

# 1. 1. Property Management Agreement

## 1.1 EMPLOYMENT OF AGENT

<<Owner Name(s)>> (Hereinafter "Owner") and *Hawk Mgmt, Inc.*, (hereinafter "Agent") agree as follows:

Owner hereby employs and grants Agent, his successors in interest, and assigns, the exclusive right to lease, operate, and manage the property (hereinafter "the premises") known as<<Property Address>>. Upon the terms hereinafter set forth for the period of one (1) month(s) commencing on<<Management Start Date>> and terminating <<Agreement Termination Date>>; provided, however, that the term of the agreement shall be automatically extended for consecutive thirty (30) day periods on the same terms and conditions set forth herein unless and until this agreement is terminated by either party by providing the other party with thirty (30) days prior written notice. However, Agent may terminate the agreement unilaterally at any time should Owner fail to comply with required duties or obligations.

Owner warrants that owner is the sole Owner of the property or has unconditional authority to execute this Agreement on behalf of any Co-Owner.

By initialing below, you acknowledge and agree to the terms in Section 1.

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# 2. 2. Agent Duties

## 2.1 AGENT DUTIES

Agent shall:

1. Use due diligence in the performance of this contract.
2. Render monthly statements of receipts, expenses and charges and remit to Owner receipts less disbursement.

In the event the monthly disbursements shall be in excess of the monthly rents collected by Agent, Owner hereby agrees to pay such excess promptly upon demand of Agent.

3. Accumulate as a reserve in Agent's account each month a total of \$1,000.00. Should the balance of the reserve become less than \$1,000.00 at any time, Agent will withhold disbursements to owner until the reserve is replenished.

4. Deposit all receipts collected from the tenants (less any sums properly deducted or otherwise provided herein) in a trust account in a national or state institution qualified to engage in the banking or trust business, separate from Agent's personal account. However, Agent will not be held liable in event of bankruptcy or failure of a depository. The only signer on said Trust account shall be a designated officer of Agent.

5. Disbursements: Disburse Owner's funds, held in Agent's trust account, in the following order:

- a. Compensation due Agent under the Management Fees section of this agreement.
- b. All other operating expenses, costs and disbursements payable from Owner's funds held by Agent.

c. Reserves and Security Deposits held by Agent.

d. Balance to Owner along with monthly reporting. Funds will be disbursed on or about the 20th of each month.

By initialing below, you acknowledge and agree to the terms in Section 2.

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### 3. Agent Authorities and Powers, and Agency Relationship

#### 3.1 AGENT AUTHORITIES AND POWER

Owner grants Agent the following authority and powers and Owner shall pay the expenses in connection herewith;

1. To advertise the availability for rental of the herein described premises or any part thereof, and to display "for rent" signs thereof; to approve or deny applicants at Agent's sole discretion and in accordance with fair housing laws, to sign, renew or cancel leases for the premises or any part thereof; to collect rents or other charges and expenses due or to become due and give receipts therefore; to terminate tenancies and to sign and serve such notices as are appropriate; to institute and prosecute actions to evict tenants and to recover possession of said premises and recover rents and other sums due, and when expedient, to settle, compromise, and release such actions or suits or reinstate such tenancies. Any lease executed for Owner by Agent shall not exceed one year unless explicitly approved in writing by Owner.

2. To make or cause to be made repairs and alterations, and to do decorating; to purchase supplies, (including, but not limited to stationary supplies, leases, stamps) and pay all bills therefore. Agent agrees to secure the prior approval, either in writing or verbally, of Owner on all expenditures in excess of \$1,000.00 for any one time, except monthly or recurring operation charges and emergency repairs, if in the opinion of Agent such repairs are necessary to protect the property from damage or prevent damage to life or to the property of the others or to avoid suspension of necessary services or to avoid penalties or fines or to maintain services to the tenants as called for in their leases.

