

MANAGEMENT AND OPERATING AGREEMENT

OWNER: _____

AGENT: Beckner & Associates, Inc.

PROPERTY ADDRESS:

BEGINNING DATE: _____, _____, _____

ENDING DATE: _____, _____, _____

MANAGEMENT & OPERATING AGREEMENT

THIS MANAGEMENT & OPERATING AGREEMENT made and entered into this [] day of [], 20 [] by and between [] hereinafter called "Owner," and Beckner & Associates, Inc. with offices at 11795 W. 106th St, Olathe, Kansas, hereinafter called "Agent."

WITNESSETH:

Owner owns the real property located in [], [] described in Exhibit A attached hereto and incorporated herein by reference.

1. Owner does hereby appoint the Agent, exclusively, for the purpose of managing, leasing and operating on behalf of the Owner, an office building located in [], [] at [], hereinafter called the "Premises," together with any and all personal property therein belonging to the Owner, and used or useful in the management and operation of said building, the within appointment to be governed by the terms and conditions hereinafter set forth.

2. The term of this Agreement shall commence on the [] day of [], 20 [] shall continue, except as herein provided, until the [] day of [], 20 [].

3. THE AGENT AGREES:

3.1 To accept the management of the Premises, to the extent, for the period, and upon the terms herein provided and to furnish the services of its organization for the management, leasing and operation of the Premises.

3.21 To render a monthly statement in form and substance satisfactory to Owner, of receipts, disbursements and charges to the following person at the address shown, no later than the 15th day of the next month.

Name:

Address:

[]

[]

3.22 To remit to Owner, as requested, all income collected by Agent from the leasing and operation of the Premises during the prior calendar month less all disbursements during such calendar month and less a reasonable minimal balance for working cash, as may be determined by Owner from time to time. Said amount to be submitted to the following specified person at such specified address.

Name:

Address:

[]

[]

3.3 Within forty-five (45) working days following the end of the calendar year, the Agent shall furnish to Owner or his designated accountant all information necessary to complete an annual financial report, including Balance Sheet and Operating Statement, based upon an examination of the books and records of the Agent.

3.4 Collect all rents and other charges owing from tenants and other parties occupying space or utilizing the Premises including, but not limited to, temporary and other fees and charges. Owner hereby authorizes and directs Agent, and Agent agrees, to request, demand, collect, receive and give receipts for any and all such charges or rents (collectively "Rent") which may at any time be or become due to Owner and to take such legal actions as may be necessary to evict tenants delinquent in payment of monthly Rent or otherwise in default.

3.5 To make or cause to be made and supervise the repairs and alterations and to do decorating on said Premises under \$10,000; to purchase supplies for the operation, management and leasing of said Premises and to pay all bills. The Agent agrees to secure approval of Owner of all expenditures in excess of \$5,000.00 for any one item, except monthly recurring operation charges, and/or emergency repairs up to a maximum of \$5,000.00, if in the opinion of Agent such repairs are necessary to protect the property from damage or to maintain the services to the tenants as called for in their leases. Owner agrees to pay Agent 6% of all expenses for any alterations or tenant improvements greater than \$10,000.

3.6 Subject to approval by Owner, make contracts for water, electricity, gas, vermin extermination and such other services as are necessary for the operation or maintenance of the Premises. All such contracts and orders shall be made in the name of Owner. Agent shall be under a duty to secure for, and credit to, Owner any discounts, commissions or rebates which are obtainable under any such contracts and purchase order.

3.7 Agent shall, with the approval of Owner, retain building services concerns to provide, on a contract basis with Owner, all building cleaning, janitorial, snow removal, grounds maintenance, building maintenance and repair services. Agent shall at all times monitor the performance of such contracts but Owner shall pay the charges there under.

3.8 To advertise the Premises or any part thereof; to display signs thereon and to lease the same; to cause references of prospective tenants to be investigated when, and in the manner, requested by the Owner; to serve such notices as are deemed necessary by the Agent in his sole discretion; to institute and prosecute actions to oust tenants and to recover possession of the Premises; to sue for and recover Rent; and, when expedient, to settle, compromise, and release such actions or suits, or reinstate such tenancies with the knowledge and consent of the Owner; Owner shall reimburse Agent for all expenses of such litigation including attorney's fees, filing fees, and court costs which Agent does not recover from tenants. Owner may select the attorney of its choice to handle such litigation.

