

PROPERTY MANAGEMENT AGREEMENT
THIS IS INTENDED TO BE A LEGALLY BINDING AGREEMENT – READ IT CAREFULLY

_____ (hereinafter designated as “Owner”) and **Cornette Property Management** (hereinafter designated as “Agent”).

1. **Appointment of Agent:** The owner hereby appoints and grants Agent the exclusive right to rent, lease, operate and manage the property(ies) known as: _____ and any additional property which may later be added to this Agreement (collectively known as “Property”), upon the terms hereinafter set forth.
2. **Term:** This Agreement shall commence on the _____ day of _____, 20____, is perpetual, and shall end when either Owner or Agent shall give the other party notice of intent to terminate according to terms stipulated in section 9 of this Agreement.
3. **Agent Acceptance: Agent accepts the appointment and grant and agrees to:**
 - (a) Use diligence, honesty and reasonable care in the management of the Property and to furnish the services of its organization for the renting, leasing, operating and managing of the Property.
 - (b) Render monthly statement of receipts, expenses and charges and to remit to Owner receipts less disbursements.
 - (c) Maintain a minimum reserve of \$300.00 in the Owner’s operating account and hold security deposits in trust account. Owner accepts responsibility for penalties imposed if Owner does not return tenant security deposit upon demand by Agent.
 - (d) 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 Agent’s personal account. However, Agent will not be liable in event of bankruptcy or failure of a depository.
 - (e) To actively involve the Owner in the management of the property consistent with the Tax Reform Act of 1986 which includes, but is not limited to, making management decisions such as deciding rental terms and approving other than normal expenditures.
4. **Owner grants Agent the following authority and powers and Owner shall pay the expenses in connection herewith:**
 - (a) To collect rents or other charges and expenses due or to become due and give receipts therefore; to institute and prosecute actions to evict tenants and to recover possession of Property in the name of the Owner and recover rents and other sums due and serve in the name of the Owner any such notices as are appropriate. Employ attorneys for the purpose of enforcing Owner’s rights under leases and rental agreements and instituting legal action on behalf of Owner.
 - (b) To make or cause to be made and supervise repairs and alterations, and to do decorating on said Property; to purchase supplies and pay all bills thereof. The Agent agrees to secure the prior approval of the Owner on all expenditures in excess of \$300.00 for any one item, except monthly or recurring operating charges, or in the event the Owner is not reasonably available for consultation, or for emergency repairs in excess of the maximum if in the opinion of the agent 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. Agent’s decision will be without liability except for willful misconduct or recklessness.
 - (c) To hire, discharge and supervise all labor and employees required for the operation and maintenance of the premises. Agent may perform any of its duties through Owner’s or Agent’s Attorneys, agents, or employees and shall not be responsible for their acts, defaults or negligence if reasonable care has been exercised in their appointment and retention. To represent Owner in court at an hourly fee of \$65.00. No fee will be charged to represent Owner in court for unlawful detainer actions in which tenant moved into property after the signing of this Agreement.
 - (d) Agent may perform any of its duties, and obtain necessary products, services and maintenance through the use of own staff, affiliated companies or organizations in which Agent may own an interest, and may receive fees, commissions, and/or profits from these affiliated companies or organizations. Management shall disclose to Owner any such relationship. Management shall not, however, receive fees, commissions, or profits from unaffiliated companies in the performance of this Agreement without prior disclosure and agreement of Owner. Agent hereby notifies owner of our affiliated maintenance company known as RBC Construction. Owner will be billed at bid prices or at hourly rate. Owner has option to select own vendors provided they carry adequate insurance and licenses and are qualified to perform the service needed.

- (e) To make contracts for electricity, gas, fuel, water, sewer, garbage, and other services or such of them as the Agent 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 change of billing address.
- (f) To pay loan indebtedness, property and employees taxes, special assessments and insurance as designated by Owner.
- (g) Owner hereby notifies Agent that if they know of any lead-based paint or lead-based paint hazards at the property that Owner will immediately notify Agent so that Agent can disclose any known information to Lessee(s) and provide to Lessee(s) any records available. Agent 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 hereby notifies Agent that if they know of any mold or mold hazards at the property the Owner will immediately notify Agent so that agent can disclose any known information to Lessee(s) and provide to Lessee(s) any records available. Agent may sign on behalf of Owner all required disclosures and inform Lessee(s) of any known hazards or records pertaining to Mold and Mold hazards.