3. To hire, discharge and supervise all labor and employees required for the operation and maintenance of the premises. Agent may perform any of its duties through Owner's attorneys, agent(s) or employee(s), and shall not be responsible for their acts, defaults, or negligence if reasonable care has been exercised in their appointment and retention.

4. To make contracts in Owner's name for electricity, gas, fuel, water, telephone, window cleaning, ash or rubbish hauling, and other services or such of them as Agent shall deem advisable; Owner to assume at the termination of this Agreement the obligation of any contract so entered into.

5. To pay second trust deed payments, employee taxes, special assessments and insurance as designated by Owner. Notwithstanding anything contained herein, Agent shall not be responsible for any such payments, late fees, or penalties if sufficient funds are or were not available as necessary to make any such payments timely, Owner shall be responsible for paying first trust deed payments and property taxes.

6. To refund tenants' security deposits at the expiration of leases and, if required by law, to pay interest upon such security deposits. However, Agent reserves the right to, at any point in time at Agent's discretion, turn the security deposit over to Owner, and the Owner will then be responsible for the security deposit disposition.

7. Owner agrees to accept the terms of the collection agency's standard contract when executed for Owner by Agent. When acting in a collection capacity to collect funds due from ex-tenants, Agent will, at Agent's expense, pay all legal fees associated with the collection of such account and Agent will retain 40% of all funds collected for this service in addition to the management fee.

### 3.2 AGENCY RELATIONSHIP

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Agent shall act, and Owner hereby consents to Agent acting, as dual agency for Owner and tenant(s) in any resulting transactions. If the property includes residential property with one-to-four dwelling units and this Agreement permits a tenancy in excess of one year, Owner acknowledges receipt of the "Disclosure Regarding Agency Relationship". Owner understands that Agent may have or obtain property management agreements on other property, and that the potential tenants may consider, make offers on, or lease through Agent, property the same as or similar to Owner's property. Owner consents to Agent's representation of other owner's properties before, during, and after the expiration of this Agreement.

### 3.3 APPLICANT SCREENING CRITERIA

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Owner hereby confirms reviewing the Applicant Screening Criteria posted on Agent's website and agrees that applicants will be screened based on this set of criteria and in adherence with fair housing laws. The Applicant Screening Criteria is subject to change as needed, and Owners will be notified of such changes in advance via email, and an updated version will be posted to Agent's website. The criteria is set on a company-wide basis and as such, cannot be modified on a per Owner basis.

### 3.4 SALE OF PROPERTY

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Should Owner decide to sell the property, Hawk Mgmt, Inc would be happy to represent Owner in the transaction subject to a real estate listing contract being signed. However, should Owner decide to use another broker for the transaction, Agent reserves the right to terminate the management agreement immediately.

### 3.5 HOME WARRANTIES

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Generally speaking, we recommend avoiding home warranty companies as they typically charge you premiums and find ways to not pay out on work when needed. And when they do respond to work, their response time is typically pretty slow. This can be tricky if for example your tenant's hot water heater isn't working, and it takes the home warranty ten days to get someone out.

Should you still choose to have a home warranty, we will make an effort to work with them, but we cannot guarantee that each and every call will be forwarded to the home warranty, and there are times in which we will decide to use a vendor other than the home warranty when habitability issues are at hand and need to be handled in a timely manner. Either way, Owner will be responsible for paying any invoices that have not been forwarded to the home warranty.

### 3.6 SERVICE AND EMOTIONAL SUPPORT ANIMALS

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Owner understands that state and federal law govern service animals and emotional support animals, and those animals are NOT legally considered pets, and therefore pet policies do not apply. Agent will have authority to approve or decline service and emotional support animal requests.

### 3.7 WEAR AND TEAR

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Upon renting, the law recognizes the property as a business and requires Owner to expect some expenses for cleaning and maintenance as 'normal wear and tear' while operating a rental property. Owner understands that some 'wear and tear' expenses will occur and that these costs cannot be charged to a tenant and realizes Owner will incur these expenses.

By initialing below, you acknowledge and agree to the terms in Section 3.

