



## Property Management Agreement

THIS AGREEMENT made on the 5<sup>th</sup> day of January 2021, between the City of La Crosse (hereinafter "Owner"), and Reliant Real Estate Services, a Wisconsin Limited Liability Company, having its principal office at 720 Cass Street, La Crosse, Wisconsin (hereinafter "Agent").

### Article I. Establishment of Agency and Rental Responsibility

**1.1 Exclusive Agency.** Owner hereby appoints Agent, and Agent hereby accepts appointment, on the terms and conditions hereinafter provided as sole and exclusive leasing and management agent of the first-floor commercial space in the property located at 305-325 3<sup>rd</sup> Street S, La Crosse, WI (hereinafter "Development").

**1.2 Initial Term of Agreement.** This Agreement shall be in effect for (36) months beginning on February 1, 2021 and ending January 31, 2024. A prorated management period will commence January 12, 2021 for services provided in January 2021. This agreement shall automatically terminate at the end of the Initial Term unless a contract extension is executed between Owner and Agent.

### Article II. Services to be Performed by Agent

**2.1 Commercial Leasing of Development.** Agent shall use its best efforts to lease commercial space in accordance with the separately negotiated Listing Contract to Lease Commercial Property – Exclusive Right to Lease. All inquiries for any leases or renewals or agreements for the rental of the Development, or portions thereof, shall be referred to Agent, and all negotiations connected therewith shall be conducted solely by the Agent. Owner shall produce approved lease forms, renewal forms, and other agreement forms. Agent is authorized to execute, deliver, and renew leases on behalf of Owner to meet ownership objectives.

**2.2 Agent Orientation.** In order to facilitate efficient operation, Agent will inform itself with respect to the layout, construction, location, character, plan, and operation of the lighting, heating, plumbing, and ventilating systems, as well as elevators, if any, and other mechanical equipment and systems in the Development. Copies of guarantees and warranties pertinent to the equipment of the Development and in force at the time of execution of this Agreement shall be furnished to Agent who shall be responsible for their safekeeping. Agent shall further be responsible for copies of construction plans and "as built" drawings furnished to it by Owner.

**2.3 Agent Acceptance of Construction.** Agent shall immediately ascertain the general condition of the Development and, if the accommodations there afforded have yet to be occupied

for the first time, establish liaison with the general contractor to facilitate the completion by it of corrective work as yet to be done. Not later than sixty (60) days following the date hereof, Agent shall cause an inventory to be taken of all personal property including, but not limited to, appliances, furniture, office equipment, material, supplies, maintenance tools, spare parts and supplies, and any other major equipment or material belonging to the Development. A written report of the foregoing items shall be given to the Owner, and such report shall be an acknowledgment that Agent accepts delivery and responsibility for the inventoried equipment. Subsequent reports of unfinished corrective work shall be furnished to Owner, on a monthly basis, until all such work has been corrected on the open items allowed by Owner.

**2.4 Preparation of Annual Budget.** Not less than sixty (60) days prior to the occupancy of any units in the Development, and thereafter at least thirty (30) days before the beginning of each calendar year, Agent shall prepare and deliver to Owner an operating budget in preliminary draft form setting forth an itemized statement (with a detailed line item analysis) of the estimated monthly receipts and disbursements for the new year, based upon a proposed rent schedule (herein called the "Rent Schedule") included therein, and taking into account the general condition of the Development. At the same time the proposed operating budget is submitted, Agent shall also submit a plan for capital expenditures and major repairs, which will be required during the next year. Such list shall describe work to be done, location, necessity, estimated cost, and the month of the year in which it is to be done. Following receipt of these documents, Owner shall respond promptly, indicating its approval or changes to be made. Not later than thirty (30) days after submission, and following approval of the new budget and the list of capital expenditures and repair work to be done, Agent shall submit the final approved budget, management plan, capital expenditure and repair lists which shall be and will constitute a standard to which Agent shall use best efforts to adhere in the operation of the Development.

