotiate and make reasonable concessions to tenants or former tenants in the Property;

(8) report payment histories of tenants in the Property to consumer reporting agencies;

(9) perform or to cause to be performed such maintenance of the property as is reasonable and necessary for the safety of the tenants and the preservation of the property.

(10) install fire/smoke detectors, carbon monoxide detectors, and/or fire extinguishers on the property at OWNER's expense.

(11) AGENT SHALL NOT BE HELD MONETARILY RESPONSIBLE FOR ITS INABILITY TO COLLECT RENTS. AGENT SHALL NOT BE HELD RESPONSIBLE FOR ANY EXPENSES INCURRED FOR LEGAL ACTION INVOLVED IN THE COLLECTION OF RENTS AND/OR THE EVICTION OF ANY TENANT AND/OR DAMAGES INCURRED TO THE PROPERTY. All such expenses shall be paid by OWNER, reimbursable in the event AGENT is able to collect the rents, legal fees, or damages from the tenant.

[Add more obligations]

B. Leasing Authority: (Optional: if AGENT has the authority to lease the Property)

OWNER grants to AGENT the following authority which AGENT may exercise when and to the extent AGENT determines to be in OWNER's interest:

(1) advertise the Property for lease by means and methods that AGENT determines are reasonably competitive, including but not limited to creating and placing advertisements of the
Commercial Property Management Agreement

Property and related information in any media and the Internet;

(2) rent the premises, at a monthly rent of \$_____, for a minimum term of _____, in the event AGENT is unable to rent the premises at the above rental amount, AGENT is hereby authorized to lower said rent to \$_____ per month.

(3) to advertise the availability for rental of the Property, including by the display of “For Rent” and “Rent-to-Own” signs; to sign, renew, and/or cancel leases for the Property and remove all other signs offering the Property for sale or lease;

(4) submit the Property as a listing with one or more Multiple Listing Services (MLS) at any time the Property is marketed for lease and to change or terminate such listings;

(5) duplicate keys and access devices, at OWNER’s expense, to facilitate convenient and efficient showings of the Property and to lease the Property and employ scheduling companies to schedule showings by other agencies at any time the Property is marketed for lease;

(6) verify information and references in rental applications from prospective tenants;

(7) negotiate and execute leases on OWNER’s behalf for the Property at market rates and on competitively reasonable terms for initial terms of not less than ____months and not more than ____months;

(8) negotiate and administer any amendments, extensions, or renewals to any leases for the Property on OWNER’s behalf;

(9) collect application fees from prospective tenants;

(10) to hire, discharge, and supervise all employees and independent contractors required for the operation and maintenance of the Property; those employees shall be deemed to be employees of the OWNER and not of the AGENT; the AGENT may perform all of its duties under this Agreement through such employees, or other attorneys or AGENTs, and the AGENT shall not be or be liable for their negligence, errors, or omissions if reasonable care was exercised in their appointment and retention; and

(11) perform other necessary services related to the leasing of the Property.

C. Disbursement: AGENT shall further have the authority to pay the following:

(1) Such advertising and utility bills (including gas, electric, and water), necessary repairs and/or charges to maintain the property, and cleaning charges as shall accrue or be necessary to preserve the property during periods of vacancy or occupancy, or to put the property in a rentable condition after vacated; or expenses to regain possession and/or to attempt to collect delinquent rent subject to the provisions set forth below; or necessary professional fees; or governmental assessments.

(2) Proceeds to OWNER. Tenancy revenues, refunds, adjustments, or other funds due OWNER shall be sent to _____ on or before the 15th day of each month.

(3) IT IS EXPRESSLY AGREED THAT NOTHING HEREIN CONTAINED SHALL BE CONSTRUED AS REQUIRING AGENT TO ADVANCE ANY OF ITS OWN MONIES FOR ANY PURPOSE WHATSOEVER.

D. Record Keeping: AGENT will:

(1) furnish OWNER a monthly accounting statement showing the receipts and expenditures with respect to the premises including OWNER's monthly proceeds;

(2) furnish a final accounting upon the termination of this agreement within thirty (30) days from the date of a written request of management termination; and,

(3) file reports with the Internal Revenue Service which AGENT may be required to file concerning funds received on behalf of OWNER under this agreement (for example, Form 1099).

E. Security Deposits:

(1) AGENT will maintain security deposits received from tenants in the trust account described under Paragraph 4A (2) in accordance with applicable law and the leases for the Property, account to the tenants for the security deposits, make lawful deductions from the security deposits, and return the security deposit balances to the tenants from the trust account.

