



PROPERTY MANAGEMENT AGREEMENT

THIS IS INTENDED TO BE A LEGALLY BINDING AGREEMENT - READ IT CAREFULLY

_____ (hereinafter "Owner") and Investors Choice
Property Management (hereinafter "ICPM", "Broker" or "Agent")

AGREE AS FOLLOWS:

1. APPOINTMENT OF BROKER: The Owner hereby appoints and grants Broker the exclusive right to rent, lease, operate and manage the property(ies) known as:

_____ and any additional property that may later be added to this Agreement, upon the terms hereinafter set forth, commencing _____, 20____ and continuing on a month-to-month basis. This Property Management Agreement may be terminated as of the last day of any month by either party giving to the other party not less than 30 days prior written notice of intention to so terminate.

2. BROKER ACCEPTANCE: Broker accepts the appointment and grant, and agrees to:

- a) Use due diligence in the performance of this Agreement;
- b) Furnish the services of its firm for the rental, leasing, operation and management of the Property.
- c) Render MONTHLY statements of receipts, expenses and charges and to remit to Owner receipts, less disbursements, monthly.
- d) Accumulate as a reserve in the Owner's account each month AS DIRECTED BY OWNER. Hold security deposits in trust account unless owner directs Broker to forward security deposit to owner, in which case Owner agrees to return security deposit upon demand to Broker or vacated tenant. Owner accepts responsibility for penalties imposed if Owner does not return tenants deposit upon demand by Broker.
- e) Deposit all receipts collected for Owner (less any sums properly deducted or otherwise provided herein) in a trust account in a national or state institution qualified to engage in the banking or trust business, separate from Broker's personal account. However, Broker will not be held liable in event of bankruptcy or failure of a depository.

3. AUTHORITY AND POWERS: The Owner grants Broker the following authority and powers, at Owner's expense, to:

- a) **Advertising:** Display FOR RENT/LEASE and similar signs on the property and advertise the availability of the Property, or any part thereof, for rental or lease. Broker may add an administrative fee to cover Broker cost to administer advertising program, including internet advertising.
- b) **Rental/Leasing:** Initiate, sign, renew modify or cancel rental agreements and leases for the premises or any part thereof; to collect rents and give receipts for rents, other fees, charges and security deposits. Any lease executed by Broker for the Owner shall not exceed one year unless approved by owner.
- c) **Tenancy Termination:** Sign and serve in Owner's name such notices that are required or appropriate; to commence and prosecute actions to evict tenants and to recover possession of the Property in Owner's name; recover rents and other sums due; and, when expedient, to settle, compromise and release claims, actions or suits and/or reinstate tenancies. Broker shall have the authority to represent owner in court.
- d) **Repair/Maintenance:** Make, cause to be made, and/or supervise repairs, improvements, alterations and decorations to the Property; purchase, and pay bills for, services and supplies. Broker agrees to secure the prior approval of the Owner on all expenditures over \$150.00 for any one item, except monthly or recurring operating charges and emergency repairs in excess of the maximum, if in the opinion of the Broker such repairs are necessary to protect the property from damage or prevent damage to life or to the property of others or to avoid suspension of necessary services or to avoid penalties or fines or to maintain services to the tenants as called for in their leases or by law, including, but not limited to, maintaining the Property in condition fit for human habitation as required by Civil Code 1941 and 1941.1 and Health and Safety Code 17920.3 and 17920.10; Broker's decisions will be without liability except for willful misconduct or recklessness. Broker is not responsible for resident damage to property. Broker may use own staff, companies to perform maintenance at Property. Owner will be billed at bid prices or hourly rates. Owner may select own vendors provided they carry adequate insurance and licenses, and are qualified to perform the service.
- e) **Contracts/Services:** To hire, discharge and supervise all labor and employees required for the operation and maintenance of the premises. Broker may perform any of it's duties through Owner's or Broker's attorneys, Agents, employees, or independent contractors and shall not be responsible for their acts, defaults or negligence if reasonable care has been exercised in their appointment and retention; to make contracts for electricity, gas, water, sewer, garbage, and other services or such of them as the Broker shall deem advisable; the Owner to assume the obligation of any contract so entered into at the termination of this agreement; Owner to notify utility companies of any and all changes of billing address.
- f) **Expense Payments:** To pay loan indebtedness, property and employee taxes, special assessments and insurance as designated by Owner.