5. **Owner Responsibilities: The Owner agrees to:**

- (a) Indemnify and save the Agent 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 Agent or the performance of exercise of any of the duties, obligations, powers or authorities herein or hereafter granted to the Agent; 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 Agent and Owner, the policies for which shall name the Agent as well as the Owner as the party insured. OWNER TO PROVIDE AGENT WITH A CERTIFICATE SHOWING A MINIMUM OF \$500,000.00 LIABILITY COVERAGE within 14 days of execution of this contract.
- (b) Remit funds as requested by Agent immediately if current rental income is insufficient to pay all expenses. If Owner is unable or unwilling to send funds as requested by Agent 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 miscellaneous bills. Owner agrees to pay late charges, interest charges, and other penalties caused by lack of sufficient funds. Owner understands that it is not the Agent's obligation to advance its own funds for payment of Owner's operating expenses.

6. **Compensation:** Owner agrees to pay Agent for the following services if used:

- (1) Management fees:
 - a) \$75.00 per month for Single Family Homes & Condominiums
 - b) \$140.00 per month for Duplexes
 - c) \$240.00 per month for Four-plexes
- (2) Leasing Fee: 35% of the first month's rent
- (3) Lease Renewal: \$75.00
- (4) One half of late fees collected, and all returned check fees charged (residents are billed).
- (5) Inspections required by local municipalities, such as the City of Sacramento "Rental Housing Inspection Program" and annual property inspection survey will incur a fee of \$75.00. This is not a Home/Pest Control Inspection. This is a walk thru of the property noting issues that may need attention based on visual observance and does not include roof, crawl spaces and other areas that are difficult to access. "Initial-Inspection" requested by tenants per California Civil Code 1950.5 (f)(1).
- (6) In the event that the Owner requests the Agent to undertake work exceeding normal management then an hourly fee of \$75.00 shall be charged. Normal management does not include modernization, refinancing, fire restoration, rehabilitation's, inspections, advising on new construction, process serving, assisting sales agents or appraisers, or other counseling.

7. **Notices:** Any written notice to Owner or Agent required under this Agreement shall be served by sending such notice by first class mail to that party at the address below, or at any different address which the parties may later designate for this purpose, and shall be deemed received after three business days.

8. **Binding Agreement:** This Agreement shall be binding upon the successors of the Agent, and the heirs, administrators, executors, successors and assignees of the Owner.



9. **Termination:** Either Owner of Agent may cancel this agreement by giving the other party thirty (30) day written notice of termination. Agent may cancel this agreement immediately with written or verbal notice if Owner's actions or inactions appear to be illegal, improper, or jeopardize the safety or welfare of tenants or others.
- (a) All provisions of Agreement that indemnify, defend, and save Agent harmless, to any and all matters shall survive any terminations of this Agreement.
 - (b) Agent may withhold funds for thirty (30) days after the end of the month in which this agreement is terminated to pay any obligations previously incurred but not yet invoiced and to close accounts. If the funds on hand are insufficient to pay such obligations, Owner shall pay Agent the deficit within ten (10) days of termination date.
 - (c) In the event this Agreement is terminated by either Owner or Agent, regardless of cause, the parties agree that Agent shall have no further obligation to rent, lease or manage the premises.
10. **Owner Provides the Following Assurances:**
- (a) That Owner constitutes the entire Ownership of the property and will provide a copy of the deed if requested by the Agent. That Owner has full power and authority to hire Agent and has the right to receive income proceeds from the property and that this power, authority and right have not been assigned or transferred to others. Owner agrees to keep Agent informed of any changes of ownership interest in the property
 - (b) That all mortgages, taxes, insurance and association dues are currently paid and are not in default, that the property is not now the subject of a foreclosure or pending legal action. In the event, a foreclosure action is filed against the property; Agent shall be notified in writing immediately by Owner, and at the sole discretion of Agent, failure of the Owner to give written notification to Agent, will be grounds for immediate termination of this agreement.
11. **Owner and Agent Mutually Agree:**
- (a) That this agreement shall be governed by and construed in accordance with the laws of the State of California, should one or more of the provisions contained in the agreement be held to be invalid, illegal or unenforceable, that disability shall not affect any other provision of this agreement.
 - (b) That in the event that legal procedures are necessary to enforce any provision of this agreement the prevailing party shall be entitled to recover or receive an award for the reasonable legal fees not to exceed \$600.00. Venues for any action shall be Sacramento County, California.
12. **Personal Property:** Agents assumes no responsibility or management of personal property left by Owner at Property.
13. **Equal Housing Opportunity:** Both Agent and Owner agree to abide by all Fair Housing Laws. If Owner should at any time request Agent to disregard Fair Housing Laws and/or State or Local Landlord/Tenant Laws, this contract will be terminated immediately, and the management fees for the balance of this contract or \$300.00, whichever is greater will be due upon termination.
14. **Representation of Agreement:** 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.

