



PROPERTY MANAGEMENT CONTRACT

STATE OF CALIFORNIA

IN CONSIDERATION of the covenants herein contained, this PROPERTY MANAGEMENT CONTRACT (hereinafter called "Contract") is made and entered into this \_\_\_ day of \_\_\_, \_\_\_ between Management Company hereinafter called "Company") and \_\_\_ whether one or more (hereinafter called "Owner").

WITNESSETH:

BE IT KNOWN that the Owner hereby employs Management Company as EXCLUSIVE AGENT to rent, lease, operate, control, and manage the property being described as \_\_\_\_\_.

Under the terms and conditions and expressly set forth in this PROPERTY MANAGEMENT CONTRACT, for the initial term beginning the \_\_\_ day of \_\_\_, \_\_\_ or one (1) year from the date Owner signs the contract, whichever is later. The Owner hereby makes, constitutes and appoints the Company his true and lawful Agent and ATTORNEY IN FACT, with power of appointment, and with authority to perform any and all lawful actions necessary for the accomplishment of the purposes of this Contract.

1. TERMS & CONDITIONS: Upon expiration of the primary term of this Contract, it shall be automatically renewed and extended for a like period of time. This Contract may be terminated providing both parties mutually agree in writing and upon payment of all commissions, fees and expenses due herein to the Company. If either party does not mutually agree then the agreement must be fulfilled by all parties. Once an Owner gives thirty (30) day notice to terminate, a Management Fee is due for the remaining months of the contract and a minimum of thirty (30) days or more, even if property is vacant. If Owner or Company places property on hold, this agreement shall extend for a like period of time for number of day's property is on 'hold' Status.

2. MANAGEMENT FEE TO BE PAID BY OWNER: \_\_\_% of monthly rent collected. NO LESS THAN \$\_\_\_ minimum.

2a. \$\_\_\_ Leasing commission for a confirmed resident / tenant in addition to the above management fee. If resident / tenant stays less than six (6) months this fee shall be waived when company re-rents property.

2b. Owner agrees to pay for the changing locks upon resident / tenant's move in. This is to reduce the potential for liability of a resident / tenant's claim in the future. This is charged one time per resident / tenant.

2c. Owner agrees to pay a lease renewal fee on an existing resident / tenant of \$100.00 when the resident / tenant signs a new lease or a month to month lease renewal each year.

2d. Owner agrees to pay for a supervisor fee of 5% on repairs completed in between residents/tenants. (See 9d for details)

3. LIQUIDATED DAMAGES: If Owner cancels contract, Owner agrees to pay Company's management fees for the remaining life of Contract or until the end of the current resident / tenant's lease, whichever is greater, up to one (1) year. Cost to be computed on management fee herein \_\_\_% times the monthly rent amount, times remaining months in Contract. If home is vacant it is calculated at last listed rent rate (NO LESS THAN \$350.00 minimum management fee is charged)

3a. The Owner hereby authorizes the Company to enter into a Rental Contract for resident / tenant occupancy of the above-described property for a term of one-year lease. During the duration of any Rental Contract with a Lessee, the Owner agrees that he will not demand that either the PROPERTY MANAGEMENT CONTRACT or the Rental Contract be terminated unless satisfactory arrangements to the company, in writing, have been completed with the Company herein. Owner also agrees to pay but not limited to the Company a one- (1) year management fee and rent up fee if resident / tenant is lost due to such action taken by Owner. Owner authorizes Company to verify all information submitted by Owner.

3b. Owner hereby makes, appoints the company his/her true and lawful Agent and ATTORNEY IN FACT, with power of appointment, and with the authority to do and perform any and all lawful actions necessary to manage said property, including items set out in this agreement. Owner gives the company the following express authority and powers, and agrees to assume all expenses incurred by Company in connection therewith. The Owner while retaining the deed rights to the property gives company the leasing rights to the property for the term of this contract.

