

# REEDER MANAGEMENT, INC.

## MANAGEMENT AGREEMENT

This Management Agreement ("Agreement") is made and entered into on this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between \_\_\_\_\_ ("Owner") and Reeder Management, Inc. ("Manager").

In consideration of the mutual covenants, promises, and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Owner and Manager expressly, knowingly, and voluntarily agree as follows:

1. Appointment and Acceptance. Owner hereby appoints Manager, and Manager hereby accepts the appointment on the terms and conditions contained herein, as exclusive manager to rent, lease, operate, and manage the property commonly known as \_\_\_\_\_, which is located at \_\_\_\_\_ ("Property").

2. Term/Termination.

2.1 This Agreement shall commence on \_\_\_\_\_, 20\_\_\_, and shall terminate on \_\_\_\_\_, 20\_\_\_ ("Initial Term"). Upon the expiration of the Initial Term, this Agreement shall automatically renew for successive one (1) year periods unless terminated in accordance with Section 2.2 of this Agreement ("Renewal Term(s)").

2.2 Owner may terminate this Agreement by giving sixty (60) days' written notice to Manager prior to the end of the current term, whether the Initial Term or a Renewal Term. Manager shall have the right to terminate this Agreement at any time by giving Owner thirty (30) days' written notice. In the event Owner's actions prevent Manager from performing its duties under this Agreement or under any law, or cause Manager to violate any law, Manager shall have the right to immediately terminate this Agreement.

2.3 Upon termination of this Agreement for any reason, Owner shall pay or reimburse Manager for any sums of money due it under this Agreement for services or actions performed prior to termination. If this Agreement is terminated early by Owner for any reason, including the sale of the Property, Owner shall be liable to Manager for all fees that would have accrued had the term of the Agreement been completed. Manager shall have the right to withhold funds for thirty (30) days after termination of this Agreement to pay all final amounts due and owing to any party, including Manager.

2.4 All provisions of this Agreement that require Owner to maintain insurance or to defend, indemnify, or hold Manager harmless shall survive termination and, if Manager is or becomes involved in any proceeding or litigation by reason of having been Owner's managing agent, such provisions shall apply as if this Agreement were still in effect.

3. Services of Manager. During the term of this Agreement, Manager agrees to provide the following services:

3.1 To rent, lease, operate, and manage the Property for the term of this Agreement and to exercise its best efforts as a professional management company in the management of the Property for the term and upon the terms provided in this Agreement.

3.2 To deposit all receipts collected (less any sums properly deducted or otherwise provided herein) in an account in a national or state institution qualified to engage in the banking or trust business.

3.3 To render monthly statements of receipts, expenses, and charges and to remit to Owner receipts less disbursements. In the event disbursements are in excess of the rents collected by Manager, Owner hereby agrees to promptly pay such excess upon demand by Manager.

4. Compensation. In exchange for the performance of the above services, Owner agrees to pay to Manager a management fee of \_\_\_\_\_ percent (\_\_\_\_%) on all revenue items and receipts received, except on those items excluded by Owner in writing. Such amount shall be paid monthly to Manager.

5. Rights of Manager. Owner hereby appoints Manager as attorney-in-fact for Owner and grants Manager the following authority and powers. In all cases, Owner agrees to reimburse Manager for any expenses incurred in connection with the following:

5.1 To collect rents and other amounts owed by tenants/owners, including security deposits; terminate tenancies and evict tenants; sign and serve notices; institute and prosecute actions; recover possession of properties; sue, and when expedient, settle, compromise, and release such actions or suits and reinstate such tenancies; and engage professionals to assist with Manager's duties.

5.2 To make or cause to be made and supervise repairs and alterations to the Property. Manager agrees to secure the prior approval of Owner for all expenditures in excess of \$1,000.00 for any one item, except monthly or recurring operating charges and emergency repairs in excess of such amount if, in the opinion of Manager, such repairs are necessary to protect the Property from damage or maintain services for the tenants/owners.

5.3 To hire, discharge, and supervise all employees and agents for the operation and maintenance of the Property. Manager may perform any of its duties through Owner's attorneys, managers, employees, or agents and shall not be responsible for their acts, defaults, or negligence if reasonable care has been exercised in their appointment and retention.

5.4 To advertise the property for rent using signs, brochures, displays, internet, or such other means as Manager may deem proper and advisable. Manager is authorized to place signs on the Property.

5.5 To make contracts on behalf of Owner for all utilities and maintenance and Owner agrees to assume all obligations under such contracts. Manager shall also have the right, but is not required to, pay all mortgage indebtedness, homeowner's association dues, taxes, special assessments, and insurance premiums.

