

Silicon Valley •

Property Management Group

residential - commercial www.svpmg.net 408-559-5649

PROPERTY MANAGEMENT AGREEMENT

"Owner(s)" _____ and "Broker" Silicon Valley Property Management Group, California Licensed Broker #01942886 ("SVPMG"), agree as follows:

I. **HIRING OF SVPMG:** Owner hereby appoints and grants SVPMG the exclusive right to rent, lease, operate, and manage the property(ies) commonly known as:

a. _____
Address, City, Zip

b. _____
Address, City, Zip

And any additional property which may later be added to the Agreement ("Property"), upon the terms below, for the period beginning (date) _____ and ending (date) _____, at 11:59PM or at a time otherwise mutually agreed to. Either party may terminate this Property Management Agreement ("Agreement") on at least thirty (30) days written notice _____ months after the original commencement date of this Agreement. After the exclusive term expires, this Agreement shall continue as a non-exclusive agreement that either party may terminate by giving at least thirty (30) days written notice to the other.

2. **ACCEPTANCE:** SVPMG accepts the appointment and grant, and agrees to:

- A. Use due diligence in the performance of this Agreement.
- B. Furnish services for the rental, leasing, operation and management of the Property.

3. **AUTHORITY AND POWERS:** Owner grants SVPMG the authority and power, 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.
- B. **RENTAL; LEASING:** Initiate, sign, renew, modify or cancel rental agreements and leases for the Property, or any part thereof; collect and give receipts for rents, other fees, charges and security deposits. Any lease or rental agreement executed by SVPMG for Owner shall not exceed _____ year(s) or shall be month-to-month. Unless Owner authorizes a lower amount, rent shall be: at market rate; OR a minimum of \$ _____ per _____; OR see attachment.
- C. **TENANCY TERMINATION:** Sign and serve in Owner's name notices that are required or appropriate; commence and prosecute actions to evict tenants; recover possession of the Property in Owner's name; recover rents and other sums due; and, when expedient, settle, compromise and release claims, actions and suits and/or reinstate tenancies.
- 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. SVPMG shall obtain prior approval of Owner for all expenditures over \$ _____ for any one item. Prior approval shall not be required for monthly or recurring operating charges or, if in SVPMG's opinion, 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 avoid penalties or fines, or suspension of services to tenants required by a lease or rental agreement or by law, including, but not limited to, maintaining the Property in a condition fit for human habitation as required by CA Civil Code §§ 1941 and 1941.1 and CA Health and Safety Code §§ 17920.3 and 17920.1 O
- E. **REPORTS, NOTICES AND SIGNS:** Comply with federal, state or local law requiring delivery of reports or notices and/or posting of signs or notices.
- F. **CONTRACTS; SERVICES:** Contract, hire, supervise and/or discharge firms and persons, including utilities, required for the operation and maintenance of the Property. SVPMG may perform any of SVPMG's duties through attorney's, agents, employees, or independent contractors and except for persons working for SVPMG, shall not be responsible for their acts, omissions, defaults, negligence and/or costs of same.
- G. **EXPENSE PAYMENTS:** Pay expenses and costs for the Property from Owner's funds held by SVPMG, unless otherwise directed by Owner. Expense and costs may include, but are not limited to property management compensation, fees and charges, expenses for good and services, property taxes and other taxes, Owner's Association dues, assessments, loan payments and insurance premiums.

