



1. Commercial Property Management Agreement

1.1 EMPLOYMENT OF AGENT

THIS MANAGEMENT AGREEMENT, made and entered into this Management Agreement Preparation Date between <<Owner Name(s)>> Owner(s)'), and HAWK MGMT, INC., a California corporation ("Agent") regarding the property at <<Property Address>> (the "Property") provides as follows:

1. Owner hereby employs Agent as Owner's sole and exclusive agent to lease, manage and direct the operation of Owner's Property described above for a term of one (1) month, beginning on <<Management Start Date>>, and ending on <<Agreement Termination Date>>, cancelable by either party upon 30-day notice as provided in paragraph 6 below. This Agreement shall continue month-to-month unless and until canceled or terminated as herein provided.

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

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2. Agent Duties

2.1 AGENT DUTIES

- a) To use best skills and efforts to serve present tenants and to obtain suitable new tenants for vacancies at the Property (pursuant to Exhibit "A" – Addendum to Leasing Terms); to furnish all services required therefor and for the management of the Property and to supervise all labor required for its operation and maintenance;
- b) To report to Owner promptly any conditions at the Property, which in the opinion of Agent, requires the attention of Owner;
- c) To keep full, detailed and adequate accounts and records with reference to Owner's Property, and to permit Owner, and Owner's representative, to examine the same at any time upon reasonable notice during business hours;
- d) Not to commingle any of the receipts or revenues from said Property with its own funds, but to deposit same in a trust/master trust account ("Operating Account"), non-interest bearing, in any bank or lending institution authorized to do business in the state of California, and having FDIC insurance for accounts. The Operating Account, although non-interest bearing can accrue, on an analysis basis, earning credits to offset bank charges or other allowable charges. Agent will not be held liable in event of bankruptcy or failure of a depository;
- e) All receipts and revenues from the Property shall be deemed to be funds for Owner's account, to be disbursed as hereinafter set forth. Agent shall deliver to Owner, on or about the 20th day of each month, the prior month's statement and payment of net proceeds, including any receipts, expenses and disbursements from the preceding month. (Example: August statement and any proceeds will be forwarded to Owner on or about September 20th). In the event the disbursement shall be in excess of rents collected by Agent, Owner hereby agrees to pay such excess within 24 hours upon demand of the Agent. Agent is not expected to use its own funds in payment of any expenses pertaining to the Property;
- f) Owner and Agent agree on reserves of \$1,000.00.

g) Security Deposits will be held by Agent.

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

- a) To direct, oversee, manage, operate, maintain and repair the Property and develop, institute and follow programs and policies to facilitate the operation of the Property, in accordance with Owner's directives;
- b) To bill tenants for rents in the name of Agent, to collect all rents due or to become due from the Property; to give receipts therefor; to endorse Owner's name on rent checks made payable to Owner and to deposit same in the account mentioned above. It is expressly agreed that Agent does not guarantee either the collection of rents or the accuracy of volume-of-sales, volume-of-receipts or other reports made by tenants on percentage leases, if any, however, Agent may recommend to Owner from time-to-time that such accuracy be determined by an audit of the tenants' books;
- c) To advertise for lease and enter into negotiations for leases and renewals for the Property pursuant to the terms of Exhibit "A" – Addendum to Leasing Term, attached hereto and incorporated into this Management Agreement;
- d) In the name of "HAWK MGMT, INC." to sign and serve notices to tenants in breach of their Lease or Rental Agreement as Agent may deem necessary and proper;
1. To bring suit for and to recover any delinquent rents or damages and possession of the Property in the name of "HAWK MGMT, INC." as an agent with a beneficial interest, or in the name of Owner, as Owner's attorney-in-fact in connection with such litigation.
 2. To attach, garnish and levy upon property belonging to any delinquent tenant;
 3. To settle, compromise, release and adjust said actions; any collections resulting therefrom will be disbursed to Owner; Agent does not guarantee or represent that any such suits or collection efforts will be successful;
- e) To employ, pay directly and discharge all vendors and contractors deemed by Agent reasonably necessary for the operation and maintenance of the Property; all such vendors and contractors conclusively shall be, and deemed to be for all purposes, the vendors and contractors of Owner and not employees of Agent and Agent shall not be responsible for any of their acts, defaults or negligence or for any error of judgment or mistake of law or of fact in connection with their employment, conduct or discharge. All contractors performing work (labor + material) over \$500.00 shall be licensed and insured;
- f) To make or cause to be made all repairs and alterations; to purchase all materials deemed necessary by Agent for the maintenance of the Property; provided always that Agent shall obtain Owner's prior approval on all expenditures in excess of **\$500.00** for any one item except monthly recurring operating expenses and except for emergency repairs if Agent deems such repairs are necessary to avoid penalties or fines, or to maintain services to the tenants as called for in their Lease Agreements;
- g) To enter into contracts in the name of Owner for utilities, landscape maintenance, rubbish and garbage disposal, and other such services Agent shall deem advisable; Owner agrees to assume the obligation of any such contracts which are still in effect at the termination of this Agreement;

