

MANAGEMENT AGREEMENT

In consideration of the covenants herein contained
This Property Management Agreement (this “Agreement”) is made on
between _____
(herein referred to as Owner) and Rudolph Real Estate, Inc. (Herein referred to as
Agent).

1. ENGAGEMENT:

The Owner hereby appoints Agent as the exclusive managing agent for the Owner of the Property, and the Agent hereby accepts such appointment and agrees to render its services to the Owner in the Management of the Property, in the manner, to the extent, and subject to the conditions hereinafter set forth in this Agreement. The engagement of the Agent by the Owner pursuant to this Agreement shall commence on the date of the last party to sign the agreement and will remain in place for 4 months or until the commencement of a new lease agreement for the Property. This Agreement will remain in effect for as long as a Tenant, placed by Agent, resides in the property located at

If vacant, property will continue to be managed by Agent unless written notice to terminate has been received. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and interpreted in accordance with, the laws of the State of Alabama. The Agent and Owner agree that neither party may assign or delegate their respective rights, duties, or obligations under this Agreement, without the prior written authorization of the other party. This agreement is to be interpreted without regard to the draftsman. The terms and intent of this Agreement shall be interpreted and construed on the express assumption that all parties participated in its drafting. Should any term, condition, or provision of this agreement be declared invalid or unenforceable, the balance of this Agreement shall remain in full force and effect and shall stand as if the unenforceable provision(s) does not exist.

2. AGENT'S AUTHORITY, DUTIES AND POWERS:

The Owner gives to the Agent the following authority, duties and powers and agrees

to assume the expenses incurred in the performance of the following:

- a. **Rents:** To collect and deposit all receipts for the Owner in an account in a national or state financial institution, separate from Agent's personal accounts.
- b. **Deposits:** To collect and deposit all Security Deposits and Earnest Money Deposits in an account as above. To hold such funds in trust for Owner and Tenant and to pay said funds in accordance with the terms of the lease or sale agreement that caused them to be deposited.
- c. **Leasing:** To lease the property; Agent is granted an exclusive right to lease this property during the term hereof; to advertise the property for rent at Owner's expense and to display "For Rent" signs; to verify prospective tenants' employment and credit references; to negotiate renewals, extensions, or cancellations of leases; to terminate leases; to sign and serve such notices as Agent deems necessary. When an Applicant has made an application to rent that is acceptable to Agent, Agent will inform Owner. If Owner consents to the prospective Tenant(s) and the proposed terms thereof, the lease will be prepared and presented to Tenant. Once the Tenant has signed the lease, a copy of the fully-executed lease agreement will be forwarded to Owner.
- d. **Repairs:** To arrange and to supervise repairs and alterations to said premises and to purchase supplies and to pay all bills for agreed upon repairs. After the property is leased, the Agent agrees to secure the prior approval of the Owner for all expenditures in excess of \$400.00 for any one item, except for monthly or recurring charges previously approved by the Owner, or in the event that the Owner is not reasonably available for consultation or if, in the opinion of Agent, such repairs are necessary to protect the property from damage or loss, or if the health, safety, and welfare of the tenants is at risk.
- e. **Service Contracts:** To make contracts as may be necessary for garbage removal, pest control or other services Agent may deem necessary. Contracts will be signed with Owner's consent.
- f. The Agent shall only be liable for willful misconduct or gross negligence in carrying out its duties.

g. **Statements:** To render monthly and annual detailed statements of receipts and expenses.

h. **Payments to Owner:** To remit to the Owner on or about fifteenth of each month any funds remaining from rents received after paying necessary disbursements. In the event that disbursements exceed receipts, Owner will remit such excess to Agent within 48 business hours.

i. **Litigation:** To enter into litigation on behalf of Owner, to hire legal counsel, and to offer and accept settlements of disputes upon prior written consent from Owner.

3. AGENT TERMINATION CLAUSE:

Agent may terminate the management agreement with 30 days written notice to Owner if the Agent, in its sole discretion, deems the continuation of the agreement subjects it to liability or if Owner is in breach of its duties to Tenant or any other persons. If so terminated, the Owner shall immediately pay back to Agent all monies of any nature expended by Agent on the Owner's behalf pursuant to the proper exercise of the authority granted to Agent herein.

