

Exclusive Property Management Agreement

Stone Gate Property Group LLC

This Exclusive Property Management Agreement (“Agreement”) is entered into by and between Stone Gate Property Group LLC, a Pennsylvania limited liability company (“Manager”), and the undersigned property owner (“Owner”). Manager and Owner may be referred to individually as a “Party” and collectively as the “Parties.”

EFFECTIVE DATE: _____

Property Identification; Portfolio Addendum

Property Covered by This Agreement

☐ Single Property

Property Address:

☐ Multiple Properties (see attached property schedule)

If Owner has engaged Manager to manage more than one (1) property, the properties subject to this Agreement shall be identified on the Multiple Properties Addendum, attached hereto and incorporated by reference. The Multiple Properties Addendum may be updated from time to time by written agreement of the Parties.

Each property listed on the Multiple Properties Addendum shall be deemed a “Property” for all purposes of this Agreement, and all terms, fees, obligations, and protections contained herein shall apply separately and collectively to each such Property unless otherwise expressly stated in writing.

1. Appointment; Exclusive Agency

Owner hereby appoints Manager as Owner’s sole and exclusive agent to lease, rent, operate, manage, and oversee the Property. Owner grants Manager full authority to take all actions necessary or advisable to manage the Property in accordance with this Agreement and applicable law.

2. Term; Automatic Renewal

This Agreement shall commence on the Effective Date and shall continue until terminated in accordance with this Agreement. Unless properly terminated, this Agreement shall automatically renew on a month-to-month basis under the same terms and conditions.

3. Owner Representations And Warranties

Owner represents and warrants that:

1. Owner is the lawful owner of the Property and has full authority to enter into this Agreement.
2. The Property is not subject to pending or threatened foreclosure or bankruptcy materially affecting this Agreement.
3. All mortgages, taxes, utilities, assessments, and association dues are current (or disclosed in writing to Manager).
4. Owner shall comply with all applicable federal, state, and local laws relating to ownership, habitability, and leasing of the Property.

4. Scope Of Management Services

Manager is authorized to perform all services customary to professional property management, including, without limitation:

- Marketing and advertising vacant units;
- Showing units and screening prospective tenants;
- Preparing, negotiating, executing, renewing, and enforcing leases;
- Collecting rents and other tenant charges;
- Coordinating maintenance, repairs, and vendor services;
- Handling tenant communications, complaints, and disputes;
- Coordinating compliance-related notices and responses;
- Maintaining records and providing accounting statements.

Nothing herein shall be construed as a guarantee of tenant performance, rent collection, or vacancy duration.

5. Lease Controls; Conflict Resolution

Owner acknowledges that all leases executed for the Property govern the rights and obligations between Owner and tenants. In the event of any conflict or inconsistency between this Agreement and any lease, the lease shall control as to tenant rights, tenant obligations, possession, occupancy, rent, and use of the Property, and this Agreement shall control as to the relationship between Owner and Manager.

Owner authorizes Manager to administer, interpret, and enforce lease provisions in good faith and agrees Manager shall not be deemed in breach of this Agreement for actions taken in compliance with any lease.

6. Rent Collection; Accounting; Remittance

Manager shall use commercially reasonable efforts to collect rents and other tenant charges due under applicable leases. Nothing herein shall be construed as a guarantee by Manager of the payment of rent or other charges by any tenant.

Manager shall remit to Owner the net proceeds of rents and other sums actually collected, less all management fees, leasing fees, eviction fees, administrative charges, maintenance costs, reimbursements, reserves, and other amounts due to Manager under this Agreement. Remittance shall be made on or before the fifteenth (15th) day of each calendar month, provided sufficient funds have been collected and cleared. Manager shall not advance, credit, or remit any rent or other sums not actually collected. Owner acknowledges that all remittances are contingent upon receipt of cleared funds.

Final Disbursement Holdback. In the event this Agreement is terminated for any reason, Manager shall have the right to withhold the final disbursement of Owner funds for up to thirty (30) days following termination in order to pay or satisfy any outstanding invoices, charges, maintenance costs, utility bills, legal fees, eviction expenses, tenant credits, chargebacks, or other obligations relating to the Property incurred during the term of this Agreement. Any remaining balance shall be remitted thereafter.

Manager's rights under this Section shall survive termination of this Agreement.

7. Rent Adjustments; Credits; Proration

Owner hereby authorizes Manager, in Manager's reasonable professional judgment, to adjust, prorate, credit, abate, or correct rent and other tenant charges when Manager determines such action is necessary or appropriate in connection with leasing, move-ins, move-outs, partial occupancy periods, repairs, maintenance issues, habitability concerns, service interruptions, lease enforcement, dispute resolution, court proceedings, compliance with applicable law, or correction of billing errors.

