

THIS IS INTENDED TO BE A LEGALLY BINDING AGREEMENT-READ CAREFULLY

"Owner" hereby appoints and grants Lexington Properties or assigns, "Broker" the exclusive right to rent, lease, operate and manage the property(ies) known as:

_____ and any additional properties which may be added to this agreement collectively, for the period beginning _____ upon the terms below.

Broker accepts the appointment and agrees to use due diligence in the performance of this Agreement, and furnish the services of its organization for the rental, leasing, operating and management of the property(ies).

AUTHORITY AND POWERS: Owner grants Broker the authority and power, at Owner's expense to:

Advertising: Advertise and display "For Rent/Lease" signs, and similar signs on the property, and to advertise the availability of said property for rent or lease.

Rental/Leasing: Initiate, sign, renew or cancel rental agreements and leases for the Property or any part of it; collect and give receipts for rents, security deposits and other charges. Any leases executed by Broker for Owner shall not exceed one year in length.

Tenancy Termination: Sign and serve in Owner's name notices which are required or appropriate, commence and execute actions to evict tenants, recover possession of the Property in Owner's name, recover rents and other sums due, and when expedient, settle, compromise, and release claims, actions and suits and/or reinstate tenancies.

Repairs/Maintenance: Make, cause to be made, and/or supervise repairs, improvements, alterations and decorations to the Property; purchase and pay bills for services and supplies. Broker shall obtain prior approval of Owner on all expenditures over \$150.00 for any one item. Prior approval shall not be required for monthly or recurring operating charges, or if in Broker's opinion emergency expenditures over \$150.00 to protect the Property, or other property(ies) from damage, prevent injury to persons, to conform to state, city and county habitability codes, avoid penalties, fines, or suspension of services to tenants called for in a lease or rental agreement or by law. Broker shall not be required to advance Broker's own funds in connection with the Property or this Agreement. However, if Broker elects to advance any funds, Owner shall promptly repay to Broker, on request, the amount advanced.

Contract/Services: Contract, hire, supervise and/or discharge firms and persons, including utilities, required for the operation and maintenance of the Property. Broker may perform any Broker's duties through attorney's agents, employees, and independent contractors, and shall not be responsible for their acts, omissions, defaults, negligence and/or costs of same, except for persons working in Broker's firm.

Expense Payments: Pay expenses and costs for the Property from Owner's funds held by Broker, unless directed otherwise by Owner, including but not limited to property management fees and charges, expense for goods and services, property and other taxes, Association dues, assessments, loan payments, and insurance premiums.

Trust Funds: Deposit all receipts collected for Owner, less any sums properly deducted or disbursed, in a financial institution whose deposits are insured by an agency of the United States government. The funds shall be held in a trust account separate from Broker's personal accounts. Broker shall not be liable in event of bankruptcy or failure of a financial institution.

Tenant Deposits: Handle tenant security deposits as follows: Hold such deposits in Broker's trust account; account for and return them to tenants, as required by law **OR** Forward such deposits to Owner, in which case Owner shall be responsible to Broker and tenants for the refund of all security deposits held by Owner, unless forwarded to Broker.

Reserves: Maintain as a reserve in Broker's trust account: \$ _____

Owner Statements: Render monthly statements of receipts, expenses and charges for each property.

Owner Distribution: Remit funds monthly to Owner. Disbursements will be made in the following order:

1) Fees, charges and reimbursements due under this Agreement 2) All other operating expenses, costs, and disbursements payable from Owner's funds held by Broker 3) Reserves establishment or replenish 4) Balance to Owner.

OWNER'S RESPONSIBILITIES: Owner shall:

Provide all documentation and records required by Broker to manage and operate Property(ies).

Indemnify and hold harmless Broker and all persons in Broker's firm, from all costs, expenses, suits, liabilities, damages and claims of every type, including but not limited to those arising out of injury or death of any person (s), or damage to any real or personal property of any person (s), including that of Owner, in any way relating to the management, rental or operation of the Property by Broker or any person in Broker's firm, or the performance or exercise of any of the duties, powers or authorities herein or hereafter granted to Broker, except to the extent due to the negligence of Broker or any person in Broker's firm.

Carry and pay for public and premises liability and property damage insurance adequate to protect the interests of Owner and Broker.