Continued

4. **ADVERTISING:** Owner authorizes company to advertise the premises or any part thereof for rent, to display signs thereon, possess and duplicate keys to property and to lease and rent the same; to sign, renew, extend and /or cancel Leases for the premises or any part thereof; to prosecute and institute actions to oust resident / tenants and recover possession; or hire legal counsel to sue for and recover rent and other sums due; and when expedient, to settle compromise and release such actions or suits. Owner to pay for all advertising needed and all other costs incurred in connection with said property herein. Owner agrees to pay first month's advertising cost at the signing of this agreement, but also agrees to pay additional advertising if needed. These funds must be paid prior to ads being placed. If not paid within 7 days of being requested, Management Company has the right to place the property on hold and owner's contract extends for those days it's on hold.
5. **RENTING PROPERTY:** Company will make every effort to collect rents due or to become due, and to raise or lower rents as conditions may warrant and require security deposits. Owner and Company agree to start rent at \$\_\_\_\_\_. This property is to rent for no less than \$\_\_\_\_\_ unless written permission is obtained from Owner. If the property is not rented within 14 days from Owner agrees to lower rent \$\_\_\_\_\_ Each week until rent rate reaches \$\_\_\_\_\_. Lowering the rent each week will expedite the renting of said property and creates a higher annual effective rent rate. Failure to lower rent as agreed, if necessary, will be considered a breach of contract.
- 5a. If Company is unable to rent property within the first ninety (90) days of signing this Contract, this Contract may be canceled, providing Owner has paid Company or its subcontractors in full within 10 days from the day's expiration for any expenses incurred on subject property, and providing Owner has complied with Section 9h. Any cancellation prior to the first ninety- (90) days of the Contract requires a buyout of this one year contract, plus advertising, sign installation costs, utilities, lawn service, etc. Buyout is defined as the remaining months to fulfill said Contract. This amount shall be paid to Company before Company will agree to cancel agreement. If not paid, Company will continue to rent property at their option. If Owner should cancel and rent to a prospective resident / tenant who viewed the property during the 90-day contract or worked with Company in any capacity, owner agrees to pay Company one year in management fees as calculated in this agreement and a rent up fee for placement of the resident / tenant.
- 5b. Owner authorizes Company to rent to any qualified resident / tenant(s). Due to the element of time and the fact that MANAGEMENT COMPANY pays for the eviction should the resident / tenant default (see section #11), Company will not contact the Owner on resident / tenant selection, and Owner agrees to such.
6. **LAWN SERVICE:** Owner elects to have permanent front/rear lawn service at a minimum of \$69.00 per month or \$45.00 for one yard until or unless such service is provided by Lessee. Unless and until provided by Lessee, Company will have the lawn mowed and edged once per week and sprinklers (if any) will be checked as needed. Sprinkler parts, labor, seed and fertilizer will be an additional charge when needed. Weeding and trimming is not included in this price. Company will make every attempt to ensure resident / tenants maintain lawn. Company is not to be held liable for such in case lawn is lost due to non-watering or other failure of proper maintenance by resident / tenant. Monthly fee may increase in some years. YES  NO
- 6a. Owner agrees to pay for temporary front/rear lawn service at a minimum of \$69.00 per month while property is vacant if permanent lawn service is not provided by owner. This does not include manual watering if automatic system is not available/operational. Owner is strongly urged to install a complete sprinkler system with automatic timers to prevent loss of lawns. YES  NO
- 6b. Owner agrees to take care of front and rear lawn while Owner is still living at the property and in the future when property becomes vacant, authorizes Company to put on temporary front/rear lawn service for a minimum fee of \$69.00 per month. YES  NO
- 6c. Owner agrees to provide his own permanent lawn service: .....**FRONT:** YES  NO  **REAR:** YES  NO   
Start Date: \_\_\_\_\_
- 6d. Owner agrees to outside pets? YES  NO  Owner agrees to inside pets? YES  NO   
Company to collect additional security deposits. This is to be applied toward any pet damage that could occur. Company is not liable for any pet damages. Owner is required to the proper insurance. (See section 12)

