

LOT 17 Meadowood Estates
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Shelby County

MANAGEMENT AGREEMENT

In consideration of the covenants herein contained, Samford Vedder and Lillian Vedder, the undersigned owner (hereinafter called "Owner"), and Rudolph Real Estate, Inc. (hereinafter called "Agent"), agree to the following:

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1. **EMPLOYMENT:** The Owner hereby employs the Agent to lease, rent, operate and manage the property located at 4021 Meadowood Dr.; upon the terms hereinafter set forth for the period of one year from the date hereof and thereafter for annual periods unless on or before thirty (30) days prior to the expiration of this agreement or of any such renewal period, either party shall notify the other in writing of his intention to terminate this agreement.

2. **AGENT'S AUTHORITY, DUTIES AND POWERS:** The Owner hereby 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 a Trust account in a national or state institution qualified to engage in the banking or trust business, separate from Agent's personal account. Agent will not be liable in the event of bankruptcy or failure of a depository.

b. **Deposits:** To collect and deposit all Security Deposits and Earnest Money Deposits in an account as above. To hold said 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 as Agent is granted an exclusive right to lease during the term hereof. To advertise the availability for rent of the property or any part thereof at Owner's expense and to display "For Rent" or "For Lease" signs as applicable; to verify prospective tenant's employment and credit references to include ordering a credit report if deemed advisable by agent; to execute leases for terms not to exceed one year; to negotiate renewals or cancellations of leases; to terminate leases; and to sign and serve such notices as the Agent deems necessary.

d. **Repairs:** To make or cause to be made and to supervise repairs and alterations to said premises and to purchase supplies and to pay all bills therefor. The Agent agrees to secure the prior approval of the Owner for all expenditures in excess of (INITIAL ONE:) one hundred dollars 100 (\$100.00), five hundred dollars 500 (\$500.00), for any one item, except

John Rudolph
Rudolph Real Estate, Inc.
#1 Office Park Circle Suite 200
B'ham, AL 35223

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monthly or recurring charges previously approved by the Owner, or in the event that 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.

→ e. **Service Contracts:** To make contracts as may be necessary on behalf of the Owner for garbage or rubbish hauling, common area maintenance if any, pest control and other services as the Agent may deem necessary. The Owner to assume the obligation for any such services so entered into during the term of this agreement or its renewal after the termination of this agreement. *NONE WITHOUT OWNER APPROVAL JSTZU*

f. **Monthly Statements:** To render monthly itemized statements of receipts, expenses, charges and accruals and to remit to Owner any sums remaining after necessary disbursements. In the event disbursements exceed receipts, Owner will immediately remit such excess to Agent.

3. OWNER FURTHER AGREES:

? a. **Financial Responsibility:** To be personally responsible for the payment of any expenses or other obligation incurred by Agent in the proper exercise of his authority and duties hereunder. To be personally responsible for the payment to Agent of the amount of excess of expenditures over receipts referred to in the previous paragraph. Owner hereby grants to Agent a lien against said property to insure the repayment to Agent of said excess and any other amounts due hereunder. In the event that such an excess remains unpaid to Agent one month after Agent has delivered to Owner a statement showing the amount of the excess, Owner will incur a service charge of one and one half percent of the amount of the excess per month until the excess is repaid.

b. **Hold Harmless:** To hold Agent harmless from all damage suits or other legal action in connection with the management of the herein described property and from any liability from injury suffered by any employee or other person whatsoever. The Agent also shall not be liable for any error of judgement or for any mistakes of fact or law, or for anything which it may do or refrain from doing, except in the case of willful misconduct or gross negligence. The Owner also agrees to hold the Agent harmless for damages to the property by the tenants which may exceed the amount of any security deposits and which damages are determined by Agent to be uncollectable.

c. **Agent's Fees:** During the term of this Agreement, its extension or renewal, Owner shall recognize Agent as the Broker in any negotiations relating to the property, or any part thereof, and in the event of the consumation of any sale or lease thereof, Owner shall pay to Agent a commission as follows:

→ For leasing the property: ~~half 1st months rent~~ ^{\$0 for R. Reiter} ~~ten percent (10%)~~ of rents, pet fees and late fees due under the terms of the lease (except that Agent shall be entitled to a fee of at least twenty-five dollars per month regardless of the amount of income due under the lease). Agent shall be entitled to said ~~ten percent (10%)~~ ^{NONE for R. Reiter} commission even if this management agreement has been terminated by Owner so long as Owner collects rent from a tenant under a lease negotiated by Agent or during its extension or renewal. For the sale of the property, seven percent ^{7%} ~~of the total purchase price~~ ^{of the total purchase price} if the property is sold to a tenant with whom Agent negotiated a lease within five years of the date of said lease. It is agreed that Agent may solicit the tenant to encourage him to purchase a home through Agent and, in the event the tenant does purchase a home under a contract that requires the tenant to vacate the property prior to the expiration of the lease, Owner agrees that Agent may terminate said lease agreement. In such event, Agent agrees to be liable to Owner for an amount equal to the amount of rent lost because of the termination plus damages caused by the tenant in violation of his lease which are not collected from said tenant (to be offset by the amount of rent collected from a subsequent tenant during the remainder of the term of the lease of the first tenant).

d. **Smoke Detectors:** To insure that there is installed on each floor of the living (heated) area of the home an operable smoke/fire detector. Owner is hereby made aware of the fact that Alabama law and/or regulations of the State Fire Marshall may operate to place an extreme liability on the Owner in the event a tenant and/or his property is damaged in a fire and no smoke/fire detectors were present.

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4. **NOTICE:** All written notices to the Owner may be addressed and mailed to the Owner at ~~6201 Pine Harbour Rd., Pell City, AL 35125~~ and all written notices to the Agent may be addressed and mailed to the Agent at #1 Office Park Circle Suite 200, Birmingham, Alabama 35223.

5. **BINDING AGREEMENT:** This agreement shall be binding upon and shall inure to the benefit of the parties hereto, their representatives, successors, heirs or assigns.

6. **WHOLE AGREEMENT:** This agreement expresses the whole and entire agreement between Owner and Agent with reference to the 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 by in writing.

7. **OWNER'S WARRANTY:** The Owner warrants that he is the owner of the property described herein or that he has the authority to execute this agreement.

8. **ATTORNEY'S FEES:** If a party hereto goes to court to enforce his rights hereunder, the party that prevails shall be entitled to recover reasonable attorney's fees and other associated costs.

9. **AGENT'S ACCEPTANCE AND COMMITMENT:** The Agent accepts this exclusive employment and agrees to use diligence in the exercise of the duties, authority and powers conferred upon him under the terms hereof. Agent agrees to use his best efforts to increase Owner's income from the property and to minimize expenses and damages and to keep Owner informed as to the status of the property and leases.

In witness whereof, the parties hereto have affixed or caused to be affixed their respective signatures this day,
Sept. 6, 1989

Witness

Witness

Witness

Samford Vedder

Samford Vedder Owner
Samford

Lillian Vedder

Lillian Vedder Owner

[Signature]
Agent

A lease to Randy Reiter prior to Oct. ^{8/25/89} 10 1989 will make this agreement void.

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