Provide Broker with a Certificate of insurance that shows the Property is covered by liability and property damage insurance.

Pay any late charges, penalties, and/or interest imposed by lenders or other parties due to insufficient funds in Owner's trust account.

FAX COPIES: Fax copies of this agreement are acceptable.

AGENCY RELATIONSHIPS: Broker agrees to act as the agent of Owner in any lease or rental transaction involving any Property covered by this Agreement. If Broker is the property manager for a different property in which a tenant is interested, Owner understands that Broker may act as agent of that other property owner with respect to a transaction involving that other property.

BINDING AGREEMENT: This Agreement shall be binding upon and shall inure to be benefit of Owner and Broker and their respective heirs, administrators, executors, successors and assigns.

EQUAL HOUSING OPPORTUNITY: The Property(ies) is offered in compliance with federal, state and local anti-discrimination laws.

COMPENSATION: Owner agrees to pay Broker as follows:

(1) Management: \$ _____ per month. Or _____ % of gross rents collected with a minimum fee of \$ _____.

(2) Leasing Fee: _____ % of one months rent not to exceed \$ _____. Or a flat rate of \$ _____.

Tenant is guaranteed for the term of the original lease. If for any reason the tenant should move prior to the termination of tenancy Owner will not be charged a re-renting fee.

(3) _____ % of late fees and all returned check fees (billed to tenants.)

(4) In the event Owner requests Lexington Properties to undertake work exceeding normal management duties, then an hourly fee shall be charged equal to the current monthly management fee for single family homes or 10% of the gross maintenance work billed, whichever is greater. Normal management duties do not include modernization, refinancing, fire restoration, rehabilitation, unscheduled inspections, restoring a unit after termination of management, process serving, repairs exceeding \$1000, advising on proposed new construction, assisting sales agents or appraisers, or other counseling.

(5) Section 8 contracts will incur an additional monthly fee of \$ _____.

Set-up/Transfer Fee: No set-up or transfer fee is charged for occupied units when management is transferred to Lexington Properties

SCOPE OF MANAGEMENT DUTIES: Normal property management does not include providing on-site management services, property sales, refinancing, preparing Property for sale or refinancing, modernization, fire or major damage restoration, rehabilitation, obtaining income tax, accounting, or legal advice. Representation before public agencies, advising on proposed new construction, debt collection, counseling, attending Owner’s Association meetings or appearing in small-claims court on Owner’s behalf with the exception of evictions.

Owner agrees that:

1. Broker may receive fees and charges from tenants for: 1) requesting an assignment of lease or sublease of the Property 2) processing credit applications 3) returned check and/or late charges 4) other services that are not in conflict with this agreement.
2. Broker to retain late charges paid by tenants.
3. Broker may perform any of its duties and obtain necessary products and services through affiliated companies or organizations in which Broker may own or own an interest, and may receive fees, commissions, an/or profits from these affiliated companies or organizations. Broker shall not, however, receive fees, commissions, or profits from unaffiliated companies in the performance of this Agreement without prior disclosure to and agreement of Owner.
4. Broker may divide compensation, fees, and charges due under this Agreement, in any manner acceptable to Broker.

TERMINATION OF AGREEMENT: Owner or Broker may terminate this agreement by giving 30 days notice. Should Owner terminate within one year, Owner agrees to pay Broker the amount equal to the renting/leasing fee. After the original term, this Agreement shall become a non-exclusive agreement.

NOTICE: Any written notice to Owner or Broker required under this Agreement shall be served by sending such notice by first class mail to that party at the address below, or at any different address which the parties may later designate for this purpose, and shall be deemed received three business days after deposit into the United States mail.

ATTORNEY FEES: In any action, proceeding, or arbitration arising out of this Agreement, the prevailing party shall be entitled to reasonable attorney’s or arbitrator’s fees and costs.

ADDITIONAL TERMS: _____

I/We have read the foregoing prior to execution and have received a copy of this _____ day of _____, 20_____.

Signature of Owner(s)

Signature of Agent

Address

City / State / Zip

6020 Rutland Drive, Suite 11 Carmichael, Ca 95608

Home Phone

Work Phone

Voice: (916) 332-3200 Fax: (916) 332-3851

www.lexington-properties.com

Social Security Number for Primary Filer