**2.5 Employment of On-Site Personnel.** On the basis of the budget referred to in Section 2.4, Agent shall investigate, hire, pay, supervise, and discharge the personnel necessary to be employed in order to properly maintain and operate the Development. Such personnel shall in every instance be deemed employees of Agent or independent contractors and not employees of Owner, who shall have no right to supervise or direct such employees, or independent contractors, but may require Agent to discharge or remove from employment at the Development such employees, as Owner reasonably deems unsatisfactory. All salaries, wages, and other compensation of personnel employed by Agent hereunder, including so-called fringe benefits, medical and health insurance, pension plans, social security taxes, workman's compensation insurance, and the like shall be deemed to be reimbursable expenses of Agent as evidenced by payrolls certified by Agent in such form and manner as may be required by Owner and delivered with the monthly reports referred to in Section 2.12b. Agent understands and agrees that its relationship to Owner is that of independent contractor and that it will not represent to anyone that its relationship to Owner is other than that of independent contractor.

**2.6 Employment of Management Personnel.** ~~On the basis of the budget referred to in Section 2.4, Agent shall investigate, hire, pay, supervise, and discharge the personnel necessary to be employed in order to properly manage and direct the on-site personnel at the Development. Such personnel shall in every instance be deemed employees of Agent or independent contractors and not employees of Owner, who shall have no right to supervise or direct such employees, or independent contractors, but may require Agent to discharge or remove from employment at the Development such employees, as Owner reasonably deems unsatisfactory. All salaries, wages, and other compensation of personnel employed by Agent hereunder, including so-called fringe benefits, medical and health insurance, pension plans, social security taxes, workman's~~

compensation insurance, and the like shall be deemed to be reimbursable expenses of Agent as evidenced by payrolls certified by Agent in such form and manner as may be required by Owner and delivered with the monthly reports referred to in Section 2.12b. ~~Agent understands and agrees that its relationship to Owner is that of independent contractor and that it will not represent to anyone that its relationship to Owner is other than that of independent contractor.~~

**2.7 Service Contracts.** Subject to approval by Owner and in any event not later than thirty (30) days from the date hereof, Agent shall make in the Owner's name contracts for water, electricity, gas, fuel, oil, telephone, vermin extermination, trash removal, and other necessary services, or such of them as Owner shall deem advisable. Agent shall also place orders in Agent's name for such equipment, tools, appliances, materials and supplies as are necessary to properly maintain the Development, subject to limitations of the current budget approved by the Owner. When taking bids or issuing purchase orders, Agent shall act at all times under the direction of Owner and shall be under a duty to secure for and credit to Owner any discounts, commissions or rebates obtainable as a result of such purchases.

**2.8 Maintenance and Repair of the Development.** Agent shall maintain the building, appurtenances, and grounds of the Development in accordance with industry standards in the local area, including within such maintenance, without limitation thereof, interior and exterior cleaning, painting and decorating, plumbing, carpentry, and such other normal maintenance and repair work as may be desirable, subject to limitations of the current budget approved by Owner and any other reasonable limitations imposed by Owner in addition to those contained within such a budget. For any one item of repair or replacement, the expense incurred shall not exceed the sum of \$500 unless specifically authorized by Owner, unless authorized by the approved management plan, excepting, however, that emergency repairs immediately necessary for the preservation and safety of the Development or to avoid the suspension of any service to the Development or danger to life or property may be made by Agent. Notwithstanding this authority as to emergency repairs, it is understood and agreed that Agent shall confer immediately with Owner regarding every such expenditure and shall furnish a complete written report as soon as possible. In any case where repair or replacement expense exceeds \$500 for any one item, Agent shall secure written bids from at least three competent bidders and shall award the work under a written contract to the lowest qualified bidder. In the case of capital expenditures and repair work that have been approved as part of the approved management, such bids, if not already in hand, shall be secured before work is commenced.