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## 4. Owner Duties

### 4.1 OWNER DUTIES

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Owner shall:

1. Pay immediately any excess in case the disbursements and charges shall be in excess of the receipts. Agent is not obligated to advance any money to Owner or on Owner's behalf. However, if Agent does advance funds on Owner's behalf, then any funds not paid to Agent within 10 days of request, will bear interest at a rate of 4% per month.
2. Indemnify and save Agent harmless from any and all costs, expenses, attorney's fees, suits, liabilities, damages or claim for damages, including but not limited to those arising out of any injury or death to any person or persons or damages to any property of any kind whatsoever and whomsoever belonging, including Owner, in any way relating to the management of the premises by Agents or the performance or exercise of any of the duties, obligations, powers, or authorities herein or hereafter granted to Agent: to carry, at Owner's sole cost and expense, such public liability, property damages and worker's compensation insurance as shall be adequate to protect the interests of Agent and Owner the policies for which shall name the Agent as well as the Owner as the party insured. The above shall include any Employee Leasing Company that Agent may contract with. The indemnity obligations of owner shall survive the termination of this agreement.
3. Pay all expenses incurred by Agent, including, without limitation, attorney's fees for counsel employed to represent Agent or Owner in any proceeding or suit involving an alleged violation by Agent or Owner, or both, of any constitutional provision, statute, ordinance, law or regulation of any governmental body pertaining to fair employment, Federal Fair Credit Reporting Act, environmental protection, or fair housing, including without limitation, those prohibiting or making illegal discrimination on the basis of race, creed, color, religion, or national origin in the sale, rental or other disposition of housing or any services rendered in connection therewith (unless Agent is finally adjudicated to have personally and not in a representative capacity violated such constitutional provision, statute, ordinance, law or regulation), but nothing herein contained shall require Agent to employ counsel to represent Owner in any such proceeding or suit.
4. Indemnify, defend and save Agent harmless from all claims, investigations and suits with respect to any alleged or actual violation of state or federal labor laws, it being expressly agreed and understood that as between Owner and Agent all persons employed in connection with the premises are employees of Owner, not Agent. Owner's obligations under this paragraph shall include the payment of all settlements, judgments, damages, liquidated damages, penalties, forfeiture, back pay awards, court costs, litigation expense and attorney's fees.
5. Give adequate advance written notice to Agents if payment of mortgage indebtedness, general taxes or special assessment or the placing of fire, liability or any other insurance is desired.
6. Not contact tenant(s) directly for any reason. All correspondence with tenants should be done through Agent. This provision is instituted to ensure streamlined communication channels and uphold the professional standards maintained by the property management company in executing its duties.
7. Not directly engage with vendors enlisted or arranged by the property management company for any services related to the managed property. Any communication, negotiation, or arrangement conducted between the property owner and said vendors without the explicit involvement or consent of the property management company shall absolve the property management company from any liability henceforth. In such instances, the property management company shall not be held responsible for the outcomes, quality of services, or any issues arising from such independent dealings between the property owner and vendors. This provision is instituted to ensure streamlined communication channels and uphold the professional standards maintained by the property management company in executing its duties.
8. Comply with all applicable federal, state, and local laws, regulations ordinance and rules in conjunction with the management of the premises, including without limitation the Fair Housing Amendment Act of 1988 and all

applicable wage and hour laws.

9. Owner shall review monthly statements upon receipt and report any issues to Agent within 14 days. Agent shall not be held liable for errors reported later than 14 days.

10. Should Owner not wish for Agent to renew existing tenant's lease, Owner must submit written request to Agent at least ninety (90) days prior to the tenant's lease end date.

11. Owner must inform agent of any known defects or hazards on the property to avoid liabilities.

12. Agent utilizes AppFolio management software to accept credit card and ACH payments from tenants, to help facilitate timely rent collection. However, there is a risk of tenants disputing their payments, potentially resulting in a reversal. While AppFolio assists in contesting such disputes, successful outcomes are not guaranteed. Should a tenant dispute their payment and prevail, requiring a refund, Owner agrees to reimburse Agent for the amount refunded within 24 hours.

