

REAL ESTATE MANAGEMENT AGREEMENT

This Real Estate Management Agreement (“**Agreement**”) is made as of this ____ day of _____, 20____, by and between (**Legal Name**, a _____ limited liability company) (hereinafter referred to as the “**Owner**”) and MACKENZIE MANAGEMENT COMPANY, LLC (hereinafter referred to as the “**Management Company**”).

EXPLANATORY STATEMENT

Owner is the owner of a tract of land improved by commercial buildings located at (**Property Address, City, State, Zip**) (such tracts of land and commercial buildings are hereinafter referred to as the “**Project**”). Management Company is in the business of managing commercial real property. Owner desires to utilize the services of Management Company to manage, operate, and oversee maintenance of the Project. Management Company desires to enter into this Agreement as an independent contractor with Owner for the management, operation, and oversight of maintenance of the Project.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the Explanatory Statement, which shall be deemed to be a substantive part of this Agreement, the parties hereto do hereby covenant, agree, represent, and warrant as follows:

1. Retention of Services of Management Company. Owner hereby retains the services of Management Company as Owner's exclusive representative to manage, operate, and oversee maintenance of the Project upon the terms and conditions, and for the term and compensation, hereinafter set forth. Management Company hereby agrees to perform the services described in this Agreement as an independent contractor and agent for Owner.

2. Term. The term of this Agreement shall commence on the ____ day of _____, 20____, and shall be for a period of one (1) year, subject to the provisions of **Sections 13 and 14** of this Agreement. This Agreement shall be automatically renewed for successive one (1) year renewal terms unless either party shall notify the other in writing at least sixty (60) days prior to the renewal date that it elects not to renew the term of this Agreement. See **Sections 13 and 14** below regarding the parties' termination of this Agreement upon the occurrence of certain events.

3. Services to be Provided. Management Company hereby agrees to perform the services described below for the management, operation, and oversight of maintenance of the Project.

(a) Collect all rents, revenues, and all other sums payable by tenants under leases of space in the Project.

(b) Receive, refer to and report to Owner, when necessary, all complaints, inquiries and requests from tenants of space in the Project. Management Company shall not deal with any complaint, inquiry or request from any tenant of space in the Project that involves a claim against Owner or the Project unless Management Company shall either (i) first obtain the approval of Owner in writing as to how to proceed with such complaint, inquiry or request or (ii) reasonably believe that any such complaint, inquiry or request constitutes an emergency, in which event Management Company shall deal with the same in a reasonable and prudent manner and use its best efforts to contact Owner promptly and inform Owner of such complaints and requests from tenants of space in the Project. Management Company shall provide guidance and direction to the personnel of Owner who deal with such complaints, inquiries, and requests.

(c) Maintain the following materials and information to the extent received from Owner or received directly by Management Company: lease documents, correspondence regarding tenant and lease matters, tenant insurance information, vendor contracts and invoices, tenant invoices and payment history, tenant operating expense reconciliations, bank reconciliations, bank check register, on-site technical infrastructure for HVAC systems.

(d) Maintain full, true, and accurate books of account (the “**Records**”) with entries of all income and expenses received or incurred, respectively, in respect of the Project during each month during the term of this Agreement. Owner acknowledges that certain information concerning the historical expenses of the Project must be provided by Owner to Management Company in order for Management Company to maintain complete Records with respect to the Project. Owner and Owner’s representatives and agents shall have access to the Records at all reasonable times.

(e) On or before the 25th day of each month, Management Company shall furnish to Owner, a statement for the previous month (individually, a “**Statement**”; collectively, the “**Statements**”). Each Statement shall include the following , as applicable to the Project: (i) executive summary with a variance report comparing the approved budget to actual income, expenses and capital expenditures, (ii) report of major repairs, (iii) rent roll, (iv) aged payables, (v) detailed cash flow statement, (vi) trial balance, (vii) accounts payable summary, (viii) balance sheet, (ix) income statement with summary cash flow statement, and (x) tenant delinquency report (through the date which is within one week of the Statement).

(f) Management Company shall maintain the Records and Statements at the principal office of Management Company during the term of this Agreement. Upon any termination of this Agreement, Management Company may, in its discretion, retain copies of the Records and Statements delivered to Owner, for its records.

