

# MANAGEMENT AGREEMENT

THIS AGREEMENT, made this 16th day of February, 2021 between Cumberland Valley Management Company, hereinafter referred to as "Management Co. And Sans Pour Property Management Trust, herein after referred to as "Agent". This agreement will begin on the 16th day of February 2021, and shall continue until the 31st day of December, 2021, hereafter referred to as the "Expiration Date", unless renewed sooner or otherwise terminated pursuant to the provisions hereunder.

## Consideration

1. This agreement is made in consideration of the services to be rendered hereunder by the Agent and the compensation herein agreed by the Management Co. is to be paid to the Agent for services as determined.

## Appointment and Acceptance

2. The Management Co. appoints the agent as exclusive agent for the management of the property(ies) described in Exhibit "A" (attached hereto and incorporated herein by reference) of this agreement, and the agent accepts the appointment, subject to the terms and conditions set forth in this Agreement.

➔ Professional Management Standards < Hand violates: no courtesy

3. The Agent, as a party to this Agreement and on behalf of Cumberland Valley Property Management Co., agrees to furnish his/her/its services, to exert his/her/its best efforts, and to exercise the highest degree of professional skill and competence in managing the premises, in order to provide the Management Co. with the maximum economic return consistent with property management.

## Duties with Respect to Leasing and Tenants

4. The Agent hereby accepts the following responsibility, authority, and duty as to renting and leasing the premises:

- a. Use all reasonable efforts to keep the premises rented by procuring tenants for the premises and negotiating the executing on behalf of the Management Co. all leases for space in the premises; provided, however, the agent shall not execute any lease in excess of one (1) year without securing the prior written consent of the Management Co.. The Management Co. agrees that the Agent shall act as the Management Co.'s exclusive agent in managing, leasing, and renting the premises.

delegated authority



- Airbnb*
- b. To advertise the availability of rental or lease space by the full use of appropriate media of communication, such as newspapers, by the display of signs on the premises and the like.
  - c. To charge all expenses of advertising under subparagraph "b", above to the Management Co.'s account as an operating expense.
  - d. To conduct such investigation of the references of prospective tenants as is necessary and reasonable to protect the Management Co. against financial loss and for the protection of the premises, and where Agent determines it to be necessary; obtain credit reports as to prospective tenants, with the cost thereof being charged to the tenant at a cost deemed to be appropriate by the Agent, with no cost to the Management Co.
  - e. To serve notices to vacate the premises when the Agent deems such notices necessary, to bring any legal action or proceeding to recover possession of rented or leased premises, to compromise and settle such lawsuits with the approval of the Management Co. to incur collection fees, costs, and legal fees, such costs not to exceed \$300.00 per lease without Management Co.'s approval.
  - f. The determination of the necessity for security deposits shall be the sole discretion of the Management Co. and his/her negotiations as to each tenant's lease. The Agent will collect, deposit, and disperse security agreements in accordance with the terms of each lease, as acquired. The amount of each security deposit will be determined at the discretion of the Agent not to be less than one month's rent. Security deposits will be deposited by the Agent into an escrow account used solely for the purpose of retaining security deposits and for no other purpose, with a bank or other financial institution whose deposits are insured by an agency of the United States Government. This account will be carried in the Agent's name and deposit of record identified according to the apartment or office which it secures.
  - g. To collect, when due, all rents, charges, and other amounts receivable to the Management Co.'s account, in connection with the management and operation of the premises. Such receipts (except for tenant's security deposit, which will be handled as specified in subparagraph "f" above) will be deposited in an account, separate from all other accounts and funds, with a bank selected by Agent, unless otherwise agreed upon between the parties. This account will be carried in the Management Co.'s name, with the Agent named as the signatory on the account. When the



separate bank accounts are to be opened by the agent will be determined by the Management Co. Until then Management Co. will maintain all bank accounts.

### *Operation and Maintenance*

5. The Management Co. gives to the Agent and the Agent hereby accepts the following responsibility, authority, and powers regarding the premises:

h. The Agent will cause the premises to be maintained and repaired in accordance with the sound management policies and local codes (primarily the BOCA Codes); and in a condition that, at all time, is acceptable to the Management Co., including but not limited to, cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair work as may be necessary, subject to any limitations imposed by the Management Co. in addition to those contained therein.

