

MANAGEMENT AGREEMENT
(Repeat Clients from before 6/24/13)

Revised 2/25/2016

In consideration of the covenants herein contained Bay Lake Rentals LLC (hereinafter called "Owner") and Rudolph Real Estate, Inc. (hereinafter called "Agent"), agree as follows:

1. EMPLOYMENT:

The Owner employs the Agent exclusively to lease, rent, operate and manage the real property located at, 51 Nolen St., Birmingham AL 35242 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. 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 of them 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 or cancellations of leases; to terminate leases; to sign and serve such notices as Agent deems necessary. When Tenant has made an application to rent that is acceptable to Agent, Agent will inform Owner. If Owner is in agreement, the lease will be prepared and presented to Tenant. Once the Tenant has signed the lease, it will be forwarded to Owner for signature. If Owner fails to sign and return the lease it is agreed that the lease is binding on the Owner.
- 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. After the property is leased, the

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Agent agrees to secure the prior approval of the Owner for all expenditures in excess of \$200.00. 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, the Owner to continue to be liable for such obligations which may extend beyond the termination date of this agreement.

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

g. Payments to Owner: To remit to the Owner on or about the fifteenth 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 determines to be in Owner's best interest, to hire legal counsel, and to offer and accept settlements of disputes.

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 itself to liability or is in breach of its duties to the tenants 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.

4. 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. 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 two percent (2%) of the amount of the excess 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 attorney's fees actually 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. Owner agrees to carry, at his own expense, necessary public 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 they protect Owner and will name Agent as an additional insured. 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.

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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 or lease thereof to the tenant.

Owner shall pay the Agent as follows:

Rental Properties:

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

Lease Renewal Fee: There will be no lease renewal fee if the current tenant renews the lease.

Management Fee: Ten percent (10) % of all rent and pet fees.

Late Fees: In the event that rent is paid late (after the first of each month and before the 12th of the month) Rudolph Real Estate will receive 100% of the late fee. In the event the owner's distributions are caused to be paid late (after the 12th of each month) Rudolph Real Estate will receive 10% and the owner will receive 90% of the late fees.

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.

Inspection Fee: There will be no inspection fee.

Maintenance Reserve: Rudolph Real Estate does not require a maintenance reserve. If a repair is greater than the monthly rental amount, owner will be required to immediately pay the difference to Rudolph Real Estate so that Rudolph Real Estate will not be required to carry the balance.

Past Due Balances: Owner agrees to pay a 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: Check or Direct Deposit – A \$5.00 check processing fee will be charged for receiving a paper check.

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

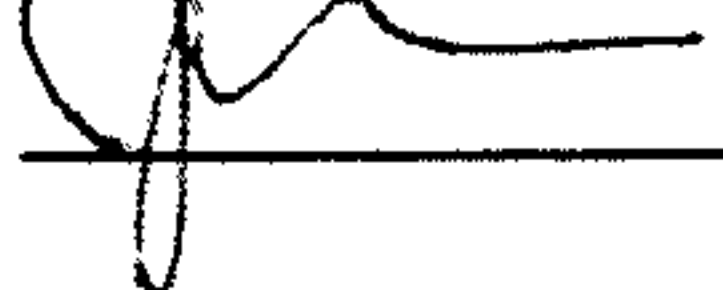
Rudolph Real Estate will transfer utilities after tenant has vacated the property.

Sale of Property:

For the sale of property within two (2) years of the date of any lease 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: Owner will owe agent a commission equal to **six percent (6) %** of the sales price.

In the event the property is sold to a tenant it is understood that Agent is working as the agent of the Owner. It is understood that in the event of such a sale that Agent will be representing the Owner. Agent will be entitled to these fees so long as the property is purchased 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.

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.

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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. If your property falls within any municipality which may require a business license, it is your responsibility to contact that city's Revenue Department, concerning business licenses and/or taxes. After doing so, please notify our office if you would like us to make future arrangements to pay them from your account.

5. EARLY TERMINATION CLAUSE:

If Owner terminates the management agreement before the end of a lease or an extension thereof, the Owner shall be obligated to pay the Agent at once two times the yearly commissions on the lease plus all commission due and unpaid at that time 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 the Agent. 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. WORKERS COMPENSATION INSURANCE:

Insurance requires that any contractors, and/or sub-contractors who work on any property we manage, be covered by Workers Compensation. If an individual contractor is not required by law to carry insurance, our insurance company regulations have insisted that small contractors be covered by our company. In that case, Owner understands that any such charge will be added to the appropriate invoice and, therefore, becomes part of the expenditures billed to such Owner.

7. NOTICE:

All written notices to the Owner may be addressed and mailed to the Owner at _____, and mailed to the Agent at 3 Office Park Circle, Suite 107, Birmingham, Alabama, 35223.

