



## PROPERTY MANAGEMENT AGREEMENT

### SUBJECT PROPERTY:

This agreement ("Hereafter referred to as "Agreement") is made on the 29th day of XXXX, 2016 by and between:

#### COMPANY:

NAME:

TITLE: Owner

ADDRESS:

PHONE: (XXX) XXX-XXXX

EMAIL: XXXX@XXXXXXXXXX.com

("Hereafter referred to as "Owners")

AND

COMPANY: California Pacific Management Inc.

NAME:

TITLE: Chief Executive Officer

ADDRESS: 8300 Utica Ave. Suite 192, Rancho Cucamonga CA 91730

PHONE: (909) 989-1955

EMAIL: info@calpacmgmt.com

("Hereafter referred to as "Calpac")

(Owner and Calpac collectively hereafter referred to as "Parties".)

**ENGAGEMENT.** Owner engages Calpac as an independent contractor to perform the services described in this Agreement as the sole and exclusive manager and Calpac accepts and agrees to perform such services as an independent contractor. This agreement does not create a partnership or joint venture between the parties.

**PROPERTY.** California real property identified by it's address of: XXXXXXXX and Assessor Parcel No \_\_\_\_\_ ("Hereafter referred to as "Property").

Owner at all times agrees and accepts to directly supervise, participate, and review all duties of Calpac.

**TERM.** Initial Term of this Agreement begins and ends as follows:

Commencement Date: XXXXX 1, 2016

Expiration Date: XXXXX 31, 2017



## **California Pacific Management**

Automatic renewal shall occur unless either Party at least 30 days before the Expiration Date. The automatic extension shall be on a monthly basis until either Party terminates. Acceptable termination shall be recognized as a written 30 day notice to the other party though email or certified postal delivery.

### **THE TERMS OF THIS AGREEMENT AND DUTIES OF PARTIES SHALL BE, BUT NOT LIMITED TO:**

**MAINTENANCE.** To contract for all labor required for the operation and maintenance of the Property as approved by the Owners.

**RESERVES.** Upon execution of this agreement, Owner will deposit the following amount with Calpac to be held in a trust account as a reserve for Owner: \$10,000. Calpac may, at Calpac's discretion, use the reserve to pay any expense related to the management of the Property (including but not limited to Calpac's fees). If the balance of the reserve becomes less than the amount stated, Calpac may: (a) deduct an amount that will bring the balance to the amount stated from any subsequent rent received on behalf of Owner and deposit the amount into the reserve; or (b) notify Owner that Owner must promptly deposit additional funds with Calpac to bring the balance to the amount stated.

**MANAGEMENT DUTIES.** Calpac shall have the following authority which Calpac may exercise when and to the extent Calpac determines to be in Owner's interest:

- (A). Collect and deposit for Owner rents and other charges such as returned check charges and late charges) from tenants in the Property in a trust account.
- (B). Collect and deposit security deposits from tenants;
- (C). Pay from the account, expenses to operate the Property, including but not limited to, maintenance, taxes, insurance, utilities, repairs, security, management fees, leasing fees, and expenses authorized under this agreement;
- (D). Hire contractors to renovate, remodel, or redecorate the Property provided that Calpac does not expend more than \$500.00 for any single renovation, remodel, or redecoration without Owner's consent;
- (E). Report payment histories of tenants in the Property to consumer reporting agencies;



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(F). Perform or to cause to be performed such maintenance of the property as is reasonable and necessary for the safety of the tenants and the preservation of the property;

(G). Install fire/smoke detectors, carbon monoxide detectors, and/or fire extinguishers on the property at Owner's expense when required by law;

(H). Maintain records of documents related to any and all accounting services performed by Calpac for a minimum of 2 years.

(I). CALPAC SHALL NOT BE HELD MONETARILY RESPONSIBLE FOR ITS INABILITY TO COLLECT RENTS. CALPAC SHALL NOT BE HELD RESPONSIBLE FOR ANY EXPENSES INCURRED FOR LEGAL ACTION INVOLVED IN THE COLLECTION OF RENTS AND/OR THE EVICTION OF ANY TENANT AND/OR DAMAGES INCURRED TO THE PROPERTY.

All such expenses shall be paid by Owner, reimbursable in the event Calpac is able to collect the rents, legal fees, or damages from the tenant.