Owner acknowledges that rent adjustments and credits may be necessary to preserve tenancies, mitigate damages, comply with legal requirements, resolve disputes, or avoid greater expense, including litigation or vacancy, and agrees that Manager shall have no liability to Owner for such adjustments when made pursuant to this Section in good faith. All adjustments shall be reflected in Owner's accounting statements.

8. Security Deposits

Manager is authorized to collect, receive, hold, account for, and disburse tenant security deposits in accordance with applicable law and the terms of the applicable lease. Manager may apply security deposit funds to unpaid rent, tenant-caused damages, cleaning, utilities, or other lawful charges and may prepare and deliver any required security deposit accounting or itemization on Owner's behalf.

Any security deposit held by Owner or a prior manager at the commencement of this Agreement shall be promptly transferred to Manager along with all applicable records. Owner shall remain responsible for any shortage, deficiency, or prior mishandling of such funds occurring before Manager receives them.

9. Management Fees

Owner agrees to pay Manager a monthly management fee equal to:

- Ten percent (10%) of gross monthly rent collected OR One Hundred Dollars (\$100.00) per unit, whichever is greater, or
- Eight percent (8%) of gross monthly rent collected if Owner maintains fourteen (14) or more units under management with Manager.

Management fees shall be earned and charged only upon the collection of rent, except as otherwise expressly provided in Section 20 (Extended Owner-Caused Vacancy) or any other section of this Agreement that provides for a flat or minimum management fee during periods in which rent is not being collected.

10. Onboarding And Leasing Fees

Vacant Units (Marketing / Placement). For any unit that is vacant and requires marketing, advertising, tenant screening, and lease placement, Owner shall pay Manager a leasing fee equal to fifty percent (50%) of the first month's rent collected for such unit.

Occupied Units (Administrative Onboarding). For any unit that is occupied at the time management services commence and does not require marketing or tenant placement, Owner shall pay Manager an onboarding fee equal to twenty-five percent (25%) of the first month's rent.

Lease Renewals. For any existing tenant who renews or extends their lease, Owner shall pay Manager a flat lease renewal fee of Two Hundred Dollars (\$200.00) per renewed lease. This fee covers preparation of the renewal documents, coordination with the tenant, execution of the renewal, and related administrative processing.

Portfolio Adjustment / Addendum. For large or unique portfolios (including but not limited to high rent roll, mixed-use, or commercial properties), Manager may convert percentage-based fees to flat per-unit fees pursuant to a written fee addendum agreed to by the Parties. Any discounts or fee waivers shall be agreed upon and signed by both parties.

11. Reserve Funds

Owner shall maintain reserve funds equal to Five Hundred Dollars (\$500.00) plus One Hundred Dollars (\$100.00) per additional unit. Manager shall have no obligation to advance funds on Owner's behalf.

12. Maintenance Authorization Limit

Owner authorizes Manager to incur repair or maintenance expenses up to the following amount per occurrence without prior approval (check one):

☐ \$500 per repair

☐ \$800 per repair

13. Maintenance Coordination Fee

Owner agrees to pay Manager a maintenance coordination fee equal to ten percent (10%) of the total cost of repairs, maintenance, or other third-party vendor work coordinated by Manager. This fee covers the administrative time involved in scheduling, communicating with vendors and tenants, reviewing estimates and invoices, coordinating access, and processing payment, and may be deducted from Owner funds held by Manager along with the underlying maintenance costs.

14. Contractors; Owner Unresponsive; Emergencies

Owner hereby expressly authorizes Manager to hire, discharge, supervise, and coordinate, in the name and on behalf of Owner, all contractors, vendors, service providers, and labor reasonably necessary for the operation, maintenance, repair, and preservation of the Property. All contractors shall be deemed independent contractors of Owner and not of Manager.

Except as otherwise provided herein, Manager is authorized to incur repair and maintenance expenses up to the authorization limit set forth in Section 12 without prior Owner approval.

If Manager determines repairs or maintenance exceeding the authorization limit are reasonably necessary, Manager shall make reasonable efforts to obtain Owner's approval. If Owner fails to respond to Manager's request for approval within twenty-four (24) hours, Owner hereby authorizes Manager to proceed with such repairs or maintenance as Manager deems reasonably necessary to preserve the Property, maintain habitability, prevent further damage, comply with applicable law, or avoid disruption of tenant occupancy.

Emergency Repairs. In the event of an emergency, including but not limited to conditions affecting health, safety, habitability, utility services, structural integrity, or legal compliance, Manager is authorized to make or cause to be made any repairs or expenditures deemed necessary by Manager, without prior Owner approval and without regard to any spending limitation, if Owner is unreachable or immediate action is required.

Owner agrees to assume all costs incurred pursuant to this Section and authorizes Manager to pay such costs from rents collected, reserve funds, or other monies held for Owner. Manager shall have no obligation to advance personal or company funds.

