

LONG TERM COMMERCIAL MANAGEMENT AGREEMENT

IN CONSIDERATION of the covenants herein contained, _____ hereinafter designated as Owner(s), agree to employ AWBAM Enterprises Inc., dba ARTHUR KOWITZ REALTY, hereinafter designated as Agent, to rent, lease, operate and manage entire premises of the real property situated in the City of _____, County of Volusia, State of FLORIDA, Known as _____ and other properties as listed on the bottom of page 2 of this management agreement, for a period commencing this date and terminating at midnight of _____, upon the following:

TERMS AND CONDITIONS:
AGENT'S AUTHORITIES AND OBLIGATIONS

Owner hereby confers upon Agent the following authorities and obligations, where indicated by Owner:

- X At Owners expense: to advertise the availability "for rent" or "for lease" of the premises and to display "For Rent" or "For Lease" signs, to screen and use diligence in the selection of prospective tenants, to pull credit reports, run promotions, and to abide by all fair housing laws.
X To negotiate leases as may be approved by Owner. (Lease to be prepared by Owner (Lessor) or Owner's attorney.)
X To execute leases and rental agreements on behalf of the Owner.
X To act only as the Owner's agent and not as that of the Tenant.
X To collect rents, security deposits, and all other receipts, and to deposit such monies in a trust account with a qualified banking institution.
X To collect payments of sales tax from tenant(s) on rent.
X To negotiate past due rent from tenant without notice to owner. Owner may request at any time the status of tenant's account.
X To serve notice of termination of tenancies, notices to quit or pay rent, and such other notices as Agent may deem appropriate.
X To employ attorneys approved by Owner for the purpose of enforcing Owner's rights under leases and rental agreements and instituting legal action on behalf of Owner.
X To provide all services reasonably necessary for the proper management of the property including periodic inspections, supervision of maintenance, settling security deposit claims and arranging for such improvements, alterations and repairs as may be required by owner.
X To hire, supervise and discharge all employees and independent contractors required in the operation and maintenance of the property. Compensation shall be in such amounts as approved by Owner and the employment of any employee shall be terminable at will. It is agreed that all such employees are employees of the Owner and not of the Agent. To prepare payroll tax returns for Owner, where applicable, and to make payments of such taxes to the appropriate agencies from gross revenues.
X To contract for repairs or alterations, at a cost to Owner not to exceed \$300.00 per repair.
X In the event Owner is not available for consultation, to contract for such repairs and expenditures as are necessary for the protection of the property from damage, or to perform services to the tenants provided for in their leases.
X To contract for emergency repairs, at a cost to the Owner not to exceed \$300.00 per repair.
To execute service contracts for utilities and services for the operation, maintenance, and safety of the property as Agent deems necessary or advisable. Provided that the terms of any such contract shall not exceed _____ months and the amount payable each month shall not exceed \$_____ without written approval of Owner.
Owner to retain first right of refusal on all repairs.
To pay from gross receipts all operating expenses and such other expenses as may be authorized by Owner, including:
X Sales Tax on Commercial (If marked, owner pays \$5.00 flat fee for agent to figure and pay sales tax, per payment paid in owners behalf).
X To maintain accurate records of all monies received and disbursed in connection with the management of the property. Said records shall be open for inspection by Owner during regular business hours and upon reasonable notice.
X To submit monthly statements of all receipts and disbursements not later than seven (7) business days following the 15th of the month in which tenants paid their monthly rent.
Mortgage Payments (reserve amount to increase by one mortgage payment rounded to the nearest \$50.00, and \$5.00 flat fee, instead of percentage, per mortgage payment paid in the owners behalf).
Property Taxes (\$5.00 flat fee to pay tax bill, instead of percentage, per payment paid in the owners behalf)
Insurance Premiums (\$5.00 flat fee to pay insurance premiums for owner instead of percentage, per payment paid in the owners behalf)

OWNER'S OBLIGATIONS

Owner agrees to pay to Agent fees for services rendered at the rates hereinafter set forth. Such compensation is due and payable on demand and may be deducted by the Agent from receipts. Owner shall deposit with Agent \$_____ (\$_____ per unit) as an initial operating reserve and will cover any excess of expenses over income within ten days of any request by Agent. The Agent may terminate this agreement immediately if the request for additional funds is not paid. Owner understands that it is not Agent's obligation to advance its own funds for payment of Owner's operating expenses

