

# PROPERTY MANAGEMENT CONTRACT

THIS PROPERTY MANAGEMENT CONTRACT is made and entered into on \_\_\_\_\_ by and between TDG Property Management ("Agent"), having an address of 6709 La Tijera Blvd. #305, Los Angeles, CA 90045, and \_\_\_\_\_ ("Owner"), having an address of \_\_\_\_\_.

## RECITALS

WHEREAS, Agent is in the business of managing properties for owners and is willing to undertake the management of Owner's properties in accordance with the terms and conditions set forth herein;

WHEREAS, Owner desires to hire Agent to manage the following property(s) legally owned by Owner: \_\_\_\_\_, CA.

NOW, THEREFORE, in consideration of the premises and promises set forth herein and for other good and valuable consideration, intending to be legally bound, the parties hereto hereby agree as follows:

### I. Definitions. As used in this Agreement, the following terms have the following meanings:

**Property.** The property(s) listed above that are legally owned by the Owner and to which this Management Agreement applies.

**Term of this Contract.** The Term of this Contract shall be for one year and shall continue thereafter unless terminated in writing by one of the parties at least sixty (60) days prior to the expiration of the then current term.

### II. Authority and Power of Agent. Owner hereby confers upon the Agent the following authority and power, all or any of which may be exercised in the name of the Owner designated by a mark in the appropriate box(es) below:

**Leasing.** To advertise the Property or any part thereof for rent in accordance with a budget supplied by Owner and to display signs thereon and to execute leases and lease renewals according to a rent schedule, terms and a lease approved in advance by Owner.

**Termination of Tenancies.** To serve tenants with appropriate notices on behalf of Owner; to terminate tenancies; and to institute legal proceedings in the Owner's name for purposes of recovering rents and other sums due and for possession of the Property.

**Notices.** To serve tenants with appropriate notices on behalf of Owner and to advise Owner promptly of the service upon Agent of any notice from any tenant or receipt of any notice, summons, subpoena or other legal document or other communication setting out or claiming an actual or alleged potential liability of the Owner.

**Rent and Security Deposit.** To collect rents, fees and charges and to collect and disburse security deposits.

**Employees and Independent Contractors.** To hire, supervise and discharge all employees and independent contractors necessary for the operation and maintenance of the Property, it being specifically agreed and understood that all employees shall be deemed to be employees of the Agent and all Independent Contractors shall be deemed to be working on behalf of the Agent.

**Service Contracts.** To execute contracts for utilities and services for the operation, maintenance, repair and safety of the Property as the Agent shall deem advisable.

[ ] Repairs. To oversee all repairs, decorating and alterations to the Property and to purchase all necessary supplies therefore.

[ ] Disbursements. To accrue and make disbursements from Owner's funds for mortgage payments, taxes, insurance, assessments and other necessary expenses.

**III. Duties of the Agent.** The Agent agrees to perform in accordance with the authority and powers granted to the Agent by the Owner as set forth above. Agent will carry out its duties in managing the Property as follows and as applicable as set forth above:

A. To advertise and show the Property.

B. To fully screen and evaluate prospective tenants by obtaining credit reports, tenant eviction history, tenant criminal history and the like.

C. To inspect the Property on a regular basis.

D. To assist the Owner in complying with all Federal, State and Local laws, codes and regulations affecting the Property.

E. To arrange for exterior painting, pavement repairs, roof repairs, gutter and downspout repairs, window well repairs, fence repair, sewer cleaning, and in general, to provide for appropriate attention and service to all interior and exterior parts of the property and the utilities thereon.

F. To provide Owner with a monthly statement which itemizes all receipts, expenses, charges and accruals and to remit to owner the balance of the receipts less all disbursements and accruals for future expenses. In the event disbursements and accruals for future expenses shall exceed the receipts, the Owner shall promptly remit to Agent such excess money.

G. To provide Owner with periodic reports on the condition of the Property in addition to monthly financial statements.

H. To deposit all receipts collected for owner in a trust account with a qualified banking institution.

I. To make all disbursements for and on behalf of the Owner out of the account maintained pursuant to this Agreement.

J. To maintain books of accounts and records of the Owner and to permit the inspection and audit of such books and records by the Owner during normal business hours.