(2) After this agreement ends, AGENT will deliver to OWNER or the OWNER's designee the security deposits held by AGENT under leases of the Property, fewer deductions authorized by this agreement,

(3) If AGENT complies with this Paragraph 4E, OWNER will indemnify AGENT from any claim or loss from a tenant for the return of a security deposit. This Paragraph 4E survives termination of this agreement.

[Add other provisions such as insurance and coordination with attorneys)

5. LEGAL COMPLIANCE:

The parties will comply with all obligations, duties, and responsibilities under the _____ (state) Property Code, fair housing laws, and any other statute, administrative rule, ordinance, or restrictive covenant applicable to the use, leasing, management, or care of the Property.

6. RESERVES:

Upon execution of this agreement, OWNER will deposit the following amount with AGENT to be held in a trust account as a reserve for OWNER: \$_____. AGENT may, at AGENT's discretion, use the reserve to pay any expense related to the management of the Property (including but not limited to AGENT's fees). If the balance of the reserve becomes less than the amount stated, AGENT may: (a) deduct an amount that will bring the balance to the amount stated from any subsequent rent received on behalf of OWNER and deposit the amount into the reserve; or (b) notify OWNER that OWNER must promptly deposit additional funds with AGENT to bring the balance to the amount stated.

7. ADVANCES:

OWNER will, in advance, provide AGENT all funds necessary for the leasing and management of the Property. AGENT is not obligated to advance any money to OWNER or to any other person.

8. OWNER'S DUTIES:

OWNER agrees to: *(Italicized are applicable for Agency performing leasing functions)*

- (A). cooperate with the AGENT to facilitate the showing, marketing, and lease of the Property;
- (B). *not rent or lease the Property to anyone without the AGENT's prior written approval;*
- (C). *not negotiate with any prospective tenant who might contact the OWNER directly, but refer all prospective tenants to the AGENT;*
- (D). *not deal with or negotiate with any tenant in the Property concerning any matter related to the leasing of the Property but refer all such dealings to the AGENT;*
- (E). not enter into a management agreement with another AGENT for the management of the Property to become effective during this Agreement;
- (F). *not enter any listing agreement with another agent/broker for the leasing of the Property to become effective during this Agreement;*
- (G). provide the AGENT with copies of any existing leases or rental agreements related to the Property;
- (H). provide the AGENT with keys and access devices to the Property;
- (I). complete any disclosures, notices, registrations, and permits required by law or a lease of the Property;
- (J). amend applicable disclosures, notices, registrations, and permits if any material change occurs during this Agreement; and
- (K). notify the AGENT if the OWNER becomes delinquent in the payment of: (1) any mortgage or other encumbrance secured by the Property; (2) property taxes; (3) property insurance; or (4) OWNERs' association fees.

[Add additional duties if applicable]

9. OWNER'S REPRESENTATIONS:

OWNER represents that:

- (A). OWNER has title to and peaceable possession of the Property and all its improvements and fixtures, unless rented, and the legal capacity to lease the Property;
- (B). OWNER is not bound by another agreement for the management of the Property that is or will be in effect during this agreement;
- (C). *OWNER is not bound by: (i) another agreement with another agency for the leasing of the Property that is or will be in effect during this Agreement which will prevent the AGENT from acting under the powers of this Agreement ; or (ii) an agreement or covenant that prohibits the OWNER from leasing the property;*
- (D). no person or entity has any right to purchase, lease, or acquire the Property by an option,

right of refusal, or other agreement;

(E). OWNER is not delinquent in the payment of any property taxes, OWNERS' association fees, property insurance, mortgage, or any encumbrance on or affecting the Property;

(F). the Property is not subject to the jurisdiction of any court; and

(F). all information related to the Property that OWNER provides to AGENT is true and correct to the best of the OWNER's knowledge.

(H). *Except as otherwise stated*, in this agreement, or in any addendum, OWNER is not aware of: (1) any condition affecting the Property that materially affects the health or safety of an ordinary tenant; (2) any environmental hazard on the Property; or (3) any violation of any ordinance, statute, restriction, or law related to the Property.

10. AGENT'S FEES:

All fees to AGENT under this agreement are payable in _____ County. This Paragraph 10 survives termination of this agreement with regard to fees earned during this agreement which are not payable until after its termination. AGENT may deduct any fees under this Paragraph 10 from any funds AGENT holds in trust for OWNER.

