



Real Estate Management Agreement

(hereinafter referred to as "Owner")
and *Interchange Property Management (IPM)* (hereinafter referred to as "Manager"), agree as follows:

1. The Owner hereby employs and grants Manager the exclusive right to rent, lease, operate and manage the Property known as:

Upon the terms hereinafter set forth, beginning on Either party may terminate this contract after one year by giving to the other party not less than 60 days prior written notice of an intention to so terminate. This agreement will renew each year if no termination notice is served.

2. Manager shall

2.1) Use diligence in the performance of this contract.

2.2) On or before the first (1st) day of each calendar month, Manager shall deliver to Owner an operating statement (in form of online access to the portal), showing the results of operations of the Property for the previous month and the calendar year to date. Manager shall hold a 5% (minimum of \$150) of average monthly collected rent as an operating balance. Manager will deposit electronically excess disbursements to Owner's provided bank account after the end of each month. In the event disbursement shall be in excess of the rents collected by Manager, Owner hereby agrees to pay such excess promptly upon demand of Manager.

2.3) Employ Personnel

In conformity with the operating budget or agreed upon expenses, Manager shall employ qualified personnel sufficient to perform Manager's duties under this Agreement. Manager shall use reasonable care in the selection of such personnel. Such personnel shall in every instance be the employees or independent contractors of Manager and not of Owner.

2.4) Books and Records

Manager shall maintain complete books and records in connection with a trust account with its management and operation of the Property. Such as books and records shall be kept in form and substance satisfactory to Owner. Manager shall make books of account and all other records relating to or reflecting the operation of the property available to Owner and its representatives at all reasonable times for examination, audit, inspection, and transcription at Manager's office or such other location that Owner may approve. All such books and records shall at all times be the property of Owner

2.5) At the request of Owner at any time, Manager shall furnish such further accounting and other fiscal information as Owner may reasonably request. At Owner's request, at the end of such calendar year. Manager shall cooperate in an annual audit of the books and records of the Property.

2.6) At the request of the Owner, Manager shall cooperate with any buyer of property as it pertains to



the buyer's need to obtain access to the property or copies of necessary documents.

2.7) Authorized Budget

Manager shall obtain prior permission from Owner before exceeding expenses established in budget. Manager is approved to spend funds in accordance with prior agreed upon threshold or \$150 per service call, whichever is greater, without approval or notification of Owner. Owner authorizes Manager to act in their authority if Owner is not responsive or is unable to be reached within a reasonable amount of time regardless of threshold. In the case of after-hours maintenance emergencies, Owner authorizes Manager to exceed threshold at Manager's discretion.

2.8) Service Contracts

In conformity with the approved Operating Budget for the Property, Manager shall negotiate and enter into service contracts for services which are required in the ordinary course of operating the Property in a manner satisfactory to Owner, including without limitation, security, pest control, landscaping and other services. Manager shall utilize competitive bidding in the award of any service contract. The term of a service contract awarded by Manager must not exceed a term of one year, and service contracts must be cancelable upon sale of the property.

2.9) Rental of Units

Manager shall advertise the availability for rental of the premises or any part thereof, and display "For Rent" signs thereon; sign renew or cancel leases or rental agreements for the premises or any part thereof; collect rents or other charges and expenses due and give receipts therefore; terminate tenancies and sign and serve in the name of Owner such notices as appropriate; institute and prosecute actions to evict tenants and to recover possession of premises in the name of Owner; sue for and recover rents and other sums due from tenants and others; and, when expedient, settle, compromise or release such actions or suits or reinstate such tenancies. Eviction of tenants not leased to by Manager may require additional fees charged by Manager.

Manager will lease, including renewal of leases at their discretion based on your instruction. In lack of instructions, or non-response, Manager will act in your best interest. Unless instructed otherwise, Manager will renew leases, complete assumptions, and any other leasing duties at will.

2.10) Notice of Claims

Manager shall provide Owner with immediate written notice of any and all claims, legal actions or proceedings brought against Owner or Manager in connection with the Property. Manager shall fully cooperate with any legal or arbitration proceeding arising in connection with the Property or its operation. Manager shall also notify Owner immediately, with confirmation in writing, of (i) any notice of any violation or claimed violation of any governmental requirement, (ii) any damages to the Property in excess of \$1,000, and (iii) any actual or alleged personal injury or property damage occurring to or claimed by any third party or employee on or with respect to the Property.

2.11) Operating Procedures

Manager shall operate the Property and all its facilities in the same manner as is customary and usual in the operation of similar projects so as to maximize the underlying value of the Property.



2.12) Property Contracts

Manager shall require all independent contractors with whom it contracts for the performance of services in connection with the Property, or for the repair or maintenance of any portion of the Property, to warrant that such contractors shall comply with all federal, state and local environmental statutes and regulations, and that such contractors shall not permit their work on any portion of the Property to be conducted in any manner such that the Property may be contaminated by any hazardous substance or environmental pollutant in violation of any federal, state or local environmental statute or ordinance. Owner consents unless otherwise noted to an Annual Maintenance Inspection of the property and the associated actual cost.