Continued

- 6e. Owner to provide weekly pool and spa service. (Chemicals Included) ..... YES  NO
- 6f. Any maintenance of appliances beyond the stove, dishwasher & built-in microwave to be included. .... YES  NO   
Such as refrigerator, washer & dryer, etc. – Items included beyond stove, dishwasher & built-in microwave to be disclosed in comment section on page 7.
7. **INSPECTIONS:** Company shall provide an exterior inspection of said property every thirty (30) days plus perform an annual inspection of the interior/exterior and provide a photograph of the house exterior (front and rear only) which shall be mailed to Owner approximately one year from the signing of this agreement and each year thereafter. Note: Furniture, pictures, rugs, etc. are not moved so this should not be misconstrued as a home inspection one would receive when buying a home nor does it exclude the fact that you will have to do repairs, paint or clean when the resident / tenant does vacate. **A BROAD GENERAL INSPECTION ONLY** (Please note it is not one year from the date the resident / tenant moves in, it's based on your contract date, not the resident / tenant's contract date).
8. **PAYMENT OF RENT:** Rent is due the 1<sup>st</sup> day of each month. The Company may accept personal checks for rental payments from existing resident / tenant(s) At Owner's risk. Owner agrees to reimburse the Company for any such sums as have been disbursed on faith of such checks when such checks should not be good. This applies only on properties where there is resident / tenant occupancy at the time of signing this Contract. **(New resident / tenants are to pay only with cashier's check, money orders or direct deposit if available.)** Rent checks to owners are sent out monthly on approximately the 6<sup>th</sup> day of each month if paid on time. Other funds received are normally processed the next business day. Any checks sent to the owner that are not cashed within 90 days, owner agrees to pay MANAGEMENT COMPANY a reasonable service fee and an additional bank fee to reissue check if necessary.
- 8a. The resident / tenant on the 6<sup>th</sup> of the month incurs late fees. 50% of all resident / tenant late fees collected from resident / tenant are paid to the owner and 50% to the company. 3-day service fees are not a late fee and shall be the sole property of Company. Should outstanding late fees be owed at the time the resident / tenant moves out, this will be taken from the security deposit.
9. **MAINTENANCE DEPOSITS AND POLICIES:** Owner authorizes the Company to establish a maintenance account not to exceed **\$250.00**. This is to be paid at the time this agreement is signed and to be returned at termination of this agreement with no interest. Owner authorizes funds to be placed in company's General Trust Account. While property is vacant owner agrees for company to hold **\$400.00** to pay for utilities, advertising, lawns service, etc.
- 9a. The Company agrees to secure the approval of the Owner on all expenditures in excess of **\$250.00** for any one item with a 15% variance except monthly recurring operation charges and or emergency repairs in excess of the maximum if such repairs are considered necessary to protect the property from damage, maintain services to the resident / tenants as called for by their lease, or to get the property ready for the resident / tenant to move in. If company contacts the owner on repairs and Owner does not respond within 4 calendar days, Company has the option to complete repair and deduct from Owner's account. Maintenance not completed timely gives the Resident / tenant a reason to move and ends up creating a vacancy on your property.
- 9b. In the event that disbursements are in excess of **\$250.00**, the Owner agrees to pay all such excess to the Company immediately upon receipt of the monthly statement. Any funds loaned to Owner account to pay for repairs due to insufficient funds will result in a fee of 15% of the amount loaned or a minimum of \$50.00 for administrating and loaning the funds.
- 9c. The Company shall not be liable for any willful neglect, waste, or abuse to the Owner's property by resident / tenants, vandals or others. In addition, Company shall not be liable for loss of personal property by the resident / tenants or the Owner either by exchange or theft by the resident / tenants or a third party.
- 9d. MANAGEMENT COMPANY will give the Owner a written Job Estimate and the pricing of each item. Owner can then agree for MANAGEMENT COMPANY to arrange for all of the work to be done (*work is started once funds are received at MANAGEMENT COMPANY*) or Owner can elect to do all maintenance repairs in accordance to MANAGEMENT COMPANY and consumer standards. **Splitting of the work is not permitted due to liabilities and excessive overhead costs under any circumstances. There will be a 5% supervisory fee on all repairs in between resident / tenants.** This is calculated on the total work that needs to be done on company job estimate less recommended items. This is charged whether Management Company Contractors perform the work, owner does the work or owner's contractor does the work for supervision, organization of the work, inspection by company inspector before, after and during work being completed.