*Major, major contradiction!!*

Special attention will be given to the preventative maintenance, and to the greatest extent feasible, the services of regular maintenance. Subcontractors may be used, or Agent will personally maintain the premises as part of his contractual obligations.

The Agent may contract with qualified independent contractors for the maintenance and repair of any systems that are beyond capability of regular maintenance employees and Agent, or when time restraints require additional maintenance and repairs be provided by said independent contractors.

The Agent will systematically and promptly receive and investigate all service requests from the tenants, take such action as may be justified, and will keep records of same. All repairs will be made in a reasonable amount of time and charged to the building operating account. All charges for services from subcontractors will be paid pursuant to the subcontractor's invoice for service and materials. Emergency request will be received and serviced on a 24 hour basis. Complaints of a serious nature will be reported to the Management Co. for investigation. The agent is authorized to purchase all materials, equipment, tools, appliances, supplies, and services necessary to maintain proper maintenance and repair for the premises.

Notwithstanding any of the foregoing provisions, the prior approval of the Management Co. will be required for any expenditure which exceeds \$250.00 in any one instance for labor, materials, or otherwise in connection with the maintenance and repair of the premises, except for recurring expenses within the limits of the operating budget or emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary services to the premises. In the latter event, the Agent will inform the Management Co. of the facts as promptly as possible.

i. The agent shall maintain accurate, complete and separate records in accordance with generally accepted accounting standards and procedures, showing income and expenditures relating to the



operation of the premises and from which accounts payable and accounts receivable, available cash, and other assets and liabilities pertaining to the premises can be readily identified and the amounts thereof determined at any time. The Management Co. shall have the right, at any reasonable time through its attorney, accountant, or other representative, or in person to inspect the records kept by the Agent pertaining to the premises, including but not limited to, all checks, bills, invoices, statements, vouchers, cash receipts, correspondence, and all other records dealing with the management of the premises. The Management Co. shall have the right to have an audit made of all account books and records pertaining to the management of the premises, at Management Co.'s expense. In addition to the other requirements specified in this Agreement the Agent shall furnish such information, including occupancy reports, as may be requested by the Management Co. from time to time with respect to financial, physical, or operational condition of premises. *Failed to do with Bob*

j. The preparation of the Management Co.'s income tax return is the responsibility of the Management Co.. The Agent agrees to furnish the records and reports to the Management Co. on a monthly basis. The Agent shall set forth all data which has been produced by the Agent as described herein above in paragraph "5", subparagraph "i".

k. The Agent shall furnish a detailed income and expense statement of all receipts and disbursements for each month and a year-to-date statement to the Management Co. on a monthly basis. Such statements shall be furnished on or before the 15<sup>th</sup> day of each month for the proceeding month. Said statements shall show the status of collection and shall be supported by cancelled checks, vouchers, cash receipts, duplicate invoices, and similar documentations covering all items of income and expense, which shall be kept in the Agent's office and be available for inspection by the Management Co. or its representatives at any reasonable time during regular office hours. The Agent shall be under no obligation to advance funds on behalf of the Management Co.. To avoid this circumstance, the Management Co. agrees to maintain a minimum balance of \$500.00 in the building operating account. Any outstanding balance owed to Agent for more than thirty (30) days shall be assessed a finance charge of 1.5% per month or 18% a.p.r..

*This is a part-time compensation, therefore not available 40 hrs.*

*liability*

l. The Agent shall comply with all building codes, zoning and licensing requirements, and the requirements of federal, state, and local authorities having jurisdiction over the premises. The Agent must notify the Management Co. promptly of all written orders and notices received by an agent from the aforesaid authorities regarding such requirements and compliance. Compliance



shall be met except when Management Co. instructs agent not to comply on the grounds that requirements are invalid or on any other grounds as instructed by the Management Co.. The Agent may, with the prior written consent of the Management Co., appeal any requirement imposed by the above authorities where the Agent considers such requirement unwarranted or unreasonable, and may, with or without an appeal, compromise or settle any dispute regarding any requirement imposed by the above authorities.

- m. The Agent shall contract on behalf of the Management Co., for water, gas, electricity, extermination, laundry facilities, telephone service, and any other utility and services deemed necessary in the operation and maintenance of the premises, provided that no contract for any such item involving an expenditure is in excess of \$250.00. In the event that any such utility expenditure is in excess of \$250.00, Agent shall obtain written approval from the Management Co. before contracting same.

