



Simply . . . the best name in the business.

MANAGEMENT AGREEMENT

BETWEEN

OWNER: - **«NAME»** - AND

PARTNERS REAL ESTATE

11940 BUSINESS BLVD

EAGLE RIVER, AK 99577

C. ROLF MILTON, Sales & Property Management

For property located at: - **«PROPERTY»** -

BEGINNING ON: - **«start date»**

ENDING: - **«end date»**

PARTNERS REAL ESTATE

I wish to thank you for supporting Partners Real Estate. This has resulted in our continued growth and expansion. **Partners Real Estate leases more homes in Eagle River than any other property management company.* There has to be a reason!**

Due to the amount of rental properties that we manage, it is not cost effective and it is unwieldy to generate monthly paper reports. You will receive your reports by e-mail. This will allow you to view reports as we generate them, and you will not be at the mercy of the postal service.

Starting, recently, we will send reports, documents, etc. in pdf format (use Adobe Reader to view). This seems to be the most efficient and least cumbersome format at this time.

Our bank has advised us to discontinue paying rent proceeds immediately, as was our policy in the past, due to checks taking up to 14 days to process in some cases. In other words, we may not know for up to 14 days that a rent check has been returned. We have been advised to delay paying proceeds to avoid any problems. Therefore, owner proceeds will be paid up to 14 days after receipt of rents. **This means sometime near the 20th of the month.** Hopefully, this will not inconvenience you inordinately. (NOTE: reports to you are generated as checks are processed - go on line at your bank's website for actual deposit dates - usually, within 48 hours after reports are e-mailed)

If you have not arranged with the utilities (gas, electric, and water/sewer) to put into place a "Request for Continuance of Service" for landlords and property managers, please, do so. Make sure you list Partners Real Estate as your management company with the utilities and give them our address and telephone number.

Just some information to keep you current and up to date:

A. Toward the beginning of the year you will receive a statement for the transactions that occurred in the previous year. It will contain all inflow and outflow for the year. Based upon the information on this statement, you should be able to complete your Schedule E. You will not receive a Form 1099-Misc, as it is not required.

B. I am able to hold the line on what we charge for management, at this point. I have not increased our rates since 1997, when I actually lowered our management fees. However, you must understand that I can only hold the line by holding down costs. What does this mean? Anything that is labor intensive translates into cost; for instance: **we do not provide copies of invoices** to you because it is labor intensive and creates cost (i.e.. wages, postal fees, etc), nor do we mail statements for the same reason. If you are audited by the IRS and they require copies of the invoices, we will provide them (though in the past they have always been satisfied by the monthly statements that we provide to you). Without a doubt, we still provide the best management services for the least cost, in comparison to the all of the competition!

C. Due to some confusion on landlord and tenant rights, I would like to provide the links (below). Please, understand that tenants have a leasehold on the property that they rent. This provides them legal rights

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and recourse when landlords violate those rights. One of the most common landlord violations is accessing the property without the specific permission of the tenant. A.S. provides for legal access (see the links).

1. **Alaska Landlord and Tenant Act.** <http://www.state.ak.us/courts/forms/pub-30.pdf>. *"The Alaska laws governing landlord and tenant rights and obligations reproduced here are from the 2006 Alaska Statutes. Laws are subject to revision by the legislature. It is your responsibility to check for any amendments to the Alaska Statutes by visiting the Alaska Legislature website at www.legis.state.ak.us/folhome.htm, contacting your nearest Legislative Information Office, or going to your local public or law library."*

2. Uniform Residential Landlord and Tenant Act:

<http://www.touchngo.com/lglcntr/akstats/Statutes/Title34/Chapter03.htm>

3. U. S. Department of Housing and Urban Development - Fair Housing Laws and Presidential Executive Orders: (<http://www.hud.gov/offices/fheo/FHLaws/index.cfm>)

Please, contact me with your comments and suggestions at any time. Thank you for your patience and support.

