

PROPERTY MANAGEMENT SERVICE AGREEMENT

PARTIES: This agreement, dated _____, 20____ by and between _____ hereinafter called "Owner", and Underill Management Company, LLC (a Florida corporation) hereinafter called "Management Company" or "Manager" and Underill Realty, LLC. (a Florida corporation) hereinafter called "Broker", whereby the Owner appoints Broker as the exclusive agent for Owner to rent, lease and to provide other rental services, and the Management Company as the exclusive agent for Owner to operate, control and manage the following described property, hereinafter referred to as "Property", located in Brevard County, Florida:

PROPERTY: Legal:

Street Address:

City: _____ Zip: _____, Florida; on the following terms and conditions:

TERM: The initial term of this agreement shall be for a period of one year beginning on the _____ day of _____, 20____, and ending on the last day of _____, 20____, and shall automatically renew each year on the anniversary date for an additional year, unless either party gives the other written notice to terminate this agreement at least sixty (60) days prior to each said anniversary date. Owner agrees that the current Property Management Service Agreement being utilized on the website shall supercede any and all other Property Management Service Agreements. Owner' termination of this agreement shall not relieve Owner from paying all sums due Management Company under the terms of this agreement for its full term. Any said renewal or extension shall be deemed to be under the same terms and conditions provided for in the Property Management Service Agreement being utilized by the Management Company as of the date of renewal; however, the management fee shall not increase unless Management Company provides written notice to Owner within seventy-five (75) days prior to the anniversary date of Manager's intent to increase said management fee. Management Company may otherwise modify this agreement at anytime after the initial term. Management Company reserves the right to terminate this agreement at any time, or immediately with written or verbal notice if, in the opinion of Management Company or Management Company's attorney, Owner's actions or inactions are deemed to be illegal, improper, or jeopardize the safety or welfare of any tenant or other persons. Management Company may, at its option, continue to hold Owner liable for any fees due, commissions or monies owed Management Company if the tenant remains in the property after such termination by Management Company.

MANAGEMENT COMPANY SERVICES: Management Company provides the following services:

- ◆ Showing Property for Rent
- ◆ Placing Property on Multiple Listing Service
- ◆ Placing Property on the Internet
- ◆ Preparing & Negotiating Leases
- ◆ Qualifying Tenants
- ◆ Move In / Move Out Procedures
- ◆ Monthly Financial Reporting
- ◆ Periodic Property Inspections
- ◆ Rent Collections
- ◆ Document Preparation
- ◆ Preparing Property for Rent
- ◆ Coordination of Minor Maintenance

BROKER'S AUTHORITY: Owner hereby grants Broker the sole and exclusive right to rent or lease the property; to cooperate with other brokers in the renting or leasing of the property; to advertise the property as Broker deems necessary, including but not limited to, placing a sign on the property, advertising on the internet, multiple listing service or in any print media.

MANAGEMENT COMPANY'S GENERAL AUTHORITY: Owner hereby grants Management Company the sole and exclusive right to collect all rents and other funds that may be due Owner; to issue receipts; to advertise the property including placing of a sign on the property; to expend and disburse owner funds for advertising costs incurred in connection with leasing the subject property; to inspect the property at such times as Manager deems necessary; to engage contractors for all repair and maintenance services; to compromise and settle claims; to collect security deposits and/or advanced rent and deposit same in Management Company's trust account or in Management Company's interest bearing account, as permitted by Florida law; to require releases from all parties in the event of a controversy before disbursing trust funds; and to do all other acts Management Company deems necessary to efficiently manage the property. Everything performed by Management Company hereunder shall be performed as agent of Owner and all obligations and expenses incurred hereunder shall be for the account of and on behalf of the Owner. Any funds or expense advanced or expended by Management Company on behalf of Owner shall be reimbursed by Owner.