4. OWNER'S OBLIGATIONS:

a. **Financial Responsibility:** To be personally responsible for the payment of any expenses or other obligations incurred by Agent in the proper exercise of Agent's authority and duties hereunder. Owner hereby grants to Agent a lien against said property to ensure the payment to Agent of any amounts that may be due hereunder. In the event that any amount remains unpaid to Agent past the end of the month in which Agent has delivered to Owner a statement showing the amount due from Owner, Owner will incur a service charge equal to two percent (2%) of the amount due and unpaid each month.

b. **Agent's Liability:** Owner agrees to fully indemnify and hold harmless Agent and all of its agents and employees from and against all claims, damages, losses and expenses including costs and attorney's fees incurred, arising out of, resulting from, or directly or indirectly connected with the performance of Agent's work and services performed under this Agreement, including, but not limited to, the Agent's rental or management of the herein described property, and from any

liability for any alleged injury, damage, or loss suffered by any tenant, applicant, or other person whatsoever, provided (a) the Agent notifies an authorized representative of the Owner or its insurer in writing as may be directed, as soon as possible, after notice of any injury or claim is received by the Agent, (b) the Agent takes no step (such as admission of liability) which will operate to bar the Owner from obtaining any protection afforded by any policies of insurance it may hold, or which will operate to prejudice the defense in such an action, or to bar the Owner from protecting itself in any manner against such claim, suit or demand, (c) the Agent's conduct did not constitute actual fraud, bad faith, gross negligence, or willful or wanton misconduct, and (d) that the Owner shall have the sole and exclusive right, at its option, to conduct the defense of any such suit, claim, or demand. Owner agrees to carry, at his own expense, necessary general liability insurance in an amount not less than \$300,000, which policy shall be so written as to protect Agent in the same manner and to the same extent it protects Owner and will name Agent as an additional interested party. The Owner also agrees to hold the Agent harmless for damages to said property by the tenants which may exceed the amount of any security deposits and which damages are determined by Agent to be uncollectible.

c. **Agent's Fees:** During the term of this Agreement, its extension or renewal, Owner shall recognize Agent as the Broker in any negotiation relating to the rental of property, or any part thereof, and in the event of the consummation of any sale to the Tenant occupying the Property during the Term of this Agreement.

d. **Smoke Detectors:** To ensure that there is installed on each floor of the house an operable smoke detector. Carbon Monoxide detectors must also be installed on each floor of homes serviced by natural gas. Owner understands that Alabama law and/or regulations of the State Fire Marshall may operate to place an extreme liability on the Owner in the event that a person or property is damaged in a fire/gas leak and regulations concerning smoke/gas detectors have not been followed.

e. **Habitability:** Owner warrants that the premises are habitable and that they are in compliance with all state and local ordinances relating to rental property.

f. Owner agrees that if its property falls within any municipality or county which requires a business license, Agent will provide Owner with information for ordering a business license for the property.

Owner shall pay to Agent as follows:

Rental Properties:

Business License: \$150 for Rudolph Real Estate to process the paperwork for Owner's business license for the property.

Leasing Fee: 50 % of the first full month's rent each time a new tenant executes a lease.

Marketing Fee: Once the property has been put on the market for rent, the owner will incur a **\$20.00** charge per week for marketing. This charge will continue for up to **4** weeks or until the property is rented, whichever comes first (**\$80 cap**).

Management Fee: 10% Ten percent of all rent and pet fees during the time of the initial lease, and any extensions or renewals thereof and during any time the tenant remains in property.

Lease Renewal Fee: \$250 lease renewal fee for any lease that is extended for a period of 6 months or longer. The renewal fee will be charged on the 1st month of the agreed upon lease renewal.

Referral Fee: \$250-\$500 Referral fees are paid to licensed real estate agents whose showing of the property led to the acceptance of a new lease agreement.

Late Fees: In the event that rent is paid late (after the first of each month and before the 12th of the month) Agent will receive **100%** of the late fees. In the event Tenant's late payment is received after the 12th of the month, Agent will receive **10%** of the total late fees paid by the Tenant.

