



PONDEROSA PROPERTY MANAGEMENT

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INCORPORATED
(714) 921-1622

PROPERTY MANAGEMENT AGREEMENT

_____ OWNER of

_____ PREMISES
and PONDEROSA PROPERTY MANAGEMENT (AGENT), in consideration of the covenants herein contained, agree as follows:

1. TERM.

OWNER employs the AGENT exclusively to rent, lease, operate and manage the above described PREMISES beginning _____ and continuing until _____ and month-to-month thereafter until either party elects to terminate this agreement by notifying the other party in writing at least 30 days in advance.

2. LEASING, RENT & SECURITY DEPOSITS.

- A. AGENT agrees to advertise the availability of premises for rent or lease and to display "For Rent" signs.
- B. AGENT will work diligently to procure qualified tenants at fair market rents.
- C. AGENT is authorized to negotiate and sign leases on behalf of OWNER and in the name of OWNER or AGENT. It is understood that all such tenants are tenants of the OWNER and not the AGENT.
- D. AGENT will use due diligence in the screening and selection of tenants and abide by all fair housing laws.
- E. AGENT will collect rents, security deposits and all other receipts and deposit such monies into AGENT's general trust account for the OWNER with a qualified banking institution, but AGENT shall not be responsible for the failure of such depository. The general trust account shall not be an interest bearing account.
- F. AGENT may, at AGENT's discretion, hold security deposits in a separate account in trust for tenants. Upon termination of the tenancy by the tenant, if applicable, AGENT shall disburse the security deposit appropriate at the termination of the tenancy and pay the interest, if any, on the security deposit. AGENT is not liable for tenant damages, including unpaid rent, which exceed the security deposit.
- G. If the lease or rental agreement contains a "Late Fee" charge, AGENT shall be entitled to such fee as additional compensation for the additional time and expenses of collecting the delinquent rental payment. Late fee will be levied at AGENT's discretion.
- H. AGENT is authorized to sign and serve for the OWNER notices to terminate the tenancies and other such notices as the AGENT deems appropriate; to institute legal actions in the name of OWNER or AGENT to evict tenants and recover possession of the premises; to recover rents and other sums due; and when expedient to settle, compromise and release such actions or suits or reinstate such tenancies. Furthermore, inasmuch as AGENT is not authorized to practice law, where legal assistance is needed for such matters as enforcing the collection of rent or eviction of a tenant, such action shall be through legal counsel.
- I. OWNER agrees that such expenses incurred for advertising, out of country phone calls, collection costs, legal fees and service of legal notices are expenses of the OWNER.
- J. AGENT's services do not include any work related to the sale of the property. This includes; but is not limited to, securing signed estoppel certificates or setting appointments for warranty inspections or inspections by buyers, agents, and appraisers.

3. DISBURSEMENTS.

A. AGENT agrees to pay from gross receipts all operating expenses and such other expenses as may be authorized by OWNER including:

Maintenance, Repairs Utilities _____ Mortgage Payments
_____ Property Taxes _____ Insurance _____ Payroll Taxes

Other: _____

- B. OWNER shall deposit with AGENT \$ _____ as an initial operating reserve and will cover any excess of disbursements over receipts within ten (10) days of any request by AGENT. The AGENT may, at its option, terminate this Agreement immediately if the request for additional funds is not paid. OWNER understands that it is not the AGENT's obligation to advance funds for payment of OWNER's operating expenses.
- C. OWNER assumes full responsibility for the payment of any expenses and obligations incurred in connection with the proper and reasonable exercise of the AGENT's duties set forth in this Agreement.
- D. Any excess of receipts over disbursements and operating reserve of \$ _____ shall be forwarded to OWNER by the 20th of the current month.

4. RECORDS & REPORTS.

- A. AGENT shall maintain accurate records of all monies received and disbursed in connection with its Management of the property and said records shall be open for inspection by OWNER during regular business hours upon reasonable notice.
- B. AGENT agrees to submit monthly statements of all receipts and disbursements by not later than the 20th of the current month.

5. EMPLOYEES & WORKERS COMPENSATION.

AGENT agrees to hire, supervise and discharge all employees and independent contractors required for the operation and maintenance of the premises. It is agreed that all employees are employees of the OWNER and not of the AGENT. Where applicable, AGENT shall prepare for OWNER payroll tax returns and make payments of such taxes to the appropriate agencies out of gross revenue. In the event AGENT hires for OWNER a vendor who does not possess a Workers Compensation Insurance Certificate, AGENT shall pay from the OWNER's trust account, to the general Workers Compensation Policy, the appropriate Workers Compensation fee for the work performed.