OWNER'S INITIALS ___ / ___

SVPMG'S INITIALS ___

DATE _____

- H. SECURITY DEPOSITS: Receive security deposits from tenants, which deposits shall be placed in SVPMG's trust account and held in SVPMG's trust account, pay from Owner's funds all interest on tenant's security deposits as required by local law or ordinance. Owner through SVPMG shall be responsible to tenants for return of security deposits and all interest due on security deposits held by Owner through SVPMG.
 - I. TRUST FUNDS: Deposit all receipts collected for Owner, less any sums properly deducted or disbursed, in a financial institution whose deposits are insured by an agency of the United States Government. The funds shall be held in a trust account separate from SVPMG's personal accounts. SVPMG shall not be liable in the event of bankruptcy or failure of a financial institution.
 - J. RESERVES: Maintain a reserve in SVPMG's trust account of \$_____.
 - K. DISBURSEMENTS: Disburse Owner's funds, held in SVPMG's trust account, in the following order:
 - a. Compensation due SVPMG under paragraph 6 of Agreement
 - b. All other operating expenses, costs and disbursements payable from Owner's funds held by SVPMG
 - c. Reserves and security deposits held by SVPMG
 - d. Balance to Owner
 - L. OWNER DISTRIBUTION: Remit funds, if any are available, monthly on the 10th of the following month, to Owner.
 - M. OWNER STATEMENTS: Prepare and distribute monthly statements of receipts, expenses and charges for each Property.
 - N. SVPMG FUNDS: SVPMG shall not advance SVPMG's own funds in connection with the Property or this Agreement.
 - O. KEYSAFE/LOCKBOX: If checked D Owner authorizes the use of a key safe/lockbox to allow entry into the Property and agrees to sign a key safe/lockbox addendum.
4. OWNER RESPONSIBILITIES: Owner shall:
- A. Provide all documentation, records and disclosures as required by law or required by SVPMG to manage and operate the Property, and immediately notify SVPMG if Owner becomes aware of any change in such documentation, records or disclosures, or any matter affecting the habitability of the Property.
 - B. Indemnify, defend and hold harmless SVPMG, and all persons in SVPMG's firm, regardless of responsibility, from all costs, expenses, suits, liabilities, damages, attorney's 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 any 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 SVPMG, or any person in SVPMG's employ, or the performance or exercise of any of the duties, powers or authorities granted to SVPMG.
 - C. Maintain the Property in a condition fit for human habitation as required by CA Civil Code §§ 1941 and 1941.1 and CA Health and Safety Code §§ 17920.3 and 17920.10 and other applicable law.
 - D. Pay all interest on tenant's security deposits if required by local law or ordinance.
 - E. Carry and pay for: (i) public and premises liability insurance in an amount of no less than \$1,000,000; and (ii) property damage and worker's compensation insurance adequate to protect the interests of Owner and SVPMG. SVPMG shall be, and Owner authorizes SVPMG to be, named as an additional insured party on Owner's policies.
 - F. Pay any late charges, penalties and/or interest imposed by lenders or other parties for failure to make payment to those parties, if the failure is due to insufficient funds in SVPMG's trust account available for such payment.
 - G. Immediately replace any funds required if there are insufficient funds in SVPMG's trust account to cover Owner's responsibilities.
5. DISCLOSURE
- A. LEAD-BASED PAINT
 - 1. The Property was constructed on or after January 1, 1978; OR
 - 2. The Property was constructed prior to January 1, 1978.
 - (i) Owner has no knowledge of lead-based paint or lead-based paint hazards in the Property except: _____
 - (ii) Owner has no reports or records pertaining to lead-based paint or lead-based hazards in the Property, except the following, which Owner shall provide to SVPMG: _____
 - B. POOL/SPA DRAIN (If Checked Not Applicable)
Any pool or spa on the Property does (or, does not) have an approved anti-entrapment drain cover, device or system.

OWNER'S INITIALS _____

SVPMG'S INITIALS -- _____

DATE _____

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6. COMPENSATION:

- A. Owner agrees to pay SVPMG fees in the amounts indicated below for:
(1) Management:
(2) Renting or Leasing:
(3) Evictions:
(4) Preparing Property for rental or lease:
(5) Managing Property during extended periods of vacancy:
(6) An overhead and service fee added to the cost of all work performed by, or at the direction of, SVPMG:
(7) Other fees:
B. This Agreement does not include providing on-site management services, property sales, refinancing, preparing Property for sale or refinancing, modernization, fire or major damage restoration, rehabilitation, obtaining income tax, accounting or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, attending Owner's Association meetings or
C. SVPMG may divide compensation, fees and charges due under this Agreement in any manner acceptable to SVPMG.
D. Owner further agrees that:
(1) SVPMG may receive and keep fees and charges from tenants for (i) requesting an assignment of lease or sublease of the Property; (ii) processing credit applications; (iii) any returned checks and/or; (iv) any other services that are not in conflict with this Agreement.
(2) SVPMG may perform any of SVPMG's duties and obtain necessary products and services, through affiliated companies or organizations in which SVPMG may own an interest. SVPMG may receive fees, commissions and/or profits from these affiliated companies or organizations.
(3) Other:

