



Property Administration Contract

The following contract has been concluded between the property owner

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and

H&S Verwaltungsgesellschaft mbH
in 12059 Berlin, Stuttgarter Str. 40
CEO Horst Hüning

as administrator:

§ 1

Commencement and subject of the administration Verwaltung

The owners transfer the administration of the property comprising of residential units in as of to the administrator.

§ 2

Scope of administration

The services of the property administration encompass all commercial and administrative duties necessary to ensure that the property is managed in a competent and orderly manner.

These include in particular:

§ 2 a

Regarding the tenant

1. Support for the owner in all property matters at court and with public authorities including legal proceedings against tenants. The appointment of a lawyer or other experts must be approved in writing by the owner. Such additional costs will be borne by the owner.
2. Termination of rental and leasing contracts. If notice is to be given through legal action, the owner must pay litigation costs as in accordance with § 2 a 1. This also applies to serving termination notice through a lawyer.
3. Winding up of concluding rental agreements especially in regard to final property inspection and utility billing.

4. The rental of apartments and office premises and the conclusion of rental agreements. In the case of new lettings, the basic rent and auxiliary costs must be agreed upon. Security deposits amount to 2 – 3 months rent. In the case of lettings to a new tenant, the administrator is entitled to a one-off handling fee of 75 € plus VAT. A change in tenants can involve preliminary acceptance, inspection, transfer, reconciliation of accounts / annual financial statement etc.
5. Issue of rent increase notices.
6. Booking and monitoring of rental payments.
7. Ongoing utility costs calculations.
8. Reminders for overdue payments (the administrator is entitled to reminder charges) and random controls of the house rules.
9. Standard correspondence with tenants.
10. Enforcement of lien rights.
11. Appointment of a caretaker with suitable contract.

§ 2 b
Regarding the property:

1. The right to award contracts for works on the property in the name and at the expense of the owner as follows:

a) Without prior agreement with the owner:

- aa) Works costing up to 1,500 €.
- bb) If there is threatened damage to the building or other such urgent cases.

b) With prior agreement with the owner:

Repair and maintenance works costing over 1,500 €.

In the cases of 1 a and 1 b, the administrator has the right to engage specialists such as structural engineers, architects etc. at the cost of the property owner.

The administrator is obliged to engage tradesmen only if sufficient funds are available in the house account.

2. Inspection and payment of tradesmen invoices.
3. Necessary building and apartment inspections.
4. Handling of insurance damages and necessary correspondence with the insurance brokers.
5. The owner bears the costs for any official permits necessary for construction works.

§ 2 c
Regarding the owner:

1. The establishment of a trustee house account for the property.
2. Monthly lists of all payments relating to the property such as insurance policies, rates, etc.
3. Payment of all running costs, insurance, rates, etc. Zahlung der laufenden Betriebskosten des Hauses, Versicherungsprämien, Grundsteuer und alle sonstigen öffentlichen das Haus betreffenden Abgaben.
4. Periodic payment of interest and amortisation fees on request by the owner.
5. The payments listed under § 2 c 3 and 4 will only be met if the necessary documentation has been received and there are adequate funds in the house account.
6. Monthly rents to the owner to acc. no. The rental payments are in accordance with the regular and one-off operating costs for the property.
7. The owner is responsible for any possible debit balance on the account and for due payments. This also applies if the contract is terminated.
8. The conclusion of a liability insurance policy and water damage / pollution insurance with adequate coverage if not already existent.
9. The conclusion and termination of contracts necessary for managing the property on written approval from the owner.

§ 3
Administration fees

1. The fees are€ per residential unit plus statutory VAT. This is due monthly in advance on the third working day of the month. The administrator has the right to draw the fees and expenses from the house account.

§ 4
Duration and termination of contract

1. The contract begins with the commencement of services as described in § 1 for the duration of years. The contract ends on It is automatically renewed for one year if notice has not been given at least months before termination date or extension. Notice must be given per registered post.
2. Legal regulations apply for instant dismissal. The administrator has the right to give immediate notice if the owner does not cover deficiencies in the house account despite of receiving notice thereof or on refusing a current account advance.

3. The sale of the property does not give the owner the right to terminate this contract prematurely.
4. On the death of the owner, his heirs take universal succession in this contract.
5. In the case of termination of contract, the following applies to the return of documents and the existing house account:
 - a) The administrator must return all documents he verifiably received on commencing his services.
 - b) The administrator is obliged on request to hand over all original receipts and bank statements collected during his work period. He has , however, the right to make copies of these.

§ 5 Place of jurisdiction

Should it be impossible to settle any disputes arising from this contract out of court, the place of jurisdiction is the domicile of the administrator (Berlin).

§ 6 Administrator's liability

The administrator provides his services to the best of his ability and conscience. He is liable only insofar that wilful or gross negligence can be proven.

§ 7 Statute of Limitation

Claims arising from this contract lapse after a period of 3 years for both parties. The period commences with the end of the year in which the claim arose.

§ 8 Power of attorney / Substitute power of attorney

The owner herewith conveys power of attorney to the administrator to represent him in all matters relating to the management of the property. He is obliged to issue a separate power of attorney for each property being managed. .

The administrator has the right to issue substitute power of attorney insofar as this does not involve extra expenses for the owner.

§ 9 Severability Clause

Additional agreements, amendments and additions to this contract must be made in

writing. Should individual provisions of this contract become invalid as a whole or in part then the invalidity of any provision shall not affect any part of the remaining contract. In such case the parties shall be obliged to replace the invalid provision by way of mutual agreement with a provision that approximates the meaning and spirit of the agreement and serves the intentions of the parties to the contract.

**§ 11
Other agreements**

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(HV) Horst Hüning (CEO)

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