



Property Management Agreement

This Property Management Agreement ("Agreement") is made and entered into this date of:

Between:

(the "Owner") and Performance Asset Management (the "Manager").

The owner hereby appoints, and grants P.A.M. the exclusive right to rent, lease and manage the property known as:

Property
address(s):

1. TERM OF AGREEMENT

This Agreement will begin on _____ and continue on a day-to-day basis until terminated by either party. Once the Manager has collected rent for the month, management fees will be deemed earned and non-refundable.

2. RESPONSIBILITIES OF MANAGER

The Manager shall be responsible for the following:

- a. Advertising the Property, showing it to prospective residents, and leasing.
- b. Screening and approving Residents in accordance with Manager's criteria and all applicable laws.
- c. Accepting rental applications, fees, deposits, and other amounts as allowed by law. Security deposits will be held in an FDIC-insured trust account.
- d. Preparing, renewing, negotiating, and terminating rental agreements and related documents.
- e. Collecting rent and other payments, updating ledgers in corresponding portal.
- f. Depositing all funds collected into a designated FDIC-insured trust account.
- g. Maintaining complete records for investors accessible only while active clients of all income and expense work that PAM performs. Investors understand PAM will not be able to provide historical documents to former clients, thus Investors should download all documents they need upon termination.
- h. Providing investors with monthly detailed income and expense statements.
- i. Disbursing net proceeds to investors via ACH monthly, initiated on the 10th (subject to holidays/weekends).
- j. Serving notices for non-payment, breach, or termination in compliance with the law.
- k. Filing eviction actions. Legal costs shall be paid by the investor. PAM charges \$1000 plus all legal fees for all non-PAM placed evictions.

3. MAINTENANCE AND REPAIRS

- a. The manager will oversee repairs, improvements, and alterations necessary to maintain the Property in rentable condition.
- b. The manager may procure materials, tools, and services at the owner's expense.
- c. Manager must obtain Investor's prior approval for any single expense over \$500, except when in the opinion of Manager, such maintenance or repairs are necessary to protect the Property from damage or to maintain services to Resident as required by law and/or their rental agreement. Ex. Fridge, stove, HVAC, plumbing, electrical, roof leaks, and anything else related to the resident rights protected in accordance with the 704 statutes in the state of Wisconsin.
- d. Managers may hire and supervise independent contractors as needed.
- e. The manager will respond promptly to Resident inquiries and maintenance requests based on urgency.
- f. The owner agrees not to communicate directly with residents. All communications must go through the Manager to ensure clarity and efficiency. Repeated violations may result in a \$500 administrative fee.

g. The owner shall maintain an Operating Reserve in the amount of \$500 for 1 unit and \$1000 for 2 units or more. Manager to use reserve for payment of expenses related to the management of the Property. If the Operating Reserve falls below the established amount at any time, then there will be no net proceeds for the Manager to disburse to the Owner. These reserve amounts will be replenished to their contractual levels prior to monthly disbursements.

4. SCHEDULE OF FEES

Owner agrees to the following fees:

a. Monthly Management Fee: 10% of collected rent.

b. Placement Fee: One month's rent, with a 12-Month Eviction Guarantee. If a PAM placed resident is evicted before completing 12 months of paid rent, the full placement fee will be refunded.

c. Initial Inspection & CapEx Assessment Fee: One-time upfront fee of \$300 for full unit inspection and capital improvement evaluation.

d. Lease Renewal Fee: \$300.

e. Maintenance Coordination & Technology Fee: \$10 fee applies to all maintenance charges for coordination services and access to the management technology stack.

f. Manager retains collected late fees.

g. Manager retains collected pet fees

5. OTHER MANAGER COMPENSATION

Managers may receive additional compensation, payable by Residents, Vendors or Third Parties, in relation to services under this Agreement. This compensation may include, but is not limited to: Credit check fees, Resident benefit packages, returned check fees (NSF), rent processing, lease preparation, pet administration, lease break, lease assignment, utility concierge and risk mitigation.

