

LANE PROPERTIES OF NEW MEXICO, LLC.
924 Chelwood Park Blvd NE, Suite A
Albuquerque, New Mexico 87112
(505) 884-0032 FAX (505) 292-4420

REALTORS ASSOCIATION OF NEW MEXICO
PROPERTY MANAGEMENT AGREEMENT
PART I - BASIC LICENSEE DUTIES

Please acknowledge receipt of this information by signing or initializing at the bottom of the page.

Prior to the time a Licensee generates or presents any written document that has the potential to become an Express Written agreement, the Licensee shall disclose in writing to a prospective buyer, seller, landlord or tenant, the following list of Basic Licensee duties that are owed to all Customers and Clients by all Licensees:

- (A) Honesty and reasonable care; as set forth in the provisions of this section;
- (B) Compliance with local, state and federal fair housing and anti-discrimination laws, the New Mexico Real Estate License Law and the Real Estate Commission Rules and Regulations, and other applicable local, state, and federal laws and regulations;
- (C) Performance of any and all oral or written agreements made with the Licensee's Customer or Client;
- (D) Assistance to the Licensee's Customer or client in completing the Transaction, unless otherwise agreed to in writing by the Customer or Client, including:
 - (1) Presentation of all offers or counter-offers in a timely manner;
 - (2) Assistance in complying with the terms and conditions of the contract and with the closing of the Transaction.

If the Licensee in a Transaction is not providing the service, advice or assistance described in paragraphs (D)(1) and (2), the Customer or Client must agree in writing that the Licensee is not expected to provide such service, advice or assistance, and the Licensee shall disclose such agreement in writing to the other Licensees involved in the Transaction;

(E) Acknowledgement by the Licensee that there may be matters related to the Transaction that are outside the Licensee's knowledge or expertise and that the Licensee will suggest that the Customer or Client seek expert advice on these matters;

(F) Prompt accounting for all monies or property received by the Licensee;

(G) Prior to the time the Licensee generates or presents any written document that has the potential to become an Express Written Agreement, written disclosure of (a) any written Brokerage

Relationship that the Licensee has with any other Parties to the Transaction and/or5 (b) any material interest or relationship of a business, personal, or family nature that the Licensee has in the Transaction;

(H) Disclosure of any adverse material facts actually known by the Licensee about the property or the Transaction, or about the financial ability of the Parties to the Transaction to complete the Transaction. Adverse material facts do not include data from a sex offender registry or the existence of group homes;

(I) Maintenance of any confidential information learned in the course of any prior Agency relationship unless the disclosure is with the former Client's consent or is required by law;

(J) Unless otherwise authorized in writing, a Licensee shall not disclose to their Customer or client during the transaction that their seller client or customer has previously indicated they will accept a sales price less than the asking or listed price of a property; that their buyer client or customer has previously indicated they will pay a sales price greater than the price submitted in a written offer; the motivation of their client or customer for selling or buying property; that their seller client or customer or their buyer client or customer will agree to financing terms other than those offered; or any other information requested in writing by the Licensee's Customer or client to remain confidential, unless disclosure is required by law.

PART II

1. Other material interest or relationship of a business, personal or family nature that Licensee has in the transaction, including compensation from more than one party:

NONE

2. Property owner is a New Mexico real estate licensee.

Owner	Date	Time
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Owner	Date	Time
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PROPERTY MANAGEMENT AGREEMENT

THIS AGREEMENT made this _____ day of _____, 20____, is between Lane Properties of New Mexico, LLC. , (hereinafter Agent), 924 Chelwood Park Blvd NE, Suite A, Albuquerque, New Mexico, 87112, and _____, (hereinafter Owner). The Owner appoints Agent as the sole and exclusive managing and leasing agent of the property located at _____ (hereinafter the Property).

TERM. The term is to begin _____, and will end _____. This agreement will automatically be renewed for like periods unless terminated by either party upon 30 days written notice. As used herein, the terms "Resident" or "Lessee" are interchangeable and refer to persons who, pursuant to a rental agreement, occupy the premises managed by Agent.

