

**ASSET MANAGEMENT AGREEMENT**

By Philip D. Weller  
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New York, New York

\_\_\_\_\_, 19\_\_

between

\_\_\_\_\_

and

\_\_\_\_\_

**ASSET MANAGEMENT AGREEMENT**

THIS ASSET MANAGEMENT AGREEMENT (the "**Agreement**"), is entered into by \_\_\_\_\_, a \_\_\_\_\_ (the "**Owner**"), and \_\_\_\_\_, a Texas limited partnership (the "**Asset Manager**"), effective as of \_\_\_\_\_, 19\_\_ (the "**Effective Date**").

**ARTICLE 1: ENGAGEMENT OF ASSET MANAGER**

Section 1.1 **General Engagement.** Owner engages Asset Manager as an independent contractor to provide the services set forth in this Agreement relating to the administration, management, supervision and disposition of the assets described in Schedule 1 (the "**Assets**" and each an "**Asset**"). Additional Assets may be brought within the scope of this Agreement by a supplement to Schedule 1 signed by the parties. The Asset Manager shall in good faith provide the services set forth in this Agreement in accordance with normal and prudent practices in the real estate industry and shall have the authority to take all actions necessary or appropriate to fulfill its obligations.

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## ARTICLE 2: ASSET MANAGER DUTIES

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Section 2.1 **Initial Duties**. Prior to approval of the initial business plan, Asset Manager shall provide all services ordinarily and customarily provided by asset managers to preserve, protect and maintain the Assets until the initial business plan is prepared and approved.

Section 2.2 **Business Plans**.

(1) **Initial Business Plan**. Within thirty (30) days after the Effective Date, Asset Manager shall prepare and submit to Owner a strategic business plan for each of the Assets containing recommendations concerning the ownership, operation, maintenance, and disposition thereof (and, where applicable, acquisition of other assets) and proposed annual operating and capital budgets therefore; the business plan shall be in a mutually acceptable form; the initial business plan shall be in form as Schedule 2.2. Within fifteen (15) days after submission of the initial business plan, Owner and Asset Manager shall meet, make such adjustments and revisions thereto as may be mutually acceptable, and after formal approval by Owner, the same shall constitute a “**Business Plan**” for the purposes of this Agreement.

(2) **Revisions**. Asset Manager shall submit proposed revisions to the Business Plan from time to time when necessary because of changes in circumstances relating to the Assets. Additionally, on or before January 30 of each year Asset Manager shall submit to Owner a revised business plan for the following year, and Owner and Asset Manager shall cooperate so as to approve the revised business plan by February 28 of the operating year to which it relates. Revisions to a Business Plan or a draft business plan for the following year shall be subject to approval in the manner provided in Section 2.2(1), and after approval the revised plan shall be a “**Business Plan**” hereunder.

(3) **Implementation**. Following Owner’s approval of any Business Plan (or revision thereto), Asset Manager shall be authorized and empowered to (a) implement it in accordance with its terms, (b) incur the obligations therein contemplated, and (c) enter into and execute as Owner’s agent such agreements and documents as Asset Manager deems necessary or advisable in connection therewith.

Section 2.3 **Asset Review Duties**. The Asset Manager’s duties with regard to the Assets shall include the following duties with respect to review of matters and recommendations for action:

(1) **Casualty Insurance Review**. Assisting Owner in surveying the insurable risks of each Asset, determining levels of insurance coverage, and procuring insurance coverage in accordance with Owner’s instructions.

(2) **Tax Review.** Reviewing existing assessed valuations of Assets for ad valorem tax purposes and implementing appropriate plans to reduce assessed valuations, where appropriate.

(3) **Repair, Maintenance, and Alteration Review.** Inspecting the Assets and implementing any alterations, construction, remediation, renovation, or repairs that are necessary or desirable to preserve, maintain, or enhance the value of the Assets.