_____ Owner initial

Page 1 of 2

_____ Broker initial

- g) **Lead-Based Paint Disclosure:** Owner hereby notifies Broker that if they know of any lead-based paint or lead-based paint hazards at the property that Owner will immediately notify Broker so that Broker can disclose any known information to Lessee(s) and provide to Lessee(s) any records available. Broker may sign on behalf of Owner all required disclosures and inform Lessee(s) of any known hazards or records pertaining to lead-based paint and lead-based hazards.
- h) _____ (**Owner initial if selected**) Broker agrees to pay attorney fees and court costs in connection with an Unlawful Detainer Action (Eviction) for all tenants placed in the property by ICPM and after 6 months for tenants placed by others provided Broker accepts such tenant placement into program. Should the tenant be granted a jury trial for the Unlawful Detainer Action, owner shall bear all costs to litigate from that date. Broker shall have no obligation to initiate any legal action (nor bear any costs thereof) against tenants if property owner is currently in default on his/her mortgage.
 _____ (**Broker initial if approved**).

4. OWNER RESPONSIBILITIES: The Owner shall:

- a) Indemnify and save the Broker harmless from any and all costs, expenses, attorney's fees, suits, liabilities, damages or claims for damages, including but not limited to those arising out of any injury or death to any person or persons or damage to any property of any kind whatsoever and to whomsoever belonging, including Owner, in any way relating to the management of the premises by the Broker or the performance or exercise of any of the duties, obligations, powers or authorities herein or hereafter granted to the Broker; to carry, at the Owner's sole cost and expense, such public liability, property damage and worker's compensation insurance as shall be adequate to protect the interests of the Broker and Owner, the policies for which shall name the Broker as well as the Owner as the parties insured. OWNER TO PROVIDE BROKER WITH A CERTIFICATE OF INSURANCE SHOWING A MINIMUM OF \$300,000.00 LIABILITY COVERAGE within 14 days of execution of this contract.
- b) **Expense Payments:** Remit funds as requested by Broker immediately if current rental income is insufficient to pay all expenses. If Owner is unable or unwilling to send funds as requested by Broker the following priority will be followed in disbursing funds: Management fees, advertising, maintenance over 30 days old, utilities subject to cutoff, mortgages, other utilities, and other misc. bills. Owner agrees to pay late charges, interest charges and other penalties caused by lack of sufficient funds.
- c) **Compensation:** to pay the Broker for the following services if used:
- c-1) **Management:** \$_____/Month. Mortgage Payment \$_____/Month. Unlawful Detainer (Eviction) Protection \$_____/Month.
Or Management: _____% with minimum management fee of \$_____.
 - c-2) Initial rate (c-1) is divided by initial rent rate = management %, whichever is greater.
 - c-3) **Setup Fee:** \$50.00 due at signing
 - c-4) **For Leasing:** 50% of One Month Rent+ Costs of Advertising / Lease renewals: 10% of One Month Rent
 - c-5) One half of late fees collected and returned check fees which Broker retains. Residents are billed to reimburse Owner for NSF charges.
 - c-6) In the event that the Owners requests the Broker to undertake work exceeding normal management then an hourly fee shall be charged equal the current monthly management fee. Normal management does not include modernization, refinancing, fire/flood restoration, rehabilitation, annual inspections, process serving, advising on proposed construction, assisting sales agents/appraisers, or other counseling.
5. **Notices:** If it shall become necessary for Broker or Owner to give notice of any kind, the same shall be written and served by sending such notice by regular mail to the address shown near their signature, or at any different address the parties may later designate for this purpose.
6. **Assignment/ Succession:** This Agreement shall be binding upon the successors of the Broker, and the heirs, administrators, executors, successors and assignees of the Owner.
7. **Application Fees:** Advance fees collected by Broker from prospective renters will be expensed for services rendered in determining suitability of prospective renter as a tenant at the sole discretion of Broker or Broker's appointed Agent(s).
8. **Equal Housing Opportunity:** The Property is offered in compliance with federal, state and local anti-discrimination laws.

OWNER WARRANTS THAT OWNER IS THE OWNER OF THE PROPERTY OR HAS THE AUTHORITY TO EXECUTE THIS CONTRACT.
 OWNER ACKNOWLEDGES OWNER HAS READ, UNDERSTANDS, ACCEPTS AND HAS RECEIVED A COPY OF THIS AGREEMENT.

 X _____ Date _____ Owner Social Security/Tax ID # _____

Owner Signature

Owner Mailing Address: _____

 X _____

Broker Signature DRE LIC# 01124954

Date _____

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NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OF ANY PROVISION OR THE ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. IF YOU DESIRE LEGAL ADVICE, PLEASE CONSULT YOUR ATTORNEY.