LEASING: Management Company will use commercially reasonable efforts to lease or rent, through the services of Broker, the property at a rental of \$_____per month. Management Company is given the right to rent as low as \$_____per month. Management Company will not discriminate based upon race, religion, sex, familial status, national origin or disability. Management Company is given the exclusive right to execute rental agreements and renewals for a maximum of one year at a time; to engage brokers to obtain prospective tenants; to screen prospective tenants; to terminate tenancies and to serve such notices and institute eviction proceedings in the name of the Owner or in the name of the Manager as may be necessary; to employ attorneys in the name of Owner, or in the name of Manager as may be necessary; to employ attorneys in the name of Owner, or in the name of Manager, and at the expense of the Owner (whether recoverable or not) to prepare necessary legal instruments and institute and/ or defend any legal actions arising out of the management of the property. Said attorney shall be deemed to be the attorney of Manager and Owner hereby specifically agrees that Manager may use said attorney as Manager's attorney in any dispute between Owner and Manager. Owner acknowledges and agrees that any communication between Owner and attorney shall not be deemed to be an attorney/client communication in any action between Owner and Manager.

REPAIRS: Management Company is given the right to institute repairs to the property, to purchase materials, and pay for same out of Owner's funds. Any single repair and/or redecoration, except of an emergency nature as determined by the Management Company or at such other time when Owner cannot be reasonably contacted by Management Company, over the sum of Five Hundred Dollars (\$500), shall not be made without the permission of the Owner. Management Company may engage, supervise and discharge contractors, service companies and independent contractors, including those affiliated with the Management Company, in the name of the Owner, to maintain, redecorate, clean and repair the property and to enter into contracts for utilities and other services as may be deemed advisable by the Management Company.

POWER OF ATTORNEY: Owner hereby constitutes and appoints Anthony Krupinski, full power and authority to do and perform all and every act and thing necessary for the specific purpose of eviction and/or collection of unpaid rents including, but not limited to accepting partial payments from tenants on behalf of the owner in regard to the subject property as fully as Owner might or could do if personally present, with full power of substitution and revocation, hereby ratifying and confirming all that said attorney or his substitute shall lawfully do or cause to be done by virtue hereof.

BROKER COMPENSATION: In consideration of the services to be rendered by Broker, the Owner agrees to pay the Broker at the time of execution of lease or rental agreement by tenant, a fee equal to one half of one month's rent; a fee of thirty percent (30%) of one month's rent for any renewal lease or rental agreement. If a sale or exchange of the property is effected to a tenant who occupies the property during the term of this agreement, or anyone acting on behalf of tenant, Broker shall be considered the procuring cause of such sale and shall be paid a commission of six percent (6%) of the gross sale price or valuation upon the close of the transaction. This provision for sales commission shall survive any termination of this agreement.

MANAGER COMPENSATION: Owner: In consideration of the services to be rendered, Owner agrees to pay Management Company a management fee of ten percent (10%) of the gross income as collected with a minimum fee of Forty Dollars (\$40) per month; late fees; interest earned on any security deposit or last month's rent if authorized by tenant; an administrative fee for any eviction or pre-eviction filings or notices; a service fee of nine percent (9%) of all repairs, alterations and redecorations during the term of this agreement. In the event this agreement terminates while a rental agreement or lease executed under the authority given herein is still in effect, Owner agrees to pay Management Company at termination a fee for the unexpired term of the rental agreement or lease as if this agreement had expired concurrently with the lease(s) or rental agreements hereunder or for as long as said tenant remains in the property, whichever is longer. All sums due Management Company and/or Broker by any provision of this agreement may be deducted from funds held by Management Company for Owner. In the event of a breach of this agreement on the part of Owner, the Manager may accelerate all fees through the balance of this agreement. Owner hereby grants to Manager a lien on the real property described herein to secure the payment of any sums which may become payable by Owner to Manager pursuant to this agreement. **Tenant:** Owner agrees that Manager and/or Broker, without accounting to Owner, may collect additional fees, including but not limited to, application fees, late fees, non-negotiable check fees, administrative fees, and other fees paid by tenant to Manager or Broker and these fees are the property of Manager or Broker to offset expenses in enforcing the respective lease provision. Funds collected from tenant each month shall be applied first toward late fees, administrative fees, legal fees, court costs, NSF fees and lastly to rent.