Agent shall bill Owner \$40/hour for maintenance work performed by Agent's personnel. In addition to this labor charge, Owner shall be responsible for any supplies necessary to complete a job. Time and a half charges will apply when services are required outside of normal business hours. These fees will become due and payable within 15 days of invoicing and may include sales tax if required by the State of Wisconsin.

**2.9 Insurance.** Owner shall, at the expense of the Owner, cause to be placed and kept in force all forms of insurance required by law. Agent shall promptly investigate and make a full written report to Owner as to all accidents, claims for damage relating to the ownership, operation, and maintenance of the Development, and any damage or destruction to the Development and the estimated cost of repair thereof, and shall prepare for approval by Owner any and all reports required by any insurance company in connection therewith. All such reports shall be filed with Owner promptly, and any report not so filed within ten days after the occurrence of any such accident, claim, damage or destruction shall be noted in the monthly report delivered to Owner pursuant to Section 2.12(b).

**2.10 Collection of Moneys.** Agent shall collect all rent and other charges due from tenants, from concessionaires in consequence of the authorized operation of facilities in the Development maintained primarily for the benefit of tenants and otherwise due Owner with respect to the Development in the ordinary course of business. Owner authorizes Agent to request, demand, collect, receive, and receipt for all such rent and other charges and to institute legal proceedings in the name of, and as an expense reimbursable by, Owner for the collections thereof and for the dispossession of residents and other persons from the Development, and such expense may include the engaging of counsel for any such matter. All moneys collected by Agent shall be deposited in a designated account under the name of the Owner.

**2.11 Agent Disbursements.** Agent shall, from the funds collected and deposited, cause to be disbursed regularly and punctually (1) the amounts reimbursable to Agent under Sections 2.5, 2.6, 2.7, 2.8, 2.9 and 2.10 hereof; and (2) the amount required to be paid monthly pursuant to any mortgage of the Development, including therein amounts due under any mortgage for interest, amortization of principal, and for allocation to reserves or escrow funds; (3) the amount of all real estate taxes and other impositions levied by appropriate authorities which, if not escrowed with any mortgagee, shall be paid before interest begins to accrue thereon; and (4) amounts otherwise due and payable as operating expenses of the Development authorized to be incurred under the terms of this Agreement, including Agent's compensation pursuant to s. 3.1 hereof. After disbursement as herein specified, any balance remaining shall be disbursed or transferred as generally or specifically directed from time to time by Owner.

**2.12 Miscellaneous.**

(a) Records. Agent shall maintain at its principal place of business in La Crosse, Wisconsin a comprehensive system of office records, books, and accounts in a manner satisfactory to Owner. Owner and others designated by it shall have at all times access to such records, accounts, and books and to all vouchers, files and all other material pertaining to the Development and this Agreement, all of which Agent agrees to keep safe, available, and separate from any records not having to do with the Development. Agent shall furnish Owner with copies of all such documents and records upon written request from Owner.

Such records shall include, without limitation, separate repair records and copies of work order for each unit and, with respect to each tenant, a file containing:

- (i) An executed copy of the lease agreement with such tenant;
  - (ii) All correspondence with or relating to such tenants; and
  - (iii) Copies of all repair records and work orders for such unit.
- (b) Monthly Reports. On or before the 15<sup>th</sup> day of each month, Agent shall render to Owner the following reports pertaining to the previous month's activity:
- (i) Balance sheet;
  - (ii) Income statement;
  - (iii) General ledger;
  - (iv) Bank account reconciliation;
  - (v) Rent roll;
  - (vi) Vacancy report;
  - (vii) Delinquency report; and
  - (viii) Lease expiration report.
- (c) Owner Required Reports. Any other reports required by the Owner shall be submitted to the Owner as requested.

For purposes of this section, a fiscal month shall mean the period beginning on the first day of each calendar month, and ending on the last day of the calendar month.

(d) Annual Report. As required by Owner, Agent shall deliver to Owner a profit and loss statement showing the results of operations for that year for the Development.