**OWNER'S DUTIES.** Owner agrees to: *(Italicized are applicable for Agency and/or Real Estate "Agent" performing leasing functions)*

(A). Provide the Calpac with copies of any existing leases or rental agreements related to the Property;

(B). Provide the Calpac with keys and access devices to the Property as well as any alarm codes where applicable;

(C). Complete any disclosures, notices, registrations, and permits required by law or a lease of the Property;

(D). Amend applicable disclosures, notices, registrations, and permits if any material change occurs during this Agreement; and

(E). Not enter into a management agreement with another company for the management of the Property to become effective during this Agreement;

(F). Provide completed W-9 form filled out by

**MANAGEMENT FEES.** Each month Owner will pay Calpac either:

(1) \_\_\_% of the gross monthly rents collected that month, or

(2) a monthly flat rate of \$X,XXX.00



A vacancy in the Property or failure by a tenant to pay rent does not excuse payment of the minimum management fee. Management fees under this Paragraph 10A are earned daily and are payable not later than the last day of each month.

**INTEREST ON TRUST ACCOUNTS.** Any interest or income from such account shall remain in Calpac Trust Account until Owner wishes to withdraw.

**ADMINISTRATIVE FEES.** If the Calpac collects administrative charges from tenants or prospective tenants, including but not limited to, application fees, returned check fees, or late charges, the Owner will retain such fees as additional income. Postage and packaging for physical mail, notary services and process server fees shall be paid by Owner.

**OWNER'S REPRESENTATIONS.** Owner represents that:

- (A). Owner has title to and peaceable possession of the Property and all its improvements and fixtures, unless rented, and the legal capacity to lease the Property;
- (B). Owner is not bound by another agreement for the management of the Property that is or will be in effect during this agreement;
- (C). Owner is not bound by: (i) another agreement with another agency for the leasing of the Property that is or will be in effect during this Agreement which will prevent the Calpac from acting under the powers of this Agreement ; or (ii) an agreement or covenant that prohibits the Owner from leasing the property;
- (D). Owner is not delinquent in the payment of any property taxes, Owners' association fees, property insurance, mortgage, or any encumbrance on or affecting the Property;
- (E). The Property is not subject to the jurisdiction of any court; and
- (F). All information related to the Property that Owner provides to Calpac is true and correct to the best of the Owner's knowledge.
- (G). Except as otherwise stated, in this agreement, or in any addendum, Owner is not aware of: (1) any condition affecting the Property that materially affects the health or safety of an ordinary tenant; (2) any environmental hazard on the Property; or (3) any violation of any ordinance, statute, restriction, or law related to the Property.



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**CALPACS FEES.** All fees to Calpac under this agreement are payable in San Bernardino County. This Paragraph survives termination of this agreement with regard to fees earned during this agreement which are not payable until after its termination. Fees between Calpac and Owner are to be negotiated on a per building basis.

### **LIABILITY AND INDEMNIFICATION:**

It is agreed that Calpac shall use reasonable and ordinary care in the selection of tenants and all other acts assigned for performance by this Agreement. When any act is required of the Calpac, it shall be done in the ordinary course of Calpac's business.

(A). Owner shall save Calpac harmless from all personal injury suits, which may arise in connection with the management of the premises, and from any liability from injuries suffered by any person entering the premises, including any resident manager or other employee.

(B). Calpac shall not be personally liable for any act it may do or omit to do hereunder as Calpac while acting in good faith, exercising its best judgment.

(C). Calpac is hereby expressly authorized to comply with and obey any and all process, orders, judgment or decree, it decrees of any court; where Calpac obeys or complies with any such process, order, judgment or decree, it shall not be liable to Owner or any person, firm, or corporation by reason of such compliance, notwithstanding subsequent reversal or modification.

(D). Calpac is hereby expressly authorized to comply with any laws, whether now in existence or hereinafter enacted, and whether federal, state, or local, relating to fair housing, rent control, discrimination, and health and welfare. Calpac is expressly authorized to comply with the rule or order of any governmental agency, insofar as such order in any manner affects the management of the premises or any duties of the Calpac hereunder.