Sincerely,



C. Rolf Milton, CRB, Realtor
Broker

*data from Anchorage MLS; homes for lease in Eagle River by listing office (1998 - present)

INITIALS: _____ / _____ / _____

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11940 Business Blvd.
Suite 202
Eagle River, AK 99577-7742

Ofc (907) 694-4994
Fax (907) 694-4995

March 23, 2011

ADDENDUM TO Exclusive Right to Rent or Lease Agreement

In reference to the agreement between «NAME» , the Owner, and «lo» the Agent, covering the real property commonly known as: «PROPERTY» - «LEGAL» , the undersigned hereby agree to abide by the following, if applicable:

FAIR HOUSING LAWS AND PRESIDENTIAL EXECUTIVE ORDERS

<http://www.hud.gov/offices/fheo/FHLaws/index.cfm>

The Fair Housing Laws:

Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents of legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability).

Title VI prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.

Section 504 prohibits discrimination based on disability in any program or activity receiving federal financial assistance.

Section 109 prohibits discrimination on the basis of race, color, national origin, sex or religion in programs and activities receiving financial assistance from HUD's Community Development and Block Grant Program.

Title II prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities. HUD enforces Title II when it relates to state and local public housing, housing assistance and housing referrals.

The Architectural Barriers Act requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 must be accessible to and useable by handicapped persons.

The Age Discrimination Act prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.

Title IX prohibits discrimination on the basis of sex in education programs or activities that receive federal financial assistance.

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Fair Housing-Related Presidential Executive Orders:

Executive Order 11063 prohibits discrimination in the sale, leasing, rental, or other disposition of properties and facilities owned or operated by the federal government or provided with federal funds.

Executive Order 11246, as amended, bars discrimination in federal employment because of race, color, religion, sex, or national origin.

Executive Order 12892, as amended, requires federal agencies to affirmatively further fair housing in their programs and activities, and provides that the Secretary of HUD will be responsible for coordinating the effort. The Order also establishes the President's Fair Housing Council, which will be chaired by the Secretary of HUD.

Executive Order 12898 requires that each federal agency conduct its program, policies, and activities that substantially affect human health or the environment in a manner that does not exclude persons based on race, color, or national origin.

Executive Order 13166 eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally-assisted and federally conducted programs and activities.

Executive Order 13217 requires federal agencies to evaluate their policies and programs to determine if any can be revised or modified to improve the availability of community-based living arrangements for persons with disabilities.

The herein agreement, upon its execution by both parties, is herewith made an integral part of the aforementioned agreement.

DATED: _____ TIME: _____

DATED: _____ TIME: _____

_____ OWNER

_____ BROKER

_____ OWNER

INITIALS: _____ / _____ / _____

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IN CONSIDERATION of the covenants herein contained. - **«NAME»** -, hereinafter called OWNER, and PARTNERS REAL ESTATE, hereinafter called AGENT, agree as follows:

1) The owner hereby employs the AGENT exclusively to rent and manage the property, hereinafter called the PREMISES, known as:

- **«PROPERTY»** -
Legal: -**«LEGAL»**-

upon the terms and conditions hereinafter set forth for a term of - **«term»** - , beginning **«start date»**, and ending **«new exp. date»**, and thereafter for yearly periods from time to time, unless on or before THIRTY days prior to the date last mentioned or on or before THIRTY days prior in writing to the expiration of any such renewal period, either party hereto shall notify the other in writing that it elects to terminate this agreement, in which case this agreement shall thereby be terminated on said last mentioned date. Also see Paragraph 7 below.

2) THE AGENT AGREES:

2a) To accept the management of the PREMISES, to the extent, for the period and upon the terms herein provided and agrees to furnish the services of its organization for the rental operation and management of the PREMISES.

2b) To render a monthly statement of receipts, disbursement, and charges to the following person(s) at the e-mail address(es) shown:

TO BE PROVIDED BY OWNER - «NAME»

PERMANENT EMAIL ADDRESS: «e-mail address»

and remit each month the net proceeds after closing to the following (direct deposit to bank, mail check, etc.):

TO BE PROVIDED BY OWNER:

(bank name, mailing address, account number, stipulate whether checking or savings account)

provided AGENT is not required to make any mortgage, escrow or tax payment on the first day of the following month. AGENT will remit the net proceeds after making

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allowance for expected expenses and required reserves. In case the disbursements and charges shall be in excess of the receipts, the OWNER agrees to pay excess promptly, but nothing herein contained shall oblige the AGENT to advance its own funds on behalf of the OWNER.