h) To pay out of any account established pursuant to the provisions of this Agreement all expenses connected with management, operation and maintenance of the premises including Agent's commission and payment under the terms of this Agreement;

i) To pay out of the said bank account the following items in addition to the expenses of normal operation (i.e. maintenance, repairs, commissions, utilities, etc.):

- Taxes
- Insurance
- Mortgage
- HOA
- Other (as communicated via email sent to ed@hawkmgmt.com)

j) To employ for maintenance and repairs, unless Owner specifies otherwise, such firms as Agent may deem necessary for labor, materials and services provided at the established rates of said providers, which shall at all times be competitive with rates charges by comparable firms;

k) To remit to Owner receipts less disbursements made in accordance with the provisions of the Agreement.

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

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4. Owner Duties

4.1 OWNER DUTIES

a) To pay Agent each month for management and operation Management Fee % of gross collected rents and operation fees, plus all late fees and non-sufficient funds fee received, which are posted as soon as they are in default and paid out of the first money received from tenant.

b) Hawk Mgmt, Inc. after hours on-site work: \$150.00/hour (including travel time). Availability for on-site work after hours is not guaranteed.

c) To pay Agent in addition to the above, a fee on collection of bad debt that is 60 days or more past due, on tenants that have vacated or have been legally or involuntarily removed from the Property. Agent shall be paid on these accounts at the regular management percentage of gross receipts, and Owner shall be responsible for all court cost and/or collection agency fees required to recover the balance owed.

d) To save Agent harmless from all claims, actions and judgments for damages on account of injury or death to any person or persons or damage to any property of any kind whatsoever and to whomsoever and whomsoever belonging, including Owner, in any way relating to the management of the Property by Agent or the performance or exercise of any of the duties, obligations, powers or authorities herein or hereafter granted to Agent, including all costs, expenses, attorney fees, suits, liabilities, damages or claims; to carry and keep in effect at all times, at Owner's sole expense, public liability, property damage, and workers' compensation insurance fully adequate to protect the interests of the parties hereto; and to cause all policies providing such insurance to be so written to name Agent as a party insured to protect in the same manner and to the same extent as they protect Owner; Owner to provide certificates of such insurance annually.

e) To advise Agent in writing of fire, liability, steam boiler, earthquake, or any other insurance for the Property

that Owner directs Agent to pay from the Operating Account. Owner shall specify the amounts and types of insurance; Owner is solely responsible for the adequacy of all policies, coverage(s), and limits and is solely responsible for obtaining and maintaining all policies and coverage for the Property.

f) In the event that Owner shall request Agent to undertake work exceeding that usual to typical management, there will be a fee agreed on for such services before the works begins. Typical management does not include modernization, deferred maintenance, remodeling, construction, refinancing, fire or other casualty damage restoration, major rehabilitation, obtaining income tax advice, presenting petitions to planning or zoning commissions or committees, advising on proposed new construction or other counseling. The fee charged shall be known as the Construction Supervision Fee for Agent's construction supervisory services and shall be as follows:

<u>Costs of Work</u>	<u>Fees as Percent of Cost of Work</u>
Less than or equal to \$5,000.00	Cost of work x 0%
Greater than \$5,000.00 to \$100,000.00	Cost of work x 5%
Greater than \$100,000.00	Cost of work x 3%