Manager shall not be responsible or liable for the acts, omissions, defaults, or negligence of any contractor or vendor selected by Manager, provided Manager exercised reasonable care in such selection.

15. Compliance; Mold; Lead-Based Paint; Environmental

Manager shall not be responsible for code compliance except to forward notices received. Owner is solely responsible for ensuring the Property complies with all applicable laws, codes, ordinances, and regulations. Owner indemnifies Manager for claims relating to mold, moisture, environmental hazards, or lead-based paint except where caused by Manager's gross negligence or willful misconduct.

16. Insurance

Owner shall, at Owner's sole cost and expense, maintain at all times during the term of this Agreement applicable property and liability insurance covering the Property, consistent with the type, size, and use of the Property, including coverage for casualty loss, fire, extended coverage, vandalism, and such other risks as are customarily insured against for similar properties.

Owner shall further maintain liability insurance with limits sufficient to protect against claims for bodily injury, death, and property damage arising out of the ownership, condition, use, or occupancy of the Property, whether such coverage is provided under a residential, landlord, or commercial policy, as applicable.

Owner agrees to name Stone Gate Property Group LLC, its members, managers, employees, and agents as Additional Insureds on all applicable liability insurance policies relating to the Property, to the fullest extent permitted by the insurance carrier.

All insurance maintained by Owner shall be primary and non-contributory with respect to any insurance maintained by Manager, and any insurance maintained by Manager shall be excess only.

Upon request, Owner shall provide Manager with certificates of insurance and, where applicable, copies of additional insured endorsements evidencing compliance with this Section. Failure to maintain such insurance or to provide proof thereof shall constitute a material breach of this Agreement. Manager's acceptance of certificates shall not waive Owner's obligations.

17. Insurance Priority; Waiver Of Subrogation

Owner acknowledges and agrees that Owner's insurance policies shall be primary with respect to any loss, damage, claim, or liability arising out of or relating to the Property, and that any insurance maintained by Manager shall be excess and non-contributory.

Owner agrees that claims for loss, damage, or liability arising out of or relating to the Property that are covered by insurance shall be submitted to Owner's applicable insurance carriers prior to any claim being asserted against Manager.

To the fullest extent permitted by law, Owner hereby waives any and all rights of recovery against Manager and the Manager Parties to the extent such claims are covered by insurance, including any right of subrogation Owner's insurer may otherwise assert.

Owner agrees to cause applicable insurance policies to include a waiver of subrogation endorsement in favor of Manager and the Manager Parties where such endorsement is available.

This Section shall survive termination.

18. Indemnification; Release; Limitation Of Claims

Owner agrees to indemnify, defend, and hold harmless Stone Gate Property Group LLC, its members, managers, employees, agents, and contractors (collectively, the "Manager Parties") from and against any and all claims, demands, causes of action, damages, losses, liabilities, costs, and expenses, including but not limited to property damage, personal injury, loss of rents, consequential damages, and reasonable attorneys' fees, arising out of or relating to:

- (a) the ownership, condition, maintenance, repair, operation, leasing, or use of the Property;
- (b) the acts or omissions of tenants, occupants, guests, contractors, vendors, or other third parties;
- (c) Owner's failure to perform or timely authorize repairs, maintenance, or improvements;
- (d) Owner's failure to comply with applicable laws, codes, regulations, or insurance requirements; or
- (e) any claim brought by Owner arising from alleged property damage, loss of value, loss of use, or tenant conduct, except to the extent such claim is finally determined by a court of competent jurisdiction to have been caused by the gross negligence or willful misconduct of Manager.

Owner expressly acknowledges and agrees that Manager does not guarantee the condition of the Property or prevent theft, vandalism, casualty loss, acts of God, or tenant damage, and that ordinary property damage, wear and tear, tenant misconduct, or market conditions shall not give rise to a claim against Manager.

Owner hereby releases Manager Parties from any and all claims for property damage, diminution in value, lost rents, or economic loss arising from management of the Property, except as expressly provided in this Agreement.

Owner agrees that no claim may be brought against Manager Parties unless Owner provides written notice of the claim within thirty (30) days after Owner becomes aware, or reasonably should have become aware, of the alleged basis for such claim.

This Section shall survive termination.

19. Limitation Of Liability; Attorneys' Fees

Manager's total cumulative liability shall not exceed One Thousand Dollars (\$1,000.00) or the total fees paid by Owner during the preceding twelve (12) months, whichever is less. Each Party shall bear its own attorneys' fees unless otherwise required by statute or court order.