K. To use reasonable diligence to assure that contracts and agreements between the Owner and suppliers or servicemen are performed in accordance with their terms and to inform the Owner in the event performance is considered by Agent to be inadequate or contrary to the agreed terms.

L. If required by Owner, to furnish the Owner, at Owner's sole cost and expense, a fidelity bond in the amount of Twenty Thousand Dollars (\$20,000.00) naming the owner as an insured.

M. To obtain Owner's prior authorization for any expense item in excess of \$500, except the following: i) previously approved monthly or recurring operating expenses, ii) emergency repairs to protect the Property or a tenant; or (iii) necessary expenses if the Owner is not reasonably available for consultation.

**IV. Owner's Obligations and Duties.** The Owner covenants and agrees as follows:

A. To employ Agent as its exclusive agent to perform the property management services set forth during the Term of the Contract.

B. To promptly pay to Agent the following fees and expenses which Agent is authorized to debit or charge against the account maintained by Agent on behalf of Owner pursuant to this Contract:

1. 5% of collected rent for 1 -250 units
2. 4% of collected rent for 250 + units

C. To provide Agent with such specific directions as Agent may reasonably require from time to time to guide Agent in the operation of the property.

D. To carry, at its own expense, public liability insurance and on request, to provide Agent with a certificate showing such insurance to be in full force and effect. The public liability insurance shall be in such amounts as Agent reasonably may require and the policy shall be so written as to protect Agent to the same extent it protects Owner and will name Agent as additional insured.

E. To carry a fire insurance policy in broad form on the Property.

F. To cooperate with Agent to the extent required to enable Agent to perform expeditiously, efficiently and economically, the management services required under this Contract.

G. To make available to Agent all data, records and documents pertaining to the property which the Agent may require to properly exercise its duties hereunder.

**V. Owner's Representations, Warranties and Covenants.** Owner hereby represents, warrants and covenants as follows:

A. Power. Owner has the legal power, right and authority to enter into this Contract and to consummate the transactions contemplated hereby.

B. Validity. This Agreement and all documents required hereby to be executed by Owner are and shall be valid, legally binding obligations of and enforceable against Owner in accordance with their terms.

C. Conflicts. None of the execution and delivery of this Agreement and documents referenced herein, the incurrence of the obligations set forth herein, the consummation of the transactions herein contemplated or referenced herein conflicts with or results in the material breach of any terms, conditions or provisions of or constitutes a default under, any bond, note, or other evidence of indebtedness or any contract, lease or other agreements or instruments to which Owner is a party.

D. Litigation. No litigation has been served upon Owner, nor to the best of the Owner's knowledge has been filed, or threatened in writing, affecting the Property.

E. No Violations. Owner represents that the Property, as of the inception of this Contract and continuing forward, complies with all applicable building codes, laws and regulations.

F. Environmental Condition. Owner has no knowledge of any violation of Environmental Laws related to the Property or the presence or release (other than as permitted by law) of Hazardous Materials on or from the Property except as disclosed in the environmental reports delivered by Owner to Agent. The term "Environmental Laws" includes, without limitation, the Resource Conservation and Recovery Act and the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA") and other federal laws governing the environment as in effect on the date of this Contract together with their implementing regulations and guidelines as of the date of this Contract, and all state, regional, county, municipal and other local laws, regulations and ordinances that are equivalent or similar to the federal laws recited above or that purport to regulate Hazardous Materials in effect as of the date of this Agreement. "Hazardous Materials" means any substance which is (i) designated, defined, classified or regulated as a hazardous substance, hazardous material, hazardous waste, pollutant or contaminant under any Environmental Law, as currently in effect as of the date of this Contract, (ii) petroleum hydrocarbon, including crude oil or any fraction thereof and all petroleum products, (iii) PCBs, (iv) lead, (v) friable asbestos, (vi) flammable explosives, (vii) infectious materials, or (viii) radioactive materials.

