

MANAGEMENT AGREEMENT

_____ "Owner," agrees to employ
_____ "Broker" to rent, lease, operate and
manage the real property commonly known as _____
(Street Address) (City/State/Zip)
for a period commencing _____, and terminating at midnight on _____, upon the following
Terms and Conditions:

1. BROKER'S AUTHORITIES AND OBLIGATIONS. The following authorities and obligations, if initialed by both parties, are conferred upon and accepted by Broker:

- a. To advertise the availability of the property "for rent" or "for lease", and to display "For Rent" or "For Lease" signs; to screen and use diligence in the selection of prospective tenants; and to abide by all fair housing laws.
- b. To negotiate leases on terms established by Owner. Lease periods will not exceed _____ months, and minimum rent will be \$ _____ per month.
- c. To execute leases and rental agreements on behalf of Owner.
- d. To collect rents, security deposits, and all other receipts connected with the property, and to deposit same in a trust account with a qualified banking institution.
- e. To serve notice of termination of tenancies, notices to pay rent or quit, and other notices as are appropriate in Brokers discretion.
- f. To employ attorneys approved by Owner for the purpose of enforcing Owner's rights under leases and rental agreements, and instituting legal action on behalf of Owner.
- g. To provide all services reasonably necessary for the proper management of the property including periodic inspections, supervision of maintenance, alterations, and repairs that may be reasonably required.
- h. To hire, supervise, and discharge all employees and independent contractors required in the operation and maintenance of the property. Compensation will be approved by Owner. The employment of any employee will be terminable at will. It is agreed that all employees are employees of Owner and not of the Broker. Broker will prepare payroll tax returns for Owner, where applicable, and make payments of payroll taxes to appropriate agencies from gross revenues.
- i. To contract for repairs or alterations at a cost to Owner not to exceed \$ _____.
- j. To execute service contracts for utilities and services for the operation, maintenance, and safety of the property as Broker deems reasonably necessary. The terms of any such contract will not exceed _____ months, and the amount payable each month will not exceed \$ _____ without the prior written approval of Owner.
- k. To pay from gross receipts, all operating expenses and such other expenses as may be authorized by Owner, including mortgage payments, property taxes, insurance premiums, and _____.
- l. To maintain accurate records of all monies received and disbursed in connection with the management of the property. The records will be open for inspection by Owner during regular business hours and upon reasonable notice.
- m. To submit monthly statements of all receipts and disbursements not later than the _____ day of the following month.
- n. Other: _____

2. OWNER'S OBLIGATIONS. Owner agrees to pay Broker compensation for services rendered as follows (Brokers compensation is due and payable on demand and may be deducted by the Broker from gross receipts):

- a. **Compensation for Management Services:**
 - \$ _____ per month for each single family residence.
 - _____ % of gross monthly collections, provided that the minimum compensation will not be less than \$ _____ per month.
 - \$ _____ flat fee per month.
- b. **Compensation for Leasing**
 - New leases _____
 - Renegotiated leases _____
- c. **Compensation for Supervising Capital Improvements**
 - _____
- d. **Compensation for Refinancing**
 - _____
- e. **Compensation for Other Services**
 - _____
 - _____

3. OWNER FURTHER AGREES

- a. To indemnify and hold Broker harmless from any and all costs, expenses, attorney fees, and damages from, or arising out of, the management of the property by Broker, or the performance, non-performance, or exercise of any of the duties, obligations, powers, or authorities granted in this Agreement, except where the damage is legally due to the negligence or intentional misconduct of the Broker.

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Property Address: _____

- b. To carry, at Owners expense, bodily injury, property damage, and public liability insurance with customary limits for like property. The policy will be written on a comprehensive general liability form and will name the Broker as an additional insured. A certificate of insurance will be furnished to Broker on demand.
- c. To carry, at Owners expense, worker's compensation insurance as may be required by law.
- d. To assume full responsibility for the payment of any expenses and obligations incurred in connection with the exercise of Brokers duties set forth in this Agreement.
- e. To deposit with Broker the sum of \$ _____ as an initial operating reserve, and to cover any excess of expenses over income within ten (10) days after a request by Broker. Broker may terminate this Agreement immediately if the request for additional funds is not paid. Owner understands that Broker is under no obligation to advance its own funds for payment of Owner's operating expenses.

4. **MEDIATION OF DISPUTES.** If a dispute arises out of or relates to this Agreement or its breach, by initialing in the "agree" spaces below the parties agree to first try in good faith to settle the dispute by voluntary mediation before resorting to court action or arbitration, unless the dispute is a matter excluded under Item 5 - ARBITRATION. The fees of the mediator will be shared equally between all parties to the dispute. If a party initials the "agree" space and later refuses mediation, that party will not be entitled to recover prevailing party attorney fees in any subsequent action.

Broker agrees Broker does not agree
 Owner agrees Owner does not agree

5. **ARBITRATION OF DISPUTES.** Any dispute or claim in law or equity arising out of this Agreement will be decided by neutral binding arbitration in accordance with applicable state law, and not by court action except as provided by law for judicial review of arbitration proceedings. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The parties will have the right to discovery as provided by law.

The parties agree that the following procedure will govern the making of the award by the arbitrator: (a) a Tentative Award will be made by the arbitrator within 30 days following submission of the matter to the arbitrator; (b) the Tentative Award will explain the factual and legal basis for the arbitrator's decision as to each of the principal controverted issues; (c) the Tentative Award will be in writing unless the parties agree otherwise; provided, however, that if the hearing is concluded within one (1) day, the Tentative Award may be made orally at the hearing in the presence of the parties. Within ten (10) days after the Tentative Award has been served or announced, any party may serve objections to the Tentative Award. Upon objections being timely served, the arbitrator may call for additional evidence, oral or written argument, or both. If no objections are filed, the Tentative Award will become final without further action by the parties or arbitrator. Within thirty (30) days after the filing of objections, the arbitrator will either make the Tentative Award final or modify or correct the Tentative Award, which will then become final as modified or corrected.

The following matters are excluded from arbitration: (a) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, (b) an unlawful detainer action; (c) the filing or enforcement of a mechanic's lien; (d) any matter which is within the jurisdiction of a probate court, bankruptcy court, or small claims court; or (e) an action for bodily injury or wrongful death. The filing of a judicial action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, will not constitute a waiver of the right to arbitrate under this provision.

NOTICE: By initialing in the ["agree"] space below you are agreeing to have any dispute arising out of the matters included in the "Arbitration of Disputes" provision decided by neutral arbitration as provided by state law and you are giving up any rights you might possess to have the dispute litigated in a court or jury trial. By initialing in the ["agree"] space below you are giving up your judicial rights to discovery and appeal, unless those rights are specifically included in the "Arbitration of Disputes" provision. If you refuse to submit to arbitration after agreeing to this provision, you may be compelled to arbitrate under the authority of the state law. Your agreement to this arbitration provision is voluntary.

We have read and understand the foregoing and agree to submit disputes arising out of the matters included in the "Arbitration of Disputes" provision to neutral arbitration.

Broker agrees Broker does not agree
 Owner agrees Owner does not agree

6. **NOTICE.** All notices and demands will be in writing, and delivered either by personal delivery, overnight courier, or facsimile transmission with the original subsequently delivered by other means, or by certified mail, postage prepaid. In the event of mailing, delivery will be deemed to have been made on the third (3rd) day following the day of the mailing. Other notices will be effective upon delivery. Unless either party receives notice of a change of address, notices will be addressed as set forth in the signature blocks.

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