AGENT'S DUTIES. Agent agrees to use his best efforts to lease and manage the property in a businesslike manner, pursuant to which the Agent agrees to:

- A. Accept the management responsibility for the above described property and furnish services for the operation and management of said premises,
- B. Deposit all collections in the appropriate trust account, and
- C. Render monthly statements of receipts, charges and expenses to the Owner each month.

COMPENSATION. As compensation for Agent's services, the Owner agrees to pay the Agent _____ of the total gross income or a minimum of _____ per month for each property covered under this agreement, whichever is greater, regardless of occupancy. Owner agrees to pay Agent a lease renewal fee of \$75.00 for any extension of rental agreement of six months or longer. Owner agrees to pay agent a commission of four and one half percent (4.5%) of the selling price, should the Property be sold to any lessee, or an entity created by such lessee, or a person purchasing on behalf of the lessee named in a lease of the Property, or any extension thereof, or within one hundred eighty (180) days following the termination of such lease. It shall be further agreed that any late charges or returned check fees are administrative in nature and shall be retained by the Agent over and above the Agent's due compensation. Any unpaid compensation or any unpaid expense, as

defined below (which Agent shall have no duty to advance), if unpaid for more than thirty (30) days from demand, shall bear interest at the rate of one and one-half percent (1 1/2%) per month, compounded monthly.

AGENT'S AUTHORITY. Owner specifically authorizes Agent to take any action on the Owner's behalf and at the Owner's expense with respect to the management and operation of the Property which Agent, in his discretion, deems proper, including, but not limited to the following:

- A. Advertising the Property at the Owner's expense and displaying signs thereon. Owner must remit funds to Agent for advertising costs before advertising will commence. Owner acknowledges that certain requirements exist per New Mexico law concerning the advertising of real estate, and agrees to not place advertisement on their own for any property managed by Agent.
- B. Renting the above described Property; Agent may, on Owner's behalf sign, renew and/or cancel leases.
- C. Instituting and prosecuting actions to remove residents and to recover possession of the Property. Agent may sue for and recover rent, and when expedient, settle, compromise and release such actions or suits or reinstate such tenancies. Owner understands that, though New Mexico law allows Agent to represent Owner in certain landlord-tenant actions, Agent is not a licensed attorney at law, and Agent may decline to represent Owner in court where Agent deems it appropriate. Agent is authorized to employ attorneys at law to prosecute any such action. Actions may be brought in Owner's name. Agent may also obtain legal advice or assistance from an attorney of Agent's choice at any time and at Owner's expense, when Agent deems such advice to be needed with respect to the Property.
- D. Make or cause to be made all ordinary repairs and replacements necessary to preserve the Property in its present condition and for the operating efficiency thereof and all alterations required to comply with the lease agreement, and applicable minimum housing codes and all other applicable codes and laws. Agent shall not be required to comply with any directions of Owner which, in Agent's opinion, violate any code or law. Agent may commingle funds from one rental property with another rental property so long as the owner named above owns both rental properties.
- E. Negotiate contracts for non-recurring items not exceeding \$_____ per contract, and to enter into agreements for all necessary repairs and maintenance, minor alterations and utility service and to pay all bills from the property account. The Agent shall pass on to the Owner any rebate or discount which the Agent shall obtain. Owner also authorizes Agent to authorize repairs, at Owner's expense, that are considered, in the Agent's opinion, to be emergency in nature, without prior notification to Owner, even if said repairs exceed the limitation stated above for non-recurring items.
- F. Negotiate contracts for recurring maintenance items such as, but not limited to, twice yearly conversion of heating and cooling systems, re-keying of exterior doors prior to

occupancy and between each resident thereafter, annual carbon monoxide testing, chimney cleaning, and the installation of fire extinguishers and smoke detectors.

