



Business (504) 872-9612  
Fax 855-378-7708

### AUTHORIZATION TO MANAGE AND COLLECT RENTS

This Agreement entered into as of (although not necessarily on) the date above written between:

Name:

Address:

(hereinafter called "Owner") and

PELICAN REALTY OF LOUISIANA, LLC (hereinafter called "Manager,")

### WITNESSETH:

A. Owner is lawfully in possession and control, as Owner or otherwise, of the property described as:

<u>STREET ADDRESS</u>	<u>CITY</u>	<u>NO. OF UNITS</u>
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(hereinafter referred to as the "Property,") and has the right, power and authority to enter into this Agreement and is doing so with the knowledge and approval of all partners, and of all holders of security interests, if required, in the "Property."

B. Owner desires to employ manager to operate and manage the Property, as exclusive managing agent of the Property, and Manager desires to accept such employment, upon all of the following terms and conditions:

### PROPERTY MANAGEMENT SERVICES

**1.1 Exclusive Agency.** Owner hereby designates Manager as exclusive managing agent for the Property, and all obligations or those expenses incurred hereunder shall be for the account of, on behalf of, and at the expense of Owner, unless otherwise specifically provided herein.

**1.2 Renting of Premises.** Manager, as sole rental agent, shall use its best efforts to lease space in the Property on such terms as are recommended by the Manager and approved by Owner; provided however, in connection therewith Manager shall have the sole power (even to the exclusion of Owner) to: (a) negotiate all leases, extensions, renewals, licenses or other agreements for the rental or use of space in the Property; (b) execute and deliver all leases and agreements with residents; (c) engage the services of any outside rental agent, broker, or apartment locator service, for customary commission fees. Potential lessees will be screened for suitability and chosen by Manager in accordance with written guidelines provided to the Owner. If no such guidelines are furnished to Manager, then Manager may approve or reject prospective residents in good faith. In no event shall Manager be liable to Owner for approval or rejection of prospective residents or the termination of continuation of existing residents.

**1.3 Management Personnel.** Manager shall hire, pay and supervise as employees of Manager, all persons which it deems necessary for the proper maintenance and operation of the Property. Such personnel shall be deemed employees and/or Agents of the Manager, and Owner shall have no right to supervise or direct such employees and/or Agents. Except as otherwise provided herein, all reasonable salaries, reasonable wages and other compensation of personnel employed by Manager hereunder, including fringe benefits and workmen's compensation insurance shall be deemed to be expenses of Manager for which Manager is to be reimbursed by Owner; i.e., these expenses are operating expenses of the Property. Owner will not be responsible for any of the direct expenses (salaries, supplies, etc.) of Manager's administrative operations located at a place other than the Property.

**1.4 Property Maintenance.** Manager shall be responsible for making ordinary repairs to the Property, and may do so without Owner consent, provided such repairs do not exceed **\$300.00**. In the event the ordinary repairs will exceed **\$300.00**, then Manager shall obtain written approval from Owner. In the event extraordinary repairs and/or improvements are required to be made, Manager shall first obtain written approval of Owner, regardless of the dollar amount of such repairs or improvements; provided, however, in the event emergency repairs are immediately necessary for the preservation or safety of the residents or other persons or required to avoid exposure to criminal liability, Manager may proceed with such repairs without the prior approval of the Owner. All costs of such maintenance, repairs, improvements, etc., shall be expenses of the Property and the responsibility of Owner. Owner agrees that at the time of execution of this

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Agreement, Owner will deposit with Manager the sum of **\$300.00** as an initial reserve (the "Initial Reserve") to be used for maintenance and repairs. Manager reserves the right to increase this Initial Reserve, in its sole and absolute discretion, if the frequency of maintenance and repairs so necessitates. In the event the Initial Reserve is reduced below **\$300.00**, Owner agrees to immediately remit funds to Manager sufficient to replenish the Initial Reserve to **\$300.00**.

**1.5 Compliance with Applicable Law.** Manager shall use its best efforts to assure that the Property and its operation comply with all applicable laws, orders, or regulations of Federal, State or local authorities, subject to the same \$300.00 limitation on expenditures contained in Paragraph 1.4 hereof. Each party shall notify the other in writing of any demand, order, or proceeding by any authority affecting the Property or its operation within 24 hours of the receipt of notice thereof. So long as failure to comply promptly therewith does not expose Manager to criminal liability, Owner may stay Manager's remedial action by promptly instituting legal process contesting any such demand, order or proceeding. Manager is authorized to prepare, execute and file all applications, forms and reports required at any time by any authority. Manager may enter appearance in any legal proceeding on his own behalf at any time and on behalf of Owner upon express written authorization therefore.