2.13) Compliance

Compliance with Laws, Etc.

- (i) Manager shall use reasonable efforts to cause the Property and operation thereof to be in compliance with all federal, state and municipal laws, ordinances, rules, regulations, orders and determinations (collectively, "Laws"). Manager shall use its best efforts promptly to remedy any violation of any such Laws, or, if the cost of such compliance exceeds One Thousand Five Hundred (\$1,500) in any single instance or would not be in the best interest of Owner, shall promptly notify Owner thereof and shall take such actions as may be directed by Owner in writing with respect thereto. Manager shall also use its best efforts to cause compliance of the Property and operation thereof with all terms and conditions contained in any lease of any portion of the Property.

Manager shall acquire and keep in force all licenses and permits required for the operation of the Property. Manager shall comply with all Laws applicable to Manager's activities in managing the Property, including, without limitation, all labor, tax, unemployment insurance and workers' compensation laws. Upon request by Owner, Manager shall furnish such evidence of its compliance with such laws as Owner may reasonably request. If any violations of such laws occur, the cost, fine, or penalties resulting, if any, shall be paid by Manager without reimbursement by Owner.

- (ii) **Compliance with Environmental Laws, Etc.**

Manager shall use its best efforts to cause the Property and operation thereof to be in compliance with all federal, state and municipal environmental laws, ordinances, rules, regulations, orders and determinations (collectively, "Environmental Laws"). Manager shall use its best efforts to promptly remedy any violation of any such Environmental Laws, and shall immediately notify Owner of any such violation, any alleged violation or the occurrences of any incident that may result in a violation of such Environmental Laws upon the occurrence thereof. Manager shall not knowingly or negligently permit the Property to be used or operated in any manner such that the Property may become contaminated by any regulated hazardous substance or environmental pollutant.

- (iii) **Nondiscriminatory Practices**



Neither Owner, Manager, nor anyone employed by or authorized to act for either shall discriminate against any person on the grounds of race, color, creed, religion, disability, sex or national origin, in the rental or lease of any part of the Property, in the provision of services for the Property, or in any other manner. Manager shall comply with all Laws pertaining thereto regardless of implied or explicit instructions from Owner. If Owner forbids Manager from leasing to a qualified tenants for illegal or unethical reasons, IPM has authority to dismiss Owner's orders and proceed within industry best practices, Managers' uniform polices and the law.

- (iv) Owner authorizes Manager to approval any tenant deemed qualified without prior consultation of Owner. At Owners request, application information may be provided in compliance with applicable privacy laws and requirements.

Insurance

Owner and Manager shall each maintain comprehensive general liability insurance policies, including bodily injury and property damage coverage, in connection with the ownership, use or occupancy of the property with limits commonly carried by reasonable owners and managers of properties similar in type, location and value. Owner and Manager shall each name the other as an additional insured on her or its policies and provide the other with a copy of her or its policies.

Indemnification

- (i) Without limiting any rights or remedies that Owner may have against Manager at law or in equity, Manager shall indemnify and save Owner harmless from and against all loss, cost, liability and expense, including but not limited to, reasonable attorneys' fees, which may be occasioned by any acts of willful misconduct or negligence on the part of Manager or its officers or employees.
- (ii) Environmental: Without limiting any rights or remedies that Owner may have against Manager at law or in equity, Manager hereby agrees to indemnify, defend and hold harmless Owner from and against all claims, losses, liabilities, administrative or judicial orders or injunctions, damage or injury to persons, property, and environment, or natural resources, punitive damage, environmental response, removal and remedial action costs, clean-up costs, fines, penalties, costs and expenses (including reasonable attorneys' fees, reasonable expert fees, reasonable technical consulting fees, costs and expenses incurred in investigating and defending against the assertion of any such liabilities) which may arise or occur out of the negligent acts or willful misconduct of Manager or negligent operation of the Property by Manager during the term of this Agreement including, without limitation, claims arising out of or related to contamination of the Property by any hazardous substance or environmental pollutants in violation of any federal, state or local environmental statues or ordinances.
- (iii) Automobile: Manager shall maintain, pay for and keep in force automobile liability insurance covering all owned, non-owned and hired vehicles used in connection with the performance of its obligations under this Agreement and necessary to comply with applicable governmental requirements. The limits of liability for such insurance shall be at least One Million Dollars (\$1,000,000) for injury or death of one or more persons arising out of any one accident or occurrence and at least Two Hundred Fifty Thousand Dollars (\$250.000) for damage to property.



Term of Agreement

This Agreement shall become effective on date indicated above and shall continue in full force for a minimum of one year and effect until termination by either party with sixty (60) days prior written notice or the date when the Property is sold, transferred or conveyed by Owner, either singularly, or through a public auction. In addition to the foregoing, Owner shall have the unilateral right to terminate this Agreement upon five (5) days' written notice to Manager at any time, if Owner believes, in its good faith judgment, that Manager is not diligently performing its duties under this Agreement. If Manager is made aware of Owners prior intent to cancel agreement or sell/transfer property within the first 6 months of this agreement, Manager may assess termination fees equal to 1 year of management fees. Manager can cancel this agreement at any time with no less than 30 days' notice.