(e) Tenant Complaints. Agent shall maintain businesslike relationships with residents of the units in the Development, whose service requests shall be received, logged, and considered in systematic fashion in order to show the action taken with respect to each. Complaints of a serious nature shall, after thorough investigation, be reported to Owner with appropriate recommendation.

### **Article III. Relationship of Agent to Owner**

**3.1 Management Compensation of Agent.** Agent shall receive a flat management fee payable by the Owner on a monthly basis in an amount of \$500.00 from the Development for management services. Payment will be due and payable on the 15<sup>th</sup> day of the month in which the services are rendered.

**3.2 Leasing Compensation of Agent.** The Property Management Agreement is subject to the execution of a Listing Contract to Lease Commercial Property - Exclusive Right to Lease.

**3.3 Major Repairs.** Agent agrees that all work in the making of any and all major repairs, improvements, additions, or alterations costing more than \$500 that cannot be handled by employees of Agent shall be done under written bid and under written contract made with the prior approval of Owner, as provided in Section 2.8 hereof.

**3.4 Agent's Affiliates and Subsidiaries.** In performing work at the Development, Agent may, from time to time, deal with certain of its affiliated or subsidiary organizations as independent contractors. The amounts payable to any such related entity shall not be greater than would have been paid under an arm's-length contract with a nonrelated entity. The provisions of Section 2.8 and 3.3 are applicable to all transactions with Agent's affiliated and subsidiary organizations. It shall be expressly communicated by Agent to Owner when contractors that are subsidiaries or affiliates of Agent are used in performing work at the Development.

**3.5 Use and Maintenance of Development.** Agent agrees not to knowingly permit the use of the Development for any purpose which might void any policy of insurance held by Owner or which might render any loss there under uncollectible, or which would be in violation of any government restriction. It shall be the duty of Agent at all times during the terms of this Agreement to operate and maintain the Development according to the highest standards achievable consistent with such plan of Owner as communicated to Agent from Owner from time to time. Full compliance by the residents with the terms and conditions of their respective leases and rules and regulations shall be secured and, to this end, Agent shall see that all residents are informed with respect to such rules, and notices as may be promulgated and communicated to Agent by Owner. Agent shall be expected to perform such other acts and deeds as are reasonable, necessary, and proper in the discharge of its duties under this Agreement.

**3.6 Separation of Owner's Moneys.** Agent shall establish and maintain in a bank acceptable to Owner, and in a manner to indicate the custodial nature thereof, a separate bank account as Agent of Owner for the deposit of moneys of Owner from the ownership and operation of the

Development. Agent shall also establish such other special bank accounts as may be required by Owner. Funds may be disbursed to cover authorized Development expenditures from Development accounts upon the signature of Agent. All payments to be made by Agent hereunder shall be made by check drawn on an account established pursuant to this Section 3.6. Agent shall not be obligated to make any advance to or for the account of Owner or to pay any sums, except out of funds held in any account maintained under this Section 3.6, nor shall Agent be obligated to incur any liability or obligation for the account of Owner without assurance that the necessary funds for the discharge thereof will be provided.

**3.7 Expenses of Owner.** Everything done by Agent under the provisions of Article II shall be done as the agent of Owner, and all obligations or expenses incurred there under shall be for the account of, on behalf of, and at the expense of Owner.