#### 4.2 INSURANCE

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At all times during this agreement, Owner must maintain in effect:

Comprehensive public liability property insurance with minimum coverage of \$1,000,000 that names Broker as a co-insured or additional insured.

Owner understands that it is his/her responsibility to maintain adequate Fire and extended coverage hazard insurance in an amount equal to the total replacement cost of the structure and other improvements. Hawk Mgmt., Inc. shall not be responsible for selecting or maintaining property insurance. The responsibility to procure and sustain appropriate insurance coverage rests solely with Owner.

Any additional insurance required.

Not later than the 15th day after the Commencement Date, Owner must deliver to Broker copies of certificates of insurance evidencing the coverage required.

Owner will be enrolled in the broker's Master General Liability Insurance if Owner fails to provide coverage noted above that lists the brokers as additional insured. The cost is \$18.83 with a \$6.17 administration fee total of \$25.00 a month per unit. This coverage is included if Owner elected the ProtectionPlus bundle option. See ProtectionPlus Addendum. (Rates are subject to change with 30-days notice).

Owner may: opt-out of brokers Master General Liability Policy at any time by providing a copy of public liability insurance with minimum coverage of \$1,000,000 that lists broker as additional insured. There will not be a charge if Owner provides proof of required insurance no later than 15 days from execution of this agreement.

Owner shall indemnify and hold agent harmless from any occurrence, liability, action, damage or litigation that arises during any period where no insurance exists or the policies lapse. Furthermore, even if Owner's insurance is inadequate or fails to defend Owner and Agent from any occurrence, liability, action, damage or litigation, Owner shall be responsible. All insurance policies shall provide that Agent is provided 30-days notice of cancellation and said policies shall name Agent as additional insured on the liability portion.

Owner understands that a vacant dwelling may not have proper insurance coverage. Owner should consult with their insurance agent to determine if additional coverage is needed.

By initialing below, you acknowledge and agree to the terms in Section 4.

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## 5. Management Fees, Disclosure regarding compensation, and Disclosure regarding affiliated companies

### 5.1 MANAGEMENT FEES

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Owner shall pay Agent:

1. Initial Set-up fees: \$250.00. (includes 4 virtually staged photos).
2. For Leasing: One month's rent.
3. For Management: Management Fee  $\text{Management Fee\%}$  of total receipts collected.
4. Lease Renewal: \$350.00 (includes annual inspection).
5. All late fees and non-sufficient fund fees collected.
6. \$50.00 each quarter to file tax withholdings for out-of-state owners.
7. Additional in-person property visual checkup: \$150.00.
8. Agent after hours on-site work: \$150.00/hour (including travel time). Availability for on-site work after hours is not guaranteed.
9. Procuring Cause: 6% of sales pricing in the event the property sells to a tenant placed by Hawk Management. If property is sold by a broker recommended by Hawk Management, Hawk Management may receive a referral fee/ commission from that broker.
10. In the event that owner shall request Agent to undertake work exceeding that usual to normal management, than a fee shall be agreed upon for such services before the work begins. Normal management does not include modernization, refinancing, fire restoration, mold remediation, major rehabilitations, capital improvements, court appearances (including for evictions), presenting petitions to planning or zoning committees, advising on proposed new constructions or other counseling. This agreement does not include providing on-site management services, property sales, refinancing, preparing property for sale or refinancing, representations before public agencies, debt collection, attending Owner's Association meetings or expert witness.
11. For assignment and other fees: Owner hereby agrees that Agent may be compensated by the party or parties requesting an assignment of lease for services rendered in negotiating the consent of assignment. Owner further agrees that Agent may receive and keep fees and charges from Tenants for: (a) any returned check; (b) processing credit applications ;(c) any other services that are not in conflict with this agreement.

