



PROPERTY MANAGEMENT AGREEMENT

(C.A.R. Form PMA, Revised 11/12)

Owner", and ("Broker"), agree as follows:

- 1. APPOINTMENT OF BROKER: Owner hereby appoints and grants Broker the exclusive right to rent, lease, operate, and manage the property(ies) known as ...
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.
3. AUTHORITY AND POWERS: Owner grants Broker 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.
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.
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.
G. EXPENSE PAYMENTS: Pay expenses and costs for the Property from Owner's funds held by Broker, unless otherwise directed by Owner.
H. SECURITY DEPOSITS: Receive security deposits from tenants, which deposits shall be given to Owner, or placed in Broker's trust account and, if held in Broker's trust account, pay from Owner's funds all interest on tenants' security deposits if required by local law or ordinance.
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.
J. RESERVES: Maintain a reserve in Broker's trust account of \$
K. DISBURSEMENTS: Disburse Owner's funds held in Broker's trust account in the following order:
(1) Compensation due Broker under paragraph 8.
(2) All other operating expenses, costs and disbursements payable from Owner's funds held by Broker.
(3) Reserves and security deposits held by Broker.
(4) Balance to Owner.
L. OWNER DISTRIBUTION: Remit funds, if any are available, monthly (or) to Owner.
M. OWNER STATEMENTS: Render monthly, (or), statements of receipts, expenses and charges for each Property.
N. BROKER FUNDS: Broker shall not advance Broker's own funds in connection with the Property or this Agreement.

Owner's Initials () ()

Broker's Initials () ()

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Reviewed by Date



Agent: Phone: Fax: Prepared using zipForm® software
Broker:

A. KEYSAFE/LOCKBOX: (If checked) Owner authorizes the use of a keysafe/lockbox to allow entry into the Property and agrees to sign a keysafe/ lockbox addendum (C.A.R., Form KLA).

2. OWNER RESPONSIBILITIES: Owner shall:

- A.** Provide all documentation, records and disclosures as required by law or required by Broker to manage and operate the Property, and immediately notify Broker 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 Broker, and all persons in Broker'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 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 Broker, or any person in Broker's firm, or the performance or exercise of any of the duties, powers or authorities granted to Broker.
- C.** Maintain the Property in a condition fit for human habitation as required by Civil Code §§ 1941 and 1941.1 and Health and Safety Code §§ 17920.3 and 17920.10 and other applicable law.
- D.** Pay all interest on tenants' 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 Broker. Broker shall be, and Owner authorizes Broker 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 Broker's trust account available for such payment.
- G.** Immediately replace any funds required if there are insufficient funds in Broker's trust account to cover Owner's responsibilities.

3. OWNER REPRESENTATIONS: Owner represents that unless otherwise specified in writing, Owner is unaware of: **(i)** any recorded Notice of Default affecting the Property; **(ii)** any delinquent amounts due under any loan secured 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 Broker in writing if Owner becomes aware of any of these items during the term of this Agreement.

4. TAX WITHHOLDING:

- A.** If Owner is not a California Resident or a corporation or LLC qualified to conduct business in California, Owner authorizes Broker to withhold and transmit to California Franchise Tax Board ("FTB") 7% of the GROSS payments to Owner that exceed \$1,500 received by Broker, unless Owner completes and transmits to Broker FTB form 589, nonresident reduced withholding request, FTB form 588, nonresident withholding waiver, or FTB form 590, withholding exemption certificate.
- B.** If Owner is a nonresident alien individual, a foreign entity, or other non-U.S. person, (Foreign Investor) Owner authorizes Broker to withhold and transmit to the Internal Revenue Service (IRS) 30% of the GROSS rental receipts unless Owner elects to treat rental income as "effectively connected income" by submitting to Broker a fully completed IRS form W-8ECI, Certificate of Foreign Person's Claim for Exemption From Withholding on Income Effectively Connected With the Conduct of a Trade or Business in the United States. A Foreign investor Owner will need to obtain a U.S. tax payer identification number and file a declaration with the IRS regarding effectively connected income in order to complete the form given to Broker. Further, the Foreign Investor Owner will be responsible for making any necessary estimated tax payments.

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 1978.

- (i) Owner has no knowledge of lead-based paint or lead-based paint hazards in the housing except: _____
- (ii) Owner has no reports or records pertaining to lead-based paint or lead-based paint hazards in the housing, except the following, which Owner shall provide to Broker: _____

A. POOL/SPA DRAIN

Any pool or spa on the property does (or, does not) have an approved anti-entrapment drain cover, device or system.

COMPENSATION:

2. A. Owner agrees to pay Broker 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, Broker: _____
- (7) Other: _____

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