3.9 Take such action as is necessary or appropriate to comply promptly with any and all orders or requirements affecting the Premises and placed thereon by any federal, state or local authority having jurisdiction there over, in connection with the operation, management and the making of repairs and alterations. Agent shall promptly, and in no event later than forty-eight (48) hours from the time of receipt of notice thereof, notify Owner of any such order or requirements.

3.10 Promptly investigate and make a report to Owner as to all accidents or claims for damage relating to the ownership, operation and maintenance of the Premises, and/or parking lots, including any damage to or destruction of all or any part of the improvements, with the estimated cost of repair, and assist Owner in cooperating with, and making any reports required by, any insurance company in connection therewith. In addition, Agent shall notify Owner of any significant occurrences or circumstances affected or potentially affecting the management or maintenance of the Premises, or affecting or potentially affecting in any manner the interest of Owner in the Premises.

3.11 Obtain insurance necessary or appropriate to the ownership and at the Owner's sole expense, for the operation and maintenance of the Premises as directed in writing by Owner.

3.12 To deposit all receipts collected by Agent, less any sums properly deducted or otherwise provided herein, in an account or accounts in a depository or depositories designated or approved by Owner, separate from all of Agent's other accounts. Agent will not be held liable or responsible in the event of bankruptcy or failure of a depository.

3.13 If required by Owner, Agent's employees who handle or are responsible for Owner's money shall be bonded by a fidelity bond in any amount satisfactory to Owner. Evidence of such bonding shall be furnished to Owner upon request, such fee for bonding shall be reimbursed to Agent by Owner.

3.14 From the Rent collected from the tenants and others and deposited in the depositories, cause to be disbursed regularly and punctually, when due: (i) payments for water, electricity, gas, sewer and other utilities associated with operation of Premises; and (ii) any other sums otherwise due and payable by Owner as operating, maintenance or miscellaneous expenses expressly authorized to be incurred under this Agreement, including the Agent's "Management Fee" and the aggregate payment required to be made monthly to any mortgagee including the amounts due under any mortgage or encumbrance on the Premises for premium charges under any contract of insurance, taxes and assessments, fire and other hazard insurance premiums, interest on any such mortgage and amortization of the principal of any such mortgage.

3.15 All discounts and commissions earned or obtained by the Agent in connection with the purchase of supplies and materials related to the operation and management of the Premises shall be credited to or applied for the benefit of the Owner and not for the benefit or profit of Agent.

3.16 Maintain a comprehensive system of office records, books and accounts in a manner satisfactory to Owner, which, upon reasonable request, shall be subject to examination by Owner and its designees at all reasonable hours. Maintain complete files, including complete and current copies of all leases for the Premises.

3.17 To hold Owner harmless from any liabilities for claims or damages arising as a result of any negligent or intentional act of Agent, its employees, agents or officers in connection with the management of the property herein described, and from any liability for injury suffered by any person, as a result of any negligent or intentional act of Agent, its employees, agents or officers.

3.18 To employ and supervise all labor required for the operation and maintenance of said property. Agent assumes all of the responsibilities as employer of the employees, including assumption of all employer's obligations under and the duty to perform and comply with the collective bargaining agreement applicable to said employees, if any, and the obligation to comply with the statutes of the state and federal governments relating to taxes, insurance and social security, and to furnish the state and federal governments the applicable reports required by law, except that Owner will reimburse Agent for all expenses directly incurred in connection therewith, including the costs of preparation of monthly financial statements. Owner shall not be required to reimburse Agent for record-keeping or other administrative or clerical functions.

3.19 The Agent shall not be required to advance any monies for the operation, management or leasing of said property, and the Owner agrees to advance all monies necessary therefore. If the Agent shall elect to advance any money in connection with the property, the Owner agrees to reimburse the Agent forthwith and hereby authorizes the Agent to deduct such advances from any monies due the Owner. The Agent shall, upon instruction from the Owner, set aside reserves each month for the payment of real estate taxes, insurance or any other special expenditure. In addition, the Owner agrees to establish and maintain a permanent Operating Reserve Account with the Agent. Such amount shall be established by Owner.