20. Extended Owner-Caused Vacancy; Minimum Management Fee

In the event a unit remains vacant for a period exceeding forty-five (45) consecutive days due to Owner's instructions, Owner's failure to authorize or complete repairs, renovations, or improvements, Owner's decision to delay marketing or leasing, the uninhabitable condition of the Property attributable to Owner action or inaction, or any other circumstance outside Manager's control that prevents Manager from marketing or leasing the unit, Owner agrees to pay Manager a flat management fee of One Hundred Dollars (\$100.00) per month per affected unit, commencing on the forty-sixth (46th) day of vacancy and continuing monthly until the unit is made available for marketing and leasing.

21. Evictions; Court Fees; Administrative Charges

Owner agrees to pay Manager a flat eviction court fee of Five Hundred Dollars (\$500.00) per matter, which fee shall be due and payable prior to Manager commencing any eviction or court action. Manager shall have no obligation to initiate or proceed with an eviction unless and until such fee is paid in full.

The flat eviction court fee includes Manager's administrative services related to the initial eviction filing, one (1) court appearance related to such filing, and coordination of the lockout or possession turnover, if applicable.

Additional services beyond the scope above, including but not limited to refiling actions, additional or continued court appearances, contested hearings, appeals, delays caused by tenant action or inaction, reinstated tenancies, or any other work required outside of the initial filing, initial court appearance, and lockout, shall be billed at Eighty-Five Dollars (\$85.00) per hour.

All court costs, attorneys' fees, sheriff or constable fees, service fees, judgment enforcement costs, and third-party expenses shall be paid by Owner and are separate from Manager's fees.

22. Limited 90-Day Leasing Fee Waiver

If a tenant placed by Manager is evicted through formal court proceedings within ninety (90) days of the commencement date of the lease, Manager agrees to waive the leasing and marketing fee charged for placement of such tenant. This waiver applies only to the leasing/marketing fee and does not apply to eviction fees, hourly charges, court costs, attorneys' fees, damages, unpaid rent, or any fees for a subsequent tenant.

23. Owner Default; Remedies

The occurrence of any of the following constitutes an Owner default:

- (a) failure to timely pay any fees, costs, or charges due to Manager;
- (b) failure to maintain required reserve funds;
- (c) failure to maintain required insurance or name Manager as an Additional Insured;
- (d) failure to authorize or fund necessary repairs or maintenance;
- (e) failure to execute required documents, including termination acknowledgments;
- (f) breach of any representation, warranty, or material obligation under this Agreement.

Upon Owner default, Manager may, without limitation: (i) suspend some or all services until cured; (ii) apply rents/reserves/funds to cure; (iii) terminate this Agreement upon written notice; (iv) recover all amounts owed. Manager shall not be liable for loss arising from suspension or termination due to Owner default. Remedies are cumulative.

24. Right Of First Refusal To Purchase

If Owner elects to sell the Property during the term of this Agreement or within ninety (90) days after termination, Owner shall provide Stone Gate Property Group LLC or its designee the right of first refusal to purchase on the same terms as any bona fide third-party offer. Manager shall have ten (10) business days to exercise such right.

25. Fair Housing; Dispute Resolution; Electronic Signatures

Manager shall operate in compliance with all applicable fair housing laws. The Parties agree to submit disputes to non-binding mediation prior to litigation. Electronic signatures are authorized and deemed binding.

26. Termination

Either Party may terminate this Agreement upon thirty (30) days written notice.

Early Termination Fee. If Owner terminates this Agreement within ninety (90) days of the Effective Date, such termination constitutes an early termination. Owner shall pay Manager an early termination fee equal to three (3) months of management fees or Five Hundred Dollars (\$500.00), whichever is greater, due immediately upon termination.

Termination Acknowledgment; Release of Funds. Upon termination by either Party, Owner acknowledges and agrees that a written termination acknowledgment or termination agreement, in a form reasonably acceptable to Manager, must be executed by Owner prior to the final release of any funds held by Manager on Owner's behalf. Manager shall have no obligation to release any remaining funds until such termination acknowledgment has been executed and all outstanding fees, costs, charges, and obligations relating to the Property have been satisfied or accounted for.

27. Amendments; Governing Law; Entire Agreement; Binding Effect

This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania. This Agreement constitutes the entire agreement between the Parties and supersedes any prior agreements or understandings concerning the subject matter herein.

Manager may propose amendments or updates to this Agreement as reasonably necessary to maintain compliance with applicable laws, regulations, industry requirements, or changes to Manager's policies and procedures. Any amended Agreement shall become effective upon execution by the Parties and shall supersede any prior version. This Agreement shall be binding upon and enforceable by the Parties and their respective successors, permitted assigns, and legal representatives. By signing this Agreement, each Party acknowledges that they have read, understood, and voluntarily agreed to its terms.

28. Signatures**OWNER:**

Name: _____

Signature: _____ Date: _____

OWNER:

Name: _____

Signature: _____ Date: _____

MANAGER:

Stone Gate Property Group LLC

By: _____ Date: _____

Title: _____