



Management Agreement

THIS AGREEMENT made this 5 day of November, 2004, by and between the Redevelopment Agency of the City of Lemoore of 119 Fox Street, Lemoore, California, 93245 (hereinafter referred to as "Owner") and the Kings County Management and Development Corporation, of P.O. Box 1325, Hanford, California, 93232 (hereinafter referred to as "KCMD").

FOR AND IN CONSIDERATION of the payments by Owner to KCMD as hereinafter set forth, KCMD agrees for the account of Owner to manage and operate, as Owner's exclusive representative, manager, and agent, the following described property (hereinafter referred to as "the Property") :

Up to eight homes at State Route 198 and 19th Avenue, Lemoore, California (as shown on Attachment "A")

1. Lease and Renting. KCMD shall have and is hereby given the authority to lease and rent the Property, to collect and to take reasonable steps to enforce the collection of all rental payments, to settle all disputes with tenants when Owner is not reasonably available for consultation, to refund or retain security deposits at KCMD's discretion, and to do all of the necessary acts for the protection of the Owner in the payment of and collection of said rentals. The rents and other rental terms for the residential units are shown on Attachment "B" to this agreement. KCMD shall also enforce occupancy rules and regulations adopted by Owner, or to which Owner or the Property may be subject under any development agreement or funding arrangement for the Property. KCMD agrees to use due diligence to lease and rent the Property, and further agrees that no reduction in the price of rentals (unless required by governmental authority) shall be made without the Owner's consent.



2. Operation and Maintenance.

- (a) Owner will provide the sum of **\$1,600** which will be used by KCMD as a reserve for the payment of expenses required by Owner. Said monies shall be placed into a separate account for the benefit of Owner.
- (b) KCMD shall use necessary measures for the orderly management of the Property and shall employ, direct, control, and discharge all personnel or help reasonably necessary for the management of the Property.
- (c) From the accrued rentals from the Property and the reserve account, KCMD will advertise vacancies, pay all utility and customary service bills, purchase supplies and cause to be made such repairs, maintenance, and alterations as may be required for the proper operation of the Property. The parties hereto expressly agree that KCMD may, with its staff, perform such repairs, maintenance, and alterations, as may be required for the proper operation of the Property; provided however, that KCMD shall obtain prior approval of Owner for all expenditures over **\$2,000.00** for any one item. Prior approval shall not be required for monthly or recurring operating charges, or, if in the reasonable opinion of KCMD, emergency expenditures over the maximum are needed to protect the Property or other property(ies) from damage, prevent injury to persons, avoid suspension of necessary services, to maintain the habitability of the Property, or avoid penalties or fines. Within thirty (30) days after such repairs, maintenance, or alterations, KCMD shall submit to the Owner a bill for the actual time and materials incurred in such repairs, maintenance, and



operations, and said charges shall be paid by the Owner within fifteen (15) days of receipt thereof.

- (d) The parties agree that KCMD under this agreement, shall have no obligation to service any loans or mortgages on the Property, nor shall KCMD have an obligation to pay any real estate or personal property taxes assessed against the Property. The parties further agree that KCMD shall have no obligation to prepare or submit reports required under any funding program to which Owner or the Property are subject.
- (e) Owner agrees to furnish KCMD with any and all documents and records reasonably required by KCMD to properly manage the Property.
- (f) Owner authorizes KCMD to provide to each tenant of the Property a copy of the Landlord's Disclosure attached as Attachment "C". Owner shall be solely responsible for the accuracy of the information on such Disclosure, and Owner indemnifies and holds KCMD, its directors, officers, agents, and representatives free and harmless from liability arising from the inaccuracy of any information contained in such Disclosure.

3. Professional Services. KCMD is authorized, at the expense of the Owner, to engage necessary professional services, including legal and accounting.
4. Nonliability of KCMD. KCMD shall be held harmless for failure to pay any charges against the Property if necessary funds are not made available to KCMD by Owner.
5. Insurance. Owner shall maintain adequate public liability insurance in an amount of no less than \$1,000,000.00, naming the KCMD, and its directors, officers, agents and employees as an additional insured in all such policies. Maintenance of all other insurance in connection with the property, including, but not limited to, fire, earthquake, and burglary



coverage, shall be the sole responsibility of Owner. All such policies shall be primary and non-contributory relative to any policies which KCMD may carry.