4. OWNER AGREES:

4.1 To indemnify, defend and save the Agent harmless from all suits in connection with the Premises and from liability for damage to property and injuries or death of any employee or other person whomsoever, and to carry at Owner's own expense public liability naming the Owner and the Agent and adequate to protect their interests and in form, substance and amounts reasonably satisfactory to the Agent, and to furnish to the Agent certificates evidencing the existence of such insurance. Unless the Owner shall provide such insurance and furnish such certificate within 30 days from the date of the Agreement, the Agent may, but shall not be obligated to, place said insurance and charge the cost thereof to the account of the Owner. All such insurance policies shall provide that the Agent shall receive thirty (30) days written notice prior to cancellation of the policy.

4.2 To pay all expenses incurred by the Agent, including, but not limited to, reasonable attorney's fees and Agent's costs and time in connection with any claim, proceeding, or suit involving an alleged violation by the Agent or the Owner, or both, of any law pertaining to fair employment, fair credit reporting, environmental protection, rent control, taxes, or fair housing, including, but not limited to, any law prohibiting, or making illegal, discrimination on the basis of race, sex, creed, color religion, national origin, or mental or physical handicap, provided, however, that the Owner shall not be responsible to the Agent for any such expenses in the event the Agent is finally adjudicated to have personally, and not in a representative capacity, violated any such law. Nothing contained herein shall obligate the Agent to employ counsel to represent the Owner in any such proceeding or suit, and the Owner may elect to employ counsel to represent the Owner in any such proceed or suit. The Owner also agrees to pay reasonable expense (or an apportioned amount of such expenses where other employers of Agent also benefit from the expenditure) incurred by the Agent in obtaining legal advice regarding compliance with any law affected the Premises of activities related thereto, with prior written approval of Owner.

4.3 To give adequate advance written notice to the Agent if the Owner desires that the Agent make payment, out of the Rent from the Premises, of mortgage indebtedness, general taxes, special assessments, fire or any other insurance premiums. In no event shall the Agent be required to advance its own money in payment of any such indebtedness, taxes, assessments or premiums.

4.4 Contingent upon the Agent's retaining an exclusive right to lease this property the Owner agrees to pay to Agent, and Agent agrees to receive from Owner as compensation for Agent's services to be rendered pursuant to this Agreement ("Management Fee") an amount equal to \$ [REDACTED] per month.

Said amount shall be increased by mutual written agreement in the case that other tenants occupy the premises. Owner further agrees to enter into an Exclusive Right to Lease Agreement with Agent for a period that corresponds with the term of the Management Agreement which shall provide that Agent will be paid a Three Percent (3.0%) leasing fee on all renewed leases and Six Percent (6%) leasing fee on all new leases in the Premises. Agent agrees to cooperate with other agents and to split the commission earned with the cooperating agent.

4.5 Owner shall from time to time during the term of this Agreement, upon request of the Agent, do, make, execute, acknowledge and deliver such acts and instruments of affirmation, consent and ratification as shall be necessary or appropriate to represent and confirm to third parties that Agent is an independent contractor manager with respect to Owner and the Premises, and that, as such, the Agent has the authority to perform its duties and obligations hereunder.

5. IT IS MUTUALLY AGREED:

5.1 The parties hereto acknowledge and agree that Agent is an independent contractor, and not an employee of Owner.

5.2 Nothing contained in this Agreement shall be construed to make the Owner and Agent partners or joint ventures or to render either of said parties liable for the debts or obligations of the other, except as outlined in this Agreement expressly provided.

5.3 The Owner expressly withholds from the Agent any power or authority to make any structural changes in the building or to make any other major alterations or additions in or to any such building or equipment therein, or to incur any expense chargeable to the Owner other than expenses related to exercising the expressed powers above vested in the Agent without the prior written direction of the following person:

[REDACTED]

except such emergency repairs as may be required because of danger to life or property or which are immediately necessary for the preservation and safety of the Premises or the safety of the tenants and occupants thereof or are required to avoid the suspension of any necessary service to the Premises. Also, that the person so named above shall also have the authority to make any other decision regarding the Premises, but that Agent shall have no liability therefore.