2c) To cause all employees of the AGENT who handle or are responsible for the safekeeping of any monies of the OWNER to be covered by a fidelity bond in an amount and with a company determined by the AGENT at no cost to the OWNER.

3) THE OWNER AGREES:

To give the AGENT the following authority and powers, any or all of which may be exercised in the name of the OWNER and agrees to assume all expenses in connection therewith:

3a) To advertise the PREMISES or any part thereof; to display signs thereon and to rent the same; to cause references of prospective tenants to be investigated; to sign leases for terms not in excess of **ONE YEAR** or to expire no later than **«end date»** (unless a longer period is approved by owner), whichever date is earlier, and to renew and/or cancel existing leases and prepare and execute new leases without additional charge to the OWNER: Provided however, that the AGENT may collect from tenants all or any of the following: a late rent administration charge, a nonnegotiable check charge, credit report fee, subleasing administrative charge and/or broker's commission and need not account for such charges and/or commissions to the OWNER; to terminate tenancies and to sign and serve such notices as are deemed necessary by the AGENT; to institute and prosecute actions to evict tenants and to recover possession of the PREMISES; to sue for and recover rent and when expedient, to settle, compromise and release such actions or suits, or reinstate such tenancies. OWNER shall reimburse AGENT for all expenses of litigation including attorney's fees, filing fees and court costs which AGENT does not recover from tenants. AGENT may select the attorney of its choice to handle such litigation.

3b) To hire, discharge and pay all engineers, janitors and other employees; to make or cause to be made all ordinary repairs and replacements necessary to preserve the PREMISES in its present condition and for operating efficiency thereof and all alterations required to comply with lease requirements, and to decorating on the PREMISES.

3c) to negotiate contracts for nonrecurring items not exceeding **\$ 500.00** and to enter into agreements for all necessary repairs, maintenance, minor alteration and utility services; and to purchase supplies and pay all bills. AGENT shall secure the approval

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of the OWNER for any one item, **except** monthly or recurring operating charges and **emergency repairs** in excess of the maximum, if in the opinion of the AGENT, such repairs are necessary to protect the property from damage or to maintain services to tenants as called for by their tenancy.

3d) To collect rents and/or assessments and other items due or to become due and give receipts therefore and to deposit all funds collected hereunder in the AGENT'S custodial account.

3e) The AGENT shall not be required to advance any monies for the care or management of said property, and the OWNER agrees to advance all monies necessary therefore. If the AGENT shall elect to advance any money in connection with the property, the OWNER agrees to reimburse the AGENT forthwith and hereby authorizes the AGENT to deduct such advances from any monies due the OWNER. The AGENT shall upon instructions from the OWNER impound reserves each month for the payment, of real estate taxes or any other special expenditure. In addition the OWNER agrees to establish a permanent Operating Reserve Account with the AGENT in the amount of **\$200.00**.

4) THE OWNER FURTHER AGREES:

4a) To indemnify, defend and save the AGENT harmless from all suits in connection with PREMISES and from liability for damage to property and injuries to or death of any employee or other person whomsoever, and to carry at the OWNER'S own expense public liability, elevator liability (if elevators are part of the equipment of the PREMISES), naming the OWNER and the AGENT and adequate to protect their interests and in form, substance and amounts satisfactory to the AGENT, and to furnish to the AGENT certificates evidencing the existence of such insurance. Unless the OWNER shall provide such insurance and furnish such certificate within 30 days from the date of this agreement. AGENT may, but shall not be obligated to: place said insurance and charge the cost hereof to the account of the OWNER. All such insurance policies shall provide that the AGENT shall receive thirty (30) days written notice prior to cancellation of the policy.

4b) To pay all expenses incurred by the AGENT, including but not limited to reasonable attorney's fees and AGENT'S costs and time in connection with any claim, proceeding or suit involving and alleged violation by the AGENT or the OWNER or both of any law pertaining to fair employment, fair credit reporting, environmental protection, rent control taxes or fair housing including, but not limited to, any law prohibiting or making illegal discrimination on the basis of race, sex, creed, color, religion, national origin or mental or physical handicap provided, however that the OWNER shall not be

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responsible to the AGENT for any such expenses in the event the AGENT is finally adjudicated to have personally and not in a representative capacity, violated any such law. Nothing contained herein shall obligate the AGENT to employ counsel to represent the OWNER in any such proceeding or suit and the OWNER may elect to employ counsel to represent the OWNER in any such proceeding or suit. The OWNER also agrees to pay reasonable expenses (or an apportioned amount of such expenses where other employers of the AGENT also benefit from the expenditure) incurred by the AGENT in obtaining legal advice regarding compliance with any law affecting the premises or activities related thereto.

