



1. Property Management Agreement

1.1 EMPLOYMENT OF AGENT

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

The 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.

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. 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 disbursements shall be in excess of the rents collected by the Agent, the Owner hereby agrees to pay such excess promptly upon demand of the Agent.
3. Accumulate as a reserve in the Agent's account each month a total of \$1,000.00.
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 the agent.
5. Disbursements: Disburse Owner's funds, held in Agent's trust account, in the following order:
 - a. Compensation due Agent under 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 our 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

The 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, 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 the Owner by the Agent shall not exceed one year.
2. To make or cause to be made and supervise repairs and alterations, and to do decorating and said premises; to purchase supplies, (including, but not limited to stationary supplies, leases, stamps) and pay all bills therefore. The agent agrees to secure the prior approval, either in writing or verbally, of Owner on all expenditures in excess of \$500.00 for any one time, except monthly or recurring operation 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 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 for electricity, gas, fuel, water, telephone, window cleaning, ash or rubbish hauling, and other services or such of them as the Agent shall deem advisable; the Owner to assume the obligation of any contract so entered into at the termination of this Agreement.
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, only if required doing so by law, to pay interest upon such security deposits. However, Agent reserves the right to, at any point in time at their discretion, turn the security deposit over to the Owner, and the Owner will then be responsible for the security deposit disposition.

3.2 AGENCY RELATIONSHIP

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 the 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.

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

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4. Owner Duties

4.1 OWNER DUTIES

The Owner shall:

1. Pay immediately any excess in case the disbursements and charges shall be in excess of the receipts, but nothing contained herein shall obligate the Agent to advance its own funds on behalf of the Owner.
2. Indemnify and save the 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 the Agents or the performance or exercise of any of the duties, obligations, powers, or authorities herein or hereafter granted to the 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 the Agent and the 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 the Agent may contract with. The indemnity obligations of the owner shall survive the termination of this agreement.

3. Pay all expenses incurred by the Agent, including, without limitation, attorney's fees for counsel employed to represent the Agent or the Owner in any proceeding or suit involving an alleged violation by the Agent or the 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 the 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 the Agent to employ counsel to represent the Owner in any such proceeding or suit.

4. Indemnify, defend and save the Agent harmless from all claims, investigations and suits with respect to any alleges or actual violation of state or federal labor laws, it being expressly agreed and understood that as between the Owner and the Agent all persons employed in connection with the premises are employees of the Owner, not the Agent. The 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.

7. 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.

8. Should Owner not wish for the 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.

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

Owner shall pay the Agent:

1. For Management: Management Fee% of total receipts collected or \$100.00 per month. (Whichever is higher).
2. Initial Set-up fees: \$100.00
3. For Leasing: 50% of first month's rent.; \$500.00 for renewals.
4. For Repairing: N/A
5. For accounting: N/A
6. For Eviction processing and court appearance: \$100.00 per month flat fee during the course of an eviction.
7. 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.
8. All late fees and non-sufficient fund fees collected.
9. \$50.00 each quarter to file tax withholdings for out-of-state owners.

9. In the event that the owner shall request the 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, major rehabilitations, 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.

10. For assignment and other fees: The 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

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 1.25% of the combined balances 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 on occasion, Hawk Mgmt, Inc. may receive incentives, reimbursements, referral fees, or cash payments from business associates including cable companies, internet service providers, contractors, and vendors to refer or participate in joint business arrangements relating to repairs, inspections, improvements, maintenance, referrals, or group marketing efforts. These incentives can range from 2% to 10% of total price.

5.3 DISCLOSURE REGARDING AFFILIATED COMPANIES

Agent may perform any of the 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 the 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.

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 home owner'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. The 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 thereof having jurisdiction, except to notify the Owner promptly or forward to the Owner promptly any complaints, warnings, notices, or summonses received by it relating to such matters. The Owner represents that to the best of his (its) knowledge the Premises and such 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 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 the 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 the Agent, in its sole and absolute discretion, considers that the action or position of the Owner or registered managing 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 the service of such notice. Such cancellation shall not release the indemnities of the owner set forth above, and shall not terminate any liability or obligation of the Owner to the Agent for any payment, reimbursement or the sum of money then due and payable to the 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.

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.

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

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8. Sign and Accept

8.1 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