

LEASE MANAGEMENT AGREEMENT ("Agreement") is made on [ \_\_\_\_\_ ]

**BETWEEN**

[ \_\_\_\_\_ ], [ \_\_\_\_\_ ] National, holding passport no. [ \_\_\_\_\_ ], having his address at [ \* ] (hereinafter referred to as "**Client**"), and

**ELLINGTON PROPERTIES DEVELOPMENT LLC**, a limited liability company incorporated in UAE & having its Office at P.O. Box 117500, 16th Floor, Burlington Tower, Business Bay, Dubai, United Arab Emirates, (hereinafter referred to as "**Company**").

Client and Company are collectively referred to as "**Parties**" and individually "**Party**".

**WHEREAS:**

- (A) Client is the purchaser of Unit No. [ \_\_\_\_\_ ] at [ \_\_\_\_\_ ], Dubai, United Arab Emirates as per the sale and purchase agreement executed between the Parties (SPA) (hereinafter referred to as the "**Unit**") and desires to lease the Unit for guaranteed minimum lease price of UAE Dirhams [ \_\_\_\_\_ ] (AED [ \_\_\_\_\_ ]) per year, (the '**Guaranteed Price**') in accordance with this Agreement;
- (B) The Client expressed its intention to appoint Company to provide its services. Accordingly, Company has agreed to use its efforts to secure potential tenant (the '**Tenant**') for lease of the Unit and the Client has agreed to list the Unit entirely with Company on exclusive basis for the Term in accordance with this Agreement.
- (C) The Parties have agreed to enter into this Agreement for the purposes of setting out the terms and conditions of the Guaranteed Price.

**IT IS AGREED** as follows:

**1. APPOINTMENT**

The Appointment shall always be subject to the Client paying the initial 20% of the purchase price of the Unit along with the Dubai Land Department registration fee as applicable (as of now 4% of the Purchase Price of the Unit) and the SPA be executed with the Company.

Client hereby list the Unit entirely on exclusive basis for the Term with Company to rent, manage and operate the Unit, upon the conditions and for and compensation herein set forth. All or a portion of the services being performed by Company may be contracted or subcontracted to another Unit management company, provided that such company agrees to be bound by the terms of this Agreement.

- (i) The Effective Date of this Agreement shall be on obtainment of the Building Completion Certificate and from completing three (03) months from the issuance of title deed for the Unit in the name of the Client;
- (ii) The Effective Date shall be considered for computing the commencement of the annual Guaranteed Price.

## **2. COMPANY REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

2.1 Company shall use the best efforts to assist the Client in leasing the Unit for the Guaranteed Price; Company will use its best efforts to fully lease the Unit on obtaining title deed for the Unit in the name of the Client from Dubai Land Department and all the keys pertaining to the Unit is handed over to the Client.

2.2 Company represents, warrants and undertakes to the Client that;

- (i) Identification and solicitation of prospective tenants and negotiation of (but not agreement to or execution of) subject leases during the Term, with such prospective tenants;
- (ii) Unit shall be given to tenants for residential purposes only.
- (iii) Fulfillment of the execution of the rental agreement with tenant and the Client with respect to the Unit (**Tenancy Contract**);
- (iv) The collection of all rents from the Unit shall be credited to the account of the Client unless otherwise agreed by the Client as per the Tenancy Contract and any excess amount from Guaranteed Price shall be to the benefit of Company which shall be repaid by the Client to Company and the same shall be considered as a commercial debt.
- (v) Irrespective of not procuring any Tenant or the collection of rent remains shortfall than the Guaranteed Price, Company shall be liable to compensate the Client, whatever amounts remains equivalent to the Guaranteed Price on quarterly basis in advance;
- (vi) Company shall have the right to appoint any other company for facility management of the Unit for which all costs shall be on Company or from the rent but only to the amount in excess to the Guaranteed Price; and

(vii) during the Term the Company shall maintain the Unit in good condition for which all costs shall be borne by the Client and is deductible from the Guaranteed Price;

2.3 Company shall not, and has no authority to, execute any lease or other agreement on behalf of Client or in any way incur any obligation on behalf of, bind, or make any representation or warranty for Client. It agreed between both parties that Company is not an agent of Client and has no actual or apparent authority to bind Client to any lease, agreement, or other obligations, which can only occur upon the execution by Client of a written Subject Lease.

