



REAL PROPERTY MANAGEMENT AGREEMENT

THIS AGREEMENT is made _____, between _____
_____ ("Owner") and MECA Real Estate Services, LLC ("Manager").

STATEMENT OF PURPOSE

Owner holds title to the real property located at:

(Street Address) _____

(City, County, State and Zip Code) _____

Said real property is hereafter referred to as "the Property."

Owner and Manager have agreed, and do hereby agree, that Owner will place the property in the hands of Manager for the purposes of obtaining tenants to reside on the property and for certain other purposes, all upon the terms and conditions set out in the Agreement.

AGREEMENT OF THE PARTIES

1. APPOINTMENT OF MANAGER. Owner does hereby appoint Manager, and Manager hereby agrees to serve, as exclusive managing agent for the property.

2. OBLIGATIONS OF MANAGER. During the existence of this Agreement, Manager shall have the following obligations:

- (a) To manage the Property to the best of its ability devoting thereto such time and attention as may be reasonably necessary.
- (b) To furnish the services of its company for renting, leasing, operating and managing the Property.
- (c) To solicit and investigate prospective tenants and to use its best efforts to secure and maintain tenants including, without limitation, such reasonable advertising of the Property as in Manager's opinion is desirable and appropriate.
- (d) To offer the Property to the public for leasing in compliance with all state and federal housing laws including, without limitation, all federal and state laws and regulations prohibiting discrimination on the basis of race, color, religion, sex, national origin, handicap or familial status.
- (e) To collect all rentals and other charges due upon the Property.
- (f) To contract for and supervise, or to perform, such maintenance and repairs as Manager is required and authorized to do under this Agreement.
- (g) To render to Owner monthly statements of receipts, collections, and expenses, charges and disbursements, and to remit to Owner monthly the balance of such receipts and collections by the tenth day of each month beginning with the month following the month in which the term of this Agreement commences.

3. OBLIGATIONS OF OWNER. During the existence of this Agreement, Owner shall have the following obligations:

- (a) To advance to Manager such sums as may be necessary to cover the cost of repairing the Property and maintaining it in a safe, fit and habitable condition as required by all applicable laws and regulations, including, without limitation, Section 42-42 of the General Statutes of North Carolina.
- (b) Not to take any action or adopt any policy the effect of which would be to prevent Manager from offering the Property for rental in compliance with all state and federal housing laws and regulations.
- (c) To allow Manager to offer the Property to the public for leasing in compliance with all state and federal laws including, without limitation, all federal and state laws and regulations prohibiting discrimination on the basis of race, color, religion, sex, national origin, handicap or familial status.
- (d) To Deliver to Manager all leases and other records pertaining to present tenants in the Property, if any, as will in Manager's judgment facilitate the performance by Manager of its duties under this agreement.
- (e) To Pay to Manager in advance or to reimburse Manager for all expenses to be incurred or incurred by Manager in operating, managing and maintaining the Property in accordance with this Agreement, including, without limitation, advertising expenses, general operating expenses, court costs, attorneys fees and maintenance and supply expenses. Manager is not required to pay for any such items in advance.
- (f) To carry, at the expense of owner, comprehensive public liability insurance against any and all claims or demands whatsoever arising out of, or in any way connected with the operation, leasing or maintenance of the Property, which policy shall be written so as to protect Manager in the same manner as Owner, including without limitation \$500,000 for injuries to or death of more than one person in each accident or occurrence, and \$100,000 for property damage in each accident or occurrence. Owner shall annually, upon the renewal date of such liability insurance policy, provide to Manager a certificate of insurance providing the existence of such coverage.
- (g) To defend, indemnify and save Manager harmless from any and all damages, claims, suits, costs or expenses whatever, whether for personal injury or otherwise, rising out of management of the Property by Manager, whether such claims are filed or damages incurred before or after the termination of this Agreement.
- (h) To turn over to the Manager all rents and other sums and amounts collected with respect of the Property by or on behalf of Owner.
- (i) Upon written demand by Manager, to establish and maintain a Permanent Operating Reserve Account equal to the amount of one months' gross scheduled rent for the Property. If Owner fails to establish or maintain said account in the required amount, Manager shall have the right to withhold rent otherwise due Owner and place same in said account so that said account shall be maintained in the required amount.

4. PARTICIPATION OF OWNER. Owner shall have the right to participate in the management of the property. In this regard, in addition to Owners right to approve repairs in accordance with Paragraph 9, Owner shall also have the right to consult with Manager with regard to the advertising and leasing of the property, the terms of the lease utilized by Manager for the property and other material issues with regard to the management of the property.