### 5.2 DISCLOSURE REGARDING COMPENSATION

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In order to provide full disclosure regarding all financial arrangements involving this transaction, please be aware that our bank may compensate us by offsetting the cost of normal banking and accounting services as consideration for our Company and Trust account balances being on deposit. The bank provides us credits to offset fees and eligible accounting and banking related invoices only and does not reimburse us with these funds. In addition, should we use a credit card to purchase supplies or other services on your behalf, we may receive points and/or other benefits from the credit card company.

Please also note that Agent may receive incentives, reimbursements, referral fees, or cash payments from business associates including, but not limited to, resident benefit package providers, cable companies, internet service providers, contractors, and vendors to refer or participate in joint business arrangements relating to repairs, inspections, improvements, maintenance, referrals, or for other group marketing efforts.

### 5.3 DISCLOSURE REGARDING AFFILIATED COMPANIES

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Agent may perform any of Agent's duties, and obtain necessary products and services, through affiliated

companies and or organizations in which Agent may own interest. Agent may receive fees, commissions and/or profits from these affiliated companies or organizations. Agent has an ownership interest in the following affiliated companies or organizations: Hawk Maintenance, Inc. Agent shall disclose to Owner any other such relationships as they occur. Agent shall not receive any fees, commissions or profits from unaffiliated companies or organizations in the performance of this agreement, without prior disclosure to Owner.

For Hawk Maintenance, Inc'. service we charge as follows:

\$75.00 service charge

\$75.00 per hours billed in 15-minute increments

These amounts are subject to change at any time with a 30-day notice.

#### 5.4 RESIDENT BENEFITS PACKAGE

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In our continuous efforts to provide the best possible experience for our property owners and residents, and to stay competitive within the property management market, we put in place a Resident Benefits Package. We are providing this slate of amenities for our residents in an effort to ensure we can serve them as a true full-service rental management firm today and into the future.

This offering includes:

- HVAC filter delivery every 6 months, or as required by your HVAC system, which will help your resident save up to 15% on monthly heating & cooling bills, improve their indoor air quality, and reduce the likelihood of a HVAC related maintenance issues by up to 40% - filters also arrive date stamped to help maintain tenant accountability and compliance
- Inclusion in our industry-leading value master insurance policy from an A-rated carrier, giving you peace of mind that your resident is meeting the insurance requirements in their lease agreement, except for residents who choose to provide their own insurance.
- Move-in concierge services to help residents get the best value on utilities and conveniently activate their cable, internet, alarm services, and general utility services - helping ensure utilities are transferred over in a timely manner
- A best-in-class resident rewards platform to help residents earn rewards on everyday expenses, further allowing for a premier rental experience
- Credit building to further encourage on time payments by residents and help boost their credit score.
- Up to \$1M Identity Protection for stolen funds reimbursement to protect all adult leaseholders complete with a US-based Identity Restoration Specialist
- 24/7 online maintenance request portal aimed at making reporting those pesky maintenance issues easy and timely
- Access to resident accounts, documents, and communication resources through our easy-to-use online portal
- Vetted vendor network to ensure all technicians sent to the property are reputable, licensed, and insured for any and all repairs required.

Our goal is to enroll all residents at the onset of their tenancy and upon renewal.

\* Please note that this program may change from time to time.

*Disclosure Clause:* Ancillary Service Revenue; Referral Fees. Property Manager may, at its sole discretion, provide ancillary services to a tenant, to include, but not limited to, resident benefit packages, utility concierge services, pest control, credit bureau reporting, rent rewards, and other resident services, for a recurring monthly fee. Where permitted by law, the monthly fee may include the cost of the services and an administrative fee for the administration of the services by the Manager. In lieu of a monthly administrative fee paid by the tenant, the Manager may receive referral fees from the applicable service providers for tenant referrals. All administrative and referral fees shall be payable solely to the Manager, and the Owner shall not receive any proceeds from the administrative and referral fees related to the ancillary services.