(g) Enter into contracts and purchasing orders in the name of and on behalf of Owner, as its agent. Pursuant to any such contracts and purchasing orders, Management Company shall oversee the making of minor repairs, improvements, alterations, and decorations in the Project, purchase or lease supplies, equipment, tools, materials and uniforms for the operation of the Project, and keep and maintain the Project in good repair and condition, suitable for the uses

for which the Project was meant to be used by Owner; *provided however*, that Management Company shall not contract for any such non-budgeted repair, alteration, decoration, purchase or lease exceeding \$5,000.00 without the prior written approval of Owner; and *further provided* that the prior written approval thereof by Owner shall not be required in circumstances in which Management Company shall reasonably believe that there exists an emergency requiring immediate action for the protection of the Project, equipment, furnishings, or other items of personalty located in the Project, or to tenants, third persons visiting or present at the Project. Upon the occurrence of any such emergency, Management Company shall promptly give telephonic, electronic, or written notice to Owner of the reasons for, and the nature of and costs resulting from, such emergency. Owner and Management Company recognize that Owner may engage or request Management Company to engage on behalf of the Owner the services of MacKenzie Services Company, LLC, an affiliate of Management Company (“**Services Company**”), to perform or assist with the performance of such minor repairs, improvements, alterations, and decorations, including but not limited to building maintenance, minor repairs and groundskeeping.

(h) Notify Owner promptly, by hand-delivered memorandum or e-mail, or within two days by registered or certified mail, return receipt requested, accompanied by all supporting documents, of (i) any complaint made by a tenant of space in the Project that involves or may reasonably be expected to involve a claim exceeding \$5,000.00 in amount, (ii) any fire or damage to all or any part of the Project, (iii) any personal injury or property damage occurring, or which is claimed to have occurred, to any tenant or third person on or with respect to the Project and which exceeds \$5,000.00 and (iv) any summons, subpoena, or other document served upon Management Company relating to actual or alleged potential liability of Owner, Management Company, or the Project. In the case of fire or other damage to all or any part of the Project, Management Company shall promptly give notice by telephone to Owner's insurance carrier, with written confirmation thereof expeditiously mailed to Owner's insurance agent, and complete promptly any customary loss report in connection with fire or other damage to all or any part of the Project. In the case of any personal injury or property damage suffered or claimed to have been suffered by any tenant or third person on or with respect to the Project, Management Company also agrees to forward to Owner's insurance carrier any summons, subpoena, or other document served upon Management Company relating to actual or alleged potential liability of Owner. Management Company is not responsible for reporting any incident described in this paragraph (e) of which it does not have knowledge.

(i) Cooperate fully with Owner and Owner's agents and representatives in the preparation by Owner and Owner's Agents and representatives of all financial statements, income tax returns, and insurance applications and reviews in respect of Owner or the Project.

(j) Provide Owner with the following support services in connection with the administration of matters respecting the Project: bookkeeping, electronic compilation and retention of all Records and Statements, mortgage, and escrow payments to Owner's lender if applicable; pay, when due, real estate and other taxes and assessments, insurance premiums, legal bills, accounting fees, promotional and advertising bills and other operating expenses of the Project.

(k) Furnish to Owner, for its approval, an annual budget for the operation of the Project by December 1 of the year preceding the budget year. To facilitate preparation of each budget, Owner shall complete and deliver to Management Company the market leasing assumptions form (the “**MLA Form**”) no later than thirty (30) days after receipt of the MLA Form from Management Company. The MLA Form shall set forth vacancies and lease expiration dates for Owner’s reference. Each budget shall include the following: (i) executive summary, (ii) two-year comparative budget, (iii) notes describing major income and expense items, (iv) rent roll, (v) month-to-month budget, (vi) twelve-month revenue detail, (vii) three-year comparative budget, (viii) Project Manager recommendations of repairs and other improvements necessary for the operation of the Project. Owner shall respond to each budget draft and revision within two weeks after receipt. If Owner fails to comment on a proposed budget within thirty (30) days after receipt, such budget shall be deemed approved.

(l) Assist Owner in the administration of its obligations under each of the leases with tenants in the Project and assist Owner in establishing a good working relationship with the tenants in the Project.

(m) Coordinate and supervise any major repair, alteration, or renovation (including leasehold improvements) related to the Project costing in excess of \$25,000.00 (each, a “**Major Repair**”), including:

- (i) Consultation and advice, whether jointly or separately, with Owner and such other persons as Owner may from time to time designate, regarding all aspects of the major repair, alteration or renovation, including, without limitation, obtaining approvals, obtaining or causing to be obtained all required permits, physical inspection of the Project, feasibility studies, and preparation of cash flow analyses; and/or
- (ii) Supervision of all activities relating to the completion of any such major repair, alteration or renovation including, without limitation, overseeing design activities, hiring and supervising one or more general contractors, overseeing compliance with the construction budget and approved plans, using commercially reasonable efforts to cause all third parties included in such construction or renovation to comply with, and promptly correct and violation of, applicable law and approving plans and specification and any changes thereto.