Compensation

Owner shall pay Manager, as full compensation for all of Manager's services hereunder, the sum of 8% of actual gross collected monthly income from property or \$85 per month, whichever is greater.

In the event Owner shall request Manager to undertake work exceeding that to usual to normal management, then a fee shall be agreed for such services before the work begins. Normal management does not include modernization, refinancing, fire restoration, major rehabilitation, obtaining income tax commitments, property modeling, major upgrades/repairs, advising on proposed new construction or other counseling. If approved budget for such additional work exceeds \$3,000 Manager may charge an additional fee as agreed upon with Owner, or 3% of project. Owner acknowledges and agrees that excessive time (in excess of 1 hour per month) spent negotiating contracts, obtaining bids, turn overs, vendors, compliance or property repairs, may be billed to Owner as additional work and is not included in specified Manager's compensation.

Owner acknowledges that Manager may employ staff to complete approved work on Owner's behalf including but not limited to landscaping, repairs, and maintenance. It is disclosed that Manager may make a profit from such activities and they shall not interfere with the performance by Manager of its duties and obligations under this Agreement. Manager estimates profit on these additional services ranges from 10% - 20%. Additionally owner acknowledges that vendors may have common principles, officers, staff, owners, suppliers or shareholders with Manager.

If Manager engages in landscaping duties either one time or on a recurring schedule, owner agrees to pay Manager for these services out of operating income on a monthly basis at agreed upon rates. Service can be started and stopped with no less than 1 month notice. Manager reserves the right to cancel service or change service rates at any time, with 1 month notice to owner.

Owner acknowledges that Manager may use credit cards to pay approved property expenses and in doing so may accumulate miles or reward points which benefit only the Manager and not the Owner.

Miscellaneous Provisions:

1. If it becomes necessary for Manager or Owner to give notice of any kind, the same shall be written, and served, by sending such notice by email to the address provided.



2. This Agreement shall be binding upon the successors of Manager, and the heirs, administrators, executors, successors and assigns of Owner.
3. Entire Agreement: This Agreement, which includes any riders or exhibits referenced herein, is the entire agreement between the parties with respect of the subject matter hereof, and no alteration, modification, or interpretation hereof shall be binding unless in writing and signed by both parties.
4. Relationship: Nothing contained in this Agreement shall be construed to create a relationship of employer and employee between Manager and Owner, it being the intent of the parties hereto that the relationship created hereby is, in fact and intent, that of an independent contractor. Nothing contained herein shall be deemed to constitute Owner and Manager as partners or joint ventures.
5. Professional Fees: If either party becomes involved in arbitration or (without in any way implying any limitation upon the Agreement to resolve disputes hereunder by arbitration at the request of either party as specified above) in litigation, arising out of this Agreement or the performance thereof, the arbitrator in such arbitration, or court in such litigation, shall award legal expenses (including, but not limited to attorneys' and other professionals' and paraprofessionals' fees and disbursements) to the prevailing party. The award for legal expenses shall not be computed in accordance with any court schedule, but shall be as necessary to fully reimburse all attorneys' fees and other legal and related expense actually incurred in good faith regardless of the size of any judgment, it being the intention of the parties to fully compensate for all attorneys' fees and other legal expenses paid in good faith.
6. Other Activities by Manager: Manager shall have the right to manage, own, develop or invest in any other real estate or business, whether or not competitive with the Property, provided, however, such activities shall not interfere with the performance by Manager of its duties and obligations under this Agreement.
7. Owner agrees to reimburse Manager for banking and associated transaction fees of \$3.50/property per month or \$2/unit per month whichever is greater. Owner acknowledges that this fee is required as a result of the owner/tenant portal. Owner may not opt out of the online owner's portal or request changes to our rent collection policy, charges, or accounting practices.
8. Manager may charge application fees as provided by law to prospective applicants in anticipation and reimbursement of applicants screening and credit/background checks. These application fees are paid directly to Manager and are not received on behalf of Owner, nor will be credited or accounted for in Owners trust account.
9. Owner agrees to pay Manager a \$2.50/visit trip charge each time Manager is required to visit the property, with the exception of showings to prospective applicants. Commons examples are meeting vendors, maintenance, or other meetings at property. Manager shall be compensated at billable rate for additional visits and work done at property outside normal management duties outlined above.
10. Owner acknowledges that Manager shall hold all Security Deposits for property, paid by tenant in



Manager's trust account and shall be refunded and itemized upon move out.

11. Electronic Delivery of Reports: Owner acknowledges that access to financial reports and records are available online at all times. Manager does not provide a paper or mailed copy.

Parties acknowledge having read the foregoing

OWNER DATE

IPM DATE