MANAGER'S RESPONSIBILITIES: The Manager agrees to accept the following responsibilities: 1) To use diligence in the management of the property. Manager does not guarantee the payment of rentals by the tenant, but will make every reasonable effort to collect same when and as they become due. Manager shall not be held monetarily responsible for its inability to collect rents. Manager shall not be held responsible for any expenses incurred for legal action involved in the collection of rents or the eviction of any tenant and/or damages incurred to the property. 2) To render monthly statements of receipt, expenses and charges and to remit monthly to Owner receipts less disbursements and reserves. 3) To provide an annual statement of income and expense each year for the preceding calendar year or portion thereof that the property was subject to this agreement.

DAMAGES OR MISSING ITEMS: Management Company is not responsible for damage to the premises or items missing, switched out, lost or damaged under any circumstances, including but not limited to, theft, vandalism, or negligence of tenants and/or guests. In furnished units, Management Company shall use its best efforts to check inventory upon tenant's departure; however, Management Company shall have no responsibility or liability for missing or damaged property.

Owner grants Management Company the full and exclusive authority to make damage cost assessments and to charge tenant accordingly and hereby releases Management Company from any liability from unclaimed or undiscovered damages.

STATEMENT: Management Company will render a monthly statement, on or about the end of the month, to Owner showing all funds collected and disbursed on behalf of Owner. Owner agrees to maintain an account balance of \$ 450.00. Management Company will remit to Owner concurrently with the monthly statement, all net funds in excess of said balance. It is expressly agreed that said funds collected shall be maintained in Management Company's operating/investment account for the benefit of Owners. Management Company may, at its sole option, retain interest, if any, earned on said funds. Owner authorizes the use of said funds for maintenance, debt service or other such emergency or routine purposes deemed necessary by the Management Company for the benefit of properties under management. After the termination of this agreement and receipt of the final statement, Owner shall have thirty (30) days in which to review and inquire about the statement without charge. After said time, Management Company shall charge a fee for said services. The Management Company reserves the right to charge a fee to the Owner to reproduce services rendered in the past.

CONDOMINIUM OR HOMEOWNER ASSOCIATIONS: In the event the property is subject to the rules, regulations, covenants and restrictions of a condominium or homeowner's association, the Owner shall be responsible for the payment of any recreation, land, maintenance, assessments and/or other fees levied by the association. If the Manager is notified by the condominium association or homeowner association of any outstanding fee as referenced above, then Manager is directed by Owner to pay said fees, fines, etc., from rental proceeds collected by Manager and Owner agrees to indemnify Manager for payment of same.

SPECIAL INSTRUCTIONS: Management Company acknowledges receipt from owner the following written instructions and are attached and made a part of Property Management Agreement.

- Alarm System
- Hurricane Shutters
- Pool Care and Equipment
- Appliance Manuals Oven Refrigerator Dishwasher
- Sprinkler System Operation
- HOA Rules and Regulations
- Other _____

PET/SMOKING POLICY: Owner wishes the property to be offered under the following terms:

- Non-Smoking Smoking Smoking in porch area only No preference
- No Pets Dog(s) ok Cat(s) ok Pets ok Limit _____

Manager will use reasonable effort to meet Owners terms, but shall not assume any liability for damages caused by non-authorized pets or smoking on the property.

OWNER REPRESENTS: The Owner hereby represents and warrants to Broker and Manager that Owner is the sole Owner in fee simple title to the property or is fully authorized to enter into this agreement as a binding enforceable agreement of the Owner's property. Owner has full right, power and authority to engage and appoint Broker and Manager for the purposes and consideration set forth herein and to enter into this agreement. Owner represents that the property is not currently the subject to any outstanding contract for sale, option to purchase, contract for deed, nor any other contractual obligation which would conflict with, preclude or prohibit Manager or Broker from discharging their duties described herein. Owner further warrants there is no default by Owner with respect to any promissory note secured by a lien against the property, and the property is not currently under foreclosure nor has Owner received any notice threatening foreclosure or acceleration of any mortgage note or other obligation secured by the property. Owner shall furnish Broker and Manager copies of all notices of default, threatened acceleration, or foreclosure of a lien secured by the property. Owner has no knowledge of any environmental hazards related to the property.