Fines: Agent and Owner will split equally monies received for fines against the tenant's account, with exception to fines levied by an HOA or government municipality.

Coordination of Repairs to vacant unit: 10% GC fee added to estimates for repairs when preparing home to be listed for rent.

Inspection Fee: \$125 Full inspection of the property consisting of the following:

- Photographs of the full interior and exterior of the property
- Review of potential maintenance concerns or planned upgrades for future listings

Agent will schedule an unrequested inspection of the property for any of the following reasons:

- Agent observes an issue at, on or in the property while conducting daily duties
- Agent is notified of an issue at the property by Agent's contractor, concerned neighbor or the HOA.

Maintenance Reserve: \$500 This reserve will be used for immediate access to funds for repair costs and for utility deposits, utility bills, lawn care and general maintenance to be performed while the Property is vacant.

Past Due Balances: 2%/monthly interest fee on any balance that has not been paid in full by the end of the current month.

Mode of Payment to Owners:

- Direct Deposit
- Check; \$5 check processing fee

Processing Fees: Owner will be responsible for any processing fees incurred when paying by credit or debit card.

Utilities: Utilities will remain active, in Owner's name until an application has been accepted and Agent has notified Owner of the utility disconnect date. Agent will transfer utilities into Agent's name after Tenant has vacated the property so as long as Owner has signed and new management agreement or listing agreement if Owner plans to allow Agent to represent Owner in the sale of the property.

Sale of Property: 4%

In the event the property is sold to the current tenant, it is understood that Agent will act as Agent for Owner in the sale of the property. Said commission is due and owing whether such sale is outright or pursuant to a lease-purchase agreement. Agent will be entitled to these fees so long as the property is purchased by a party who occupied the property during the term of this agreement or during the term of the lease's extension or renewal, even if this agreement has been terminated. It is

agreed that any lease/purchase agreement negotiated by any party during the term of this agreement, or its extension, is subject to this agreement and will obligate Owner to the commissions herein agreed.

5. EARLY TERMINATION CLAUSE:

If Owner terminates the management agreement before the end of a lease or an extension thereof or while a tenancy subject to this Agreement continues, immediately upon said termination, the Owner shall be obligated to pay the Agent at once, all commissions due and unpaid at that time for the remaining time on the current lease/lease extension, plus one (1) additional year of management fees and all monies of any nature expended by the Agent on the Owner's behalf. The security deposit will be released upon a properly signed and executed release agreement entered into by the Tenant, Owner and Agent in form and language approved by Agent. Notwithstanding the foregoing, Owner may prematurely terminate this agreement, if Agent fails to rent the property within four months of the date hereof, provided that Owner pays Agent for all accumulated charges.

6. TENANT SECURITY DEPOSIT:

Agent will hold Security Deposits in an FDIC Insured escrow account in an Alabama bank. Agent will be responsible for what, if any, charges are made against Tenant's security deposit and will be responsible for refunding Tenant's security deposit per the terms of the Alabama Uniform Landlord and Tenant Act. If Agent fails to deliver Tenant's security deposit and general ledger to Tenant within 60 days, Agent will be responsible for any fines or legal fees associated with the late refund of the Tenant's security deposit.

7. NOTICE:

All correspondence will be done through email.

_____ (Primary email address)

_____ (Secondary email address)

8. MISCELLANEOUS

Compliance with Owner's Requirements: Agent agrees to observe and enforce reasonable written requirements made by an authorized representative of the Owner from time to time to insure the proper and efficient handling by the Agent of all matters covered by this Agreement, and to better protect the interests of the owner.

Binding Agreement:

This agreement shall be binding upon and will inure to the benefit of the parties hereto, their representatives, successors, heirs or assigns. The Agent and Owner agree that neither party may assign or delegate their respective rights, duties, or obligations under this agreement, without the prior written authorization of the other party.

Governance: This Agreement and the rights and obligations of the parties hereunder shall be governed by, and interpreted in accordance with, the laws of the State of Alabama.

Severability: This Agreement is to be interpreted without regard to the draftsman. The terms and intent of this Agreement shall be interpreted and construed on the express assumption that all parties participated in its drafting. Should any term, condition, or provision of this Agreement be declared invalid or unenforceable, the balance of this Agreement shall remain in full force and effect and shall stand as if the unenforceable provision(s) does not exist.

