MANAGEMENT AGREEMENT

IN CONSIDERATION of the covenants herein contained, Tom and Rachel Harpham, (hereinafter called “Owner”), and Gateway Real Estate (hereinafter called “Agent”), agree as follows:

1. The Owner hereby employs the Agent exclusively to rent and manage the property (herein called the “Premises”) known as 1215 N. Hyland, upon the terms and conditions hereinafter set forth, for a term beginning February 1, 2004, and ending on the 31st day of January, 2006, and thereafter for yearly periods, unless on or before January 31, 2006 or on December 1 of any such renewal period, either party hereto shall notify the other in writing that it elects to terminate this Agreement, in which case this Agreement shall be thereby terminated on said last mentioned date.

2. THE AGENT AGREES:
   a) To accept the management of the Premises, to the extent, for the period, and upon the terms herein provided and agrees to furnish the services of its organization for the rental operation and management of the Premises.
   b) To render a monthly statement of receipts, disbursements, and charges to the following person(s) at the address(es) shown:

   Tom and Rachel Harpham

   _______________________________  ×

   _______________________________  ×

In case the disbursements and charges shall be in excess of the receipts, the Owner agrees to pay such excess promptly, but nothing herein contained shall obligate the Agent to advance its own funds on behalf of the Owner.

3. THE OWNER AGREES:
   To give the Agent the following authority and powers (all or any of which may be exercised in the name of the Owner) and agrees to assume all expenses in connection therewith:

   a) To do and perform or cause to be performed acts and things necessary, required or desired to insure that proper and efficient rental, management, operation and maintenance of the property.
   b) To sign, renew, and/or cancel leases and/or rental agreements for and in the name of the Owner. Such leases and/or rental agreements shall be for terms and conditions mutually agreed upon.
   c) To receive all monthly rents and fees due from tenants and in connection therewith, to request, demand, collect, and receive any and all charges or rents which become due to the Owner; to sue for
and recover rents and sums due; to take such legal action as is necessary and/or desirable to evict tenants delinquent in the payment of monthly rental charges or otherwise in default of their lease, and to expedite, settle, compromise, and release any of such actions or suits to reinstate such tenancies. In this connection, Agent has the authority, at Owner’s expense, to engage legal counsel if necessary.

d) To advertise the availability for rental of property or any part thereof, and, subject to compliance with local ordinances or restrictions applicable to the property, to display “For Rent” or other similar signs upon the property.

e) Agent will collect and refund security deposits in accordance with the terms of each lease and the provisions of the laws of the State of Iowa. All security deposits will be held in a separate escrow account by the Owner under Agent’s supervision and all interest earned on said account shall be the property of the Owner.

f) To make or cause to be made and to supervise repairs and to do decoration upon the property, including, but not limited to, interior and exterior cleaning, painting and decorating, plumbing, carpentry, and other such normal maintenance and repair work as may be necessary. Agent shall expedite the performance of maintenance and repairs in the ordinary course of the property operations. Agent shall not, however, incur any single expenditure in excess of $300.00 without the Owner’s prior consent, unless, however, immediate action is needed to be taken to prevent damage or injury to persons or properties.

g) To employ, supervise and discharge all labor required for the operation and maintenance of the property.

4. Agent is an independent contractor and not an employee of the Owner for any purpose.

5. NOTICE. All notices, requests, demands, or other communications given hereunder shall be in writing and shall be deemed to have been duly given if delivered in person, or after having been deposited in the U.S. Mail, postage prepaid, certified with return receipt requested. The respective addresses of the parties for this purpose, unless and until later changed in writing are:

Owner: Tom and Rachel Harpham

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Agent: Gateway Real Estate, Inc.
200 Stanton Ave., P.O. Box 1099
Ames, IA 50014

6. COMPENSATION TO AGENT FOR MANAGEMENT. As consideration for the services rendered to the Owner by the Agent pursuant to this Agreement, Owner agrees to pay to the Agent seven percent (10%) of the gross rental operation receipts collected. Gross rental operation receipts will include, but are not limited to, rents, option payments, parking fees, deposits, laundry income and fees. Payment to be made in the calendar month following collection of rental receipts.

7. COMPENSATION TO AGENT FOR SALE. Should a sale of the premise occur to tenant. Owner agrees to pay six and 48/100 percent (6.48%) of the gross sale price to Agent.

8. ASSIGNMENT. Agent may not assign this agreement without the prior written consent of the Owner.

9. ATTORNEYS’ FEES. Should either party bring suit to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover court costs and reasonable attorney’s fees.

10. MODIFICATION. This Agreement may not be modified unless such modification is in writing and executed by both parties to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the 29 day of Jan., 2004.

BY: TOM HARPHAM
OWNER

GATEWAY REAL ESTATE, INC.

BY: RUSS MCCULLOUGH
VICE-PRESIDENT

RACHEL HARPHAM
OWNER