



License #00793181

Rick Otto and Associates

Property Management

2751 American River Dr - Sacramento, CA 95864 Ph: (916) 484-0955

MANAGEMENT AGREEMENT

THE UNDERSIGNED OWNER, [Click here to enter text.](#), hereby employs the undersigned Broker, **Rick Otto and Associates** to exclusively rent, lease, operate and manage the real property situated in the City of Sacramento, County of Sacramento, State of California, described as a single family dwelling, located at: [Click here to enter text.](#) ; for a period of **one year**, commencing this signing date and terminating at midnight of the signing date; in the event a renewal contract is not signed upon the termination date, this contract shall revert to a month to month agreement. The owner must provide Rick Otto and Associates a 30 day notice, in writing before terminating this contract. The following **TERMS AND CONDITIONS** apply:

BROKER'S OBLIGATIONS

Owner hereby confers upon Broker the following duties, authority and powers:

1. **LEASING.** To advertise the availability for rent of the property or any party thereof and to display "For Rent" or "For Lease" signs thereon; to check references thoroughly of all prospective tenants prior to signing leases and to use due diligence in the management of the premises for the period and upon the terms herein provided; to execute leases for terms not to exceed ONE year, renewals or cancellations of leases relating to the property; to terminate tenancies and to sign and serve for the Owner such notices as Broker deems appropriate; to institute legal actions in the name of the Owner, to evict and recover possession of the premises; to receive rents and other sums due; to settle, compromise and release such actions. All fees charged to tenants will be retained by Rick Otto & Associates, (including, but not limited to, late fees, non-sufficient check fees, etc.). **Agent to be responsible for the cost of all advertising for prospective tenants, and the cost of a credit background check.** The Agent/Broker will be responsible for advertising using Craigslislist.org and distributing flyers on property site. If owner wishes other specialty advertising it will be at owners expense. The contract will continue on a month to month basis until a new qualified tenant is acquired.
2. **RENTS.** To collect rents and to collect and disburse security and other deposits; Such security deposits shall not be considered as rent for any month of the term of the tenant's lease, but shall be returned to the tenant after termination of his/her lease and the visiting of the premises, subject to reduction for the cost of repairs for damages to the premises in excess to ordinary wear and tear; to deposit all receipts collected for Owner in a trust account with a qualified banking institution, but Broker shall not incur any liability for bankruptcy or failure of the depository.
3. **MAINTENANCE.** To employ, supervise and discharge all labor required for the operation and maintenance of the property, it being agreed that all employees shall be deemed to be owner's employees and make or cause to be made and supervise repairs, alterations and decorating on said premises; to comply with orders of any department of the municipality in which the property is located. Upon Owner's request, to require all said independent Contractors and /or labors' are bonded and insured with the State of California when labor required for the operations and maintenance of the said property. **If Rick Otto & Associates agent is required to meet repair persons and/or County/City inspectors or place a contractor lock box at rental**

property there will be a \$25.00 per trip charge for the first two hours; \$20.00 per hour after the first two hours.