Any of the foregoing described in this Section 3(m) is referred to herein as “**Major Repair Service**”.

4. Confidential Information. Unless authorized by Owner, Management Company shall not, either during the term of this Agreement, or any time after its termination for any reason, either directly or indirectly, divulge, disclose or communicate with any person, firm or entity in any manner whatsoever any information concerning any matters affecting or relating to Owner or

the Project, including, without limiting the generality of the foregoing, any of its tenants, whether past, present or prospective, or the rental it obtains or has obtained with respect to the Project, except as may be required in any legal proceeding. Nothing herein contained shall prevent or prohibit the use by Management Company of standard procedures or forms used in the real estate industry not peculiar or restricted to the business practices of Owner or related specifically to the Project.

5. Bank Accounts and Disbursement of Funds.

(a) Management Company agrees to deposit all monies received from the operation of the Project in an account opened in the name of Owner (the “**Project Account**”) and not to commingle such monies with funds of Management Company. The Project Account shall be subject at all times to the control of Management Company and Owner; provided, however, that Management Company shall have the right to draw checks or funds thereon, including payment by Electronic Fund Transfer (“**EFT**”) or wire. Management Company shall pay from the Project Account the operating expenses of the Project and other payments relative to the Project that are required or permitted by the terms of this Agreement. Payment for expenses may include reimbursements to Management Company for supplies purchased through vendor accounts maintained by Management Company and payment of compensation due to Management Company or any affiliate who has provided services to the Project.

(b) Management Company agrees not to borrow any money for or on behalf of Owner without Owner's prior written consent.

(c) On the effective date of this Agreement, Owner agrees to furnish funds sufficient in amount to constitute normal working capital for the operation of the Project, herein agreed to be \$ [redacted], or such other amount as may be agreed to in writing by both Owner and Management Company. Management Company may use such working capital to pay the expenses of the Project or other payments relative to the Project that are required or permitted by the terms of this Agreement. Management Company shall not be obligated to advance any of its own funds to or for the account of Owner or to incur any liability unless Owner has furnished Management Company with funds necessary for the discharge thereof. If Management Company advances any additional funds in payment of a permitted expense in the operation of the Project, Owner shall reimburse Management Company therefor upon receipt of itemized invoices, bills, or itemized ledger entries for expenses specific to the Project. Itemized ledger entries shall correspond to Project-specific expenses under master accounts utilized by Management Company for multiple properties, such as master purchase accounts with vendors such as Home Depot and Grainger. Reimbursement for expenses may include reimbursement to Management Company for supplies purchased through vendor accounts maintained by Management Company and payment of compensation due to Management Company or any affiliate who has provided services to the Project. Payment to Management may be by check, EFT, or wire.

(d) Checks or other documents of withdrawal on the Project Account shall be signed by representatives of Management Company. However, Owner shall have the right to draw checks on the Project Account at any time.

6. Insurance.

(a) General Insurance Provisions.

(i) It is the intention of the parties hereto for Owner to provide primary liability and crime insurance coverage for both Owner and Management Company as it pertains to the management of the property. Thus, Management Company is (A) to be included as an insured under Owner's general liability and crime insurance covering liability associated with the Project, and (B) to receive a waiver of all insurers' rights of subrogation against Management Company under all insurance policies of Owner required by this Agreement. Management Company's own liability insurance is intended to cover Management Company for claims against Management Company not covered by such insurance of Owner, and to waive Management Company's insurer's rights of subrogation against Owner.

(ii) All insurance policies required of either party under this Agreement shall (A) be issued by companies authorized to do business in Maryland, and which shall have an A.M. Best rating of A-, VII, or better and (B) require at least thirty (30) days' notice to the other party of cancellation of coverage (and ten (10) days' notice for non-payment of premiums).

(b) Owner's Insurance. Owner shall maintain or cause to be maintained, at its expense and at all times during the term of this Agreement, the following insurance coverages which may be maintained pursuant to Owner's portfolio insurance:

(i) Commercial Property Insurance that, when combined with any tenant's coverage, provides replacement cost valuation coverage for all risks covered by all risk property insurance or special causes of loss, including builders risk if applicable, with policy limits of at least 100% of the full replacement cost of the buildings, improvements, and personal property of Owner from time to time located on the Project. Any deductible in such policy shall not exceed an amount that is commercially reasonable.