**1.6 Purchasing Agent.** Manager shall enter into or renew contracts for electricity, gas, steam, telephone, water, cleaning, fuel oil, elevator maintenance, pest control, garbage removal, and other services that Manager deems necessary. Manager shall also purchase all supplies and equipment that Manager shall deem necessary to maintain and operate the Property. In entering into any contracts herein contemplated, Manager shall use its best efforts to include as a condition thereof the right to terminate each such contract upon thirty (30) days prior written notice. The cost of all such contracts, supplies and equipment shall be expenses of the Property and the ultimate responsibility of Owner. Owner will, on or before the execution of the contract, pay all outstanding invoices duly owed by Property and having been received by it, the Owner, or its duly assigned employee(s) or agents(s). Manager will be responsible for paying and otherwise processing, from the operating funds of the Property, only those invoices for goods received or services rendered from the date this contract is executed. It is understood that during the normal course of business, services rendered, such as the providing of utility services, telephone answering service, and such like, are billed to Property on an accrual basis. Manager will be responsible for paying and otherwise processing such like invoices, if and only if Owner furnishes Manager with an itemized list of these services, along with the name(s) and address(s) of the vendor(s) and/or supplier(s) furnishing same, plus the cost of frequency of billing, plus any executory contracts affecting same, to Manager prior to the final execution of this contract.

**1.7 Rent Collection.** Manager shall use its best efforts to collect all rent and other charges due from residents and users of space or facilities in the Property, in the ordinary course of business. Owner authorizes Manager to request, demand, collect, receive and receipt for all such rent and other charges and to institute legal proceedings for the collection thereof and for the dispossession of residents and others from the Property, and to engage collection agencies, counsel or others for any such matter. All costs connected therewith shall be expenses of the Property and the ultimate responsibility of the Owner.

**1.8 Supervision of Improvements.** When requested by the Owner, Manager shall supervise the construction, reconstruction, completion, addition, extension or modification of improvements to the property, where such work constitutes other than normal maintenance and repairs. In such instances, Manager shall negotiate contracts with all necessary contractors, subcontractors, material men, suppliers, architects and engineers on behalf, and in the name of, Owner, and may compromise and settle any dispute or claim arising therefrom; provided only that the Manager shall secure the prior written consent of the Owner. Manager agrees to employ and furnish all personnel necessary for proper supervision of the work, and may, without abating any fee payable hereunder, assign personnel located at the Property site to such supervisory work. Owner acknowledges that the Manager, or an affiliate of the Manager, may bid on any such work, and the Manager, or any affiliate of the Manager, may be selected to perform part or all of the work; provided that if the Manager desires to select itself or its affiliate to do any work, it shall first notify the Owner of the terms upon which it or its affiliate proposes to contract for the work, and the terms upon which independent contractors have offered to perform, and shall state the reasons for preferring itself or its affiliates over independent contractors, and Owner shall have three (3) days to disapprove the Manager or its affiliate and to request performance by an independent contractor; provided further that only the Owner shall have the power to compromise or settle any dispute or claim arising from work performed by the Manager or its affiliate; provided further, that selection of the Manager or its affiliate will not abate any fee payable hereunder. In addition to funds received from Owner contribution for capital improvements, Manager is authorized to use all monthly cash flow, after the payment of all expenses, including debt service, or the capital improvements as originally scheduled, but not in excess of each year's capital budget, unless permission is granted in writing by Owner. Manager will not be responsible for the cost incurred for these projects in excess of Manager's initial estimates.

**1.9 Insurance.** During the term of this Agreement, Owner at Owner's expense, must, procure and maintain for the mutual benefit of Owner and Manager as named insureds, comprehensive general liability insurance on an occurrence basis against claims for property damage and/or personal injury or death occurring on, in, under or about the Property or the streets, sidewalks, curbs or other areas adjoining the Property with minimum limits of \$1,000,000.00 per claim for bodily injury or death to any one person, or any number of persons arising out of one occurrence, with a Physical Address: 245 Villemar Place, Terrytown, Louisiana 70056 Mailing Address: P.O. Box 2729, Gretna, Louisiana 70054



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\$2,000,000.00 general aggregate. All general public liability and other liability policies carried by or for Owner shall name Owner as the insured and Manager as an additional insured. In the event that Manager, in its sole discretion, shall determine that the coverage procured by Owner shall be insufficient to adequately protect the interests of Manager, then and in that event, Manager shall have the right (but not the duty) to purchase additional coverage at the expense of Owner.