**NOTE:** If Owner agrees to do repairs while the property is vacant, Owner also agrees to sign MANAGEMENT COMPANY'S maintenance agreement so we can provide occupancy to the resident / tenant timely. (See Addendum titled Rehab Maintenance Agreement) **We suggest Owner to consider using MANAGEMENT COMPANY'S maintenance services to avoid costly delays. Once you sign this agreement you have made your home a rental investment property** and it is imperative that the move out date that is given can be fulfilled. It is not feasible for us to fulfill all of our inspections and make our deadlines in getting your home rented if the move out deadline is not met. No changes can be made and if Owner fails to complete all items by the prescribed time, the Company, at its option, may put the property on hold and stop all marketing efforts. If Owner does not comply as agreed to in this Agreement, MANAGEMENT COMPANY and Owner agree MANAGEMENT COMPANY has fulfilled their agreement and full payment including but not limited to 1-year management fees, rent up fees, advertising fees, sign fees and any repair costs incurred will be due within 5 days.

**REPAIRS DURING VACANCY:**

Company may, at its option, elect to have the work done and deduct funds from the Owner's account if funds are available. If Owner does not vacate property as agreed, Owner agrees to pay for all attorney fees, court costs, etc. that may be incurred. **If Owner elects to do all work, Owner agrees to MANAGEMENT COMPANY'S standards, which is based on consumer demand.** If property is not up to MANAGEMENT COMPANY'S standards including but not limited to repairs and professional cleaning and Company does over 2 final inspections due to Owners not having completed all items, Company will charge Owner \$100 for each inspection starting with 3<sup>rd</sup> inspection. High labor cost does not allow the Company to make several trips to a property. Owner must give MANAGEMENT COMPANY a completion date in writing. If not, Company may put property on hold until date received or at Company's option may terminate this agreement and Owner agrees to pay MANAGEMENT COMPANY the remaining month's management fees under this agreement for noncompliance. If Owner decides to complete all said work, **Owner agrees to sign a maintenance contract with a deadline, in addition owner agrees to communicate with Management Company and its inspectors timely whether they are doing the work or not.** Timely is considered within 48 hours (excluding weekends). If owner does not communicate timely and after 3 calls or e-mails sent to the owner by Management Company, if owner fails to comply within 3 days the property is put on hold for 7 days, after 7 days if no agreement in writing is received property would be closed out and owner owes the one-year buyout plus all other fees incurred by Management Company on owner's behalf.

- 9e. **While property is rented, Company is to do all maintenance, no exceptions due to liability and timely service to residents / tenants.**
- 9f. Owner understands that normal wear and tear will take place on subject property. Accordingly, some items will not be deducted from resident / tenant's security deposit. Even with Annual Inspections, Company cannot guarantee there will be no damage. Company is to report damage and take the necessary action, but does not mean Company can prevent damage. MANAGEMENT COMPANY has final say on any and all refunds of security deposit to resident / tenants. In the event of any dispute, Owner will hold MANAGEMENT COMPANY harmless of any claims. **(SEE INSURANCE SECTION TO OBTAIN NECESSARY COVERAGE)**
- 9g. Owner agrees and understands if Company is doing all work, that Company will give Owner two estimates on items over \$1000.00. There will be no exceptions to this policy due to high overhead costs to subcontractors, MANAGEMENT COMPANY, and loss in rent to you the Owner. The Company makes no profit on maintenance. Note that, price is only one of five areas we look for in a subcontractor. We are equally concerned with liability, reliability and workmanship reducing the loss of rent you are losing per day. We check our subcontractors' prices against the outside market continually. Owner must send in 100% of the bid before work can commence. Owner also understands and agrees estimates could **vary 15% due to unforeseen items.** Once Company requests funds should Company not receive funds, or if Owner does not respond by telephone or mail within 4 days to Company, Company may at Company's option put property on hold due to Company not being able to give prospective resident / tenants a move in date. Company may terminate this agreement and Owner agrees to pay MANAGEMENT COMPANY the remaining month's management fees under this agreement. If property is put on hold in first 90 days for non-compliance or any other reason pursuant to paragraph 5A, Company will extend contract the number of days it was on hold. Owner to hold Company harmless for any loss in time marketing for rent, loss in actual rent or damage to property.
- 9h. **MOVE IN AND MOVE OUT DATES:** Property to be vacant, all items removed from property & totally professionally cleaned per company's MANAGEMENT COMPANY'S checklist and ready for MANAGEMENT COMPANY'S inspection on \_\_\_\_\_. If completed before this date, Owner to call our Maintenance Division for an earlier inspection. Allow two working days (**exclude weekends**) for MANAGEMENT COMPANY to schedule for a final inspection. **OWNER AGREES THAT IF OWNER DOES NOT MOVE OUT AS AGREED, PROPERTY MAY BE PLACED ON HOLD, A MANAGEMENT FEE TO BE CHARGED BASED AT THE CURRENT LISTED RENT RATE AND PENALTIES ASSESSED UNLESS WRITTEN INSTRUCTIONS ARE MUTUALLY AGREED TO.**
- 9i. Property to be vacated and ready for the new resident / tenant to move in if owner is doing the work by \_\_\_\_\_. Failure of property to be vacated and ready by said date could result in loss of a resident / tenant and refunding holding deposit to resident / tenant, plus possible litigation by the resident / tenant. Owner may also incur hotel costs of resident / tenant. Owner agrees to pay Company up to one-year management fee and Leasing commission if resident / tenant cannot move into this property.
- 9j. Owner agrees to keep utility & HOA bills current on property, if any. Should Owner become delinquent, Company to pay from Owner's account so resident / tenant can receive service and/or access privileges. If resident / tenant leaves outstanding utility bills, etc. Owner agrees to hold MANAGEMENT COMPANY harmless. Owner agrees to give company contact name, phones numbers, gate codes, pool keys and or any access keys at time of signing this agreement.
- 9k. Owner authorizes Company to make or cause to be made and organize all maintenance, repairs and alterations and to do cleaning and decoration of the premises and deemed necessary to protect the property from damage or to maintain service to the resident / tenants as called for by their RENTAL CONTRACT or implied therein by law; to purchase supplies and equipment necessary for such maintenance, repairs and alterations and to pay all expenses incurred thereof at the Owner's expense. This includes Owner to provide drapes or mini-blinds on all windows. (Shades are not acceptable.)



