

MANAGEMENT AGREEMENT

This agreement dated _____ is made By and
Between _____ ("Owner"), whose address
is _____ and phone number is _____,
AND Bay Realty, Inc. ("Licensee") whose address is 331 E. Pioneer Avenue, Suite 101,
Homer, AK 99603. The contract shall begin on the _____ day of _____,
20____.

1. The owner hereby employs the Licensee to lease and manage the Owners
("Property") located at and described as follows:

Bay Realty, Inc. hereby discloses that we are a licensee of the Landlord and represent
the Landlord only. See and acknowledge attached **Alaska Real Estate Consumer
Pamphlet.** Landlord Initials _____

2. Duties of Licensee. In order to properly manage and lease the property, the
Licensee shall have the following duties and responsibilities:

A. Best Efforts. The Licensee shall use its best efforts to attract and retain
property. Advertising of the rental property will be at the cost of the Owner, which is
deducted from the pre-paid advertising by Owner and/or rental payments received.

B. Lease Negotiations. The Licensee shall handle all negotiations with tenants
with respect to leases, including and conducting an inspection of the condition of the
property prior to move-in. Licensee is responsible for checking references of
prospective tenants and obtaining a credit report, collecting rental payment and security
deposits required. Such deposits will be held in trust by Licensee in a non-interest
bearing account. Licensee is to process eviction proceedings as necessary and under
Owners instruction.

C. Maintenance Supplies. The Licensee shall purchase all necessary supplies
for the proper management of the property. This could include costs associated with
heating, lighting or supplies for the proper maintenance of the property. The Owner
shall reimburse the Licensee for these costs.

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D. Repairs and Maintenance. The Licensee shall contract for or undertake the making of all necessary repairs and the performance of all other necessary work for the benefit of the property including all required alternations to properly carry out this contract. However, no expenses shall be incurred for such matters in excess of \$500.00 for any single item without the express consent of the Owner, except where required during emergency. The Owner shall reimburse the Licensee for these costs.

E. Tenant Eviction. The Licensee may evict the tenant upon request of the Owner and upon lawful grounds for eviction.

F. Operating Expenses. From the rents received the Licensee shall pay all operating expenses and such other expenses as requested by the Owner. This may include the payment of sales taxes. The Owner shall reimburse the Licensee for these costs. Licensee will not directly pay the owners mortgage. Licensee will direct deposit, any proceeds, into an account set up by the Landlord, if he/she so chooses.

G. Miscellaneous. The Licensee shall also perform all other necessary tasks and do all other things as required for the proper management, upkeep and operation of the property as customarily be performed by a Managing Licensee of this type of property. This includes handling of all inquiries and requests from the tenants.

H. Collection of Rents. The Licensee shall collect the rents and other income from the property promptly when such amounts come due taking all necessary steps to collect same and performing all reasonable acts on behalf of the Owner for the protection of the Owner in collection of such amounts.

I. Financial Records. All monies collected by the Licensee shall be deposited into a Trust account or accounts as required by the Owner. Such monies of the Owner shall not become mingled with funds of the Licensee. However, the Licensee may withdraw monies from such accounts as necessary to properly perform this contract and in payment of compensation as required by this contract. The Licensee shall provide the Owner with monthly statements accounting for all expenses and will open its records to the Owner upon demand

J. Payments to Owner. The Licensee will disperse to the Owner funds being held by the Licensee on a monthly basis. The balance of the rent(s) for each month will be dispersed at the end of each month. The accounting and distribution of rent(s) will begin on the last day of each month and will be completed and mailed out to the Owner no later than the 5th day of the following month
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3. Compensation of Licensee. The Owner shall pay the Licensee as full compensation for the services of the Licensee the sum of ten percent (10%) of the monthly rent received from the property involved. These amounts shall be payable to the Licensee when such funds become available from the amounts collected by the Licensee according to this contract. Additionally, the Owner shall pay the Licensee \$200.00 per each new tenant for Leasing Duties as described above. Any costs of attending audits and related functions are not covered in Property Management Fees and will be billed separately.

4. Duties of the Owner. The Owner will provide all necessary documents and records **and fill out the attached statement of understanding** and fully cooperate with the Licensee in all matters with respect to this contract.

5. Indemnity. The Owner shall indemnify and hold the Licensee completely harmless with respect to liability and damages, costs and expenses in connection with any damage or injury what so ever to persons or property arising out of the use, management, operation, occupation, ownership, maintenance or control of the property or out of any matter or thing with respect to which it is elsewhere in this contract provided or agreed that the Licensee shall not be under responsibility. However, the Owner will not indemnify the Licensee against the willful misconduct of the Licensee.

6. Terms of Contract. This contract shall continue for a period of one year from the date hereof, and shall be automatically renewed from year to year unless terminated by either party upon written notice sent to the other party not less than fifteen (15) days before any expiration date.

7. Termination of Contract. This contract may be terminated at any time by any party upon giving the other party thirty (30) days written notice in the event of a bona fide sale of the property. In the event of a material breach of this contract, this contract may be terminated at any time by a non-breaching party upon giving the breaching party fifteen (15) days written notice.

8. Notices. All written notices to the Owner or to the Licensee may be addressed and mailed, by the United States registered mail, to the address above written.

9. Modification. This contract may not be modified, altered, or amended in any manner except by an agreement in writing executed by the parties hereto.

10. Who is Bound. This contract is binding upon the parties hereto, their representatives, successors and assigns.

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11. Venue. Any legal action arising under this Agreement or the documents referred to herein shall be instituted in the Third Judicial District, Homer Venue District, State of Alaska.

By: _____
Date

OWNER

By: _____
Date

OWNER

By: _____
Date

LICENSEE