## 5.5 PEST ASSURANCE POWERED BY PEST SHARE

Pest Assurance, powered by Pest Share guarantees pest control coverage and allows for up to four services for active infestations within a 12-month period (starting from the day of the 1st claim submitted) with a maximum of three pests covered per service. Each service includes a 30-day warranty, and all service requests are subject to review by Pest Share.

The pests covered by the Pest Assurance program vary by plan and are subject to change from time to time. The plan currently offered are:

**As a client of Hawk Mgmt, Inc. you are required to carry at least the Basic plan, but you may upgrade to any of the other plans if you would like. Plans are not prorated.**

- **Basic** – fleas, ticks, weevils, bed bugs, and mites. - \$9.99 per month per unit.
- **Plus** – cockroaches, bed bugs, fleas, ticks, weevils, and mites. - \$14.99 per month per unit.
- **Pro** – ants (inside only), cockroaches, bed bugs, fleas, ticks, weevils, mites, and mice (baiting and trapping). - \$19.99 per month per unit.
- **Premium** – everything in the pro plan plus rats (baiting and trapping), mice (baiting and trapping), spiders, bees, yellow jackets, hornets & wasps, box elder bugs, earwigs, scorpions, silverfish, and centipedes. - \$34.99 per month per unit.

Owner acknowledges and agrees that pests not included in the Pest Assurance program may require additional services and fees.

In the event that a pest issue is reported that is not covered by the Pest Assurance program Owner understands and agrees that Pest Share will communicate all available alternatives to your resident or your Property Manager - as appropriate. Pest Share will ensure that your management company is promptly notified if any wood-destroying organisms, such as termites are reported, and if services such as rodent sanitization, proofing, and exclusion are required.

Pest Share provides added value by offering alternative solutions and services that frequently waive trip charges and provide discounts for supplementary services, in addition to the Pest Assurance program. Pest Share's commitment to resolving pest issues in a timely and effective manner ensures the satisfaction of both the Owner(s) and the Resident(s) of the property.

Owner acknowledges and agrees that any such alternative solutions and services provided by Pest Share are not covered by the Pest Assurance program and that the fees for such services shall be paid separately in accordance with the terms of the Management Agreement.

Owner hereby acknowledges and agrees to be enrolled in the Pest Assurance Plan plan Pest Assurance program and to pay the monthly fee for it.

By initialing below, you acknowledge and agree to the terms in Section 5.

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## 6. Legal

### 6.1 LEGAL

1. Compliance with the Law: The parties will comply with all obligations, duties, and responsibilities under all California and Federal laws, including fair housing laws, and any other statute, administrative rule, ordinance, or homeowner's association covenant applicable to the property. Owner acknowledges that as a California property management company, Broker is subject to regulation by the California Real Estate Commission and must comply with California Real Estate Commission rules and regulations in the formation



of this contract, and the performance of its duties under this Agreement.

2. Agent does 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 there of having jurisdiction, except to notify Owner promptly or forward to Owner promptly any complaints, warnings, notices, or summonses received by it relating to such matters. Owner represents that to the best of his (its) knowledge the Premises and such equipment comply with all such requirements and authorizes Agent to disclose ownership of the Premises to any such officials and agrees to indemnify and hold harmless Agent, its representatives, servants and employees of and from all loss, cost, expense and liability whatsoever which may be imposed on them or any of them by reason of any present or future violation or alleged violation of such laws, ordinances, statutes or regulations.

3. 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 Owner with respect to the Premises of 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 or filing of any public authority or official thereof having or claiming to have jurisdiction there over and Agent, in its sole and absolute discretion, considers that the action or position of Owner or registered managing Agent, the Agent shall have the right to cancel this Agreement at any time by written notice to Owner of its election to do so, which cancellation shall be effective upon the service of such notice. Such cancellation shall not release the indemnities of Owner set forth above, and shall not terminate any liability or obligation of Owner to the Agent for any payment, reimbursement or the sum of money then due and payable to Agent hereunder.