8. 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 either of them may assign or delegate their respective rights, duties, or obligations under this agreement, without the prior written authorization of the other party.

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.

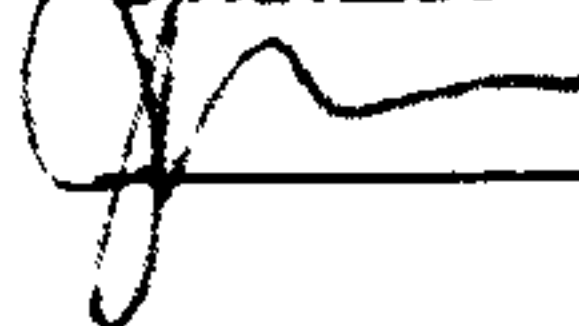
10. OWNER'S WARRANTY:

The Owner warrants that he is the owner of the property described herein or that he has the authority to execute this agreement.

11. HOME WARRANTY:

Rudolph Real Estate has chosen not to work with home warranty companies. We have always endeavored to handle repairs by using experienced local contractors with the ability to work in a timely manner at a reasonable price. In this way we strive to maintain the value of your rental home while protecting you from the serious legal consequences of violations of the Alabama Landlord-Tenant laws. We have found it to be more difficult to maintain these standards when

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working with some home warranty companies and their chosen contractors, some of whom come from out of state.

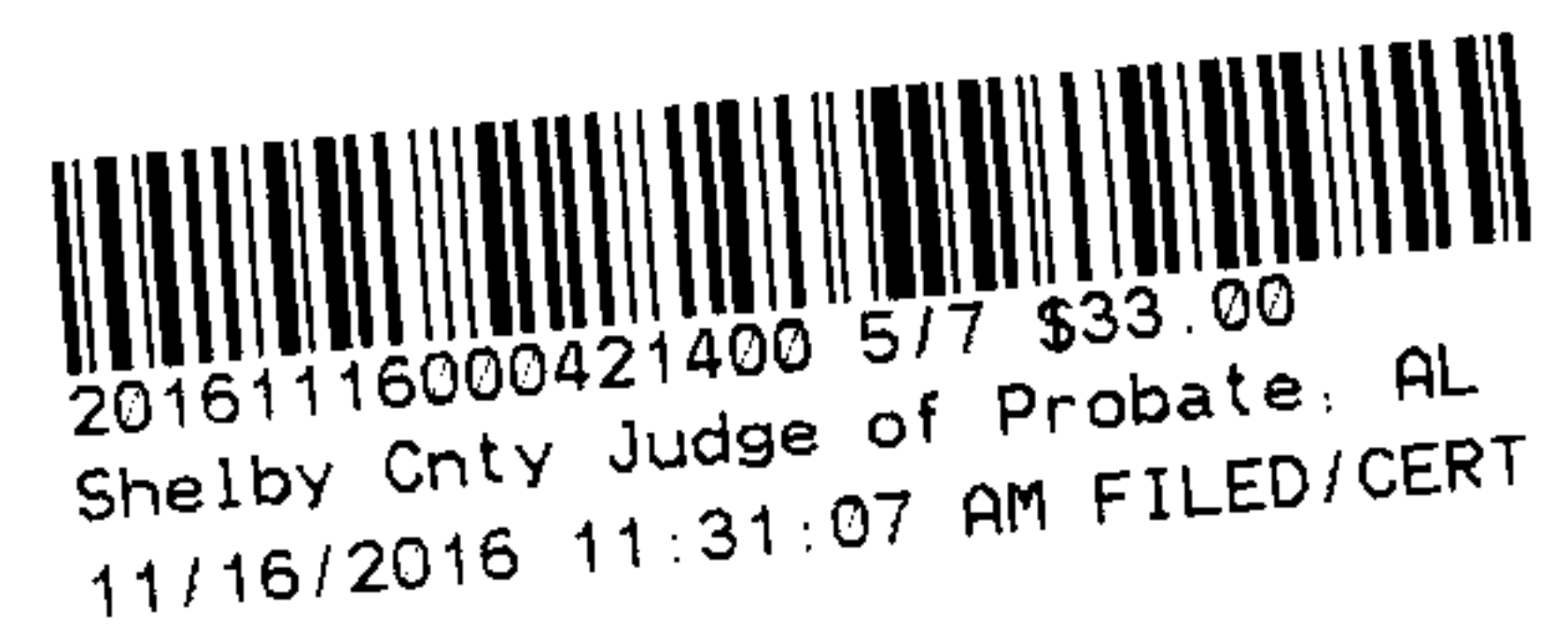
12. ATTORNEY'S FEES:

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, or any dispute, claim, or controversy arising from or relating to the validity of this Agreement or these arbitration provisions, or any future claim, dispute, or controversy arising between them, 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. 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 judgement, 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, stating the reasons therefor. In issuing his 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 for (arbitration) for another (litigation, and both parties are hereby knowingly and voluntarily waiving 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. However any dispute over management fees or costs of repairs shall not be subject to this paragraph.