**VI. Notice.** All notices, demands, deliveries and communications (a “Notice”) under this Contract shall be delivered or sent by: (i) first class, registered or certified mail, postage prepaid, return receipt requested, (ii) nationally recognized overnight carrier, or (iii) facsimile with original Notice sent via overnight delivery addressed to the address of the party in question set forth in the first paragraph of this Contract or to such other address as either party may designate by Notice pursuant to this Section. Notices shall be deemed given (x) three business days after being mailed as provided in clause (i) above, (y) one business day after delivery to the overnight carrier as provided in clause (ii) above, or (z) on the day of the transmission of the facsimile so long as it is received in its entirety by 5:00 pm on such day and the original of such Notice is received the next business day via overnight mail as provided in clause (iii) above.

## **VII. Remedies.**

A. In the event of default, the party aggrieved shall give written notice of default to the other party, who shall have thirty (30) days from the date of such notice to remedy the default.

B. If the default has not been cured within the thirty (30) days, the aggrieved party is entitled to the remedies set forth herein.

C. After notice and opportunity to cure as set forth above, in the event that Agent shall fail to comply with the terms of this Contract, Owner shall have the right to immediately terminate this Contract and seek all damages to which it is entitled under this Contract as if it remained in effect.

D. Promptly upon any termination of this Contract, whether by expiration of the term hereof or otherwise, and notwithstanding the absence of a final accounting between the parties hereto, the Agent will promptly deliver to Owner all funds, documents, accounts, ledgers and other materials which Agent prepared, received, collected or otherwise acquired in the course of its employment under this Contract.

E. Force Majeure. Agent shall not be liable for any loss, damage, delay or failure to perform in whole or in part, which results from causes beyond Agent’s control including, but not limited to, fire, strikes, riots, embargo, shortages in supplies, delays in transportation or requirements of any governmental authority.

## **VIII. Miscellaneous.**

A. Entire Contract. This Contract constitutes the entire agreement of the parties hereto, and all prior agreements, understandings, representations and statements, oral or written, are hereby merged herein. In the event of a conflict between the terms of this Contract and any prior written agreements, the terms of this Contract shall prevail. This Contract may only be amended or modified by an instrument in writing, signed by the party intended to be bound thereby.

B. Time. All parties hereto agree that time is of the essence in this Contract. If the time for performance of any obligation hereunder shall fall on a Saturday, Sunday or holiday (national or in the state in which the Property is located) such that the transaction contemplated hereby can not be performed, the time for performance shall be extended to the next such succeeding day where performance is possible.

C. Counterpart Execution. This Contract may be executed in one or more counterparts, each of which shall be deemed an original.

D. Governing Law. This Contract shall be deemed to be a contract made under the laws of the State where the Property is located and for all purposes shall be governed by and interpreted in accordance with the laws of the State where the Property is located.

E. Section Headings. The Section headings contained in this Contract are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several Sections hereof.

F. Severability. If any portion of this Contract is held to be unenforceable by a court of competent jurisdiction, the remainder of this Contract shall remain in full force and effect.

G. Waiver of Trial by Jury. Owner and Agent, to the extent they may legally do so, hereby expressly waive any right to trial by jury of any claim, demand, action, cause of action, or proceeding arising under or with respect to this Contract, or in any way connected with, or related to, or incidental to, the dealings of the parties hereto with respect to this Contract or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and irrespective of whether sounding in contract, tort, or otherwise. To the extent they may legally do so, Owner and Agent hereby agree that any such claim, demand, action, cause of action, or proceeding shall be decided by a court trial without a jury and that any party hereto may file an original counterpart or a copy of this Section with any court as written evidence of the consent of the other party or parties hereto to waiver of its or their right to trial by jury.

H. No Waiver. No covenant, term or condition of this Contract other than as expressly set forth herein shall be deemed to have been waived by Owner or Agent unless such waiver is in writing and executed by Owner or Agent, as the case may be.

**IX. Exculpation of Agent and Related Parties.**

A. Agent shall not incur any liability for the failure or bankruptcy of any depository which Agent uses to hold Owner's funds or the tenant's security deposit.

B. Agent, except as to its own conduct, does not assume responsibility for compliance with any statute, ordinance, law or regulation of any governmental body or public authority respecting the Property, except to promptly inform Owner of any complaints, notices or summonses received by Agent.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have caused this Contract to be made as of the day and year first above stated.

Owner:

\_\_\_\_\_ Date: \_\_\_\_\_

Agent:

\_\_\_\_\_ Date: \_\_\_\_\_  
TDG Property Management