(ii) Commercial General Liability Insurance ("CGL") and Umbrella Liability Insurance, written on an occurrence basis, including contractual liability coverage, with limits per location of not less than \$10,000,000 combined for bodily injury and property damage liability. This policy will name Management Company as an insured while acting as Owner's property manager and will be primary and will not seek contribution from insurance afforded under the policies described in 7(c) below while Management Company is acting within the scope of its duties as property manager. Should any self-insured retention ("SIR") or deductible be incorporated within the policy of insurance, the responsibility to fund such financial obligations shall rest entirely with Owner and such SIR/deductible shall be deemed covered in accordance with the CGL form required; provided, however, in no event shall such SIR or deductible exceed an amount that is commercially reasonable.

(iii) The CGL and Umbrella Liability Insurance required by **Section 6(b)(ii)** shall name Management Company and such other persons or entities as Management

Company may reasonably request from time to time, and their respective officers, directors, shareholders, partners, members, employees, subsidiaries, agents, affiliates, contractors, trustees, beneficiaries, licensees, successors, and assigns, as additional insureds (“**Additional Insureds**”) with respect to liability arising out of or related to this Agreement. Such insurance shall provide primary coverage without contribution from any other insurance carried by or for the benefit of Owner or other Additional Insureds.

(iv) Crime insurance policy in a sum of not less than One Million Dollars (\$1,000,000) which policy shall include (on a sublimit basis if necessary) the following: employee theft, ERISA fidelity, forgery, alteration, theft on premises, theft in transit, computer fraud, and funds transfer fraud. The coverage under such policy shall include, but is not limited to, the following: (A) money, (B) securities, (C) negotiable financial instruments, (D) checks, drafts, promissory notes, bills of exchange, and similar promises, orders, and directions to pay certain sums of money, and (E) transactions involving credit, debit and charge cards.

Certificates evidencing the renewal or replacement of all policies of insurance to be procured by Owner pursuant to this **Section 6(b)** shall be delivered by Owner to Management Company promptly following the renewal of each respective policy term. A copy of such policies shall be provided to Management Company upon request. The failure by Owner to obtain or maintain any insurance meeting the requirements of this **Section 6(b)**, or to deliver to Management Company within ten (10) business days of Management Company’s request the policies or certificates required by this **Section 6(b)**, shall be an occurrence of default under this Agreement. In the event that Owner fails to maintain crime insurance coverage as set forth above, then Management Company shall not be responsible for any claim, loss or liability which would have been covered by such insurance, unless the claim, loss or liability arises from the gross negligence, willful misconduct, fraud or criminal acts of Management Company.

(c) Management Company Insurance. Management Company shall maintain or cause to be maintained, at its expense and at all times during the term of this Agreement, the following insurance;

(i) Commercial General Liability Insurance (CGL), written on an occurrence basis, including contractual liability coverage, with limits per location of not less than \$1,000,000 Each Occurrence and \$2,000,000 General Aggregate;

(ii) Automobile Liability Insurance, with limits not less than \$1,000,000 Combined Single Limit;

(iii) Umbrella Liability Insurance, with limits not less than \$5,000,000 each Occurrence and \$5,000,000 Aggregate. Umbrella Liability Insurance shall schedule as underlying Insurance the Commercial General Liability (CGL) and Automobile Liability;

(iv) Property Manager Professional / Errors & Omissions Liability Insurance with limits not less than \$1,000,000 each Occurrence;

(v) Workers Compensation coverage for its employees and subcontractors as required by statute;

(vi) Crime insurance policy in a sum of not less than One Million Dollars (\$1,000,000) which policy shall include (on a sublimit basis if necessary) employee dishonesty coverage.

(d) Release and Waiver of Claims. Owner and Management Company each release and waive any right of recovery against the other (and against the other's respective officers, directors, shareholders, partners, members, employees, subsidiaries, agents, affiliates, contractors, lenders, trustees, beneficiaries, licensees, successors and assigns), for any bodily injury, property damage, or loss covered by any policy of insurance required by this Agreement, or which would have been covered had the party carried the insurance it was required to carry by this Agreement, or within any SIR or deductible in such policy. No insurance policy required by this Agreement shall prohibit such release and waiver. In addition, the insurance policies required of Owner and Management Company by this Agreement shall contain a waiver of claims against the other by the insurer, whether by subrogation or otherwise (and against the other's respective officers, directors, shareholders, partners, members, employees, subsidiaries, agents, affiliates, contractors, lenders, trustees, beneficiaries, licensees, successors, and assigns). If any insurance policy required by this Agreement provides that a waiver of subrogation may only be granted by endorsement, Owner or Management Company, as the case may be, shall secure an endorsement providing the waiver of subrogation.