10. **SECURITY DEPOSITS:** All security deposits to be kept by Company in trust account. Owner to reimburse Company if resident / tenant files suit and wins in small claims court on security deposits. Company to represent Owner in court when resident / tenant files against the Owner on security deposits. If Owner wants to file against Resident / tenant, Owner must represent himself or herself. Company will supply documents and testify at no charge. In the event of any collections from past Resident / tenant by MANAGEMENT COMPANY, Owner agrees to pay MANAGEMENT COMPANY 50% and Owner will receive 50% of collected funds. If Owner makes any side agreements with Resident / tenant, Company will not be responsible for holding out money of Resident / tenant's security deposit nor be involved in any dispute. Owner agrees to work **100%** through Company and will not contact Resident / tenant without Company involvement. If Owner cancels agreement prior to Resident / tenant move out or in conjunction with Resident / tenant move out, Owner to disburse the security deposit breakdown with any funds due the Resident / tenant within the Civil Code guidelines. If resident / tenant owes balance after move out, **Company not liable to pay owner as Owner is responsible to collect from resident / tenant.**
11. **EVICTIONS:** MANAGEMENT COMPANY, on any eviction, agrees to pay for all attorney fees and court costs on resident / tenants we approved through Company as long as MANAGEMENT COMPANY is managing property, (Basic eviction only) And providing MANAGEMENT CONTRACT is not canceled for 6 months from the date of lockout. If MANAGEMENT CONTRACT is canceled during this 6-month time period, Owner must reimburse Company for all attorney and court cost fees incurred. This is for a Resident / tenant who defaults on rent. This does not include small claims actions, appeals, losses the Owner may incur in small claims, or if Resident / tenant files bankruptcy during eviction. Additional attorney fees and court costs may be incurred by Owner. This only applies with the 10% management fee being paid.
- 11a. Company will turn over judgment to Owner once eviction is completed. Company does not do collections. Company **does not** file Small Claims actions for Owners and this is not apart of your management fee that is paid. Owners must make own representation; Company will assist in the preparation of documentation for Owner.
- 11b. **Owner agrees and understands that by signing this agreement, Owner is releasing the leasing rights to this property to MANAGEMENT COMPANY and occupancy rights to the resident / tenant** and agrees to abide by all legal rights provided by law. Owner agrees to communicate through Management Company (100%) only in regards to any resident / tenant issues and not directly to the resident / tenant(s) residing in the home while company is managing the property. If owner terminates contract, then Owner shall have the right to contact resident / tenant in regards to all business and in particular security deposits. Any direct communication with the resident / tenant(s) will result in a breach of the agreement.
- If Company has rented the property (an application "is" considered rented) and Owner changes its mind in renting the property or does not vacate the property so the Resident / tenant can be moved in, the Owner Agrees to pay all legal costs Company may incur defending itself.
- Owner also agrees to pay a full year's management fee and administration fee to Company and defend, indemnify and hold Company harmless from any action for damages filed by the Resident / tenant and any judgments entered against it. If the resident / tenant does not want to release the Owner from the agreement, Company will put the property on hold status and avail itself of any legal and/or equitable remedies. The Owner agrees to indemnify and hold the Company harmless from any claims, debts, demands, suits, costs, vandalism, resident / tenant damage, malicious intent or maintenance to the property, including necessary attorney's fees in connection with/or arising from the management of the herein described property and from any liability for injury suffered on or about the premises by an Employee or other persons whomsoever, and to allow the Company to place the usual insurance on subject property at expiration of present coverage in an amount to be determined by the Owner and the Company.
12. **INSURANCE:** Owner agrees to obtain the proper insurance coverage. At minimum, Owner to have **fire, liability, malicious intent, loss of rents and vandalism.** Company is not an insurance company and should not be viewed as being able to protect Owner property against items that are covered with or without Insurance. Owner has been advised to seek a full Landlord/Resident / tenant policy with adequate coverage. ....X..... If the Owner elects to use Insurance Brokers Company refers, Company may receive commissions.
13. **SELLING THE PROPERTY:** If Owner decides to sell the property and the resident / tenant that Company placed in the property purchases the Property, Owner agrees to pay a minimum 4% commission to Company or its affiliate BROKER. Even if Company is no longer managing the property, a 4% commission is to be paid by the Owner if Company placed the resident / tenant into the property. **(Please note: this is not 4% plus 6%. The 4% charged include the services of negotiating the sale, qualifying the buyer, processing it through closing)** If the resident / tenant does not purchase the property and Owner wishes to have his own BROKER sell the property or Company refers it to one of its affiliate BROKERS then the commission fee would be set by the Owner and Broker and the 4% commission would not apply. It is, however, the responsibility of the Participating BROKER to make arrangements with the resident / tenants regarding keys and showing the property for sale. **If the Owner does have his own Agent, Owner's AGENT agrees to set appointments with the resident / tenant, in person, to explain the procedures before putting up a sign or lock box on the property.**