(A) **Management Fees:** Each month OWNER will pay AGENT (1) ____% of the gross monthly rents collected that month. Or (2) ____

A vacancy in the Property or failure by a tenant to pay rent does not excuse payment of the minimum management fee. Management fees under this Paragraph 10A are earned daily and are payable not later than the last day of each month.

(B) **Leasing Fees for New Tenancies:** Each time the Property is leased to a new tenant, OWNER will pay AGENT a leasing fee of (1) ____% of the gross rents to be paid under the lease. (2) ____

The leasing fees under this Paragraph 10B are earned and payable at the time the lease is executed.

(C) Renewal or Extension Fees: The OWNER shall pay the AGENT a renewal or extension fee for negotiating the renewal or extension of an existing tenant in the Property equal to _____% of one full month's rent to be paid under the lease. The renewal or extension fees under this paragraph are earned and payable at the time the renewal or extension is effective. For the purposes of this paragraph, a new lease for the same Property with the same tenant then occupying the Property is an extension or renewal. This paragraph does not apply to month-to-month renewals or month-to-month extensions.

(D) Service Fees: Each time the AGENT arranges for the Property to be repaired, maintained, redecorated, altered, or registered as permitted under this Agreement, the OWNER shall pay the AGENT a service fee equal to ____% of the total cost of each repair, maintenance, alteration, redecoration, or registration filings. A minimum service fees or project manager fees discussed under this paragraph shall be \$____. The service fees under this paragraph are earned at the time the repair, maintenance, redecoration, or alteration is made and are payable upon the OWNER's receipt of Leasing Agency's invoice.

(E) Interest on Trust Accounts: AGENT may retain any interest or income from such account as compensation under this agreement. AGENT will remove any interest or income payable under this Paragraph 10 E from the trust account not later than the 30th day after the interest or income is paid.

(F) Administrative Fees: If the AGENT collects administrative charges from tenants or prospective tenants, including but not limited to, application fees, bus tour fees, returned check fees, or late charges, the AGENT will retain such fees as compensation under this Agreement. The administrative fees under this paragraph are earned and payable at the time the AGENT collects such fees

(G) Key Box Fees: Each time the AGENT arranges for the placement of a key box with keys at the Property, the OWNER shall pay the AGENT a service fee equal to \$__ per Property address. The service fees under this paragraph are earned at the time the key box installation with keys is made and are payable upon the OWNER's receipt of the AGENT's invoice.

(I) Other:

11. EXPENSE REIMBURSEMENT:

OWNER's receipt of AGENT's invoice, OWNER will reimburse AGENT the following expenses that are related to the leasing or management of the Property:

12. LIABILITY AND INDEMNIFICATION:

It is agreed that AGENT shall use reasonable and ordinary care in the selection of tenants and all other acts assigned for performance by this Agreement. When any act is required of the AGENT, it shall be done in the ordinary course of AGENT's business.

(A) OWNER shall save AGENT harmless from all personal injury suits, which may arise in connection with the management of the premises, and from any liability from injuries suffered by any person entering the premises, including any resident manager or other employee.

(B) AGENT shall not be personally liable for any act it may do or omit to do hereunder as AGENT while acting in good faith, exercising its best judgment.

(C) AGENT is hereby expressly authorized to comply with and obey any and all process, orders, judgment or decree, it decrees of any court; where AGENT obeys or complies with any such process, order, judgment or decree, it shall not be liable to OWNER or any person, firm, or Commercial Property Management Agreement

corporation by reason of such compliance, notwithstanding subsequent reversal or modification.

(D) AGENT is hereby expressly authorized to comply with any laws, whether now in existence or hereinafter enacted, and whether federal, state, or local, relating to fair housing, rent control, discrimination, and health and welfare. AGENT is expressly authorized to comply with the rule or order of any governmental agency, insofar as such order in any manner affects the management of the premises or any duties of the AGENT hereunder.

(E) OWNER agrees to protect, defend, indemnify, and hold AGENT harmless from any damage, costs, attorney's fees, and expenses that are caused by OWNER, negligently or otherwise or arise from OWNER's failure to disclose any material or relevant information about the Property or are related to the management of the Property and are not caused by AGENT, negligently or otherwise.

(F) OWNER is responsible and liable for all contracts and obligations related to the Property (for example, maintenance, service, repair and utility agreements) entered into before or during this agreement by OWNER or by AGENT under AGENT's authority under this agreement. OWNER agrees to hold AGENT harmless from all claims related to any such contracts.