7. Indemnification of Management Company. Owner shall indemnify, defend, protect and hold harmless Management Company, and its officers, directors, shareholders, partners, members, employees, subsidiaries, agents, affiliates, contractors, lenders, trustees, beneficiaries, licensees, successors, and assigns, from and against all claims, losses and liabilities (including all expenses and reasonable attorneys' fees) which arise out of or in connection with this Agreement or out of any activity on, or the condition of, the Building, unless the claim, loss or liability arises from the gross negligence, willful misconduct, fraud or criminal acts of Management Company. With respect to the claims (a) covered by the foregoing indemnity by Owner, but (b) not covered by Owner's general liability insurance, Owner shall defend Management Company through counsel of Owner's choice (which counsel shall be subject to Management Company's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed). Management Company shall reimburse Owner for all such reasonable costs of defense to the extent that it is determined by a final judgment of a court of competent jurisdiction that Management Company's liability was caused by the gross negligence, willful misconduct, fraud or criminal acts of Management Company. If Management Company provides its own defense against any allegation of gross negligence, willful misconduct, fraud or criminal acts, and to the extent that a final judgment of a court of competent jurisdiction determines that Management Company was not grossly negligent or engaged in willful misconduct, fraud or criminal acts, Owner shall

reimburse Management Company for its costs of defense in accordance with the provisions of this Agreement.

8. Indemnification of Owner. Management Company shall indemnify, defend, protect and hold harmless Owner, and its officers, directors, shareholders, partners, members, employees, subsidiaries, agents, affiliates, contractors, lenders, trustees, beneficiaries, licensees, successors, and assigns, from and against all claims, losses and liabilities (including all expenses and reasonable attorneys' fees) which arise out of the gross negligence, willful misconduct, fraud or criminal conduct of Management Company. With respect to the claims (a) covered by the foregoing indemnity by Management Company, but (b) not covered by Management Company's general liability insurance, Management Company shall defend Owner through counsel of Management Company's choice (which counsel shall be subject to Owner's prior written approval, which approval shall not be unreasonably withheld, conditioned, or delayed). Owner shall reimburse Management Company for all such reasonable costs of defense to the extent that it is determined by a final judgment of a court of competent jurisdiction that Owner's liability was caused by the negligence, willful misconduct, fraud, or criminal acts of Owner. If Owner provides its own defense against any allegation of negligence, willful misconduct, fraud or criminal acts, and to the extent that a final judgment of a court of competent jurisdiction determines that Owner was not negligent or engaged in willful misconduct, fraud or criminal acts, Management Company shall reimburse Owner for its costs of defense in accordance with the provisions of this Agreement.

9. Compensation of Management Company.

(a) Set-Up Fee. Owner shall pay to Management Company an initial one-time set-up fee of \$ [redacted] which is due immediately upon full execution of this Agreement. Management Company shall not commence any services hereunder until receipt of the set-up fee. Owner agrees and acknowledges that if Owner's records for the Project are incomplete or if previous management of the Project was insufficient, then Management Company's creation of its files for the Project shall require additional effort. In such event, in addition to the set-up fee, Owner shall compensate Management Company for such additional efforts on an hourly basis at the then-current hourly rate charged by Management Company.

(b) Management Fee. Owner shall pay to Management Company on a monthly basis, before the fifth day of each month, a fee (the "**Management Fee**") for the Management Company services performed pursuant to the terms of **Section 3** of this Agreement. The Management Fee shall be an amount equal to the greater of (i) [redacted] Dollars (\$ [redacted].00) per month (the "**Minimum Management Fee**"), or (ii) [redacted] Percent ([redacted] %) of the gross monthly receipts collected by Management Company during the immediately preceding calendar month. Such gross monthly receipts shall be all receipts with respect to the Project actually collected by Management Company for Owner and deposited in the Project's Account, including but not limited to (i) rental payments of tenants, (ii) payments of common area and other maintenance costs; (iii) payments of taxes; (iv) payments of expense calculations and reimbursement; (v) payments of late fees and interest; and (vi) any other receipt/or item of reimbursement or indemnification paid to or for the benefit of Owner, except the following items of income in respect of the Project: (A) proceeds from fire and casualty losses; (B) payments in respect to condemnation; (C) payments in

respect of remodeling, installation, repairs and tenant alteration costs provided to tenants under the terms of their leases; and (D) payments in respect of tenant security and other deposits. Beginning January 1, 20__ (insert next year or following year depending on timing of contract) and effective as of January 1 of each succeeding year during the term of this Agreement, the Minimum Management Fee shall increase by 3% per annum.