14. **This PROPERTY MANAGEMENT CONTRACT** is entered into by and between the Owner and the Company subject to any and all provisions, and when Properly signed, shall be binding upon the successors and assigns of the Company and the heirs, executors, administrators, successors and Assigns of the Owner. In the event said Company is sold or transferred to another entity, contract shall remain in effect and all terms herein shall remain the same. The prevailing party in any action under this Contract shall be entitled to reasonable attorneys' fees and costs, including but not limited to arbitration.
15. Upon termination of this agreement by either party, both parties agree that all funds will **be held for 30 days** so all unpaid bills can be paid. Acceptance of all or partial funds from Owner's account by Owner shall constitute a full and final release of Company from any and all claims of resident / tenant and Owner of any nature whatsoever. For clarification purposes 30 days starts from the last day Management Company manages the property, not 30 days from when the owner sends in a notice to terminate. In the event notice is received that Owner is not current on mortgage payment, Company has right to freeze all funds until resolved.
16. **Day to Day Operations Agreement.** Owner agrees to communicate with Management Company timely. Timely is considered within 48 hours (excluding weekends or if owner is on vacation). If owner does not communicate timely and after 3 calls or e-mails sent to the owner by Management Company, if owner fails to comply the item in question will be placed in suspense and no further calls will be made to the owner. If it's an emergency, we will have work done or place resident / tenants in a hotel at the owner's expense and retain all funds needed and owner agrees to pay whatever those cost are even though approval was never gotten per item 9a and 9b herein. In addition, owner agrees to pay \$100.00 to Management Company for extended services. We ask all owners to communicate timely so they may avoid this penalty.
17. **Owner Responsibilities: Owner shall:**
- A. Provide all documentation, records and disclosures as required by law or by Company to manage and operate the Property, and immediately notify Company if Owner becomes aware of change in such documentation, records or disclosures, or any matter affecting the habitability of the Property.
  - B. Indemnify, defend and hold harmless Company/Broker and all persons in Company's firm, regardless of responsibility, from all costs, expenses, suits, liabilities, damages, attorney fees and claims of every type, including but not limited to those arising out of injury or death of any person, or damage to any real or personal property of a person, including Owner for: (i) any repairs performed by Owner or by others hired directly by Owner or: (ii) those relating to the management, leasing, rental, security deposits, or operation of the Property by Company, or any person in Company's firm or the performance or exercise of any of the duties, powers or authorities granted to Company.
  - C. Notify Company immediately in writing if Owner is aware of: (i) any recorded Notice of Default affecting the Property (ii) any delinquent amounts due under any loan secure by or other obligation affecting the Property (iii) any bankruptcy, insolvency or similar proceeding affecting the Property (iv) any litigation, arbitration, administrative action, government investigation or other pending or threatened action that does or may affect the Property or Owners ability to transfer it and: (v) any current, pending or proposed special assessments affecting the Property. Owner shall promptly notify the Company in writing if Owner becomes aware of any of these items during the term of the agreement.
  - D. **TAX WITHHOLDING:** If Owner is not a California Resident, a corporation or LLC qualified to conduct business in California, Owner authorizes Company to withhold and transmit to California Franchise Tax Board (FTB) 7% of the GROSS payments to Owner that exceed \$1,000 received by Company, unless Owner completed and transmits to Company FTB form 589, non-resident reduced withholding request, FTB form 588, non-resident withholding waiver or FTB form 590, withholding certificate.
18. Disclosure:
- A. **LEAD BASED PAINT**
    - 1. The Property was constructed prior to 1978.
      - (i) Owner has no knowledge of lead-based paint hazards in the housing except: ..... **YES**  **NO**
      - (ii) Owner had no reports or records pertaining to lead-based paint or lead-based hazards in the house, except the following, which Owner shall provide to Company ..... **YES**  **NO**
    - 2. The Property was constructed on or after January 1, 1978. .... **YES**  **NO**