**(E). Owner agrees to protect, defend, indemnify, and hold Calpac harmless from any damage, costs, attorney's fees, and expenses that are caused by Owner, negligently or otherwise or arise from Owner's failure to disclose any material or relevant information about the Property or are related to the management of the Property and are not caused by Calpac, negligently or otherwise.**



**(F). Owner is responsible and liable for all contracts and obligations related to the Property (for example, maintenance, service, repair and utility agreements) entered into before or during this agreement by Owner or by Calpac under Calpac's authority under this agreement. Owner agrees to hold Calpac harmless from all claims related to any such contracts.**

**OWNERS INSURANCE.** At all times during this agreement, Owner must maintain in effect:

- (A). A public liability insurance policy that names the Calpac as a co-insured or additional insured and covers losses related to the Property in an amount of not less than \$ \_\_\_\_\_ on an occurrence basis; and
- (B). An insurance policy for the Property in an amount equal to the reasonable replacement cost of the Property's improvements and that contains endorsements which contemplate the leasing of the Property with vacancies between lease terms.
- (C). Association insurance of comprehensive general liability policy in accordance with recommendations by its insurance agent when applicable.
- (D). Not later than the 15th day after the Commencement Date, the Owner must deliver to the Calpac copies of certificates of insurance evidencing the coverage required under this "Insurance" paragraph. If the coverage changes at any time during this Agreement, the Owner must deliver to the Calpac a copy of the insurance certificate evidencing the change not later than 10 days after the change.
- (E). If Owner fails to comply with these "Insurance" paragraphs, the Calpac may:
  - (1). Purchase insurance that will provide the Calpac the same coverage as the required insurance under Paragraph 13 (A) and Owner must promptly reimburse the Calpac for such expense; or
  - (2). Exercise Calpac's remedies under Default Paragraph.

**CALPACS INSURANCE.** At all times during this agreement, Calpac will maintain in effect:

- (A). A fidelity bond for Calpac employees when applicable;
- (B). Workers compensation insurance policy for Calpac employees when applicable;



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(C). Liability insurance and/or general liability policy with errors and omissions, with a combined limit of not less than one million dollars (\$1,000,000) property damage and liability, naming Owner as additionally insured.

**DEFAULT.** A party is in default if the party fails to cure a breach within 10 days after receipt of written demand from the other party. If either party is in default, the non-defaulting party may:

- (A). Terminate this agreement by providing at least 10 days written notice;
- (B). Recover all amounts due to the non-defaulting party under this agreement;
- (C). Recover reasonable collection costs and attorney's fees; and (d) exercise any other remedy available at law. Calpac is also entitled to recover any compensation Calpac would have been entitled to receive if Owner did not breach this agreement.

**MEDIATION.** The parties agree to negotiate in good faith in an effort to resolve any dispute related to this agreement that may arise between the parties. If the dispute cannot be resolved by negotiation, the dispute will be submitted to mediation. The parties to the dispute will choose a mutually acceptable mediator and will share the cost of mediation equally.

**ATTORNEY'S FEES.** If Owner or Calpac is a prevailing party in any legal proceeding brought as a result of a dispute under this Agreement or any transaction related to or contemplated by this agreement, such party will be entitled to recover from the non-prevailing party all costs of such proceeding and reasonable attorney's fees.

**ASSIGNMENTS.** Neither party may assign this Agreement without the written consent of the other party.

**JOINT AND SEVERAL.** All Owners executing this agreement are jointly and severally liable for the performance of all their terms. Any act or notice to, refund to, or signature of, any one or more of the Owners regarding any term of this agreement, its extension, its renewal, or its termination is binding on all Owners executing this Agreement.

**GOVERNING LAW.** California law governs the interpretation, validity, performance, and enforcement of this Agreement.



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**SEVERABILITY.** If a court finds any clause in this agreement invalid or unenforceable, the remainder of this Agreement will not be affected and all other provisions of this agreement will remain valid and enforceable.

**NOTICES.** Notices between the parties must be in writing and are effective when sent to the receiving party's address, fax, or e-mail address specified in this agreement.

**This document represents the entire Agreement between the parties hereto.**

**IN WITNESS WHEREOF, the parties hereto hereby execute this Agreement on the date first above written.**

**Company Name: Prime Building LLC**

Owner Printed Name: XXXXX

Owner Printed Name: XXXXXX

\_\_\_\_\_  
Owner – Signature

\_\_\_\_\_  
Owner – Signature

**Company Name: California Pacific Management Inc.**

Calpac Printed Name: XXXXXXXX

\_\_\_\_\_  
Calpac – Signature