**3.8 Termination.** If either party shall default in the performance of any of its obligations hereunder, and such default shall continue for sixty (60) days after written notice from the other party designating such default, or either party shall make any assignment for the benefit or creditors, or there shall be filed by or against either party any petition for adjudication as a bankrupt or for reorganization, or an arrangement, or for any relief under any bankruptcy law or any insolvency act, either party may terminate this Agreement by written notice at any time thereafter while such default or other events shall be continuing; and thereupon this Agreement shall forthwith terminate and, if termination shall occur, through default of Owner, Agent shall be due full compensation for its fees for the actual time of its management involvement with the Development plus sixty (60) days' termination fee based on the previous (60) days' collections. Termination of this Agreement under any of the foregoing provisions shall not release Agent from liability for failure to perform any of the duties or obligations of Agent as expressed herein and required to be performed prior to such termination. Upon such termination, Agent shall forthwith (1) surrender and deliver up to Owner the Development and all rents and income of the Development and other moneys of Owner on hand and in any bank account; (2) deliver to Owner as received any moneys due Owner under this Agreement but received after such termination; (3) deliver to Owner all materials and supplies, keys, documents, and such other accountings, papers and records pertaining to this Agreement as Owner shall request; and (4) assign such existing contracts relating to the operation and maintenance of the Development as Owner shall require, provided that Owner shall agree to assume all liability there under accruing after the termination of this Agreement. Within sixty (60) days after such termination, Agent shall deliver to Owner the written report required by Section 2.13b for any period not covered by such a report at time of termination, and within sixty (60) days after any such termination, Agent shall deliver to Owner, as required by Section 2.13c, the profit and loss statement for the calendar year or portion thereof ending on the date of termination and the balance sheet for the Development certified by the Agent as of the date of termination.

**3.9 Assignment.** Agent shall not, without Owner's prior written approval, which Owner may in its discretion withhold, assign any of its rights or obligations under this Agreement, whether by operations of law or otherwise, or permit any change in the identity of the person or persons who are in effective control of the management of Agent's business, or make any subcontract with respect to the performance of any of its obligations hereunder, or delegate any of its duties hereunder. Owner may assign its rights and obligations to any successor in title to the Development and, upon such assignment, shall be relieved of all liability accruing after the effective date of such assignment.

## Article IV. General Provisions

**4.1 Notices.** All notices required or permitted by this Agreement shall be in writing and shall be sent by registered or certified mail, addressed:

In the case of the Agent to:

Reliant Real Estate Services  
c/o Aaron M. Wickesberg CPM®  
720 Cass Street  
La Crosse, WI 54601  
Phone: (608)782-4100

In the case of the Owner to:

City of La Crosse  
c/o Adam Lorentz  
2000 Marco Drive  
La Crosse, WI 54601  
Phone: (608) 789-7350

or to such other addresses as shall, from time to time, be designated by written notice by either party to the other party as herein provided.

**4.2 Entire Agreement.** This Agreement shall constitute the entire Agreement between the parties hereto, and no modification thereof shall be effective unless made by supplemental agreement in writing executed by the parties hereto.

**4.3 Successors and Assigns.** At all times this Agreement shall inure to the benefit and constitute a binding obligation upon each of the parties hereto and their respective successors and, where permitted, their assigns.

**4.4 Interpretation.** This Agreement is made under and pursuant to and shall be construed under, and the rights, duties and obligations of the parties shall be determined and enforced in accordance with the laws of the State of Wisconsin. This is of the essence of this Agreement.

**4.5 Qualification.** Agent represents and warrants that Agent is and shall at all times during the term of this Agreement be duly licensed by the State of Wisconsin to engage in or perform all of the services required under this Agreement.

**4.6 No Recording.** This Agreement shall not be placed for record by either party on the records of the county in which the Development is located.

**4.7 No Waiver.** No failure of Owner to exercise any power given to Owner hereunder or to insist upon strict compliance by Agent with its obligations hereunder, and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of the right of Owner to demand exact compliance with the terms hereof.

**4.8 Severability.** If any provision of this Agreement, or the application thereof to any circumstances, should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement or the application thereof to any other circumstances shall not be affected thereby.

**4.9 Captions and Headings.** The captions and headings through this Agreement are for convenience of reference only, and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify, or add to the interpretation,

construction of meaning of any provisions of or the scope or intent of this Agreement, nor in any way affect this Agreement.

**4.10 Acknowledgement of No Outstanding Obligations.** Agent acknowledges that there are no amounts or obligations owed to it by Owner as of the date of this Asset Management Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

OWNER: City of La Crosse

By: \_\_\_\_\_

MANAGEMENT AGENT: Reliant Real Estate Services, LLC

By: \_\_\_\_\_  
Aaron M. Wickesberg CPM®  
President