(4) **Regulatory Compliance Review.** Assisting Owner (if requested) in (a) reviewing Assets to assure compliance with applicable governmental regulations (including environmental regulations and the Americans With Disabilities Act); (b) subject to Owner's budgetary constraints, implementing a program to bring any non-complying Assets into compliance with applicable regulations; and (c) implementing a program to monitor continuing compliance with governmental regulations.

Section 2.4 **Property Management Duties.** The Asset Manager's duties with regard to managing the Assets shall include:

(1) **Engagement of Property Managers.** Engaging, as Owner's agent, managers ("**Property Managers**") to manage the day-to-day operation of the Assets. Asset Manager shall, in accordance with the Business Plan and on Owner's behalf, execute contracts with each Property Manager; monitor each Property Manager's performance thereunder; review all reports concerning operation of the management of the Property; consolidate and forward the same to Owner; and enforce all property management contracts. Asset Manager may delegate performance of its duties hereunder to the Property Managers when Asset Manager deems the same to be appropriate.

(2) **Monitoring of Revenues and Expenses.** Monitoring the actual monthly income and expenses of the Assets, collecting revenues and paying operating expenses, comparing actual results to the relevant operating budgets, and reporting to Owner.

Section 2.5 **Leasing.** The Asset Manager's duties with regard to leasing the Asset shall include:

(1) **Establishment of Leasing Guidelines and Forms.** As part of the Business Plan, establishing leasing guidelines for each Asset, setting forth relevant terms concerning the leasing of space therein, and establishing approved leasing forms.

(2) **Retention of Leasing Agents.** Retaining such leasing agents and other parties as may be necessary or prudent to lease the Assets in accordance with the Business Plan and monitoring the performance of each leasing agent in connection therewith.

(3) **Approval and Execution of Leases.** As Owner's agent, approving and executing all leases entered into in accordance with the approved leasing guidelines or as otherwise approved by Owner.

Section2.6 **Disposition Services.** Asset Manager shall act as Owner's agent in the disposition of any Assets in accordance with the terms and provisions contemplated by the Business Plan. Asset Manager shall be primarily responsible for negotiating disposition agreements and for consummating approved dispositions, but Owner shall have the sole authority to execute agreements therefore.

Section2.7 **Legal Services.** Asset Manager is authorized to engage attorneys and other advisors as necessary to provide legal services in connection with the day-to-day operation of the Assets, including enforcement of leases and contracts; review of contracts, leases, and other documents; and defending legal actions, provided that Owner's prior approval shall be required for engagement of any legal counsel in connection with any disputed matter where the matter in controversy exceeds \$10,000, unless the matter is specifically budgeted for in a Business Plan.

Section2.8 **Construction Management Services.** Asset Manager shall supervise the performance of all renovation, improvement, repair, and other construction work with regard to the Assets and shall, as Owner's agent, engage such architects, engineers, contractors, managers, and other parties as may be necessary to accomplish the same.

Section2.9 **Financing Services.** From time to time, in accordance with the Business Plan, Asset Manager shall act as Owner's agent in financing or refinancing indebtedness with respect to the Assets. Asset Manager shall make recommendations to Owner concerning terms and conditions of any financing or refinancing and the lender(s) to provide the same, shall negotiate the terms thereof and shall assist in consummating the transactions, but Owner shall have the sole authority to execute the requisite agreements therefore.

Section2.10 **Retention of Third Parties.** Asset Manager is authorized and empowered, as Owner's agent, to engage and enter into contracts with third parties to provide the services referred to in this Article 2, and may delegate performance of its duties to third parties, including the Property Managers. Such contracts shall be on such terms as Asset Manager approves, provided the same are in compliance with the Business Plan. Without limiting the generality of the foregoing, the services of third parties which may be engaged include property management and leasing services, ad valorem tax services, brokerage services, surveyors, title services, data processing services, construction management services, marketing and market study services, engineering services, environmental consulting services, and architectural services. Asset Manager shall not engage or enter into a contract with an Affiliate (defined below) unless (1) the