Authority: Both parties hereby represent and warrant that the individual signing on behalf of each party is authorized to sign and bind said party to this Agreement.

9. DISCRIMINATION:

It is illegal to discriminate in the sale or lease of real estate because of race, religion, sex, handicaps, national origin or familial status.

10. OWNER'S WARRANTY:

The Owner warrants that they are the owner of the property described herein or that they have the authority to execute this agreement.

11. HOME WARRANTY:

- Owner will provide home warranty company with a credit card that will be kept on file and used for all service call fees
- If the home warranty company does not keep a credit card on file, then Owner will need to provide Agent with credit card information that will be used to pay the service call fee
- Failure by Owner to provide a credit card to the home warranty company or Agent for the service call fee will result in a 20% surcharge to the service call fee.

12. ATTORNEY'S FEES:

If, within 30 days or such longer period as may be agreed upon by the Agent and Owner in writing, the parties cannot resolve any dispute, claim or controversy arising from or relating to the agreement, their business dealings, or these arbitration provisions, then the Agent and Owner agree and consent to resolve all such disputes, claims or controversies through binding arbitration in accordance with the National Rules for the Resolution of Commercial Disputes of the American Arbitration Association (and the extent not inconsistent, the rules of The Federal Arbitration Act) in effect at the time the demand for arbitration is made. The parties agree that one arbitrator shall be used and shall be chosen by mutual agreement of the parties. If, within 30 days after one party notifies the other of an arbitrable dispute, no arbitrator has been chosen, an arbitrator shall be chosen by AAA pursuant to the applicable National Rules. The arbitrator shall coordinate and limit as appropriate all pre-arbitrable discoveries, which shall include document production, information request, and depositions. No later than 30 days prior to the hearing, or at such other time as the arbitrator may direct, the parties may file dispositive motions, including motions for summary judgment, in accordance with the arbitrator's guidelines and procedures for motion practice. Following the arbitration hearing, the arbitrator shall issue a written decision and, if necessary, an award, setting forth the reasons therefor. In issuing its decision, the arbitrator shall apply the substantive law (and the law of remedies) of the State of Alabama, or the federal law (if applicable) that would be applied by a federal court sitting in Alabama. The Federal Rules of Evidence shall apply to the arbitration proceedings. The arbitrator's decision and award, if any, shall be exclusive, final, and binding on the parties, their respective heirs, executors, administrators, successors, agents, assigns, attorneys, and all other persons or entities in privity with the parties. The award, if any, shall be enforced pursuant to The Federal Arbitration Act, according to the procedure outlined in 9 U.S.C Section 13. The Agent and Owner understand

that by agreeing to these arbitration provisions, they are agreeing to substitute one legitimate dispute resolution (arbitration) for another (litigation), and both parties are hereby knowingly and voluntarily waive their respective rights to have their disputes resolved in court, including their respective rights to trial by jury. Each party shall pay its own attorney's fees and expenses incurred in connection with the arbitration proceedings; all other expenses of arbitration shall be equally divided between the parties, provided, however, that the arbitrator shall have the authority to assess any of the foregoing costs against any party acting in bad faith. Should either party bring any legal action (other than arbitration) against the other with respect to any claim required to be arbitrated under this agreement, then the other party shall be entitled to recover from such party all damages, cost, expenses, and attorney's fees incurred as a result of such action. Notwithstanding the foregoing provision, the parties agree that any dispute over management fees owed or costs of repairs owed shall not be subject to this paragraph, unless such disputed amounts exceed \$15,000.

13. RECORDING:

It is agreed that this agreement may be recorded in the public records.

14. DIGITAL SIGNATURE:

It is agreed that a signature on this agreement received by either party by digital interface shall be as binding as an original signature.

15. PAYING EXPENSES:

Agent will not be responsible for payment of the following:

- HOA Dues
- Property Taxes
- Property Insurance
- Fire/Library/Trach fees

16. CONDITION OF PROPERTY:

Owner will deliver property to Agent prior to the first lease in a condition to Include painted surfaces in good condition, clean carpets, yard cut, bushes trimmed and gutters cleaned.