Parties acknowledge having read the foregoing prior to execution and receipt of a duplicate original date this _____ day of _____, 20_____.

Owner's Name

Address

Owner's Signature

Owner's Tax ID #

Agent's Signature

Cornette Property Management
5655 Walnut Avenue
Orangevale, CA 95662
(916) 988-5357 Fax: (916) 988-5587



Owner Information Form for Management

OWNER INFORMATION

Ownership Type: Individual Joint Partnership Corporation

Owners Name(s)

Owners Mailing Address

Home Phone

Work Phone

Cell Phone

Fax Number

E-mail Address

Emergency Contact (Name and Phone Number)

INSURANCE INFORMATION

Insurance Company

Agents Name

Phone Number

Policy Number

_____ please provide a copy of your policy or Certificate of Insurance.

IMPORTANT INFORMATION REGARDING YOUR PROPERTY

Are you aware of any of the following? (Circle One)

1. Is there any current litigation or insurance claims against the property? Yes or No
2. Are you aware of any mold or mold related issues with the property? Yes or No
3. Substances, materials or products which may be an environmental hazard such as, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks and contaminated soil or water on the property? Yes or No
4. Room additions, structural modifications, stairs, or other alterations or repairs made without necessary permits, or not in compliance with building codes? Yes or No
5. Flooding, drainage or grading problems? Yes or No
6. Notices of abatement/citations against the property? Yes or No
7. Please list any items in the property not in normal operating condition or need special attention _____

Page 1 of 2 _____ Owners Signature

CORNETTE 
property management

ADDITIONAL INFORMATION

Will you provide lawn service? Yes or No If yes, phone # of company _____

Will you provide pool service? Yes or No If yes, phone # of company _____

Is the property in a HOA? Yes or No If yes, please provide copy of CC&R's or "Use & Restrictions"

Do you have a Home Warranty Service? Yes or No If yes, we will need a copy of the warranty.

Do you desire a shorter lease? Yes or No
(We typically sign tenants to a 12-month initial lease term) If yes, how many months _____

Security/Alarm System Code: _____ Gate Code: _____

UTILITY/RECURRING PAYMENT INFORMATION

Our office can pay utilities such as water, sewer, garbage and association dues. Once the property has been rented - if you would like our office to begin paying these bills, please contact the various utility companies you will transfer to our office to pay and list the companies below. You will keep the bills in your name but list as in care of Cornette Property Management. The address should read:

Your Name Here
 C/O Cornette Property Management
 5655 Walnut Avenue
 Orangevale, CA 95662

If there are any bills that you receive electronically or paperless, make sure this feature is turned off; otherwise, we will not receive a hard-copy of the bills and this may result in the account becoming delinquent.

Please list the following companies you will contact to transfer in care of Cornette Property Management once the property has been rented:

Water Company: _____

Sewer Company: _____

Garbage Company: _____

Association Due Company: _____

WE WILL NEED THE FOLLOWING TO BEGIN MANAGEMENT OF YOUR PROPERTY:

- 1. Management Agreement:** Signed and Dated Management Agreement, Owner's Information Form, FTB Form 590 if you live in California, W-9, ACH Authorization Form. If you live outside of California, please contact our office for the appropriate Franchise Tax Board information regarding CA state withholdings.
- 2. Proof of Insurance:** Copy of Declarations Page with minimum \$500K Liability

Thank you for considering Cornette Property Management to manage your rental property. We appreciate your business and look forward to working with you.