(c) Major Repair Service Fee. As compensation for any Major Repair Service, Owner shall pay to Management Company (i) a fee equal to Five Percent (5%) of the aggregate cost of the Major Repair if the aggregate cost is between \$25,000 and \$300,000, and (ii) a fee equal to Three Percent (3%) of the aggregate cost of the Major Repair if the aggregate cost is greater than \$300,000. These fees will be graduated. As an example, if the aggregate cost is \$500,000, the Major Repair Service Fee will be 5% of \$300,000 plus 3% of \$200,000 for a total fee of \$21,000 (\$15,000 + \$6,000).

(d) Administrative and Third-Party Expenses. In addition to the Management Fee, Owner shall reimburse Management Company for any administrative and third-party expenses incurred by Management Company for the benefit of the Project including, but not limited to, copying, postage, parking, mileage, electronic record retention, court costs and fees, legal and outside accounting fees, automated owner and vendor payment systems. Management Company may bill such costs periodically as expenses are incurred.

(e) Manner of Payment. Owner and Management Company agree and acknowledge that Management Company shall disburse to itself from the Project's operating account all payments due to Management Company under this Agreement, whether described in this Section or elsewhere. In the event that the Project operating account does not contain sufficient funds for any payment due to Management Company hereunder, Owner shall be deemed to have failed to make such payment.

10. Compensation of Management Company for Additional Services. Owner may request and Management Company may agree that Management Company perform certain services outside the scope of this Agreement (the "**Additional Services**"). A current schedule of Additional Services is set forth on **Exhibit A** which is attached hereto and made a part hereof. The Additional Services and fees associated therewith are not included in the Management Fee described above. Management Company may modify the schedule of Additional Services and associated fees from time to time in Management Company's sole discretion. All future modifications of the schedule of Additional Services and associated fees shall be binding upon Owner. Upon Owner's request, Management Company shall advise Owner as to the current fees associated with any of the Additional Services.

11. Timely Payment of Fees. In the event the Owner fails to make payment due hereunder within fifteen (15) days after such fee is earned or due, then from the date earned or due until paid, the delinquent amount shall bear interest at one and one-half percent (1.5%) per month. If the Management Company is required to institute legal action against Owner relating to any fees owed under this Agreement, Management Company shall be entitled to collect from Owner

reasonable attorneys' fees and court costs. The foregoing is in addition to and does not limit Management Company's rights and remedies under Section 13 below.

12. Premises and Equipment Compliance. Except to the extent of its duties and obligations set forth in this Agreement, Management Company does not assume responsibility for insuring compliance of the building located on the Project, or any equipment located therein, with the requirements of any statute, ordinance, law or regulation of any governmental body or of any public authority or officer having jurisdiction over the Project.

13. Default and Remedies.

(a) If Owner fails to make any payment due to Management Company hereunder and such failure continues for fifteen (15) days after the date of written notice to Owner, then Management Company may pursue all rights and remedies available at law and in equity. In addition, if Owner's failure to pay occurs on more than two occasions during any twelve-month period, then upon the second failure to pay, no fifteen-day notice shall be due to Owner and Management Company may terminate this Agreement by written notice to Owner. If Management Company terminates this Agreement pursuant to this **Section 13(a)**, then:

- (i) This Agreement shall terminate as of the date of Management Company's termination notice (the "**Default Termination Date**").
- (ii) Except as described below, the parties' rights and obligations shall terminate as of the Default Termination Date. Each party shall remain responsible for all obligations relating to the period of time through and including the Default Termination Date. After the Default Termination Date, Management Company shall not act for Owner or draw checks on the Project Account. Within thirty (30) days after the Default Termination Date, Management Company shall upload all Records (defined above in Section 3) in Management Company's possession to Share File or a similar file sharing medium and deliver the same to Owner.
- (iii) Within one business day after the Default Termination Date, Owner shall pay Management Company the following: (A) all amounts which are past due and owing to Management Company hereunder, (B) the Management Fee for the entire month in which the Default Termination Date occurs without proration, and (C) the Termination Fee (defined below). The Termination Fee shall not be deducted from or applied to the Management Fee described in (B) above.

(b) Except for Owner's payment default, which is addressed above, if either Owner or Management Company shall default in the performance of any of its obligations hereunder and such default shall continue for fifteen (15) days after receipt of written notice from the non-defaulting party, the non-defaulting party may pursue all rights and remedies available at

law and in equity. The non-defaulting party also may terminate this Agreement by written notice to the defaulting party delivered within thirty (30) days after the expiration of the above fifteen-day period. If timely terminated, this Agreement shall terminate as of the date of the non-defaulting party's termination notice. If Management Company terminates this Agreement as a result of an Owner default, then Owner shall be obligated to pay the Termination Fee described below.

(c) The right to terminate this Agreement as a result of a default shall be deemed waived as to such default if the non-defaulting party fails to notify the other party within thirty (30) days after knowledge of the default.