4c) To give adequate advance written notice to the AGENT if the OWNER desires to make payment out of the proceeds from the premises for mortgage indebtedness, general taxes, special assessments, or fire, steam boiler or any other insurance premiums. In no event shall the AGENT be required to advance its own money in payment of any such indebtedness, taxes, assessments or premiums.

4d) Owner agrees that if the rent is unpaid when due and the TENANT fails to pay the rent by the date due, OWNER/AGENT may apply SECURITY DEPOSIT to payment of accrued rent, late charges, etc. and the amount of damages the OWNER has suffered by reason of TENANT'S damage to the PREMISES and furnishings.

5) THE OWNER AGREES TO PAY THE AGENT:

5a) FOR MANAGEMENT: **TEN percent (10%) of scheduled gross monthly** receipts for each succeeding month for the operation of the PREMISES, during the term this agreement remains in full force and effect. Gross receipts are all amounts received for the operation of the PREMISES including, but not limited to, rents, parking fees, forfeited deposits, late fees, laundry income, etc.

5b) FOR SALE: During the term of this agreement, OWNER appoints and employs AGENT as the sole and exclusive AGENT of OWNER in and for the sale or exchange of premises, or any part thereof. OWNER agrees to pay AGENT a full commission of FIVE (5%) PERCENT the sale price, additionally, owner agrees to use the AGENT's services in a sale to a tenant and agrees to pay AGENT a full commission of FIVE (5%) PERCENT of the sale price.

5c) MODERNIZATION AND/OR REHABILITATION CONSTRUCTION: For supervision, the AGENT shall receive 10% of the rehabilitation costs.

5d) FIRE RESTORATION: For supervision, the AGENT shall receive 10% of the rehabilitation costs.

INITIALS: _____ / _____ / _____

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INITIALS: _____ / _____ _____ / _____

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6) IT IS MUTUALLY AGREED THAT:

6a) The owner expressly withholds from the AGENT any power of authority to make any structural changes or additions in or to any such building or equipment there or to incur any expense chargeable to the OWNER other than expenses related to exercising the express powers above vested in the AGENT without the prior written direction of the following person(s), should the OWNER not be available

TO BE PROVIDED BY OWNER - _____

TO BE PROVIDED BY OWNER - _____

except such emergency repairs as may be required because of danger to life or property or which are immediately necessary for the preservation and safety of the PREMISES or the safety of the tenants and occupants thereof or are required to avoid the suspension of any necessary service to the PREMISES.

6b) It is expressly agreed and understood that as between OWNER and AGENT, all persons employed in connection with PREMISES are employees of the OWNER, not the AGENT. The owner will indemnify, defeat, and save the AGENT harmless from all claims, investigations and suits with respect to any alleged or actual violation of state or federal labor laws, however that the OWNER shall not be responsible to the AGENT for any such expenses in the event the AGENT is finally adjudicated to have personally and not in a representative capacity, violated any such law. The OWNER'S obligation under this paragraph, 6B, shall include the payment of all settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay awards, court costs, litigation expense and attorney's fees.

6c) The AGENT can not assume and is given no responsibility for compliance of any building on the PREMISES or any equipment therein with the requirements of any statute, ordinance, law or regulation of any governmental body or of any public authority or official thereof having jurisdiction, except to notify the OWNER promptly or forward to the OWNER such matters. The OWNER represents that to the best of his (hers or its) knowledge the PREMISES and related equipment comply with all such requirements and authorizes the AGENT to disclose the ownership of the PREMISES to any such officials and agrees to indemnify and hold harmless the AGENT, its representatives, servants and employees, of and from all loss, cost, expense and

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liability whatsoever which may be imposed on them or any of them by reason of any present or future violations of such laws, ordinances, statutes or regulations.