#### ***Collection and Disbursement of Revenue***

- 6. The Agent shall have the authority and duty to collect and disburse the revenues as follows:

- n. To use its best efforts to collect rents and revenues from the premises; and
- o. To disburse or have disbursed regularly and punctually the regular recurring operating expenses of the premises as authorized by the Agreement, and that the   x   Management Co./          Agent shall have the responsibility of making the payments for the taxes, encumbrances such as notes, bonds, judgements, mortgages, and the like on the property, unless otherwise negotiated in writing by the Management Co. and the Agent; and
  - p. To organize and maintain a system of controls designed to assure the authenticity of the bills, invoices, and statements charged and paid. In carrying out this responsibility, the Agent shall authorize all purchases and the hiring of any and all personnel with regard to the services needed on the premises. The Agent shall order goods and services from a list of suppliers and servicemen, if such a list is provided from the Management Co.; and
  - q. From the funds collected and deposited by the Agent in the Management Co.'s operating account, the Agent shall make the following disbursements promptly when payable unless otherwise agreed upon in writing by the Management Co.:
    - i. The ground rents, taxes, and assessments, fire and other hazard insurance premiums; and
    - ii. All sums otherwise due and payable by the Management Co. as expenses of

the premises authorized to be incurred by the Agent under the terms of this Agreement, including compensation payable to the Agent.

- r. In the event that the balance in the building operating account is, at any time, insufficient to pay disbursements due and payable, the Agent will inform the Management Co. of the fact. The Management Co. shall then remit to the Agent sufficient funds to cover the deficiency. In no event will the Agent be required to pay such disbursements.

#### ***Insurance Coverage***

7. The Management Co. will be responsible for insurance coverage, including, but not limited to fire insurance, with extended coverage, public liability, and where necessary, flood insurance. Tenants shall be required to obtain renter's insurance. Said requirement shall be a term in the lease signed by the tenants. The management Co. must be named as a party of interest on all insurance policies, and the policies or certificates of insurance, or copies thereof, must be provided to Management Co.. Further, Agent shall maintain copies of said policies or certificates of insurance in their files.

#### ***Legal and Accounting Services***

8. The Agent shall refer matters requiring legal or accounting services to qualified professionals approved by the Management Co. The Agent shall charge the fees for such services to the Management Co.'s account as an operating expense of the premises.

#### ***Employees***

9. All personnel shall be employees of the Agent and will be hired, paid, supervised, and discharged by the Agent. Further, such personnel will receive compensation from the Agent.

#### ***Compensation for Managerial Services***

10. In consideration for the services to be rendered to the Management Co. by the Agent under this Agreement, the Management Co. agrees to pay the Agent ten (10%) percent of the gross rent revenues from the premises actually collected. Said fee shall be deducted monthly. This shall include Agent obtaining tenants on all vacant units.
11. Any monies collected from delinquent accounts shall be paid as follows:
  - s. The Agent shall be entitled to fifty (50%) percent of all late fees associated with payments made on delinquent terms. All monies collected shall first be applied on account of late rent, utility bills and damages. The Agent shall also be entitled to compensation as described in paragraph "4", subparagraph "e" with regard to services associated with collection efforts.



- t. The Agent shall be entitled to charge tenants a service charge of \$35.00 for all returned checks, so long as any charged placed against the Management Co.'s operating account is also charged to the tenant. Management Co. will be reimbursed first for any charges collected for returned checks.

- No contract, subcontract with Tiny Beam, Trent Beam*
12. The Agent shall be permitted to subcontract with other real estate firms for the service of leasing any unit, in an effort to secure tenants more expediently. All compensation for such service shall come from the fees already agreed to herein in paragraph "10". The Agent shall not be entitled to any commission received by another person on the leasing or renting of space. Those commissions shall be paid to the real estate broker and treated as an operating expense of the premises.