5. TERM. The term of the Agreement shall be for one (1) year, beginning _____ and terminating on _____. Thereafter, either party may terminate this Agreement upon prior written notice of thirty (30) days to the other party.

a. Provided, however, in the event that Owner shall fail to make repairs to the Property or to take other action with regard to the condition of the Property deemed by Manager, in Manager's sole discretion, to be necessary so that the Property will be habitable and will be in compliance with all building and zoning codes and regulations and all other governmental laws, statutes and regulations, then, and in such event, Manager may immediately terminate this Agreement upon written notice of such termination to Owner. The termination of this Agreement for any reason shall not affect the right of Manager to receive leasing fees payable to Manager under Paragraphs 15 and 16 of this Agreement; and such right shall continue after and survive the termination of this Agreement.

b. In the event Owner requests Manager to take any action that may, in Manager's sole opinion, either cause injury to Owner's interests or reputation or may in any way violate the spirit or letter of any law or regulation or contract, Manager shall have the right to terminate this Agreement with ten (10) days written notice to Owner.

6. SECURITY DEPOSITS. MANAGER MAY, IN ITS DISCRETION, REQUIRE TENANTS OF THE PROPERTY TO MAKE A SECURITY DEPOSIT IN AN AMOUNT AS PERMITTED BY LAW TO SECURE THE OBLIGATION OF TENANTS UNDER LEASES OF THE PROPERTY (SUBSEQUENTLY REFERRED TO AS "THE SECURITY DEPOSITS") IF MANAGER REQUIRES SUCH SECURITY DEPOSITS, SUCH SECURITY DEPOSITS SHALL BE PLACED IN A TRUST ACCOUNT IN MANAGER'S NAME IN SunTrust Bank, 101 S. KINGS DR., CHARLOTTE, NORTH CAROLINA. MANAGER SHALL BE AUTHORIZED TO MAKE WITHDRAWALS THEREFROM FOR THE PURPOSE OF RETURNING AN ACCOUNTING FOR THEM TO THE TENANTS. MANAGER MAY IN ITS DISCRETION PROVIDE IN THE LEASES FOR THE PROPERTY THAT THE SECURITY DEPOSITS MAY BE PLACED IN AN INTEREST BEARING ACCOUNT. IF THE LEASES PERMIT THE PLACEMENT IN AN INTEREST BEARING ACCOUNT, THE LEASES SHALL SPECIFY WHETHER SUCH INTEREST SHALL BE PAYABLE TO THE OWNER OR THE TENANTS AS MANAGER IN ITS DISCRETION DEEMES APPROPRIATE. IF THE LEASE PROVIDES THAT SUCH INTEREST IS PAYABLE TO THE TENANT, MANAGER SHALL ACCOUNT FOR THE INTEREST IN THE MANNER SET FORTH IN THE LEASE. IF THE LEASE PROVIDES THAT SUCH INTEREST IS PAYABLE TO THE OWNER OR AS THE OWNER DIRECTS, THEN AS BETWEEN OWNER AND MANAGER SUCH INTEREST SHALL BELONG TO MANAGER. MANAGER MAY REMOVE SUCH INTEREST FROM THE ACCOUNT AT ANY AND ALL TIMES AND WITH SUCH FREQUENCY AS IS PERMITTED UNDER THE TERMS OF THE ACCOUNT.

7. EXISTING SECURITY DEPOSITS. Under the commencement of this Agreement, Owner shall deliver to the Manager a list showing the current tenants of the Property who previously made security deposits under existing leases of the property and the amounts they deposited. Simultaneously therewith, Owner shall place the security deposits held under existing leases in the hands of manager, and Manager shall then place such security deposits in a trust account in Manager's name and shall hold said security deposits in accordance with Paragraph 6 of this Agreement.

8. FORM OF LEASE. Manager shall lease the Property utilizing its standard form lease agreement which is in use by Manager from time to time during the existence of this Agreement when leases of the Property are made.

9. REPAIRS OF THE PROPERTY. All maintenance and repairs of the Property required under this Agreement or otherwise done to the Property shall be subject to Owner's prior verbal or written consent; provided, however, Manager shall have authority without further consent of Owner to authorize and obligate Owner to pay for any item of repair or maintenance not costing more than \$500.00. Such item of repair or maintenance shall not include any monthly, annual or other regularly recurring expenditure made by Manager on behalf of Owner (such as, for example, utilities, maintenance and service contracts, insurance or taxes). Further provided; however, Manager shall also have authority, without further consent of Owner, to, at Owner's expense, make or cause to be made any repair costing more than \$500 if (a) such repair is required to comply with any applicable law, statute, ordinance, regulation or code; (b) in the sole judgment and discretion of Manager there is an emergency need for such repair which relates to the safety or comfort of the tenant; or (c) such repair is necessary to maintain services to the tenant and the premises as required under the lease applicable to the premises.