SAVE HARMLESS AND INDEMNITY: Owner agrees to indemnify Broker, Management Company, their agents, independent contractors and employees, from all claims, suits and charges that may arise out of this agreement due to the misrepresentation or negligence of the Owner and to carry public liability insurance. Owner agrees to provide Management Company with proof of insurance and a copy of the declaration page. Owner further agrees to have Management Company listed with insurance carrier as a certificate holder. Owner agrees to indemnify Management Company and/or Broker for any damages suffered as a result of any lapse in or failure by Owner to maintain adequate insurance coverage. Owner shall bear all risks or damage and lost income due to actions or inactions of tenant. Management Company's liability for all acts shall be limited to a sum equal to the management fees earned by Management Company during the term of this agreement. Owner agrees that Management Company is in no way responsible for nonpayment of or theft of any utility service by tenant(s). In the event the property is subject to the rules and/or regulations of a homeowners/condominium association, the Owner shall be responsible for providing and updating Management Company with all current rules and regulations and in the event tenant fails to comply with the rules and/or regulation, and the association levies fines against Owner, Owner agrees that Management Company and Broker are in no way liable for the payment of said fines, fees or assessments.

ATTORNEY FEES: Owner, Broker and Management Company do hereby agree that in the event legal procedures are necessary to ensure the provisions of this agreement, that the prevailing party shall recover or receive an award for their reasonable legal fees. In the event Manager or Broker or both, successfully defend any action (including but not limited to the courts, local, state or national Board of Realtors, the Better Business Bureau, mediation or any administrative state agency) arising out of this transaction brought by others, including Owner, Manager and/or Broker shall be reimbursed by Owner their attorney fees and court costs and for their time spent in defending such an action.

ACKNOWLEDGEMENT OF PROPERTY OWNERS HANDBOOK: Owner hereby acknowledges that Owner has read and signed this agreement. Because it is not practical to place all of Manager's policies and methods of leasing and management within the body of this agreement, Manager has created a "Property Owner's Handbook" outlining Manager's methodology, policies and practices. Said agreement may be found at Manager's website at www.underill.com. Owner hereby acknowledges that Owner has received, read, understands and agrees to Manager's methods and policies as outlined in the Property Owner's Handbook. Manager reserves the right to change, modify, expand and or delete any or all to the Property Owner's Handbook, at any time without notice.

BINDING: Each party hereto binds their successors, assigns, heirs, administrators and executors. All written notices and demands shall be addressed and mailed to the Management Company at 490 N. Harbor City Blvd., Melbourne, FL 32935 and to the Owner at the address as referenced above. This agreement constitutes the final and entire agreement between the parties, there being no oral or other representations not otherwise incorporated in writing in this agreement. In the event any portion of this agreement is found to be unenforceable under the law, the remaining provisions shall continue to be valid and subject to enforcement in the courts without exception. It is agreed between the parties that venue shall be in Brevard County, Florida. The parties agree that in connection with any claim arising out of this agreement, or the relationship created hereby, the parties waive trial by jury. The parties specifically agree that all issues arising out of their relationship shall be resolved by Judge sitting without jury. This agreement may be executed in counterparts; facsimile copies shall be treated as originals.

SPECIAL PROVISIONS: X Attached hereto and made a part hereof.

IN WITNESS WHEREOF, the said parties have executed this agreement the day and year set forth above;

UNDERILL MANAGEMENT COMPANY, LLC.

OWNER

BY: _____

UNDERILL REALTY, LLC.

OWNER

BY: _____