4. If it became necessary for Agent or Owner to give notice of any kind, the same shall be written, and served, by sending such notice by certified mail to the address shown in the Sign and Accept section of this agreement.

## 6.2 SEVERABILITY

In case any one or more of the provisions of this agreement shall be found to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. Further, any provision found to be invalid, illegal or unenforceable shall be deemed, without further action on the part of the parties hereto, to be modified, amended and/or limited to the minimum extent necessary to render such clauses and/or provisions valid and enforceable.

## 6.3 GOVERNING LAW AND VENUE

This Agreement shall be governed by and construed in accordance with the laws of the State of California. The sole venue for adjudication of any dispute or claim arising out of or related to the matters set forth above and/or this Agreement shall be in a court of competent jurisdiction located within Los Angeles County.

By initialing below, you acknowledge and agree to the terms in Section 6.

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# 7. Dispute Resolution

## 7.1 DISPUTE RESOLUTION

1. Mediation: Owner and Agent agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction before resorting to arbitration or court action, subject to paragraph 8B below. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party commences an action based on a dispute or claim to which this paragraph applies, without first attempting to resolve the matter through mediation, or refuse to mediate after a request has been made, then that party shall not be entitled to recover attorneys fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER

OR NOT THE ARBITRATION PROVISION IS INITIALED.

2. Arbitration of disputes: Owner and Agent agree that any dispute or claim in law or equity arising between the parties under this agreement, which is not settled through mediation, shall be decided by neutral, binding arbitration. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. The parties shall have the right to discovery in accordance with Title 9 of Part III of the California Code of Civil procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with title 9 of Part III of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction. Interpretation of this Agreement to arbitrate shall be governed by the Federal Arbitration Act.

3. Exclusion from mediation and arbitration: The following matters are excluded from mediation and arbitration hereunder: (1) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or installment land sale contract as defined in Civil Code §2985; (2) an unlawful detained action; (3) the filing or enforcement of a mechanic's lien; and (4) any matter that is within the jurisdiction of a probate, small claims, or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the mediation and arbitration provisions.

## 7.2 CONFIDENTIALITY CLAUSE FOR MEDIATION AND ARBITRATION

All mediation and arbitration proceedings, including all communications, documents, evidence, and information exchanged, shall be deemed confidential and shall not be disclosed to any third party without the prior written consent of all parties involved, except as required by law or to enforce a binding settlement or arbitration award.

The parties agree that:

1. Any statements, admissions, or offers made during mediation or arbitration shall not be used as evidence in any subsequent legal or administrative proceedings.
2. Any mediator or arbitrator engaged shall also be bound by this confidentiality agreement.
3. This clause shall survive the termination of any mediation or arbitration process, regardless of the outcome.

## 7.3 ATTORNEY FEES

Each party shall be responsible for their own attorney's fees and costs in connection with any dispute arising from or related to this agreement, irrespective of the outcome of the dispute.

## 7.4 LIMIT OF LIABILITY

The liability of Hawk Mgmt., Inc. under this agreement is strictly limited to the amount of management fees earned during the term of this agreement. Hawk Mgmt., Inc. shall not be liable for any indirect, consequential, or punitive damages arising from the performance of its duties under this agreement.

By initialing below, you acknowledge and agree to the terms in Section 7.

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## 8. Sign and Accept

### 8.1 8.1 SIGNATURE

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

Parties acknowledge having read the foregoing prior to execution and receipt of a duplicate copy.

Agent:

Ehud Hochman, President Hawk Mgmt, Inc.

6700 Fallbrook Ave., Suite 221 West Hills, CA 91307 Broker License: 01924661

Owner:

<<Owner Name(s)>>

<<Owner Address(es)>>

<<Owner Contact Information>>

X

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Owner

\_\_\_\_\_  
Date Signed

X

\_\_\_\_\_  
Agent/Broker

\_\_\_\_\_  
Date Signed