- G. Hire and discharge, in Owner's name, employees or independent contractors to perform services or improvements to the Property; however, it is expressly understood and agreed that all employees, contractors or subcontractors, or other persons engaged to perform services or improvements are and shall be in the employ of the Owner and the Managing Agent shall in no way be liable to employees, contractors, subcontractors or other persons engaged to perform services or improvements to the Property for their wages, or compensation nor shall the Agent be liable for acts or omissions on the part of any employees, contractors, subcontractors, or other persons engaged to perform services or improvements to the Property.
- H. Use reasonable efforts to collect rents and impose any late charges or returned check fees as deemed necessary. In accordance with the New Mexico Uniform Owner/Resident Relations Act, Agent may apply any monies received from the resident toward any outstanding debt owed by the resident including but not limited to damages, late fees, utilities, returned check fees, and homeowner association fines, prior to applying monies toward rent owed. Agent may, but shall not be required to, file legal action on Owner's behalf for eviction.
- I. Refund, rebate or reimburse any residents any amounts to which that resident may be due in accordance with the applicable lease and other law.
- J. Execute contracts for utilities and services for the operation, maintenance and safety of the property, as Agent, shall deem advisable and/or necessary. Agent shall place gas and/or electric service in "Landlord Standby" with service billing to Agent's address for payment from Owner's funds.

Agent is authorized but shall not be required to perform all of these actions for each property, but shall take such actions as Agent, in Agent's discretion, deems proper.

INSURANCE. Owner shall maintain comprehensive public liability insurance with respect to the Property in amounts reasonably acceptable to Agent to insure against personal injury, death or property damage claims by residents and other third parties. Agent shall be named as an insured under such policy. Owner shall promptly furnish Agent with copies of all current insurance policies with respect to the Property. Agent has not recommended amounts or types of casualty or other insurance which Owner should maintain with respect to the Property and Agent is not responsible for obtaining any insurance coverage or paying any premium with respect to the Property. However, Owner understands that agent is not an insurer of Owner's property, and Agent will not be responsible for any damage done by any tenant or others to the Property.

BANK ACCOUNTS. All funds collected by Agent with respect to the Property, other than deposits received from residents, shall be deposited into a non interest-bearing trust account maintained by Agent. Resident damage or pet deposits shall be maintained in a non interest-bearing trust account, unless the amount of the resident's deposit is such that Agent is required by law to deposit

such funds in an interest bearing account. Owner's funds may be commingled with funds pertaining to other properties but not with Agent's own monies; however, Agent shall maintain separate records of Owner's funds. In no case shall Agent be held liable for any funds lost due to the insolvency of any federally insured financial institution into which Agent has deposited funds of Owner.

Owner agrees to maintain a minimum of _____ per building at all times in his operating account as an Owner's reserve for each property covered by this management agreement. Owner shall promptly replenish his operating account upon request by Agent and shall promptly advance necessary expenses when requested by Agent. All such funds shall be furnished to Agent not more than seven (7) days from any request.

PAYMENT OF EXPENSES. Property expenses shall mean all expenses of owning, renting, advertising or operating the property, and include, but are not limited to expenses of advertising, renting, repairing, maintaining, financing the property, prosecuting or defending legal claims, all expenses of accounting, insuring the property, all taxes and all other amounts assessed by any governmental agency either as a civil assessment or a criminal fine. Owner shall pay all Property expenses. Agent shall have no duty whatsoever to advance or pay any funds for expenses. Expenses as used in this Agreement, include but are not limited to all funds expended by Agent in the course of the performance of his duties as set out above, debt service, management fees and gross receipts tax on such fees, advertising expenses, attorney fees, utilities, reimbursement of deposits to residents, delivery charges, repairs, and any other costs of services, materials, replacements or supplies furnished for the benefit of the Property or the Owner. Agent may pay any and all expenses from Agent's operating account without prior notice of any kind to Owner. Agent may, at Owner's request, pay expenses in partial payments from the owner's account, when appropriate, due to lack of funds in the Owner's account. In such instances, Owner agrees to pay Agent an administrative fee of \$35.00 per partial payment.