6. BILL PAYMENT AND OWNER FUNDS

On a monthly basis the Manager shall deduct management fees, expenses for repairs, any payments made on behalf of the Owner, and any other amounts authorized under this Agreement from all amounts collected on behalf of the Owner. If the amounts collected are less than the amounts to be deducted, then the Owner shall submit funds to the Manager within ten (10) days of receipt of the

Owner statement reflecting the shortage. In the event the owner's account has a negative balance at any point during a one month period, whether intentional or not, a 1% overdraft fee (12% APR) will be assessed on a monthly basis until the fee is paid and the account balance is restored to more than \$0. This fee will be assessed 10 days after the Manager requests a contribution to be made by the owner.

7. BUSINESS EXPENDITURES

Manager will pay all expenditures necessary for supplies required to complete Manager's duties hereunder. Owner shall reimburse Manager within (10) ten days, for all costs expended by Manager for the maintenance, repair and improvement of Property.

8. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and insure to the benefit of the successors and assigns of Manager and the administrators, successors, heirs and assigns of Owner. Notwithstanding the preceding sentence, Manager shall not assign its interest under this Agreement except in connection with the substantial sale of its business. In the event of such sale, Manager shall be released from all liability under this Agreement upon the express assumption of such liability by its assignee.

9. INDEMNIFICATION

Owner agrees to indemnify and hold Manager harmless for losses, damages, costs, and expenses, including attorney's fees, arising out of this Agreement unless caused by Manager's gross negligence or intentional Wrongdoing.

10. INSURANCE

Owner agrees to carry comprehensive insurance covering the Property in an amount that Owner deems appropriate for replacement coverage, with a minimum of \$1,000,000 liability coverage, and direct the company.

11. COMPLIANCE WITH LAWS

Owner shall comply with all laws, ordinances, regulations, and lease terms, present or future, in any way relating to the ownership, use or maintenance of the Property throughout the term of this Agreement, and Owner shall indemnify the Manager against all liability it may incur due to the Owner's failure to comply with such ordinances, regulations and lease terms. This means the owner is agreeing to pay for the manager's attorney's fees and any fines, fees, penalties, judgements, and/or other costs incurred by the manager as a result of Owner's failure Herein.

12. NO WAIVER

The waiver or failure of either party to exercise in any respect any right provided in this Agreement shall not be deemed a waiver of any other right or remedy to which the party may be entitled.

13. ENTIRE AGREEMENT / GOVERNING LAW / SEVERABILITY

The terms and conditions set forth herein constitute the entire agreement between the parties and supersede any communications or previous agreements with respect to the subject matter of this Agreement. There are no written or oral understandings directly or indirectly related to this Agreement that are not set forth herein. Any change to this Agreement must be in writing and signed by both parties. This Agreement shall be construed and enforced according to the laws of the State of Wisconsin. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable provision had never been included.

14. DEFAULT

In the event of a default by either party, this Agreement may be terminated if the default is not cured within fifteen (15) days after service of written notice of default to the other party. In the event that any legal proceedings are filed as a result of any default under this Agreement, the prevailing party is entitled to

15. ELECTRONIC 1099 CONSENT

The owner consents to receive IRS Form 1099-K electronically via the email provided.

16. PROPERTY ACCESS AND LOCKBOXES

Manager is authorized to place a lockbox on the Property for the convenience and use of Manager, Vendors, Cooperating Brokers or other necessary parties. The manager may provide the lockbox code or may use an automated electronic lockbox system that allows access to the property for prospective tenants. Owner fully releases, discharges and holds harmless Manager and its agents, officers, and employees from any losses, damages, judgments, expenses (including reasonable attorney's fees), claims and actions of any kind, arising out of or relating to Manager's use of such a lockbox system. Owner agrees to indemnify Manager and its agents, officers, and employees, from and against any and all losses, damages, judgments, expenses (including reasonable attorney's fees), claims and actions of any kind, arising out of or relating to Manager's use of such a lockbox system.

17. INVESTOR PET SELECTION

The Property under this Agreement will handle pets as follows:

- ☐ Owner shall accept cats
- ☐ Owner shall accept dogs
- ☐ Owner shall accept all types of pets
- ☐ Owner will only accept ESA pets as outlined by fair housing laws

18. COMMUNICATION

Performance Asset Management

Portal:

www.pammke.com

Phone:
414-368-0207

Email:
investors@pammke.com

Mail:
777 N Jefferson St
Suite 408
Milwaukee, WI 53202

SIGNATURES:

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates below.

INVESTOR:

X_____

DATE_____

INVESTOR:

X_____

DATE_____

MANAGER:

X_____

DATE_____