7. AGENCY RELATIONSHIPS: SVPMG shall act, and Owner hereby consents to SVPMG acting, as dual agent for Owner and tenant(s) in any resulting transaction. If the Property includes residential property with one-to-four dwelling units and this Agreement permits a tenancy in excess of one year, Owner acknowledges receipt of the "Disclosure Regarding Agency Relationships." Owner understands that SVPMG may have or obtain property management agreements on other property, and that potential tenants may consider, make offers on, or lease through SVPMG, property the same as or similar to Owner's Property. Owner consents to SVPMG's representation of other owner's properties before, during and after the expiration of this Agreement.

8. NOTICES: Any written notice to Owner or SVPMG required under this Agreement shall be served by sending such notice by first class mail or other agreed-to delivery method to that party at the address below, or at any different address the parties may later designate for this purpose. Notice shall be deemed received three (3) calendar days after deposit into the United States mail OR D

9. DISPUTE RESOLUTION

A. MEDIATION: Owner and SVPMG agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction before resorting to arbitration or court action, subject to paragraph 9(2) below. Paragraph 9(2) below applies whether or not the arbitration provision is initialed. Mediation fees, if any, shall be divided equally among the parties involved. If for any dispute or claim to which this paragraph applies, any party commences an action based on a dispute or claim to which this paragraph applies, without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney's fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.

B. ARBITRATION OF DISPUTES:

(1) Owner and SVPMG agree that any dispute or claim in law or equity arising between them regarding the obligation to pay compensation under this Agreement, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraph 9(2) below. The arbitrator shall be a retired judge or justice, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. The parties shall have the right to discovery in accordance with Code of Civil Procedure § 1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part III of the California Code of Civil Procedure. Judgment upon the award of the arbitrator may be entered in any Court having jurisdiction. Interpretation of this agreement to arbitrate shall be governed by the Federal Arbitration Act.

OWNER'S INITIALS _____

SVPMG'S INITIALS ____

DATE _____

(2) **EXCLUSIONS FROM MEDIATION AND ARBITRATION:** The following matters are excluded from mediation and arbitration hereunder: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust mortgage, or installment land sale contract as defined in Civil Code § 2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims, or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, of order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the mediation and arbitration provisions.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTOOD THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

OWNER'S INITIALS

SVPMG

_____/_____

- 10. **EQUAL HOUSING OPPORTUNITY:** The Property is offered in compliance with federal, state and local anti-discrimination laws.
- 11. **ATTORNEY'S FEES:** In any action, proceeding or arbitration between Owner and SVPMG regarding the obligation to pay compensation under this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs from the non-prevailing party, except as provided by in Paragraph 9A.
- 12. **ADDITIONAL TERMS:** Key safe/Lockbox Addendum; D Lead-Based Paint Disclosures
- 13. **TIME IS OF THE ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties to be as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed except in writing. This Agreement and any supplement, addendum or modification, including any copy, may be signed in two or more counterparts, all of which shall constitute one and the same writing. Owner warrants that Owner is the owner of the Property or has the authority to execute this Agreement. Owner acknowledges Owner has read, understands, and accepts the terms of this Agreement; Owner also acknowledges the receipt of a copy of this Agreement.

OWNER PRINTED NAME DATE

OWNER SIGNATURE SOCIAL SECURITY#

ADDRESS CITY, STATE, ZIP

CONTACT PHONE NUMBER EMAIL ADDRESS

BY: SVPMG - GREGG BUNKER, PRINCIPAL

SILICON VALLEY PROPERTY MGMT GROUP
CA BROKER'S LICENSE - #01942886
1-408-781-1725 gregg@graggbunker.com
www.siliconvalleypropertymanagementgroup.com
www.svpmg.net

OWNER'S INITIALS _____ / _____

SVPMG'S INITIALS __ _

DATE _____