6d) In the event it is alleged or charged that any building on the PREMISES or any equipment therein or any act or failure to act by the OWNER with respect to the PREMISES or the sale, rental or other disposition thereof fails to comply with, or is in violation of any of the requirements of any constitutional provision, statute, ordinance, law or regulation of any governmental body or any order of ruling of any public official thereof having or claiming to have jurisdiction thereover, and the AGENT, in its sole and absolute discretion, considers that the action or position of the OWNER or registered managing agent with respect thereto may result in damage or liability to the AGENT, the AGENT shall have the right to cancel this agreement at any time by written notice to the OWNER of its election to do so, which cancellation shall be effective upon service of such notice. Such notice may be served personally or by registered mail on or to the person named to receive the AGENT'S monthly statement at the address designated for such person as provided in Paragraph 2c above, and if served by mail, shall be deemed to have been served when deposited in the mail. Such cancellation shall not release the indemnities of the OWNER set forth, in Paragraphs 4 and 6c above, and shall not terminate any liability or obligation of the OWNER to the AGENT for any payment, reimbursement or other sum of money then due and payable to the AGENT hereunder.

7) This agreement may be canceled by OWNER before the termination date specified in Paragraph 1 or not less than thirty (30) days prior written notice to the AGENT, provided that such notice is accompanied by payment to the AGENT of a cancellation fee in the amount equal to fifty percent (50%) of the scheduled management fee that would accrue over the remainder of the stated term of this agreement.

8) The OWNER shall reimburse the AGENT for any sums of money due it under this agreement for services for actions prior to termination, notwithstanding any termination of this agreement. All provisions of this agreement that require the OWNER to have insured or to defend, reimburses or indemnify the AGENT (including but not limited to Paragraphs 4a, 4b, and 6b) shall survive any termination and if AGENT is or becomes involved in any proceeding or litigation by reason of having been the OWNER'S AGENT, such provisions shall apply as if this agreement were in effect.

9) In the event that BROKER/AGENT procures a purchaser during the term of this authorization or in the event that BROKER procures a tenant and such tenant shall purchase the property during the term of such TENANT'S lease, OWNER agrees to pay to the AGENT a sales commission of Five Percent (5%) of the sale price.

INITIALS: _____ / _____ / _____

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10) If suit is brought to collect the compensation or if BROKER successfully defends any action brought against BROKER by the OWNER arising out of the execution of this authorization or any lease or other transfer relating to herein described property, OWNER agrees to pay all costs incurred by BROKER in connection with such action, including a reasonable attorney's fee.

11) OWNER agrees to make available to BROKER all data, records and documentation pertaining to the property, to allow BROKER to show the property at reasonable times and upon reasonable notice and to commit no act which might tend to obstruct the BROKER'S performance hereunder.

The undersigned OWNER warrants that he is the OWNER of record of the property or has the authority to execute this agreement. In consideration of the execution hereof, the undersigned BROKER agrees to use diligence in procuring a lessee.

Receipt of a copy hereof is hereby acknowledged

OWNER _____

OWNER _____

By: _____

«agent»

INITIALS: _____ / _____ / _____

PARTNERS REAL ESTATE

Wednesday, March 23, 2011

ADDENDUM TO PROPERTY MANAGEMENT AGREEMENT

In reference to the Management Agreement between «NAME» , the Owner, and Partners Real Estate, the Agent, covering the property, commonly known as

«PROPERTY» «LEGAL»

the undersigned hereby agree to the following:

1) Owner agrees that the property will be cleaned to professional standards and that the carpets will have been freshly, professionally cleaned. This cleaning will take place when the property is vacant and any associated costs will be the responsibility of the owner.

2) Owner understands that the probable rental amount of «RENT \$» is an estimate, based on the age of the property, living area, current market conditions, and known amenities or based on the owners request. This rate may be adjusted to reflect changing market prices and demands.

The herein agreement, upon its execution by both parties, is herewith made an integral part of the aforementioned Agreement.

Receipt of a copy hereof is hereby acknowledged

OWNER _____ date: _____

OWNER _____ date: _____

By: _____

«agent»

Partners Real Estate
11940 Business Blvd, Suite 202
Eagle River, AK 99577

INITIALS: _____ / _____ / _____