14. Termination; Termination Fee.

(a) In the event of a sale of all or part of the Project, either Owner or Management Company may terminate this Agreement by written notice to the other party. In such event, this Agreement shall terminate on the earlier of (i) the date of the sale, and (ii) the date that is thirty (30) days after the date of such notice.

(b) In the event of a condemnation or destruction of all or part of the Project, either Owner or Management Company may terminate this Agreement by written notice to the other party. Such termination notice shall be delivered within thirty (30) days after the occurrence of the casualty and notice of the condemnation. In the event of a casualty, this Agreement shall terminate as of the date that is the thirty (30) days after the date of such notice. In the event of a condemnation, this Agreement shall terminate on earlier to occur of (i) the effective date of such condemnation, and (ii) the date that is the thirty (30) days after the date of such notice.

(c) If a petition in bankruptcy is filed by either Owner or Management Company, or if either shall make an assignment for the benefit of creditors or take advantage of any insolvency act, either party may terminate this Agreement by written notice to the other party delivered within thirty (30) days after knowledge of such event. In such event, this Agreement shall terminate on the date that is thirty (30) days after the date of such notice.

(d) Either party may terminate this Agreement without cause upon sixty (60) days' prior written notice to the other party.

(e) The date of termination set forth in any of the above-described notices shall be referred to herein as the "**Termination Date**".

(f) Except as described below, the parties' rights and obligations shall terminate as of the Termination Date. Each party shall remain responsible for all obligations relating to the period of time through and including the Termination Date. After the Termination Date, Management Company shall not act for Owner or draw checks on the Project Account. Within thirty (30) days after the Termination Date, Management Company shall (i) deliver to Owner the Statements (defined above in Section 3 for the time period ending on the Termination Date and commencing immediately after the last day of the most recent previous Statement, and

(ii) upload all Records (defined above in Section 3) in Management Company's possession to Share File or a similar file sharing medium and deliver the same to Owner. If Owner requests that Management Company export and/or map files to an Owner or a third-party software system, such as Yardi, MRI, AppFolio, then there shall be an additional fee. The parties agree and acknowledge that the provisions of this Section 14(f) differ from the provisions of Section 13(a) above, and that the provisions of Section 13(a) above shall govern in the event that Management Company terminates this Agreement due to a payment default by Owner.

(g) On or before the Termination Date, Owner shall pay Management Company the following: (i) all amounts which are past due and owing to Management Company hereunder, (ii) the Management Fee for the entire month in which the Termination Date occurs without proration, and (iii) a termination fee equal to \$ [redacted] (flat amount) (the "Termination Fee"). The Termination Fee shall not be deducted from or applied to the Management Fee described above. The parties agree and acknowledge that the Termination Fee is consideration of Management Company's performance of any services described in Section 3 hereof to transfer the Project information to Owner or its designee.

15. No Solicitation. During the term of this Agreement and for a period of one (1) year after the expiration or early termination of this Agreement, neither Owner nor Owner's affiliates shall directly or indirectly solicit for employment or employ any employee of Management Company or any of its affiliated companies, including MacKenzie Services Company, LLC, unless such employee was an employee of Owner before the date of this Agreement. Owner acknowledges that such solicitation or employment will have a materially adverse effect on the business operations of the Management Company and that monetary damages may be difficult to ascertain. In the event that Owner's fails to fulfill the foregoing covenant, Owner shall pay Management Company upon demand liquidated damages in the amount of \$100,000. The parties hereby acknowledge the reasonableness of such liquidated damages. In lieu of receipt of the liquidated damages, Management Company shall have the right to pursue all other remedies available at law and in equity.

16. Notices. All notices, demands, requests, consents, or approvals required under this Agreement to be in writing shall be deemed effectively given upon the earlier of (a) personal delivery to the party to be notified, (b) the next business day after dispatch via nationally recognized overnight courier, or (c) e-mail with read receipt confirmation, all addressed to the party to be notified at the address indicated below, or at such other address as such party may designate by ten (10) days' advance written notice to the other party. Notices should be provided in accordance with this Section 16 at the following addresses:

If to Owner:

[redacted] (Legal Name)

[redacted] (Address)

[redacted] (City, State, Zip)

[redacted] Attn: (Contact Name)

[redacted] (Contact e-mail)

If to Management Company:

MacKenzie Management Company, LLC
2328 W. Joppa Road, Ste. 200
Lutherville, Maryland 21093
Attn: Jill Harman, President
JHarman@mackenziemanagement.com

With a copy to:

MacKenzie Management Company, LLC
2328 W. Joppa Road, Ste. 200
Lutherville, Maryland 21093
Attn: CFO

17. Governing Law. This Agreement shall be governed by and shall be construed in accordance with the laws of the State of Maryland.