4. **SERVICE CONTRACTS.** To execute contracts for utilities and services for the operation, maintenance and safety of the property as the Broker shall deem advisable and/or necessary.
5. **REPAIRS.**
 1. Broker shall do everything reasonable necessary for the proper management of the Property, including periodic inspections. Broker agrees to obtain Owner's prior authorization for any and each expense in excess of \$ 150.00, except monthly or recurring operating charges and/or emergency repairs, or in the event the Owner is not reasonably available for consultations, if Broker deems such expenditures in excess of this amount necessary for the protection of the property from damage or to perform services to the tenant provided for in their leases.
 2. To contact and pay from gross rents for services required for the operation and maintenance of the premises; and it is agreed that the Agent may perform any of its duties through 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.
 3. To make contacts for electricity, gas, fuel, water, telephone, window cleaning, rubbish hauling, general maintenance, care taking and other services if such as the Agent shall deem advisable; the Owner assumes the obligation of any contract so entered into at the termination of this agreement.
6. **DISBURSEMENTS.** Owner will make disbursements for: City and County utility (water sewer garbage) bills, landscaping care and any other bills on behalf of the property unless agreed upon otherwise with Rick Otto and Associates agent. There is an additional charge of \$15.00 per month for paying bills on behalf of the owner.
7. **PERIODIC STATEMENTS.** Owners will be paid electronically. Owners to be advised that Rick Otto & Associates will make all attempts to process payments forthwith, but is not responsible for either the U.S. mail delivery processing times or BofA Bank processing times. Rick Otto & Associates will process your payment as soon as possible after the deposit is posted to your account. Since rental payments are not considered late until the 3rd day of the month, often payments will post to your account between the 5th and the 10th of each month. Please allow for this processing time. Monthly statements will be sent via email unless otherwise advised by the owner. A statement will be rendered, for all work completed on the property, with copies of receipts, expenses, charges and accruals and will be remitted to owner minus disbursements and accruals for future expenses. In the event disbursements shall exceed receipts, Owner shall remit such excess to the Broker on or before the next rental cycle. Owner assumes full responsibility for the payment of any expenses and obligations incurred in connection with the exercise of the Broker's duties set forth herein. Rick Otto & Associates will hold security deposits until the tenant has vacated the property, a walkthrough has been completed and necessary repairs have been completed. ***Repairs must be completed and all deposits minus repair costs must be returned to the tenant with the legally allotted time of (21 days).***

OWNER'S OBLIGATIONS

1. **BROKERAGE FEES.** Owner agrees to pay Broker a fee or fees for services at the rates hereinafter set forth. Owner recognizes Brokers as agent in any negotiations relative to the property or any part thereof, which may have been initiated during the term hereof, and if consummated, shall compensate Broker in accordance with rates hereinafter set forth. Such compensations due and payable on demand and may be deducted by the Broker from receipts. Deposits received from tenant(s) prior to move-in shall be retained by Rick Otto & Associates until tenant has vacated property.
 - a. **SET UP FEE:** 50% of the first month's rent or **\$ 675.00 (six hundred Seventy Five dollars)**, whichever is greater. **OR**, if the unit is already rented, the fee is 25% of the first month's rent. 10% of the set-up fee is due at the time the Management Contract

is signed, which is non-refundable, but will be deducted from the total of 50% or \$675.00 (whichever is greater), after the unit is rented. Once the tenant has been placed in the property, set-up fee becomes non-refundable.

- b. **MANAGEMENT FEE: \$ 85 per month (Single Family), \$70 per door (Multi-Unit) this fee is payable to Rick Otto and Associates each month this contract is in place, no matter whether a property is vacant or tenanted. ____ initial agreement ____**
- c. **COLLECTIONS FEE: All rents outstanding at the inception of this agreement, which are subsequently collected by Agent, will be split 2/3 Owner and 1/3 Agent.**
- d. **All late fees collected from the tenant by the Agent will be considered compensation to the Agent for additional collection efforts.**