13. RECORDING:

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

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14. FACSIMILE SIGNATURE:

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

15. PAYING EXPENSES:

Annual dues will not be the responsibility of Agent. This includes but is not limited to HOA dues, property taxes, property insurance, termite bond renewals, fire dues, library dues and annual garbage/trash fees.

16. CONDITION OF PROPERTY:

Owner will deliver property to Agent prior to the first lease in a condition to include clean carpets, gutters cleaned, yard cut, bushes trimmed, and painted surfaces in good condition. Should the property be delivered not in this condition, Agent is directed to make repairs at Owner's expense to bring it to that condition.

17. CLEANING OF PROPERTY:

After an application has been accepted and before the tenant(s) move-in date, Agent will have the home professionally cleaned by a company contracted through Rudolph Real Estate Inc. Owner will be responsible for the cleaning fee.

18. KEYS AND LOCK CHANGES:

Owner will provide Agent with three sets of keys to property or will be responsible for the cost of making copies of the initial key. Once an application has been accepted by the owner, Rudolph Real Estate will have the locks rekeyed at owner's expense.

19. MORTGAGE CERTIFICATION:

This document certifies all mortgage payments on the property are current and that there are no delinquent payments due to the mortgage company of record. If the property owner holds more than one mortgage on said property, then Owner certifies that all mortgage payments are current. 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 will immediately give written notice to Agent (Rudolph Real Estate, Inc.).

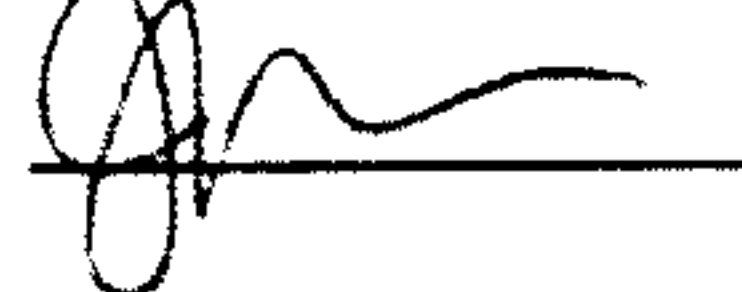
20. SHOWINGS:

Prospective tenants who wish to see Owner's home will, after they have passed a preapproval process to insure that they are qualified to rent the home, be allowed to show themselves the property with a key given to them by Agent. In the event that owner suffers a loss, theft or damage due to our showing policies, Agent will compensate Owner for any losses up to \$1,000.00 other than those covered by insurance.

21. AGENT'S REPAIR CHARGES:

When a property is initially listed with Agent for rent, Owner agrees to pay to Agent seven and one-half percent (7.5%) of the costs incurred in preparing the property for rent (will not be applied to invoices for cleaning, carpet cleaning or minor repairs). This fee will only apply to work done on the property before the initial tenant.

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22. WASHER AND DRYER:

Agent recommends that washer and dryer be removed prior to property being rented. If washer and/or dryer are left behind, then owner will assume responsibility for washer/dryer.

23. GUTTERS:

Due to the potential for a liability issue, owner will be responsible for the cleaning of gutters on the property.

24. YARD MAINTENANCE:

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

25. CONTACT BETWEEN OWNER AND TENANT:

Owner agrees to allow all discussion and/or negotiations between owner and tenant(s) to be done by Agent. Owner will not request or seek out contact information for the tenant. If tenant(s) finds a way to contact owner, owner will refer tenant(s) to Rudolph Real Estate Inc.

26. 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.

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures this day, month, 20

Owner Lay Lake Rentals, LLC
Jennifer Mitchell, Member

RUDOLPH REAL ESTATE, INC.

[Signature]

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PROPERTY INFORMATION

PID # 09-2-03-1-005-002.000
Property Type: Residential
Property Address:
51 NOLEN ST
BIRMINGHAM, AL 35242-1833
Current Owner:
LAY LAKE RENTALS LLC
Tax Mailing Address:
312 OLMSTED ST
BIRMINGHAM, AL 35242
Land Areas:
1. RESIDENTIAL LOT / 913
Lot Size: 0.15 acres / 6,401 sf
Frontage: 61 ft
Depth: 111 ft
Tax District: COUNTY
Subdivision:
MT LAUREL PHASE 3B SEC 1
Twn: 2 / **Rng:** 09 / **Sec:** 03
Block: / **Lot:** 15-23
Legal Description:
MT LAUREL PHASE 3B SEC 1 LOT 15-23
Plat Book: 38 / **Plat Page:** 026
Census Tract: / **Block:**
Lat: 33.41556 **Lon:** -86.622831

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