

## PROPERTY MANAGEMENT AGREEMENT

This Property Management Agreement (“Agreement”) is made this \_\_\_\_\_ day of \_\_\_\_\_, by and between \_\_\_\_\_ (“Owner”) and Michael Anthony Properties, Inc. (“Manager”).

### RECITALS

Whereas the Owner is the owner of certain residential real property commonly known as \_\_\_\_\_, (the “Premises”).

Whereas the Manager is a duly licensed real estate broker under the laws of the State of California and engages in the business of managing, operating and maintaining real property similar to the Premises.

Whereas the Owner desires to engage and appoint Manager as the exclusive managing agent for the Premises and Manager desires to accept such appointment, upon the terms and conditions set forth in this Agreement.

Now, Therefore, in consideration of the mutual covenants and agreements set forth below, Owner and Manager agree as follows:

1. **Appointment and Term:**

The Owner hereby employs and grants Manager the exclusive right to rent, lease, operate and manage the Premises for the period of one year commencing on \_\_\_\_\_ and terminating on \_\_\_\_\_. After \_\_\_\_\_ this Agreement shall be on a month to month basis and may be terminated by either party with a thirty (30) day written notice.

2. **Manager’s Duties and Powers:**

Manager shall manage, coordinate and supervise the ordinary and usual business and affairs pertaining to the operation, maintenance and management of the Premises. Without limiting the foregoing or any other provision of this Agreement, Manager shall have such responsibilities and obligations, and shall perform and take, or cause to be performed or taken, all services and actions customarily performed or taken by property managers of properties which are similar in nature, location and character to the Premises. Manager shall perform all its duties in an efficient and economical manner, subject to the Owner’s direction and pursuant to the terms of this Agreement.

- (a) Manager shall provide Owner with monthly statements of receipts, expenses and charges regarding the Premises. Manager shall use its best, diligent efforts to collect all rents and other charges due from tenants of the Premises (“Tenants”) and shall promptly deposit all sums collected for Owner in a Trust account that is maintained separately from Manager’s personal account. Manager shall disburse all such sums owed to Owner once the rent check has cleared the bank. Typically, such disbursements are made between the 5<sup>th</sup> and 10<sup>th</sup> of the month in which the rents are collected. Disbursements to Owner shall at all times be made in compliance with California Department of Real Estate regulations.
- (b) Owner agrees to pay all expenses and costs incurred by Manager under this Agreement immediately upon demand. Before any bills can be paid from owner’s account or any work ordered on property, owner shall deposit sufficient funds for bills and work.

- (c) Manager does not warrant the solvency of any bank in which the Manager's Trust account is held and Owner agrees that Manager shall not be held responsible to Owner for any loss occasioned by the bankruptcy or failure of such bank.
- (d) Manager is authorized to advertise the availability for rental of the Premises or any part thereof, to display "for rent" signs, to show the Premises to prospective Tenants, to sign, renew or cancel leases for the Premises or any part thereof, to collect rents or other charges and expenses due or to become due and to give receipts to the Tenant(s) therefore. Manager shall receive and respond to all Tenant complaints and shall attempt in good faith to resolve and settle such complaints within the authority provided for in this Agreement. Manager shall coordinate the moving in and moving out of Tenants from the Premises. Manager is authorized to terminate tenancies and to sign and serve in the name of the Owner all notices as appropriate to institute and prosecute actions to evict Tenants and to recover possession of the Premises in the name of the Owner, and to recover rents and other sums due from Tenants. Manager is authorized to settle, compromise, and release such actions or suits (including, but not limited to actions for unlawful detainer or breach of lease) or reinstate tenancies in Manager's discretion. After notification to Owner, Manager is authorized to retain legal counsel, collection agencies and such other persons and firms as Manager shall deem appropriate or advisable to enforce the rights and remedies of the Owner against a Tenant in default in the performance of their obligations under a lease. Manager shall periodically notify Owner of the progress of such legal action. Advertising fee is \$150 payable upon signing of this agreement.
- (e) Manager is authorized to cause to be made and supervise ordinary and necessary repairs to the Premises to maintain it in good and safe condition, including all equipment and systems located in, or servicing the Premises. Manager shall cause such interior alterations and decorations to be made to the Premises as Manager deems necessary or advisable for its proper operation and maintenance, and to purchase supplies and pay all bills, therefore. Manager is authorized to identify and, upon prior approval of Owner, hire, discharge and supervise all labor and employees required for the operation and maintenance of the Premises. Manager may perform any of its duties through Owner'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.  
Manager agrees to secure the prior approval of the Owner on all expenditures in excess of \$300 for any one item, except monthly or recurring operating charges, and emergency repairs in excess of \$300, if in the opinion of the Manager, such repairs are necessary to protect the Premises from damage, or to 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. However, in each instance in which emergency repairs in excess of \$300 are required to be made, Manager shall use reasonable efforts under the circumstances to notify the Owner of the emergency and obtain prior approval for such repair.
- (f) Manager is authorized to enter into contracts for electricity, gas, fuel, water, phone, and other services for the Premises, or such of them as Manager deems advisable. Owner agrees to assume the obligation of any such contract entered into at the termination of this Agreement.