**1.10 Indemnity.** Owner shall indemnify Manager and save it harmless from and against all claims, losses and liabilities, including, but not limited to, all costs, fees, attorney's expenses and expert witness fees in connection therewith, arising out of damage to property, or injury to, or death of persons (including the Property and persons of the parties hereto, and their agents, subcontractors and employees) occasioned by or in connection with acts or omissions of Owner's or Owner's agents, employees and subcontractors, or as a result of any claim or suit against you by any tenant, prospective tenant or purchaser, invitee or any other person on or about the hereinafter described Property for damages to such person's property or for personal injuries or death due to the condition of said Property, or any occurrence on or about said Property, or any adjoining street, curb or sidewalk, or any act of negligence of another tenant, contractor, employee or any other person, with the exception of all claims, losses and liabilities arising out of damage to property, or injury to, or death of persons (including the Property and persons of the parties hereto, and their agents, subcontractors and employees) occasioned by or in connection with acts or omissions of Manager and Manager's Agents, employees, and subcontractors.

## ARTICLE II

### FINANCIAL MANAGEMENT SERVICES

#### 2.1 Records and Reports.

(A) **Accounting Records.** Manager shall maintain a comprehensive system of office records, books and accounts relative to the Property, and shall preserve the same for at least two (2) years after the close of the calendar year to which they relate. Owner's representative(s) and others designated by him shall at all times have access to such records, accounts and books, and to all other materials on file pertaining to the Property and its operation.

(B) **Monthly Reports.** On or before the twentieth (20th) day of each month, Manager shall render to Owner a statement of cash flow for the Property, at an appropriate level of detail, for the preceding calendar month and year to date. Accompanying this statement, will be a check, or ACH transfer, from Manager to Owner for the net cash flow due for the preceding calendar month. In the event any rents due under any lease are not collected by manager prior to the fifteenth (15<sup>th</sup>) of the month, then the net cash flow will not be disbursed to Owner until the following month. Notwithstanding anything in this paragraph to the contrary, if Manager, subsequent to the execution of this Agreement, implements an online Owner Web Access portal or program (the "Portal"), then Owner will thereafter retrieve its Monthly Reports via the Portal.

**2.2 Disbursements by Manager.** Manager shall, out of such funds as Manager may from time to time hold for the account of or on behalf of the Owner, pay when due and prior to delinquency, in the following order of priority:

(a) Amounts due and payable by Owner and all expenses of the Property as set forth in Sections 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 2.3, 3.1, 3.2, and 4.1 of this Agreement;

(b) Unless paid by the mortgagee(s) pursuant to a reserve or escrow of tax and insurance under the mortgage loan(s) covering the Property (if any), all taxes, insurance, and similar items, including especially those items required to be paid under the terms of any such mortgage;

(c) All debt service payments required to be paid under the terms of the mortgage(s) and/or ground lease(s) (if any) covering the property;

(d) In connection with (b) and (c) above, Owner warrants that it has delivered to Manager true copies of all ground leases, mortgages, and other security agreements, and all insurance policies affecting the Property.

(e) If, at any time, the amount of Owner's funds held by Manager shall not be sufficient to make all of the above payments, Manager shall promptly notify Owner's representative of such cash flow deficit. Owner shall immediately (within ten (10) days) fund this deficit. Furthermore, Owner shall, during the term of this Agreement, deposit or cause to be deposited in the operating account sufficient funds to provide working capital as and when needed and also, as required by the cash flow projections contained in the annual budget prepared by Manager. All amounts due and payable



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or reimbursable by Owner or which are expenses of the Property under the terms of this Agreement, including, but not limited to, all obligations incurred by Manager on behalf of Owner, shall be a charge upon the general credit of Owner.