5.4 The Agent does not assume and is given no responsibility for compliance of any building on the Premises or any equipment therein with the requirements of any statute, ordinance, law or regulation of any government body or of any public authority or official thereof having jurisdiction, except to notify the Owner promptly or forward to the Owner promptly any complaints, warnings, notices or summonses received by it relating to such matters. The Owner represents that to the best of its knowledge the Premises and such equipment comply with all such requirements and authorizes the Agent to disclose the ownership of the Premises to any such officials and agrees to indemnify and hold harmless the Agent, its representatives, servants, and employees, of and from all loss, cost, expense, and liability whatsoever which may be imposed on them or any of them by reason of any present or future violation of alleged violation of such laws, ordinances, statutes, or regulations.

5.5 In the event it is alleged or charged that any building on the Premises or any equipment therein or any act of failure to act by the Owner with respect to the Premises or the sale, rental, or other disposition thereof fails to comply with, or is in violation of, any of the requirements of any constitutional provision, statute, ordinance, law, or regulation or any governmental body or any order or ruling of any public authority or official thereof having or claiming to have jurisdiction there over, and the Agent, in its sole and absolute discretion, considers that the action or position of the Owner or registered managing agent with respect thereto may result in damage or liability to the Agent, the Agent shall have the right to cancel this Agreement at any time by such written notices to the Owner of its election so to do, which cancellation shall be effective upon the service of such notice. Such notice may be served personally or by registered mail, on or to the persons named to receive the Agent's monthly statement at the address designated for such person, and if served by mail shall be deemed to have been served when deposited in the mail. Such cancellation shall not release the indemnities of the Owner, and shall not terminate any liability or obligation of the Owner to the Agent for any payment, reimbursement, or other sum of money then due and payable to the Agent hereunder.

5.6 The Owner shall pay or reimburse the Agent for any sums of money due it under this Agreement for services or actions prior to termination, notwithstanding any termination of this Agreement. All provisions of this Agreement that require the Owner to have insured to defend, reimburse, or indemnify the Agent shall survive any termination and, if Agent is or becomes involved in any proceeding or litigation by reason of having been the Owner's Agent, such provision shall apply as if this Agreement were still in effect. The parties understand and agree that the Agent may withhold funds for thirty (30) days after the end of the month in which this Agreement is terminated to pay bills previously incurred, but not yet invoiced and to close accounts.

6. Notwithstanding any other provision hereof, this Agreement may be terminated by Owner if it ceases to be the owner of the building herein described, or if such building is destroyed or so damaged as to be untenable, or if Agent shall engage in any dishonest act in connection with the performance of its duties hereunder, or if, after thirty (30) days prior written notice from Owner to Agent specifying Agent's default in the performance of the provisions hereof to be performed by it, such default shall not have been cured or steps to cure the same have not been promptly taken and thereafter diligently pursued.

7. In the event of the termination of this Agreement, the fees and other payments and liabilities due Agent hereunder shall be prorated as of such termination.

8. Every notice, document or instrument required or permitted to be served upon any of the parties hereto shall be deemed to have been effectively given on the date of mailing thereof, and shall be sent by certified or registered United States mail, postage prepaid, return receipt requested, addressed to the respective parties at the addresses first above stated. Any party may change its address for notices by written notice to the other party of the change in address.

9. This Agreement shall be governed and construed by the laws of the State of Kansas.

10. This Agreement sets forth the entire agreement between the parties, and no amendment or alteration hereof or change hereto shall be binding unless same shall be in writing and signed by both of the parties hereto.

11. If any term or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect other provisions of this Agreement or the applications thereof which can be given effect without the invalid provision or application, and to this end the parties hereto agree that the provisions of this Agreement are and shall be severable.

12. The term of this agreement shall automatically renew as of December 1st of each year for one additional year, unless notice of termination is given in writing by either party on or before December 1st. Either party may terminate this agreement at the end of the term with or without cause by giving prior written notice not less than sixty days in advance of the termination date.

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures this _____ day of _____, _____.

AGENT:

Beckner & Associates, Inc.

Patrick G. Beckner

Title

Date

OWNER:

Title

Date