The above fee schedule for construction management shall not apply if Owner starts, oversees and is responsible for the construction management. The fee shall only apply when Agent undertakes work exceeding typical management.

g) In the event Owner terminates this Agreement, Owner will not work alone or with others in any manner with an ex-employee of HAWK MGMT, INC. for a period of two (2) years after termination, without the prior written consent of HAWK MGMT, INC. If Owner does work with any of HAWK MGMT, INC. ex-employees during this time period, Owner agrees to pay HAWK MGMT, INC. a fee equal to two (2) year's management fees that would have been collected, had the contract not been terminated.

h) To provide all documentation, records, and disclosures required by law or Agent to manage or operate the Property, and immediately notify Agent if Owner becomes aware of any change, or any matter affecting the habitability of the property.

i) Maintain the Property in habitable condition as required by California Civil Code §§1941 and 1941.1 and Health and Safety Code §§17920.3 and 17920 and other applicable law.

j) Immediately provide to Agent funds necessary to manage the Property if there are insufficient funds in Agent's trust account to pay property expenses and amounts due under this Agreement.

k) Notice: The amount or rate of real estate commissions is not fixed by law. They are set by each Broker individually and may be negotiable between the Seller and Broker (real estate commissions include all compensation and fees to Broker).

In the event that Owner, or any other person shall enter into any purchase agreement on this property with a tenant placed in the property by HAWK MGMT, INC., they will be considered the procuring cause, and Owner agrees to pay to HAWK MGMT, INC. as compensation for services irrespective of agency relationship (s) a commission of 6% of the listing price (or if a purchase agreement is entered into, of the purchase price). It is further agreed that even if the management contract is terminated, this provision will remain in force as long as there are HAWK MGMT, INC. placed tenants in the property.

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

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5. Both Owner and Agent agree:

5.1 BOTH OWNER AND AGENT AGREE:

a) Owner hereby designates Owner's Representative as Owner's representative to whom all notices, statements and remittances to Owner shall or may be submitted, with whom Agent may deal and from whom Agent may accept instructions and directives relative to the Property and relative to section 3 of this Agreement; Owner reserves the right to change Owner's designated representative at any time by giving written notice at least five (5) days thereof to Agent.

b) If any legal action or other proceeding is brought for the enforcement or interpretation of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions hereof, the successful or prevailing party shall be entitled to recover reasonable attorney fees up to \$500.00, whether or not such action or proceeding goes to final judgment, in addition to any other relief to which it or they may be entitled.

c) Except as provided herein to the contrary, this Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective legal representatives, successors and assigns.

d) Any amendment, modification or supplement to this Agreement must be in writing, signed by the parties hereto.

e) Agent shall have the right to assign its rights or delegate its duties hereunder without the prior written consent of Owner.

f) All notices or other communication required or permitted hereunder shall be in writing and may be hand delivered or sent by registered or certified mail, return receipt requested, and shall be deemed received upon personal delivery of two (2) business days following deposit in the mail, postage prepaid and addressed as set forth in the signature block at the end of this Agreement. Notice of change of address shall be given by written notice in the manner set forth in this Section.

g) Owner shall cooperate with Agent in processing any and all insurance claims and shall use the proceeds from such insurance claims to pay for repairs and damages to the Property, which were the subject of such claims.

6. Owner agrees to abide by this Agreement for a minimum period of one (1) month, after which this Agreement may be terminated by giving Agent thirty (30) days written notice. Cancellation shall be effective thirty (30) days following the notice as provided in the Agreement. Agent has the right to cancel this Agreement by giving Owner thirty (30) days written notice at any time. Cancellation shall be effective thirty (30) days following the notice as provided in this Agreement. Unless otherwise canceled or terminated by the parties, this Agreement shall be effective on a month-to-month basis.

7. The terms of the Agreement contained herein shall not be construed in favor of, or against, either party but shall be construed as if all parties prepared this Agreement. The masculine and gender neutral, the singular number and present tense, shall be deemed to include the feminine gender, the plural number and past and future tenses, respectively, where the context so requires.

8. Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their agreement, and may not be contradicted by evidence of any previous agreement or contemporaneous oral agreement. If any provision of

this agreement is held to be invalid, the remaining provisions will nonetheless be fully enforceable.

9. Agreement is made in the State of California and as such shall be interpreted according to California law.

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

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6. Exhibit A

6.1 LEASING TERMS

THIS ADDENDUM OF LEASING TERMS, made and entered into this Management Agreement Preparation Date between <<Owner Name(s)>>Owner(s)"", and Hawk Mgmt, Inc., a California corporation ("Agent") regarding the property at <<Property Address>> (the "Property") provides as follows:

1. Parties and Property. Owner hereby grants to Agent the authorization and right, on behalf of Owner, to negotiate and procure new leases and renewals of leases for tenants at the Property. Agent hereby agrees to perform said service in accordance with the terms of this Addendum of Leasing Terms (this "Addendum").

2. Term. The term of this Addendum shall be coterminous with the term of the Management Agreement to which this Addendum is attached (the "Management Agreement"), unless this Addendum is sooner terminated in accordance with Section 8 of this Addendum.

3. Agent's Obligations. Agent shall, with due diligence, take all actions reasonably necessary to negotiate and procure new tenants and to negotiate renewals, using efforts comparable to other full-service managers or brokers for similar properties in the same geographic area. These actions shall include, but shall not be limited to: (i) Advertising the availability of the Property, or any part thereof, for rent and to offer said property, and parts thereof, for rent; (ii) to display "For Lease" signs at the Property and the advertise the property online and through other mediums of advertisement, for which Owner shall be responsible for all advertising costs incurred; (iii) negotiating letters of intent with existing Tenants; (iv) cooperating with outside brokers who represent prospective or existing tenants (Owner shall be responsible for referral commissions paid to outside brokers); and (v) aiding Owner and its representatives in preparations of plans and specifications and negotiating leases and renewals and other documents necessary for the leasing of the Property.

4. Owner's Approval. Owner shall review all terms and conditions of each lease and renewal and they shall be subject to Owner's sole and absolute discretion to approve or disapprove. Accordingly, a lease or renewal shall become effective only when the applicable lease or amendment effectuating such renewal is fully approved by Owner and signed by Hawk Mgmt, Inc. and the applicable tenant. Agent shall have no authority to execute leases, amendments to leases, binding letters of intent, or any other renewal document on behalf of Owner without prior approval from Owner.

5. Agent's Commission and Reimbursement. With respect to any lease or renewal, Owner shall pay Agent the following:

Transaction Type	Leasing Commission to Agent
Procuring New Tenants on a lease basis	5% of the gross face value of lease
Procuring a Renewal of any existing lease	3% of the gross face value of lease

Hawk Mgmt, Inc. License 01924661 is assigned to represent owners for all transactions.

6. Accepting Deposits. Agent is hereby authorized to accept rental deposits or security deposits from new and existing tenants on behalf of Owner provided that Agent specifies that such deposits does not bind Owner in any way to approve the negotiated lease or renewal terms.

7. Compliance with Laws. Agent shall comply with all statutes, regulations, ordinances, judicial decisions and other governmental requirements applicable to any activities which Agent performs in furtherance of this Addendum.

8. Termination. This Addendum shall terminate automatically upon the sale of the Property by Owner or upon termination of the Management Agreement. In the event of a sale of the Property, all commissions that are earned as of the date of the closing of the sale of the Property shall be paid to Agent within thirty (30) days after the closing of the sale of the Property. For the purpose of this Section "earned" shall mean that all conditions set forth in this Addendum with respect to Agent being entitled to the commission have been fulfilled. All commissions earned after the closing of the sale of the Property shall be paid in accordance with the terms of this Addendum. This Section shall survive any termination of this Addendum due to a sale of the Property.

9. Inquiries. All inquiries for space or for rental of the Property, or any part hereof, shall be referred to Agent and all persons making such inquires shall be instructed to communicate with and through Agent; all renewals of existing or future leases shall be made solely by and through Agent; Owner hereby certifies that he/she are the legal Owner(s) of the property.

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

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7. Sign and Accept

7.1 SIGNATURE

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

X

Owner

Date Signed

X

Agent/Broker

Date Signed
