

MANAGEMENT AGREEMENT

In consideration of the covenants herein contained, Jeanne M. Traylor (hereinafter called "Owner") and Rudolph Real Estate, Inc. (hereinafter called "Agent"), agree as follows:

1. **EMPLOYMENT:** The Owner employs the Agent to lease, rent, operate and manage the real property located at 1111 King Arthur Court, Alabaster, Alabama, 35007, in accordance with the terms of this agreement for a period of one year from the date hereof and for annual periods thereafter unless on or before thirty days prior to the expiration of this agreement or any such renewal period, either party notifies the other in writing of his intention to terminate this agreement.

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 execute leases for terms not to exceed one year; to negotiate renewals or cancellations of leases; to terminate leases; to sign and serve such notices as Agent deems necessary.

d. **Repairs:** To 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 \$100.00. 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.

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e. **Service Contracts:** To make contracts as may be necessary for the removal, pest control or other services Agent may deem necessary, the Agent shall continue to be liable for any such obligations which may extend beyond the expiration date of this agreement.

f. **Statements:** To render monthly and annual detailed statements of income and expenses.

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

h. **Litigation:** To enter into litigation on behalf of Owner as Agent deems to be in Owner's best interest, to hire legal counsel, and to offer and settle settlements of disputes. *with owner approval. LWS*

3. OWNER'S OBLIGATIONS;

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 paragraph 2 g. Owner hereby grants to Agent a lien against said property to insure the repayment to Agent of said excess and any other amounts that may be due hereunder. In the event that any or all of 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 equal to one and one-half percent of the amount of the excess unpaid each month.

b. **Agent's Liability:** To hold Agent harmless and indemnify the Agent from all damage suits or other legal action in connection with the management of the herein described property or from any liability from injury suffered by any employee or other person whosoever. The Agent also shall not be liable for any error of judgment or from 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 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 property, or any part thereof, and in the event of the consummation of any sale or

lease thereof, Owner shall pay to Agent a commission as follows: one half of one month's rent each time a new tenant executes a lease; ten percent (10.0%) of rent, pet fees, late fees and any other item of income received by or for Owner in connection with the management of this property at the time the income is received; for the sale of the property to someone who occupies the property during the term of this agreement or its extension or during the term of an extension or renewal of a lease that was active during the term of this agreement: seven percent (7.0%) of the sales price. Agent will be entitled to these fees so long as the property is occupied by someone 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 to.

d. **Smoke Detectors:** To insure that there is installed on each floor of the house an operable smoke detector. 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 and regulations concerning fire detectors have not been followed.

e. **Liability Insurance:** Owner agrees to carry comprehensive general liability insurance in an amount not less than \$300,000. Agent to be named as an additional insured and to be sent a copy of the endorsement adding him to the insurance coverage.

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

4. **NOTICE:** All written notices to the Owner may be addressed and mailed to the Owner at 28 Glendale Drive, Selma, AL 36701 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 will 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 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 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. **RECORDING:** It is agreed that this agreement may be recorded in the public records.

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures this 21 day of January, 1995.

Jeanne Barry Traylor, Owner

_____, Owner

_____ Social Security Number

RUDULPH REAL ESTATE, INC.

Joe Brichford
By its President

Revised 8/93

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