18. Burden; Benefit. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and, except as stated herein to the contrary, their successors and assigns.

19. Gender. As provided herein and as the context requires, the masculine gender shall be deemed the feminine and neuter genders and vice versa; and the singular shall be deemed to include the plural and vice versa.

20. Force Majeure. Notwithstanding any provision contained herein to the contrary, neither party shall be deemed to be in default hereunder for failing to perform any obligations arising pursuant to this Agreement (except for Owner's payment of fees due to Management Company) if such failure is the result of any acts of State or governmental action, riots, disturbances, war (whether by formal declaration or informal action), strikes, lockouts, terrorism, slowdowns, prolonged shortage of energy supplies, epidemics, fire, flood, hurricane, typhoon, earthquake, lightning and explosion.

21. Limitation of Liability. No Officer, Director, Shareholder, Employee, Agent, Independent Contractor, Licensee, Associate or Affiliate of Management Company shall have any liability or obligation to Owner for any actual, consequential or incidental damages, lost profits, anticipated income or profits, or other similar damages as a result of any breach by Management Company of the terms hereof.

22. Execution in Counterparts. This Agreement may be executed in several counterparts, by original or facsimile signature or by or through such other electronic form in

which a party may place or evidence its signature hereon (including an electronic scan of same), each of which so executed shall be deemed to be an original and such counterparts together shall be deemed to be one and the same instrument, which shall be deemed to be executed as of the date first above written.

23. Entire Agreement. The drafting, execution, and delivery of this Agreement by the parties have been induced by no representations, statements, warranties, or agreements other than those expressed herein. This Agreement constitutes the entire Agreement and understanding between the parties and shall not be amended by either party without the written consent or agreement of the other party. Notwithstanding the foregoing, without the written consent of Owner, Management Company may modify the schedule of Additional Services and associated fees from time to time in Management Company's sole discretion as set forth above in Section 10.

24. Relationship. Nothing contained in this Agreement shall be construed to create a relationship of employer and employee between Owner and Management Company, it being the intent of the parties hereto that the relationship created hereby is, in fact and intent, that of an attorney-in-fact and independent contractor. Nothing contained herein shall be deemed to constitute Owner and Management Company as partners or joint venturers.

25. Severability. If any provision of this Agreement or application to any part or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to such person or circumstances, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law.

[remainder of page intentionally blank; signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement effective as of the date set forth above.

OWNER:
(Legal Name)

Date: _____

By: _____
Name: **(Contact Name)**
Title: _____

MANAGEMENT COMPANY:

MacKENZIE MANAGEMENT COMPANY, LLC

Date: _____

By: _____
Name: Jill Harman
Title: President

EXHIBIT A

Schedule of Additional Services

Management Company may modify this schedule of Additional Services and associated fees from time to time in Management Company's sole discretion. If the fee is not set forth in this Exhibit, then Management Company shall advise Owner of the applicable fee upon request.

1. Duties and responsibilities associated with the use of Positive Pay for Banking and similar third-party services to reduce the risk of fraud.
2. Creation of special reports in addition to the monthly Statements and the annual budgets, including, but not limited to, re-forecasting and performing extensive analysis for the Project.
3. Accelerated schedule for the creation and revision of budgets; creation of more than three drafts of any budget.
4. Accelerated schedule for the creation of the Statement(s).
5. Accelerated schedule for preparation and delivery of any other reports.
6. Services in connection with energy benchmarking data collection and submission.
7. Distribution of documents and reports to Project and Owner investors in addition to distribution of such items to the primary Owner contact.
8. Services in connection with distributions to holders of direct and indirect ownership interests in Owner.
9. Services in connection with the transfer of bank account(s) (within one bank or between separate banks).
10. Cash strategy administration.
11. Services in connection with slow pay management for Accounts Payable.
12. Excessive efforts in connection with tenant defaults and lease accounts receivable, including, but not limited to, communication with tenant counsel, mediation, repeated court appearances.
13. Services in connection with tax appeal(s).
14. Services in connection with obtaining comparative insurance information and proposals on behalf of Owner.
15. Services in connection with sourcing banks for deposit account interest rate purposes.

16. Services in connection with the sale, financing, refinancing, and appraisal of the Project, including, document collection and delivery, strategy meetings, Project tours, preparation and collection of tenant estoppels and SNDAs.
17. Services in connection with the preparation of cost-segregation analysis and tracking of depreciable assets.
18. Services in connection with insurance claims.