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- 19. Negotiating items outside the scope of your Owners Management Agreement (ex. Cost breakdown for a fence repair amongst neighboring properties) an administration fee of \$50/hr rate, minimum \$200
- 20. (Pertains only to owners that live out of State or Country) 7% State Tax Withholding, \$25.00 administration fee per month to process paperwork with State authorities and comply with all State regulations.
- 21. We charge a 10% commission or a minimum of \$50.00 whichever is greater on all collections for Waste Management and Water Company if any.

**This PROPERTY MANAGEMENT CONTRACT** constitutes the entire agreement between the parties, and no verbal agreement or understanding shall bind either of them. Any and all changes shall be in writing.

**BY SIGNING THIS PROPERTY MANAGEMENT CONTRACT (I) (WE) ACKNOWLEDGE AND STATE THAT:**

- (a) (I) (WE) agree to send all notices to address herein. All notices shall be deemed effective upon mailing.
- (b) (I) (WE) have read and understand EVERY TERM of this CONTRACT.
- (c) (I) (WE) have been offered the opportunity to seek advice and counsel, legal or otherwise, to better understand this contract.
- (d) (I) (WE) have or viewed Mgmt One's videotape outlining services, policies and procedures and agreed to the items therein.
- (e) (I) (WE) recognize that Mgmt One and its vendors contribute to a network marketing fund to improve service and market their services
- (f) (I) (WE) recognize that Broker maintains an analysis account with a banking institution in which the earnings help offset legal, accounting, computer & checking account costs.

Initial here that you have read section a-f above: **X**\_\_\_\_\_

**THIS IS A LEGALLY BINDING CONTRACT - READ CAREFULLY BEFORE SIGNING. SIGNED AND EXECUTED on the date shown below.**

**Other terms:**

- 1. **CONTRACT SUBJECT TO MANAGEMENT COMPANY VIEWING PROPERTY**
- 2. **Owner elects to receive rent proceeds through electronic funds transfer at \$2.00 per transaction YES  NO**
- 3. **Comments:**

**X**  
\_\_\_\_\_  
**OWNER**

\_\_\_\_\_  
**DATE**

**X**  
\_\_\_\_\_  
**OWNER**

\_\_\_\_\_  
**DATE**

\_\_\_\_\_  
**Management Company New Accounts Agent**

\_\_\_\_\_  
**DATE**