5.6 To pay or reimburse itself for all expenses and costs of operating the Property, including Manager's compensation.

5.7 To take such further actions as Manager deems advisable for the proper management of the Property.

6. Owner's Agreement.

6.1 Owner agrees to cooperate fully with Manager and to provide Manager with all information it needs as it relates to the Property.

6.2 Owner agrees to pay all expenses incurred by Manager, including but not limited to reasonable attorney fees and costs and reimbursement for Manager's time and costs it incurs, and any liability, fines, penalties, or the like, in connection with any claim, proceeding, or suit involving an alleged violation by Manager or Owner, or both, of any law pertaining to fair employment, fair credit reporting, environmental protection, rent control, taxes, or fair housing; provided, however, that Owner shall not be responsible to Manager for any expenses in the event Manager is finally adjudicated to have violated any such law. Owner agrees to pay reasonable expenses incurred by Manager in obtaining legal advice regarding compliance with any law affecting Owner or activities related thereto.

6.3 Owner agrees to be responsible for all damages and environmental liability related to the Property and to defend, indemnify, and hold Manager harmless from all suits or proceedings in connection with the management of the Property, except in cases of willful misconduct or gross negligence. This includes, but is not limited, personal injury and consequential damages to any person while on the Property and any loss or damage of any nature whatsoever, however caused, to the Property or to the property of Owner or others. Furthermore, Owner agrees to be responsible for all loss incurred by Owner as a result of the nonpayment or theft of any rent or other amounts owed Owner or as a result of any late charges, collection costs, or foreclosure actions resulting from late payment or nonpayment under this Agreement.

6.4 Owner agrees to carry at its own expense insurance sufficient to cover any damage or injuries that may occur. The policies shall cover vandalism and lost rental income and shall name Manager as an additional insured. Owner shall provide Manager a copy of such insurance policy upon request.

6.5 Except for those employees specifically designated by Manager as its employees, Owner agrees that all employees, workers, and agents shall be deemed employees of Owner and not Manager and shall be responsible for the workers' compensation premiums, unemployment insurance, and other applicable federal and state taxes of such persons. All such persons shall be employees of Owner and all salaries, taxes, and other expenses payable on account of such employee shall be operating expenses of Owner.

6.6 Other items of mutual agreement as they may be determined.

7. Relationship of Owner and Manager. The relationship of the parties shall be that of Owner and Manager and all duties to be performed by Manager under this Agreement shall be for and on behalf of Owner, in Owner's name, and for Owner's account. Nothing in this Agreement shall be construed as creating a partnership, joint venture, or any other relationship between the parties to this Agreement except that of Owner and Manager.

8. Miscellaneous Provisions.

8.1 This Agreement shall be binding upon the successors and assigns of Manager, and the heirs, administrators, executors, successors, and assigns of Owner.

8.2 The headings to the various paragraphs herein are for convenience only and have no legal effect.

8.3 This Agreement sets forth the entire agreement between the parties and is intended to be final and binding upon them. It fully supersedes any and all prior agreements, understandings, promises, or statements on the subjects addressed herein and may only be amended by a written document signed by the parties or their duly authorized representatives that specifically states that it is intended as an amendment.

8.4 This Agreement will be interpreted and enforced according to the laws of the state of Washington. If any suit or action is filed by any party to enforce this Agreement or otherwise with respect to the subject matter of this Agreement, venue shall be in Pierce County, Washington. The parties agree that the prevailing party in an action to enforce this agreement shall be entitled to an award of reasonable attorney fees and costs.

8.5 If any term, provision, covenant, or condition, or portion thereof, of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the Agreement shall remain in full force and effect and shall be in no way affected, impaired, or invalidated.

8.6 This Agreement may be executed in two or more counterparts, which together shall constitute a single agreement. This Agreement may also be executed and transmitted to the other party via facsimile, which facsimile shall be deemed to be and utilized in all respects as an original.

8.7 Any demand, request or notice which either party hereto desires or may be required to make or deliver to the other shall be in writing and shall be deemed given when personally delivered, or when delivered by private courier service (such as Federal Express), or by email to the email address listed below, or three days after being deposited in the United States Mail in registered or certified form, postage prepaid, return receipt requested, addressed as follows:

To Owner: \_\_\_\_\_  
Attn: \_\_\_\_\_  
\_\_\_\_\_  
Email: \_\_\_\_\_

To Manager: Reeder Management, Inc.  
Attn: Brian Reeder  
10520 Gravelly Lake Dr. SW  
Tacoma, Washington 98499  
Email: breeder@reedermt.com

Or to such other single address and person as either party may communicate to the other by like written notice.

IN WITNESS WHEREOF the parties hereto have executed this Agreement, effective as of the date first written above.

Owner: \_\_\_\_\_

Manager: Reeder Management, Inc.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: Brian P. Reeder  
Its: President