#### ***Other Forms of Compensation Prohibited***

13. The compensation set forth in paragraph "10" herein above is to be paid in consideration of all services to be rendered by the Agent and all of its' employees, except on-premises employees and workers. No disbursements shall be made under this agreement by which managerial expenses are reimbursed by treating such reimbursement as an operating expense of the premises. Expenses of office overhead of the Agent, whether or not allocable to services rendered in mangement of the premises, are to be treated as expenses incurred in consideration of the managerial compensation provided for in paragraph "10" herein above.
14. All rebates, discounts, or commissions collected by Agent or credited to the Agent's use, which relate to the purchasing of supplies or the rendering of services for the premises shall be disclosed fully to the Management Co. If any part of the rebate, discount, or commission is allocable to the purchasing of supplies or the rendering of sevices for the premises, the Management Co.'s operating account shall be credited. For the purpose of this paragraph, all rebates, discounts, or commissions relating solely to managerial overhead expenses need not be disclosed to the Management Co.' account.

#### ***Termination/Renewal***

15. Unless written notice of termination from either party is received sixty (60) days before the Expiration Date of this Agreement, the Agreement shall automatically renew under the same terms and conditions contained herein for an additional one (1) year period. Same notice and renewal terms apply to each renewal period thereafter. If a notice by one (1) party of the renewal of this Agreement is received sixty (60) days prior to the Expiration Date and said notice changes the terms and conditions of this Agreement, said notice shall be treated as a notice of termination unless the other party accepts, in writing, the changes of the terms and conditions of the Agreement at least thirty (30)



days prior to the Expiration date of this Agreement.

#### ***Termination of Sale of Property***

16. The Management Co. shall notify the Agent at least sixty (60) days prior to the anticipated transfer of title of the premises. On such transfer, this Agreement shall terminate as to the particular property sold.

#### ***Termination Fee***

17. If this Agreement is terminated, whether by sale or by any other act on the part of the Management Co., during the first twelve (12) months after the execution of this Agreement, the Agent shall be entitled to a termination fee of \$600.00, less \$50.00 for each month that this Agreement has been in effect for each premises to which this Agreement pertains. The Agent shall waive the termination fee where the new Management Co. of the premises continues with the services of the Agent as to the operation and management of the premises.

#### ***Termination on Bankruptcy***

18. If either the Management Co. or the Agent is adjudicated in bankruptcy or makes an assignment for the benefit of creditors, either party may terminate this Agreement, effective the date of the notice of termination.

#### ***Effect of Termination***

19. Upon termination of this Agreement, it is agreed by the Management Co. and the Agent:
- u. That all records in the possession of the Agent pertaining to the operation of the Management Co. and the premises, together with all supplies or other items, of property owned by the Management Co. and in the Agent's possession, shall be delivered to the Management Co.; and
  - v. That the Agent's right to compensation other than any termination fee allowable under this Agreement shall immediately cease. The Agent shall be entitled to be compensated for services rendered hereunder prior to the date of termination; and
  - w. That this Agreement hereby created shall immediately cease. The agent shall have no further right, duty, or authority to act for the Management Co..

#### ***Mailing and Notice Requirements***

20. All notices required under this Agreement shall be in writing and shall be delivered by registered or certified mail, postage pre-paid, and return receipt requested or hand delivered.
21. Notices and periodic statements shall be addressed and sent to the Management Co. at the following address: Cumberland Valley Property Management, P.O. Box 302,



Newburg, PA 17240.

22. Notices to the Agent shall be addressed and sent to the Agent at the following address:

Name: Sans Peur Property Management Trust

Address: 45 Sunbeam Ct. Bldg 45, #4

Telephone: 386-209-3312

Fax:

23. At all times, this Agreement will inure to the benefit of and constitute a binding obligation on the parties and their respective successors and /or assigns.

24. A separate CONFIDENTIALITY AGREEMENT is attached and made a part of this Agreement.

THIS AGREEMENT constitutes the entire agreement between the Management Co. and the Agent with respect to the management and the operation of the premises, and no change will be valid unless made by supplemental written agreement, executed and approved by the consenting parties, as well as the principal parties. — who are the principle parties?

THIS AGREEMENT has been executed in several counterparts, each of which shall constitute a complete original Agreement, which may be introduced as evidence or used for any other purposes without production of any other counterparts.

IN WITNESS WHEREOF, this Agreement is executed by the day and year first hereinabove written:

Tiffany Beam

Witness

Harold Forney, president

Cumberland Valley Property Management Co.

By: Harold Forney, President

Tiffany Beam

Witness

Barry H. Durmaz

Sans Peur Property Management Trust

By: Barry H. Durmaz, Trustee