6. Financial Records. KCMD will maintain books and accounts of all receipts and disbursements in the management of the Property, which records shall at all reasonable times be opened to Owner's inspection. KCMD shall render monthly written statements to Owner, showing all receipts and disbursements, and shall remit to Owner a check for the net amount due Owner from said month's operation. KCMD will render to Owner an annual recapitulation statement reflecting thereon all receipts and disbursements covering the operation for the immediately preceding calendar year or portion thereof.
7. Compensation to KCMD. Owner agrees to pay to KCMD as compensation for management services rendered pursuant to this agreement, the following:
 - (a) **EIGHT and 50/100 PERCENT (8 1/2 %)** of the gross monthly receipts. This amount is due and payable monthly, and may be deducted by KCMD from receipts.
 - (b) Owner shall pay KCMD on execution of this agreement the sum of **\$200.00** for start-up costs incurred by KCMD, and an additional \$200.00 for each unit leased thereafter.
 - (c) Owner shall reimburse KCMD for all costs and legal fees incurred by evictions and other necessary actions on behalf of Owner. Said reimbursement shall be made within thirty (30) days of receipt of an invoice by Owner.
 - (d) Owner will reimburse KCMD the actual cost incurred by KCMD for preparing the Property or any of the units therein for rental. Said



reimbursement shall be made within thirty (30) days of a receipt of an invoice by Owner.

(e) Owner shall pay to KCMD an overhead and service fee of FIFTEEN PERCENT (15%) added to the cost of unexpected non-cyclical repairs or maintenance performed by, or at the direction of KCMD. Said fee shall be paid in accordance with the provisions of paragraph (a) above.

8. Termination. This agreement shall become effective as of the 5 day of November, 2004, and shall continue until terminated as provided herein. Either party hereto may terminate this agreement at any time by giving to the other party thirty (30) days advance written notice; provided that no such notice shall be given within six (6) months after the effective date of this agreement. In the event of such termination, settlement of accounts between Owner and KCMD will be effected fifteen (15) days after the actual termination of this agreement.
9. Notices. Any notices, payments, statements, checks or other correspondence by either party provided in this agreement shall be in writing and mailed or delivered to the Owner at 119 Fox Street, Lemoore, California, 93245, and to KCMD at 680 North Douty Street, P.O. Box 1325, Hanford, California, 93232. Either party hereto may change the address to which notice shall be sent by giving written notice in accordance with this section.
10. Attorneys' Fees. If any action at law or in equity is brought to enforce or interpret the provisions of this agreement, the prevailing party, Owner or KCMD, in addition to such other relief as may be granted, shall be entitled to a reasonable sum as and for attorneys' fees in such litigation, which shall be determined by the court in such litigation, or in a separate action brought for that purpose.

Brock



ATTACHMENT A

Description of property.

<u>House #</u>	<u>Address</u>	<u>City, State</u>	<u>Initials</u>
1	1302 Stinson Drive	Lemoore, CA	B / RND
2	1315 Stinson Drive	Lemoore, CA	D / RND
3	1331 Stinson Drive	Lemoore, CA	R / RND
4		Lemoore, CA	/
5		Lemoore, CA	/
6		Lemoore, CA	/
7		Lemoore, CA	/
8		Lemoore, CA	/

ATTACHMENT B

Rental Amounts.

<u>House #</u>	<u>Monthly Rent Amount</u>	<u>Initials</u>
1	\$800.00	RBH
2	\$0.00	RBH
3	1200.00	RBH
4		/
5		/
6		/
7		/
8		/

Additional Terms.

All rental agreements must contain notice that the property is scheduled to be relocated for a Highway 198 construction project and that tenant agrees the lease may be terminated with a 30-day notice or a 60-day notice if tenant has leased the property for more than one year. The relocation is estimated to occur in about 2008/2010, but Kings County Management and Development and Owner do not and cannot guarantee tenant possession or the availability of the property beyond the term of the rental agreement.



ATTACHMENT C

LANDLORD'S DISCLOSURE

Address: _____

I (we) have no knowledge of lead-based paint and/or lead based paint hazards in the housing other than the following:

I (we) have no reports or records pertaining to lead based paint and/or lead-based paint hazards in the housing other than the following, which, previously or an attachment to this addendum have been provided to Tenant:

I (we) , previously or as an attachment to this addendum, have provided Tenant with the pamphlet "Protect Your Family From Lead In Your Home" or an equivalent pamphlet approved for use in the State such as "The Homeowner's Guide to Environmental Hazards and Earthquake Safety."

I (we) have reviewed the information above and certify, to the best of my (our) knowledge, that the information provided is true and correct.

Owner



ATTACHMENT D

Right to Purchase.

The eight (8) houses that are the subject of this Agreement are scheduled to be moved or demolished in about 2008/2010, because of the Highway 198 construction project. Kings County Management and Development Corporation or its nominee may purchase one or more of up to the (8) houses, required to be moved or demolished, for \$1.00 each. Kings County Management and Development or its nominee, shall pay all costs and expenses of relocating the purchased house(s) within the city limits of Lemoore, California, including but not limited to moving costs, land acquisition costs, city building fees and utility connection fees.

No later than five (5) business days after Owner receives notice that the houses(s) must be moved by a specific date or time frame, Owner shall send notice to Kings County Management and Development. No later than five (5) business days thereafter, Kings County Management and Development shall exercise its right to purchase by entering into an agreement to purchase the house(s) from Owner. Such agreement shall provide that owner must deliver possession of the house(s) to be sold free and clear of all claims of possession, including tenants who remain on the property after termination of their lease and other persons claiming a right to live on the property.