COMPENSATION FOR MANAGEMENT SERVICES (place an "X" where applicable)

- X 5% of gross collections, with a minimum monthly fee of \$25.00
X Lease up fee equal to one month's rent
X \$150 of forfeited holding deposit, should a prospective tenant default.
X any late fees, fines or other charges deemed as "additional rent" collected from tenants without accounting to owner.
X Web listing Virtual Tour is \$30.00 per unit. (Web listings without Virtual Tour for available units are at no charge).
X \$50.00 per incident charge for interfering in the agent/tenant relationship
X No Charge for e-transfers of funds to owner and e-mail of reports.
X \$5.00 charge for paper statements and/or paper checks
X Cancellation fee of \$_____ if property is sold and service is discontinued before termination date above, during term of contract

COMPENSATION FOR OTHER SERVICES: 10% of variable expenses

Owner(s) Initials: _____ Date: _____

Owner shall indemnify and save the Agent harmless from any and all costs, expenses, attorney's fees, suits, liabilities, damages from or connected with the management of the property by Agent, or the performance or exercise of any of the duties, obligations, powers, or authorities herein or hereafter granted to Agent.

Owner shall not hold Agent liable for any error of judgment, or for any mistake of fact or law, or for anything which agent may do or refrain from doing hereinafter, except in cases of willful misconduct or gross negligence.

If property has employees, such as a large complex, owner agrees to carry, at Owner's expense, Workers Compensation Insurance for Owner's employees.

Owner agrees to carry, at Owner's expense, bodily injury and property damage liability insurance in the amount of not less than \$500,000 combined single limit for bodily injury and property damage. The policy shall name the Agent as an additional insured.

****Owner shall immediately furnish Agent with a certificate of insurance evidencing that the above coverage is in force with a carrier acceptable to Agent in the event Agent receives notice that said insurance coverage is to be cancelled, Agent shall have the option to immediately cancel this agreement.

Owner assumes full responsibility for the payment of any expenses and obligations incurred in connection with the exercise of Agent's duties set forth in this agreement.

Owner agrees to notify Agent immediately if property enters foreclosing proceedings.

Owner acknowledges by signing below that he/she is an American Citizen and not a foreign investor.

Owner will provide lease document to agent for execution at time of lease signing.

Owner understands that management is not responsible for preparation of property against Acts of God (i.e., hurricanes, floods, lightning, etc.).

Owner shall abide by all fair housing laws.

MAINTENANCE/RENOVATION DISCLOSURE: Owner is aware and agrees that AWBAM Enterprises, Inc., hires and supervises maintenance staff for maintenance repairs and may make a profit performing these services.

OTHER TERMS

All notices required to be given hereunder shall be in writing and mailed to the parties hereto at the addresses set forth below.

In the event of any legal action by the parties arising out of this agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and/or collection fees to be determined by the court in which such action is brought.

Other: _____

ADDITIONAL TERMS:

This agreement shall continue in its entirety beyond termination date so long as management services are rendered, unless changed in writing. If tenant purchases property, the management company is due a six percent commission fee from the owner.

Agent accepts the employment under the terms hereof and agrees to use diligence in the exercise of the obligations, duties, authorities and powers conferred herein upon Agent.

Agent: ARTHUR KOWITZ REALTY
1501 RIDGEWOOD AVENUE, SUITE 217
HOLLY HILL, FL 32117

By: _____

Title: Licensed Real Estate Broker

Phone: 386/677-7678

E-mail: Officemgr@werentdaytona.com

FAX: 386/677-7482

Date: _____

Owner 1 Signature: _____

Soc. Sec. or FEIN #: _____

Owner 2 Signature: _____

Soc. Sec. No.: _____

Address: _____

Cell: _____

Home Phone: _____

Work Phone: _____

E-mail: _____

FAX: _____

OTHER PROPERTIES COVERED BY THIS MANAGEMENT AGREEMENT:

Date: _____ Address: _____

Date: _____ Address: _____

Date: _____ Address: _____

By signature above, it is agreed that as my authorized property manager, you are collecting and disbursing funds for several properties on my behalf. From time to time as the amount of money in each of my property accounts vary; it may be necessary to use funds from one property to cover expenses for another. As long as my total available funds are not overdrawn and proper accounting is maintained, this practice has my approval.