### **3. CLIENT REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS:**

3.1. Client shall use the best efforts to assist Company in leasing the Unit for the Guaranteed Price.

3.2. Client represents, warrants and undertakes to the Company that;

- (i) Execute all documents, NOCs, forms or Tenancy contracts with respect to the Unit as provided by Company for the purposes of this Agreement. The Client shall agree in the Tenancy Contract to pay the rents by the tenant to the Company in the mode confirmed by the Company;
- (ii) Pay all Utility Charges with respect to the Unit unless the same is paid by the Tenant;
- (iii) Pay all Services Charges or any other amounts as per the sale and purchase agreement of the Unit and as per the directions of the Clients Association of the Building wherein the Unit is housed;
- (iv) Not to interrupt the Tenant or Company in fulfilling the obligations of this Agreement;
- (v) To return back to Company the amount received in exceeds of the Guaranteed Price as rent for the Unit;
- (vi) Not to appoint any Tenant by itself or through any other agent, Broker or third party for renting out the Unit or for any management of the Unit during the subsistence of this Agreement unless agreed by Company in writing; and
- (vii) Not to appoint any other agent, Broker or third party for renting out the Unit or for any management of the Unit during the subsistence of this Agreement unless agreed by Company in writing.

### **4. TERM AND TERMINATION OF THE AGREEMENT.**

#### **4.1. Term:**

This Agreement shall be valid for a term of three (3) years and shall not be automatically renewed. Neither Party shall have the right to terminate this

Agreement during the Term unless there is expressed breach by any of the Party or the Client relinquishes the right of Guaranteed Price.

**4.2. Termination:**

- (i) On completion of the Term;
- (ii) If the Client sells, assigns or transfers its interest in the Unit; and
- (iii) If the Client violates clause 3.2 (vi) and (vii).

**4.3. In the event of clause 4.2 (ii) and (iii),**

- (i) Company shall not have any obligations of this Agreement to be performed towards the Unit for the new Transferee including the Guaranteed Price, since this Agreement is personal in nature towards the Client only;
- (ii) Any breach by the Tenant in fulfilling the Guaranteed Price, Utility Bills, or any other charges relating to the Unit as directed by Building Owners Association, before the sale of the Unit and during the Term, Company shall assist the Client in approaching relevant authorities for redressing the grievance, subject to the Client intimating about the breach of the Tenant to Company by writing before fifteen (15) days of such sale of the Unit; and
- (iii) Except for the assistance of Company as mentioned in clause 4.3 (ii) above, all other matters relating to the Tenant with respect to the Unit shall be the responsibility of the Client and Company shall not have any liability or obligation towards the same including the Guaranteed Price.

**5. INDEMNIFICATION.**

5.1 Client hereby agrees to indemnify and hold harmless Company against and in respect of any loss, cost or expense, judgment, award, amount paid in settlement, fine, penalty and liability of any and every kind incurred by or asserted against Company by reason of or in connection with the performance by Company of the services described herein or the occurrence or existence of any event or circumstance which results or is alleged to have resulted in death or injury to any person or destruction of or damage to any Unit and any suit, action or proceeding (whether threatened, initiated or completed) by reason of the foregoing; provided, however, that no such indemnification of Company shall be made, and

5.2 Company shall indemnify and hold Client harmless against, and to the extent of, any loss that a court of competent jurisdiction shall, by final adjudication, determine to have resulted from willful misconduct, gross negligence or fraud by or on the part of Company.

**6. WHOLE AGREEMENT**

This Agreement represents the entire understanding between the parties hereto with regard to the transactions described herein and may only be amended by a written instrument signed by the party against whom enforcement is sought.

**7. GOVERNING LAW AND JURISDICTION.**

This Agreement in the English language and the rights of the Parties hereunder shall be governed by the Laws of the United Arab Emirates and the Laws of Dubai and the Parties agree that any legal action or proceedings with respect to this Agreement shall be subject to the exclusive jurisdiction of the Courts of Dubai International Financial Centre, United Arab Emirates.

This Agreement has been executed on the date stated at the beginning of this Agreement.

**SIGNED** )

for and on behalf of

**Company** )

in the presence of: )

**SIGNED by** )

**Client** )

in the presence of )