10. PERFORMANCE OF REPAIRS AND MAINTENANCE. Manager shall, in performing its obligations under this Agreement with respect to repairs and maintenance of the property, have the option to contract with an independent third party for the performance of such repairs and maintenance, and in such event, Manager shall supervise such repairs and maintenance; or Manager shall have the option to have its own personnel perform such repairs and maintenance and to charge Owner a reasonable fee for performing such repairs and maintenance.

11. AMOUNTS RETAINED BY MANAGER. Manager shall have the authority to charge and collect from tenants any or all of the following items, and Manager shall have no obligation to remit to Owner such sums as may be collected:

- (a) Late fees.
- (b) Return check charge.
- (c) Maintenance supervisory fee.
- (d) Application fee.
- (e) Court costs and process fees.
- (f) Subleasing administrative charges.

12. **NO LIABILITY FOR UNCOLLECTED RENT.** Manager shall have no liability to Owner or any other party for uncollected rent.
 13. **DAMAGE TO PROPERTY.** Manager shall not be responsible or liable for any damage to the Property caused by vandalism, by freezing of pipes or other equipment, tenants or guests, or by any other cause not within Manager's control.
 14. **MANAGEMENT FEE AND LEASING FEE.** Owner shall pay Manager a management fee equal to _____ percent (____%) of all rents, common area charges, amounts paid for electricity, water, heating and air conditioning, and all other amounts (except charges referred to in Paragraph 11) collected from tenants by or on behalf of Owner with respect to residential Property. Such management fee shall also be payable with regard to any monies paid to, or for the benefit of, Owner by any insurance company paying rent insurance or similar payments in lieu of rent payable under any lease and by a tenant of the Property in lieu of any payment due under, or in order to obtain the release from, or modification of, said tenant's lease for property space. In addition to the management fee, the Owner shall pay Manager a leasing fee for all leases of space in residential Property made or entered into to fill any such vacancy. Such leasing fee shall be equal to one-half (1/2) of the rental for one (1) month being charged on the Property at the time such lease commences.
 15. **PAYMENT OF AND EARNINGS OF RENTAL.** NOT LATER THAN THE TENTH (10TH) DAY OF THE MONTH MANAGER WILL PAY TO OWNER THE NET RENTAL COLLECTED DURING THE PREVIOUS MONTH FROM TENANTS OF THE PROPERTY. THE TERM "NET RENTAL" SHALL MEAN ALL RENTS COLLECTED ON THE PROPERTY LESS ALL AMOUNTS DUE FROM OWNER TO MANAGER UNDER THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, ANY LEASING FEE, ANY MANAGEMENT FEE, REPAIRS TO THE PROPERTY AND MAINTENANCE ON THE PROPERTY. AFTER COLLECTION OF THE RENTAL AND BEFORE PAYMENT OF THE NET RENTAL TO THE OWNER, MANAGER IS ENTITLED TO DEPOSIT THE RENTAL IN AN INTEREST BEARING ACCOUNT AND TO RETAIN ANY INTEREST EARNED THEREON. MANAGER WILL DEPOSIT SUCH RENTAL IN A TRUST ACCOUNT AT SUNTRUST BANK 101 S. KINGS DR., CHARLOTTE, NORTH CAROLINA.

16. **COPIES OF LEASES.** Owner hereby gives express written authority to Manager to enter into and retain copies of leases or rental agreements for the Property on behalf of Owner. The parties agree that leases or rental agreements for the Property will be executed on a pre-printed form, the material terms of which will not be changed by Manager without prior approval of Owner except as may be required by law. Within 45 days following the date of execution of a lease or rental agreement for the property, Manager will provide to Owner an accounting which identifies the Property and which sets forth names of the tenants, the rental rates and rents collected; Owner and Manager agree that the monthly statement customarily provided by MECA to its property owners, which identifies the Property and which sets forth the names of the tenants, the rental rates and rents collected shall suffice for this requirement.

17. **ACCOUNTING FEES.** Manager may charge a fee of _____ per month.
 18. **SUPERVISION FEE.** Owner shall pay to Manager a maintenance supervision fee of ten percent (10%) of the charges for normal maintenance repairs and for capital improvements to the Property supervised or performed by Manager including, without limitation, construction, modernization, rehabilitation and fire restoration.