6. REPAIRS, MAINTENANCE & SERVICE CONTRACTS.

- A. No repairs, decorations, alterations or supplies costing more than \$_____ shall be made without prior approval from OWNER, except for monthly or recurring operating charges, emergency repairs, or in the event the OWNER is not reasonably available for consultation, if the AGENT deems such expenditures in excess of this amount are necessary for the protection of the property from damage or persons from injury or to perform services to the tenants provided for in their leases or rental agreements.
- B. AGENT shall do everything reasonably necessary for the proper management of the property, including periodic inspections, the supervision of cleaning and maintenance and arranging for such improvements, alterations and repairs as may be required of OWNER.
- C. AGENT is authorized and agrees to sign and execute contracts for utilities and services for the operation, maintenance and safety of the property as the AGENT deems necessary or advisable. OWNER gives AGENT authority to execute contracts not to exceed one year and the amount payable shall not exceed \$250.00 per month without permission of the OWNER for properties of 16 or more units. OWNER agrees to assume the obligation of any contract so entered into at the termination of the agreement.

7. LEAD-BASED PAINT DISCLOSURE

Agent has informed the OWNER of the OWNER'S obligation under 42 U.S.C. 4852d to disclose to tenant any known lead-based paint hazards in the property if it was built prior to 1978 and to give them the booklet entitled "Protect Your Family." Agent will provide this information to the tenant on the owners behalf. Property was built prior to 1978: ____Yes ____NO. Property has lead-based paint: ____Yes ____No ____Unknown.

8. HOLD HARMLESS & INSURANCE.

- A. OWNER agrees to carry, at OWNER's expense, a comprehensive general liability policy with a minimum limit of \$500,000 for bodily injury and property damage. Ponderosa Property Management is to be named as additional name insured or additional interested party. It is further recommended that owner carry Workers Compensation Insurance, products liability, employer's non-owned auto insurance, and employee dishonesty coverage if there are on-site employees.
- B. OWNER shall immediately furnish AGENT with a certificate of insurance evidencing the above coverage is in force with a carrier acceptable to AGENT. In the event AGENT receives notice that said insurance coverage is to be canceled, AGENT may at its option immediately cancel this Agreement.
- C. OWNER shall indemnify and save the AGENT harmless from any and all costs, expenses, attorneys' fees, suits, liabilities, or damages from or connected with the management of the property by AGENT or the proper performance or exercise of any of the duties, obligations, powers or authorities herein or hereafter granted to AGENT. The AGENT shall not be liable for any error of judgement or for any mistake of fact or law, or for anything which it may do or refrain from doing hereinafter, except in cases of willful misconduct or gross negligence.

9. NEW LEASES.

- For new leases and rental agreements the AGENT is authorized to incur the following costs:
- _____ 36% of one months rent for leasing fee to inside leasing agent for showings, phone sales, consulting, credit verification, contract preparation, walk throughs; and general expenses incurred for advertising, phones, copies, FAX, etc. Minimum fee to be \$300.00.
 - _____ 48% of one months rent for leasing fee to inside leasing agent for showings, phone sales, consulting, credit verification, contract preparation, walk throughs; and general expenses incurred for advertising, phones, copies, FAX, etc. Minimum fee to be \$400.00.
 - _____ Multiple Listing Service input fee of \$15.00 and 36% of one months rent to the leasing office if property is leased by an office other than Ponderosa Property Management. Input fee to be paid in advance and lease fee to be paid after the property is leased.
 - X Advertising in newspapers, Penny Saver, and other mediums. To be paid in advance.
 - _____ Other _____

10. COMPENSATION.

OWNER agrees to pay to AGENT:

- A. For Management Services:
 - _____ % of actual gross monthly collections, but not to include security deposits. Minimum fee of \$65.00 per month.
 - \$_____ flat fee per month.
- B. Other: _____
- C. Compensation is due and payable on demand and may be deducted by the AGENT from receipts.
- D. 1% of sales price, if property is sold to tenant placed by Ponderosa Property Management, as referral fee. Ponderosa is not agent for Buyer or Seller.

11. NOTICES.

All notices required to be given hereunder shall be in writing and mailed to the parties hereto at the addresses set forth below.

12. HEIRS, SUCCESSORS, ASSIGNS.

This Agreement shall be binding upon the successors and assigns of AGENT and the heirs, administrators, executors, successors and assigns of the OWNER.

13. SEVERABILITY.

If any provision of this agreement, or its application, is held invalid, it will not affect other provisions or application herein which can be given effect without the invalid provision or application. To this end all provisions of this agreement are severable.

14. ATTORNEY'S FEES.

In the event of any legal action by the parties arising out of this Agreement, the losing party shall pay the prevailing party reasonable attorney's fees and costs in addition to all other relief.

15. ADDITIONAL TERMS. The following are additional terms, conditions and covenants to which the Parties agree:

16. Entire Agreement: The forgoing constitutes the entire agreement between the parties and may only be modified in writing.

OWNER: _____ Soc. Sec.# _____

ADDRESS: _____

PHONE: _____

MAIL RENT TO: _____

ADDRESS: _____

PHONE: _____

OWNER SIGNATURE: _____ Date: _____

AGENT SIGNATURE: _____ Date: _____