ALTERATION, MODERNIZATION, REDECORATION: Owner's Instructions

- 2. **HOLD HARMLESS.** Owner agrees to indemnify and hold the Agent harmless from all claims, damages, lawsuits, including costs of defense, in conjunction with the management of the herein described property and from liability from injury or damage suffered by any employee or other person whomsoever, and to carry **at Owner's expense**, adequate public liability and property damage insurance to protect the Agent in the same manner and to the same extent they protect the Owner. Copies of such policies naming **Rick Otto & Associates Additional Insured shall be furnished to the Agent,** as well as workers compensation insurance. The Broker also is not liable for any error of judgment or for any mistake of fact or law, or for anything which he may do or refrain from doing hereunder, except in cases of willful misconduct or gross negligence. If suit is brought to collect the Broker's compensation or if Broker successfully defends any action brought against Broker by Owner, relating to the property, or Broker's management thereof, Owner agrees to pay all costs incurred by Broker in connection with action, including a reasonable attorney's fee.
- 3. **DATA AND RECORDS.** Owner agrees to make available to Broker all data, maintenance records, warranties and other documents pertaining to the property, which the Broker may require to properly exercise his duties hereunder, including a copy of the **Grant Deed**. Owner agrees to keep rental property in a functioning and habitable condition, disclose known defects, provide adequate liability insurance and not practice discrimination. Owner will provide Agent instructions for the operation of all appliances, alarms, sprinkler systems, heat and air conditioning units, pool, etc.
- 4. **MEDIATION.** In the event of any dispute or claim in law or equity or equity arising out of this Agreement or any resulting transaction between the parties to this Agreement, said dispute shall be submitted to mediation prior to filing of action by either party.
- 5. **EVICTIONS.** Broker will initiate a 3-Day Notice To Pay or Quit only upon the owners request. **Please refer to addendum provided for details. If Rick Otto and Associates must serve a 3-day notice or any eviction notice(s) there will be a \$25.00 (per trip) charge for the first two hours; \$20.00 per hour after the first two hours.**
In the event the tenant either refuses to pay rent due or vacate the rental unit after the 3-Day notice has been served the owner must either hire the Broker or an attorney of their choice to initiate an unlawful detainer court action against tenant. The owner will be responsible for the court costs of such action. The Broker fee is \$500.00, paid in advance by the owner. In addition, the Broker will be reimbursed, by the owner, for all court costs and processing fees accrued during the eviction process. The Broker will provide owner with all payment receipts.
- 6. **INSURANCE INFORMATION.** **Owner is to provide front cover sheet of current landlord insurance policy to agent showing Rick Otto & Associates as additional insured within two weeks of the onset of this contract.**

Insurance Co.: _____
Agent: _____
Phone: _____ Exp. Date: _____
Deductible \$ _____

OTHER TERMS

Monthly Rent to be an amount approved by Owner. The agent to provide current rents in the area of the property location. It is ill advised to ask above current rents in property location.

Deposit to be at least the amount of one month rent. Additional deposit will be required if pets are permitted or property has high end finishes that would cost more to repair or replace if damaged by tenant.

Owner pays Water, Sewer and Garbage monthly bills, unless there is a pre-existing agreement with current tenants. Otherwise there are no exceptions to this rule.

Metered Water only: Tenants are made aware that they could pay additional water fees with their rent if water use is excessive. (At the owner request, we will pay monthly utility bills for an additional fee of \$15 per month). However, we do not bill or collect for utility costs from the tenant separate from the monthly rent. ____ initial agreement ____

PET POLICY: NOT Allowed unless owners give permission

SMOKING POLICY: NOT Allowed on the premises.

YARD CARE PAID FOR BY: Owner unless noted otherwise in this document. (see additional terms section below)

Repair Fees: \$40.00 per hour for the time worked plus parts on repairs performed by handymen recommended by Rick Otto & Associates (This rate is subject to change). If repair specialists are required for electrical, A/C or plumbing, we will obtain the best rates possible. All repairs not deemed an emergency shall be paid, by the owner, prior to work being done.

Additional Terms as agreed upon...

Broker reserves the right (once owner has been notified) to terminate this agreement and retain the tenant deposit forthwith if it is noticed that the owner or a representative of the owner has been in direct contact with the tenants or potential tenants except through an agent of Rick Otto and Associates. _____ *Signee must initial here*

The Broker accepts this exclusive employment and agrees to use due diligence in the exercise of the duties and powers conferred upon him under the terms hereof.

BROKER: RICK OTTO/RICK OTTO & ASSOCIATES DATED: _____

PROPERTY MANAGEMENT DIVISION

ADDRESS: 2751 American River Drive OWNER: _____

Sacramento, CA 95864

PHONE: (916) 484-0955 Cell: (916) 769-1049 OWNER: _____

BY: _____ Owner ADDRESS: _____

DATE: _____ Owner ADDRESS: _____

PHONE: _____

Owner Email: _____

(print please)