17. CLEANING OF PROPERTY:

Owner will be responsible for the cost of cleaning the property prior to the onset of a new lease agreement.

18. ELECTRIC LOCKS AND KEYS:

Electric locks are recommended for 2 main entry doors and single-sided deadbolts and dummy knobs installed on any additional exterior doors, if allowed by the HOA. Owner will be charged for the new batteries in each of the locks when a Tenant vacates the property.

Owner will be responsible for the lock change fee for homes where electric locks are not allowed.

19. MORTGAGE CERTIFICATION:

By signing this document, Owner certifies that all mortgage payments on the property are current and that there are no delinquent payments due to the mortgage company or companies. Owner acknowledges that such certification is necessary to comply with the Service Members Civil Relief Act and to preserve and protect Agent's reputation, licenses and good standing as a professional property management firm and enable Agent to comply with Alabama real estate laws and statutes. In the event that Owner receives notice that a default, foreclosure, or cancellation is pending, Owner agrees to immediately give written notice of such to Agent.

20. SHOWINGS:

All showings of property will be conducted by licensed real estate agents.

21. WASHER AND DRYER:

If a washer /dryer are provided by Owner at the onset of the lease agreement, Owner will responsible for providing a replacement for a broken washer or dryer.

22. GUTTERS:

Due to the potential for a liability issue, Tenants are not required to clean the gutters. Work orders to clean the gutters are placed in January and February of each year.

23. YARD MAINTENANCE:

Owner will be financially responsible for the freshening of mulch/straw in beds and trimming of large bushes and trees.

24. PEST CONTROL:

Owner will maintain an active termite bond on the property. Owner will be responsible for capture and removal of rodents in the property. If it is determined that the rodents are due to tenant negligence, then the tenant will be charged for the capture and removal of the rodents.

25. CONTACT BETWEEN OWNER AND TENANT:

Owner agrees to allow all discussion and/or negotiations between Owner and tenant(s) to be done exclusively by Agent. Owner agrees to not request or seek out contact information for the tenant. If Tenant finds a way to contact Owner, Owner agrees to not communicate with Tenant other than to refer Tenant to Agent. Notwithstanding the foregoing, if Owner is contacted by Tenant due to the Agent's failure to respond, Owner's communication with tenant shall not be deemed to breach this Agreement.

If an early-termination agreement has not been discussed and signed between the Owner and Agent and the Owner requests Tenant to begin making the monthly rent payments directly to the Owner, instead of through the Agent and the Tenant complies with this request, Agent will consider this action a breach of contract. At that point, Tenant's security deposit will be forfeited to Agent and Owner will still be responsible for providing the Tenant with a breakdown of charges as well as a refund of the remaining funds, from Owner's pocket, once the Tenant vacates the property.

26. MOVE-OUT PROCESS:

Agent will conduct a move-out inspection after the Tenant has vacated the property. Neither the owner or tenant will be on site for the move-out inspection. An inspection report will be put together by Agent comparing the pictures taken during the move-in/move-out inspections. Owner will not enter the property prior to being notified that the move-out inspection has been completed. If Owner enters the property prior to the completion of the move-out inspection, Agent will have

no choice but to close out the Tenant's security deposit and refund the full amount regardless of what is observed during the move-out inspection.

27. CONFLICTS OF INTEREST: Agent shall notify Owner and receive prior written approval for any services or goods contracted by Agent on behalf of Owner for which Agent, or any shareholder, has a financial interest in the supplier or service provider.

28. COMPLIANCE WITH ALABAMA UNIFORM RESIDENTIAL LANDLORD AND TENANT ACT: Agent agrees to comply in all material respects with the provisions of the Alabama Uniform Residential Landlord and Tenant Act.

29. WHOLE AGREEMENT:

This agreement expresses the whole and entire agreement between the Owner and Agent with reference to Agent's responsibilities in connection with the management of the described property and this Agreement may not be changed or modified in any way, other than in writing, signed by both the Agent and Owner.

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures this day _____.

Owner: _____

Agent: _____

Name: _____

Name: _____