NON-PERFORMANCE BY RESIDENTS. Property management services are administrative and do not include any representations or guarantees as to the resident(s)' payment of rent, care of the property, and contract compliance. The resident, not the Agent, is solely responsible for the resident's action and performance. In no case, shall Agent be liable for rent or other amounts owed by residents. Owner agrees to hold Agent harmless for any loss due to performance or non-performance of the resident(s), and this indemnity shall include holding Agent harmless for any breach of contract by residents or any damage done by residents or others to the property.

INDEMNITY. Except to the extent caused by willful misconduct or gross negligence of Agent, Owner shall defend and indemnify Agent and its officers and employees and hold them harmless from all damages, claims, loss, cost or expense, including attorney fees and court costs, resulting from, relating to or arising out of (1) suits or claims by residents to other third parties relating to the Property in any way, (2) contracts or obligations incurred by Agent pursuant to this Agreement, (3) actual or alleged defects in the Property, (4) any breach or alleged breach of any duty or obligation imposed by law under or on behalf of Owner for the operation and/or management of the Property, (5) any violation of any laws relating to the Property or its operations, or (6) any property damage, personal injury or death of any person where the claim relates in any way to the

Property or Agent's management of the Property. Agent may defend himself or itself in any actions or negotiations for settlement arising out of such matters, and all expenses of such defense, including court costs and attorney's fees shall be reimbursed by Owner immediately upon demand or may be deducted from Owner's operating account. In any dispute between Owner and Agent, the prevailing party shall be entitled to all costs and expenses, including attorney fees.

TERMINATION. This Agreement may be terminated upon thirty (30) days written notice by either party. In the event of (1) termination of the Agreement by Owner for any reason other than gross negligence, or (2) termination by Agent because Owner has made an unlawful or unethical demand upon Agent, or (3) termination by Agent after Owner has engaged in a course of conduct with respect to the property which is contrary to the advice of Agent and which may subject Agent to liability or may cause Agent to become a defendant in a legal action, Owner agrees to compensate Agent as liquidated damages at the rate of fifty percent (50%) of the commission which would otherwise be due for the current term of any lease(s) in effect on the effective date of such termination. This compensation shall be payable in one lump sum upon notice of termination. Should Agent terminate this Agreement for reasons other than those stated above, Agent shall be entitled to no commission following the effective date of termination. Termination of this Agreement shall simultaneously release both Owner and Agent from their future responsibilities hereunder as of the effective date of such termination. Termination of this Agreement will not release Owner of any liabilities owed to Agent based upon facts existing prior to the termination, whether or not asserted by the Agent prior to termination. Agent may terminate this Agreement immediately and without thirty (30) days written notice in the event Owner requests or asserts unlawful or unethical demands. Unlawful or unethical demands may include, but are not limited to a request that Agent improperly withhold a resident's deposit, a request that may violate this contract, a request to act in a manner which may violate state or federal fair housing laws, a request that Agent violate the New Mexico Uniform Owner-Resident Relations Act, a failure to allow and fund repairs required to maintain legal and ethical standards of health and safety, and requests to evict or remove residents in a manner which may violate law.

MISCELLANEOUS.

- A. Owner understands that New Mexico and/or Federal housing laws prohibit discrimination in the sale, rental, appraisal, financing or advertising of housing on the basis of race, color, religion, sex, familial status, sexual orientation, gender identification, spousal affiliation, handicap, national origin or ancestry.
- B. This Agreement shall be construed and enforced in accordance with the laws of the state of New Mexico. If a court of competent jurisdiction determines that any provision of this agreement is invalid, the remaining provisions hereof shall continue in full force and effect.
- C. If Owner has placed multiple properties with Agent, permission is granted by Owner to commingle funds among Owner's properties as long as separate accounting is maintained. Funds may be transferred between Owner's properties as needed to cover expenses. When such transfers are required, Owner agrees to pay Agent an administrative fee of \$35.00 per transfer.
- D. Agent is not responsible for the duration of any vacancy period.

By _____
OWNER Date

OWNER Date

BROKER Date

Owner's Social Security Number

Mailing Address

City

State

Zip Code

Telephone Numbers (day)

(evening)

Fax

E-mail Address