13. INSURANCE:

At all times during this agreement, OWNER must maintain in effect:

(A) a public liability insurance policy that names the AGENT as a co-insured or additional insured and covers losses related to the Property in an amount of not less than \$_____ on an occurrence basis; and

(B) an insurance policy for the Property in an amount equal to the reasonable replacement cost of the Property's improvements and that contains endorsements which contemplate the leasing of the Property with vacancies between lease terms.

(C) Not later than the 15th day after the Commencement Date, the OWNER must deliver to the AGENT copies of certificates of insurance evidencing the coverage required under this "Insurance" paragraph. If the coverage changes at any time during this Agreement, the OWNER must deliver to the AGENT a copy of the insurance certificate evidencing the change

not later than 10 days after the change.

(F) If OWNER fails to comply with these “Insurance” paragraphs, the AGENT may:

- (1). purchase insurance that will provide the AGENT the same coverage as the required insurance under Paragraph 13 (A) and OWNER must promptly reimburse the AGENT for such expense; or
- (2). exercise AGENT’s remedies under Default Paragraph.

14. DEFAULT:

A party is in default if the party fails to cure a breach within 10 days after receipt of written demand from the other party. If either party is in default, the non-defaulting party may: (a) terminate this agreement by providing at least 10 days written notice; (b) recover all amounts due to the non-defaulting party under this agreement; (c) recover reasonable collection costs and attorney’s fees; and (d) exercise any other remedy available at law. AGENT is also entitled to recover any compensation AGENT would have been entitled to receive if OWNER did not breach this agreement.

15. MEDIATION:

The parties agree to negotiate in good faith in an effort to resolve any dispute related to this agreement that may arise between the parties. If the dispute cannot be resolved by negotiation, the dispute will be submitted to mediation. The parties to the dispute will choose a mutually acceptable mediator and will share the cost of mediation equally.

16. ATTORNEY’S FEES:

If OWNER or AGENT is a prevailing party in any legal proceeding brought as a result of a dispute under this Agreement or any transaction related to or contemplated by this agreement, such party will be entitled to recover from the non-prevailing party all costs of such proceeding and reasonable attorney’s fees

17. ASSIGNMENTS:

Neither party may assign this Agreement without the written consent of the other party.

18. BINDING EFFECT:

OWNER's obligation to pay the AGENT an earned fee is binding upon OWNER and OWNER's heirs, administrators, executors, successors, and permitted assignees.

19. JOINT AND SEVERAL:

All OWNERS executing this agreement are jointly and severally liable for the performance of all their terms. Any act or notice to, refund to, or signature of, any one or more of the OWNERS regarding any term of this agreement, its extension, its renewal, or its termination is binding on all OWNERS executing this Agreement.

20. GOVERNING LAW:

Maryland law governs the interpretation, validity, performance, and enforcement of this Agreement.

21. SEVERABILITY:

If a court finds any clause in this agreement invalid or unenforceable, the remainder of this Agreement will not be affected and all other provisions of this agreement will remain valid and enforceable.

22. NOTICES:

Notices between the parties must be in writing and are effective when sent to the receiving party's address, fax, or e-mail address specified in this agreement.

23. SPECIAL PROVISIONS:

24. ADDENDA: Incorporated into this agreement are the following addenda, exhibits, and other information:

25. INFORMATION:

(1) Fair housing laws, federal and state laws require the Property to be shown and made available to all persons without regard to race, color, religion, national origin, sex, disability, or familial status. Local ordinances may provide for additional protected classes (for example, creed, status as a student, marital status, sexual orientation, or age).

(2) OWNER may review the information AGENT submits to an MLS or other listing service.

(3) AGENT advises OWNER to remove or secure jewellery, prescription drugs, and other valuables.

(4) The Property Code requires certain types of locks or security devices on all exterior doors of residential rental properties and requires smoke detectors in certain locations. The Property Code requires the security devices to be re-keyed and the smoke detectors to be tested each time a new tenant occupies the Property. The Property Code requires certain disclosures, notices, registrations, and permits each time a new tenant occupies the Property.

(5) AGENT cannot give legal advice. READ THIS AGREEMENT CAREFULLY. If you do not understand the effect of this agreement, consult an attorney BEFORE signing.

(6) AGENT's fees or the sharing of fees between AGENTs are not fixed, controlled, recommended, suggested, or maintained by the Association of REALTORS® or any listing service.

This document represents the entire Agreement between the parties hereto.

IN WITNESS WHEREOF, the parties hereto hereby execute this Agreement on the date first above written.

OWNER – Signature

OWNER – Printed Name

AGENT Signature

AGENT, WPM PROPERTIES INC.,

DAVID ANTON