**2.3 Operating Account.** All funds collected by Manager for the account of Owner, shall be deposited in any bank having a branch, or branches, in the Metropolitan New Orleans area. Such account(s) shall be in the name of Manager, and Owner acknowledges that Manager may from time-to-time manage properties owned by other parties, and the funds collected by Manager on behalf of Owner may be co-mingled with the funds collected on behalf of other parties. Funds may be withdrawn by Manager, in furtherance of this Agreement, without joinder of Owner, and the bank need not look to the application of said withdrawals. All monies collected from residents to secure performance of the leases shall be deemed to be funds of Owner and shall also be deposited in such account(s), subject to the right of Manager to apply such funds at the termination of said leases in accordance with the terms thereof, as determined in good faith by Manager. Any prepaid rents will be retained in the rental trust account so designated by Manager and disbursed according to each months rents. Tenant Security Deposits shall be maintained by Manager in an account separate and apart from the Operating Account, and said Security Deposits shall at all times be maintained and disbursed in accordance with Louisiana law.

## ARTICLE III

### MANAGER'S COMPENSATION

**3.1 Expense Reimbursement.** Owner shall reimburse Manager for all expenses of managing the Property. Such reimbursement shall at Manager's option, be made by Owner or be taken by Manager from Owner's funds which are from time to time in Manager's possession. Such expenses shall include, without limitation, all expenses incurred at the site of the Property. It shall not include expenses incurred by Manager at its general offices, except for items constituting direct expenses of the Property.

**3.2 Management Fee.** Owner shall pay Manager a Management Fee for services rendered hereunder computed as follows:

(a) For all services, Sixty Percent (60%) of the first month's gross rent, and ten percent (10%), or \$100.00, whichever is greater, of all amounts actually collected by Manager thereafter, as rents or other charges for use or occupancy of space or facilities, including but not limited to rents, furniture rental, parking, forfeited amounts collected as security penalties, income from coin operated machines, the collection of bad debts (incurred both prior to and during Manager's tenure,) rental interruption insurance, cash awards paid by vendors to the property for the execution of service contracts (i.e., in the case of a new or renewed laundry or communications contract,) and interest or investment income if Manager invests Property funds for Owner; but not including tax refunds or eminent domain awards. Additionally, Manager will retain 100% of all late charges and returned check fees.

(b) For services rendered pursuant to Section 1.8 hereof, ten percent (10%) of the actual cost, including, but not limited to, cost of all labor.

(c) In addition to the Management Fee to be paid by Owner to Manager, Owner will also pay to Manager a one-time set-up fee of \$100.00 at the execution of this Agreement, as well as a \$25.00 one-time set-up fee per unit.

(d) Lease renewal fees are billed at \$250.00 per lease renewal or 10% whichever is greater.

### 3.3 OPTIONAL Management Services.

*Intentionally empty for future improvements*

## ARTICLE IV

### TERM

**4.1** This Agreement shall commence as of the date hereof and shall thereafter continue for a two-year period (2 years). If Owner decides to terminate this Agreement prior to the termination date, and the reason for the termination is other than gross mismanagement or an "arms length" sale of the property to a completely independent entity, in which neither an authorized representative of Owner nor any member of their families have any financial or beneficial interest, then Owner will give Manager a thirty (30) day notice of termination, or if Manager decides to terminate this Agreement as a result of Owner's breach, violation or default of any of the terms hereof, then Manager will give Owner a thirty (30) day

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notice of termination, and in the event of any such termination, Owner will pay to Manager, at the end of said thirty (30) day period a termination fee equal to the agreed upon Management Fee for a six-month period, using the amounts collected for the six-month period prior to termination for the calculation of the termination fee. In the absence of written communication between Owner and Manager, this Agreement will automatically renew, upon each anniversary date, for the same period of time contained in the original Agreement.

In the event Property is sold or transferred during the term of this Agreement, or within one (1) year after the termination thereof, to any lessee, tenant, or any other person procured by Manager, Owner agrees to pay Manager a commission of seven percent (7%) of the sales price of the Property.