### 3. **Owner's Duties:**

- (a) Owner shall indemnify, defend and hold harmless Manager, its principals, officers, directors, shareholders, partners, employees and agents (individually and collectively, the "Indemnitees") from and against all liabilities, claims, suits, damages, claims for damages, judgments, costs, and expenses of whatever nature, including reasonable attorney's fees and disbursements, for which Indemnitees

may become liable by reason of or arising out of any injury to or death of any person(s), damage to property, loss of use of any property, or which are otherwise incurred in connection with the performance of Manager's obligations under this Agreement.

- (b) Owner shall always maintain a minimum reserve in Manager's Trust Account of the Managed Property of \$300 for repairs and emergencies. Owner shall immediately deposit such additional funds in Manager's Trust account as requested by Manager to make repairs to the Premises required to maintain it in good, safe and rentable condition. Manager to hold tenant's security deposit.
- (c) Owner shall maintain comprehensive liability and personal property insurance in an amount to be determined by Owner and Manager. Manager shall be named as an additional insured on all such policies of insurance.
- (d) Owner shall promptly respond to Manager's inquiries and requests for authorization and will cooperate with Manager in the performance of Manager's duties in responsibilities under this Agreement.

#### 4. **Manager's Compensation:**

- (a) Manager shall receive 8% of all collected rents from the Premises, with a \$100 minimum per month.

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- (b) If Owner terminates this Agreement prior to the expiration of any lease or extension of lease negotiated by Manager, Owner shall pay Manager 8% of the remaining rental amount owed to Owner under the lease, immediately upon termination of this Agreement.
- (c) If the Owner shall request the Manager to undertake work exceeding the usual management duties and responsibilities described in this Agreement, then Owner and Manager shall agree upon an additional fee for such services before work begins. Examples of such additional duties include the supervision and reporting of construction or restoration efforts at the Premises, coordinating refinancing of the Premises, the retention of income tax professionals, auditors, accountants or other supervisory or consulting duties as may be mutually agreed between Owner and Manager. Typical fee charged by Manager is 15% of total work invoice.
- (d) Michael Anthony Properties, or its principals, has a financial and ownership interest in MJ Maintenance. Because of this relationship, Michael Anthony Properties or its principals may derive direct compensation from work done by MJ Maintenance. Over the last thirty-two years in the real estate business, I have developed relationships with third party maintenance vendors who I trust to efficiently and effectively address any maintenance problem that you have with your property. In many instances, I can negotiate a discount with our vendors on certain, but not all, maintenance work. As a result, I will pass a that savings on to you. On all worked ordered and or supervised by MJ Maintenance there is a 15% override charge that will be retained by MJ Maintenance. MJ Maintenance also hires in house maintenance workers to perform a variety of tasks for which they are qualified. MJ Maintenance bills clients for the maintenance work performed by these professionals on a time and materials basis. MJ Maintenance will also derive income from work performed by its in-house workers. We believe that our rates for maintenance work is competitive with any maintenance company in the industry. Of course, you are welcome to use any vendor you would like for maintenance needs.

Owners must have sufficient funds in their management account with us prior to any work beginning.

Other Duties: \_\_\_\_\_

5. **Termination:**

Owner or Manager may terminate this Agreement at any time if the other shall default in the performance of any of their obligations under this Agreement and fail to cure such default within seven (7) days of receiving written notice of such default. Upon termination of this Agreement, Owner shall assume the obligations of any contract entered into by Manager under this Agreement.

6. **Attorney's Fees:**

In any action or proceeding between Owner and Manager to enforce any rights or obligations under this Agreement, the prevailing party shall be entitled to recover their reasonable attorney's fees and costs.

7. **Notices:**

Any notice required to be provided to Manager or Owner under this Agreement shall be made in writing and sent by certified mail and facsimile or email to the address shown below, or to such other address as the parties may from time to time direct in writing.

8. **Miscellaneous:**

This Agreement embodies the entire agreement and understanding between Manager and Owner and it supersedes all prior agreements and understandings regarding the subject matter hereof. This Agreement may not be modified or amended except in writing signed by the parties hereto. This Agreement shall be construed and enforced in accordance with the laws of the State of California. If any provision of this Agreement shall be determined to be invalid or unenforceable, the remaining provisions of this Agreement shall be enforceable to the fullest extent permitted by law. This Agreement shall be binding upon the successors of the Manager and the heirs, administrators, executors, successors, and assigns of the Owner.

The Parties hereto acknowledge having read the foregoing prior to execution and receipt of a duplicate original dated this day of \_\_\_\_\_

\_\_\_\_\_  
OWNER

\_\_\_\_\_  
Mike Brunnhoelzl  
Michael Anthony Properties, Inc.  
5920 Friars Rd Suite 100  
San Diego, CA 92108  
619-220-8317, Fax 619-220-8539

\_\_\_\_\_  
Mailing Address

Phone: \_\_\_\_\_

Email \_\_\_\_\_

**Direct Deposit Authorization**  
(optional)

Name on Account: \_\_\_\_\_

Email: \_\_\_\_\_

ABA (routing) Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

The undersigned represents and warrants that he/she/it is the Owner or an authorized agent of the Owner, and by signing below authorizes Michael Anthony Properties Inc., its affiliates, agents, successors, and assigns, to cause Available Funds to be direct deposited in the above account.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date