19. **SALE OF THE PROPERTY.** In the event Owner sells, conveys, transfers, assigns or otherwise disposes of the Property in any manner whatsoever, this Agreement shall continue to be in full force and effect unless and until terminated in accordance with the provisions of the Agreement. This paragraph shall not, however, prevent Owner and Manager from agreeing in writing to some different disposition of this contract in the event that Owner lists the Property for sale with Manager and if Manager receives a standard real estate brokerage commission for the sales of the property.

20. **RIGHTS AND OBLIGATIONS UPON TERMINATION.** Upon any termination of this Agreement by Owner or Manager, each shall take such steps as are necessary to settle all accounts between them including, without limitation, the following:

- (a) Manager shall remit to Owner, within ten (10) days of termination, all rents then on hand after having deducted therefrom any fees then due Manager and all other amounts sufficient to cover all other outstanding expenditures of Manager incurred in connection with managing the Property.
- (b) Manager shall provide to Owner a list of all tenants who paid security deposits under leases affecting the Property.
- (c) Manager shall deliver to Owner all tenants' leases and other instruments entered into by Manager on behalf of Owner.
- (d) Manager shall deliver to Owner all security deposits then being held with respect to the Property, less any interest accrued thereon.
- (e) Owner shall promptly pay to Manager all fees and other amounts due Manager under this Agreement and shall reimburse Manager for all expenditures made and outstanding at the time of termination.
- (f) Owner shall pay a cancellation fee of \$250.00 if property is withdrawn and management agreement terminated within the first _____ months of agreement term.

21. **DEFAULT BY TENANT.** In the event a tenant in the Property shall default in the payment of rent or otherwise breach the provisions of a lease signed by such tenant, Manager shall have authority at its discretion to terminate such lease and institute legal proceedings for the collection of overdue rents and other charges and for the eviction of tenants and other persons from the Property. Manager shall not engage legal counsel in connection with any such proceedings, at the expense of Owner, without the prior written consent of Owner.

22. **OWNER.** The word "Owner" as used in this Agreement refers to all parties having title to or any interest in the Property who have signed this Agreement as Owner and the rights and obligations of the Owner under this Agreement shall be joint and several if there is more than one Owner of the Property. The parties signing this Agreement represent and warrant that they are the owners of the property.

23. **NOTICES.** All notices, demands, requests or other communications required or permitted under this Agreement shall be deemed to have been delivered and received when personally delivered in writing or when deposited in writing in the United States Mail, Certified Mail, Return Receipt Requested, postage prepaid and addressed to the respective parties as follows:

To Owner: _____ _____ _____ _____	To Manager: MECA Real Estate Services, LLC 1815 South Tryon Street, Suite D Charlotte, NC 28203 Home: _____ Office: _____ Fax: _____ Social Security Number: _____
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Either party may choose such address by written notice to the other party of any such change.

24. **ENTIRE AGREEMENT.** This instrument contains the entire agreement of the parties, and there are no representations, inducements or other provisions in existence between the parties other than those expressed in writing in this instrument. Any changes, additions or deletions with respect to this contract must be made in writing and must be signed by all parties.

25. **CONTROLLING LAW.** This contract shall be construed, and the rights and liabilities of the parties shall be determined, under the laws of the State of North Carolina.

26. **SUCCESSORS AND ASSIGNS.** This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors, heirs and assigns.

27. **AUTHORIZED AGENT FOR OWNER.** _____ shall be the agent for Owner authorized and empowered by Owner and as Owner's agent with regard to all matters and things arising under this Agreement and to receive from Manager monthly statements rendered under Paragraph 2(g) and all amounts of money due Owner from Manager under this Agreement.

28. **INSPECTION OF VACANT PROPERTY BY PROSPECTIVE TENANT.** Owner hereby grants express permission to Manager to allow prospective tenants access to the vacant Property, unaccompanied by a representative of Manager, for the sole purpose of inspecting the Property. Manager is granted express permission to temporarily give possession of a key to the Property to a prospective tenant for such purpose under the terms of a written Key Loan Agreement which Manager shall utilize for such purpose. Said Key Loan Agreement shall require the prospective tenant to return the key to Manager not more than 24 hours after the prospective tenant receives it. Manager shall have no liability to Owner for any claims or damages arising out of or related to the inspection of the Property by a prospective tenant or by permitting a prospective tenant to have possession of a key to the Property.

29. **ADDITIONAL TERMS.** This agreement is subject to the following additional terms:

EXECUTED by the parties under seal on the day and year first above written.

SEAL: _____

ATTEST: _____

_____ Secretary

By: _____ President

_____ (SEAL)

Owner

_____ (SEAL)

Owner

MECA Real Estate Services, LLC

By: _____ President

_____ Secretary