**4.2** This Agreement shall terminate: (a) upon the expiration of the term hereof, as provided above; (b) upon either party's default hereunder provided that party does not cure such default within thirty (30) days of having received written notice from the other of such default; provided, however, if such breach cannot reasonably be cured within said thirty (30) days period, and if reasonable efforts to cure said breach are commenced within thirty (30) days period, and are pursued with due diligence to conclusion, then there shall be no right to terminate this Agreement hereunder, unless the default is not cured within a reasonable time; (c) If a receiver, liquidator, or trustee for either party, shall be appointed by court order; or a bona fide petition shall be filed against either party under any bankruptcy, reorganization or insolvency law, or either party shall file a voluntary petition in bankruptcy or shall request reorganization under any provision of involuntary bankruptcy, reorganization or insolvency laws; or if either party shall make an assignment for the benefit of creditors, then upon the other party's delivering written notice of termination. Termination of this Agreement under any of the foregoing provisions shall not release either party from liability for failure to perform any of the duties or obligations as expressed herein and required to be performed by such party as such liability for failure to perform hereunder relates only to the period prior to such termination. Upon such termination, Manager shall (1) surrender and deliver to Owner the Property and (after the payment to Manager of all amounts owed by Owner to Manager under this Agreement and after the payment of all outstanding expenses of the Property) all rents and income of the Property on hand and in any bank account which are the monies of Owner; (2) deliver to Owner, as received, any monies due Owner under this Agreement but received after such termination; (3) deliver to Owner all materials and supplies, keys, contracts and documents, and such other accountings, paper and records pertaining to this Agreement as Owner shall reasonably request; and (4) assign such existing contracts relating to the operation and maintenance of the Property as Owner shall require (which by their terms are assignable), provided that Owner shall agree to assume all liability thereunder.

**4.3** Within sixty (60) days after any such termination, pursuant to 4.1 and 4.2 above, Manager shall deliver to Owner a cash flow report required by Section 2.1 (B) for any period not covered by such a report at the time of termination.

## ARTICLE V

**5.1 Owner's Representative.** Owner shall designate no more than two (2) people to serve as Owner's Representatives in all dealings with Agent hereunder. Whenever the approval or consent or other action of Owner is called for hereunder, such approval, consent or action shall be binding on Owner if specified in writing and executed by at least one (1) of Owner's Representatives. The original Owner's Representative shall be the parties named on the first page hereof. Such representative may be changed at the discretion of the Owner, at any time, in writing, delivered to Manager.

**5.2 Notices.** All notices required or permitted by this Agreement shall be in writing and shall be sent by registered or certified mail, addressed to Owner's Representative(s) at \_\_\_\_\_ to Manager at Pelican Realty of Louisiana, 245 Villemar Place, Terrytown, Louisiana 70056 or PO Box 2729, Gretna, LA 70054 or to such other address as shall, from time to time, have been designated by written notice by either party given to the other party as herein provided.

### **5.3 Miscellaneous:**

(a) This Agreement shall constitute the entire Agreement between the parties hereto and no modification thereof shall be effective unless made by supplemental agreement in writing executed by all parties hereto, or in such cases where modifications are stipulated by Federal Bankruptcy Court.

(b) Nothing contained in this Agreement shall constitute or be construed to be or create a partnership or joint venture between the Owner, its successors or assigns, on the one part, and Manager, its successors or assigns on the other part.

(c) Neither this Agreement nor any part thereof, nor any service relationship, or other matter alluded to herein shall inure to the benefit of any third party, to any trustee in bankruptcy, to any assignee for the benefit of creditors, to any receiver by reason of insolvency, to any other fiduciary or officer representing a bankrupt or insolvent estate of

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either party, or to the creditors or claimants in such an estate. Without limiting the generality of this foregoing sentence, it is specifically understood and agreed that insolvency or bankruptcy of either party hereto shall at the option of the other party void all rights of such insolvent or bankrupt party hereunder (or so many of such rights as the other party shall elect to void.)

(d) If any one or more of the provisions of this Agreement, or the applicability of any such provision to a specific situation shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of the Agreement and all other applications of such provisions shall not be affected thereby.

(e) Unless the context clearly requires otherwise, the singular number herein shall include the plural, the plural number shall include the singular, and any gender shall include all genders. Titles and captions herein shall not affect the construction of this Agreement.

(f) This Agreement shall be binding upon the parties hereto and their heirs, executors, administrators, legal representatives, successors and assigns.

PRIMARY OWNER:

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

DATE:

SECONDARY OWNER:

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

DATE:

AGENT:

PELICAN REALTY OF LOUISIANA. LLC

\_\_\_\_\_

DATE:

BROKER:

PELICAN REALTY OF LOUISIANA. LLC

\_\_\_\_\_

DATE: