

314-771-3509 NEIGHBORHOOD ENTERPRISES, INC Fax: (314) 776-3703
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PROPERTY MANAGEMENT AGREEMENT

This agreement is made and entered into this _____ day of August 2009, between, _____ (owner) and Neighborhood Enterprises, Inc (N.E./manager) The owner hereby employs the services of N.E. to manage, operate, control and rent or lease the following property:

Type of Agency (from choices allowed by the Missouri Real Estate Commission): **Seller's or Landlord's Limited Agent**. When this agreement was signed the Owner was given a copy of the Missouri Broker Disclosure Form.

The Owner and N.E. agree to the following Terms and Conditions:

Responsibilities of Manager

Collection and Disbursement of Monies:

N.E. agrees to collect rents, late fees, and misc. tenant charges as they become due; to render to the Owner a monthly accounting of all income received and expenses paid; and to remit to the Owner the monthly statement and all income, less any sums paid out, by the 10th day of the subsequent month. Prepaid rent will be held in N.E.' general escrow account and remitted to the Owner in the month for which payment is intended. Tenants' security deposits will be held and maintained by N.E. in a separate escrow account.

Maintenance and management of Property:

N.E. agrees to clean, decorate, maintain, and repair the property and to hire and to supervise all employees and other needed labor. Repairs or Capital improvements costing more than \$ _____ or two months' gross building rent, whichever is less, must be authorized by the Owner.

N.E. agrees to keep the public areas clean by rotating responsibility among the tenants or designating one tenant as caretaker. If a tenant fails to clean, N.E. cleans and bills the tenant. N.E. also bills tenants for disabled cars, parking on grass, late fees, rent suits, lockouts, tenant damage, etc. When paid, these are credited to the Owner. These charges typically add about 2.8% to the owners' gross income.

Advertisement and Legal Proceedings:

N.E. agrees to advertise for tenants, screen tenants, and select suitable tenants. N.E. will set rents that, in its opinion, reflect the market conditions and approximate rents of comparable units. N.E. agrees to rent the property; to sign, renew and to cancel rental agreements and to sue and recover for rent and for loss or damage to any part of the property and/or furnishings thereof; and, when expedient, to compromise, settle, and release any such legal proceeding or lawsuits.

Compensation of Manager

The Owner agrees to pay N.E: \$30/mo while building is vacant & thereafter as follows:

- 6% of collected rents plus \$15/unit and \$15 per building or property every month. (typically between 5 & 7%)

- A **rent-up fee** of \$200 per apartment during first year of mgt; no rent-up fee is charged in subsequent years.
- A **new management set-up fee** of \$35 per building and \$10 per unit.
- **Payments to third parties** for:
 - Advertisement of vacancies, occupancy permits, utility bills: billed at cost.
 - **Rent suits** are billed at N.E.'s cost (currently \$200 for a single person; \$240 for a couple). If the court refunds part of the filing fee (usually less than \$25) it is kept by our attorney as part of his fee.
 - **Contract work:** 10%, or a minimum of \$5, is added to most bills. Jobs over \$500 which take minimal supervision are marked up between 3% and 10%.
- **N.E.' payroll employees for maintenance work:** For workers with company truck and tools, N.E. bills 2.2 times the workers' hourly rate. Helpers without vehicles are billed at 1.7 times their hourly rate. (Rates are \$6.00 to \$20.75). P/T workers with their own truck & tools are billed at 1.5 times their hourly rates.(Rates are \$14.00 to 28.00) Labor on jobs between \$1,000-\$1,999 is discounted 5%. On Jobs of \$2,000 or more it is discounted 10%. Apartment upgrades costing several thousand dollars are discounted 15-25%. Commonly used materials are stocked & billed at retail. Materials bought specifically for a job are marked up 10%.
- Owner expenses in excess of collected rent are due upon receipt of said month's statement. If, by agreement with N.E. the balance due is carried forward, the Owner will be charged 1% per month on the balance owed.
- **FEC Insurance:** is available through blanket policy arranged by N.E. The policy year is from August through July. The cost is \$.63/\$100 on 70-80% of the property value.

Liability of Manager: N.E. does not carry liability insurance itself. N.E. agrees to carefully manage the herein-described property; however, the Owner agrees to be responsible for liability for any injury to any tenant or guest upon the property.

Term of Agreement: This Agreement shall be effective as of the **1st day of August, 2009**. This Agreement will automatically be continued on a monthly basis unless terminated in writing by either party by providing written notice thirty (30) days prior to end of month management is to end. Upon termination the Owner will pay to N.E. any fees, commissions and expenses due N.E. under terms of this Agreement.

The Owner and N.E. hereby acknowledge that this document represents the entire Agreement between them and execute this Agreement on the date written above.

Owner: _____

_____ Date

Owner Address:

Owner phone, fax, e-mail:

Owner SS# or Fed ID:

James Roos, Pres, N.E.

Date