



Full Service  
**MANAGEMENT AGREEMENT**  
(Revised - 01/25/05)



In consideration of the covenants herein contained:

(hereinafter called the Owner) agrees to employ COOK PROPERTY MANAGEMENT (hereinafter called the Agent) exclusively to rent, lease, operate and manage the property known as:

and described as a [ ] single family detached, [ ] condominium dwelling, [ ] or multiple dwelling of [ ] units,

[ ] other \_\_\_\_\_ for the period of, \_\_\_\_\_

commencing on \_\_\_\_\_ 20\_\_\_\_, and terminating on \_\_\_\_\_ 20\_\_\_\_, and continuing on a month to month basis subject to thirty (30) days notice in writing of intent to terminate by either party, upon the following terms and conditions:

**1. LEASING, RENT & SECURITY DEPOSITS.**

- a. The Owner agrees to pay the cost of newspapers, periodicals and signs advertising the availability of premises for rent or lease;
- b. The Agent will work diligently, consistent with market conditions, to procure tenants at the occupancy standards and rental rates approved by the Owner;
- c. Agent is authorized to negotiate leases on behalf of the Owner for terms not to exceed [ ] month(s), [ ] year(s). Leases are to be executed in the Owner's name, by the Agent;
- d. The Agent will use due diligence in the screening and selection of tenants and abide by all fair-housing laws. The Owner will be entitled to make final tenant selection from information obtained by the Agent;
- e. The Agent will collect rents, security deposits and all other receipts and deposit the funds into the Agent's trust accounts with the Bank of America NT&SA, a qualified banking institution. The Agent shall not be held liable for the bankruptcy or failure of such depository nor for the bank's inability to process account transactions in a timely way. The trust account shall not be an interest bearing account;
- f. The Owner understands that under law, security deposits remain the property of the tenant, are held in trust, and may not be used for any purpose prior to the termination of the tenancy. If the Agent holds the security deposit, the Agent will keep the deposit in a separate trust account for the tenants. If the Owner holds all or a portion of the security deposit, the Agent must fully disclose the deposit's location to the tenant. Upon termination of the tenancy, if in possession of the deposit, the Agent

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- c. The Owner assumes full responsibility for the payment of expenses and obligations incurred in connection with the proper and reasonable exercise of the Agent's duty set forth in this agreement. The Owner understands that in the event an account develops a deficiency in funds, the Agent may transfer funds from any other account held for that Owner. The Owner agrees to cover any excess of disbursements over receipts. The Agent may, at its option, terminate this agreement immediately if a request for additional funds is not paid promptly. The Owner understands that it is violation of trust fund law to overdraw an Owner's account. The Owner understands that it is a violation of trust fund law for the Agent to use the tenant's security deposit for operating expenses.

**3. RECORDS & REPORTS.**

- a. The Agent shall maintain accurate records of all funds received and disbursed in connection with its management of the property. Records shall be open for inspection by the Owner during regular business hours upon reasonable notice from the Owner;
- b. Any excess of receipts over disbursements less the prudent reserve including a monthly statement and supporting receipts shall be forwarded to the Owner on or about the 25<sup>th</sup> of the current month. The Owner agrees to review the monthly statements and to communicate any challenges or discrepancies within thirty (30) days to Agent;
- c. Owners who request a special handling pay-out earlier than the 25<sup>th</sup>, or a pay-out to multiple payee's, or personal delivery to a bank or other institution, shall pay the special handling fees then in effect. The Owner understands that special handling is dependent upon the availability of funds. The Agent is entitled to delay any payout until it is assured that funds are available. The Agent may demand that the Owner establish a prudent reserve large enough to accommodate account liquidity. In the event the Agent delays making a requested payout, a reasonable effort will be made to notify the affected party(s). The Agent will not be held responsible for any adversity when exercising its duties under this paragraph.

**4. EMPLOYEES.**

The Agent has the exclusive right to hire, supervise and discharge the Agent's employees. Independent contractors required for the operation and maintenance of the premises will be selected by the Agent and retained on the basis of due diligence including appropriate licenses and insurance. The Agent will not utilize unlicensed Independent Contractors. The Owner agrees that Independent Contractors are Independent Contractors of the Owner and not of the Agent when performing their duties. Acting or failing to act appropriately when working as an Independent Contractor is a matter between the Owner and the Independent Contractor. The Agent agrees to make reasonable effort to encourage Independent Contractor performance. The Agent is not responsible for the failure of any Independent Contractor to perform. The Owner understands that none of the Agent's employees are Independent Contractors. If the Owner wants an independent analysis of work performed, the Agent will hire a third party Independent Contractor at the Owner's expense. When applicable, the Agent shall, prepare for the Owner payroll tax returns and make payments of such taxes to the appropriate agencies out of gross revenues;

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shall disburse the appropriate security deposit to the tenant within twenty-one (21) calendar days.

- g. California law provides tenants with substantial rights regarding the return of tenant security deposits including penalties for failure to return the deposit within the statutory twenty-one (21) days. The Agent is not responsible for penalties when the Owner holds all or a portion of the tenant security deposit and the Agent is unable to make prompt return of the deposit. The Agent is not liable for tenant caused damages to the property or unpaid rent that exceeds the security deposit;
- h. If the lease or rental agreement contains an "Application Fee", "Late Fee" or "Return Check Fee", the Agent shall be entitled to keep such fees as additional compensation for the additional time and expense incurred processing applications or collecting the delinquent rental payment. At the discretion of the Agent, the fees will be collected first before the rent in those cases where the remittance is less than the amount due with fees;
- i. The Agent is authorized to sign and serve for the Owner notices to terminate the tenancies and other such notices as the Agent deems appropriate; to institute legal actions in the name of the Owner; to evict tenants and recover possession of the premises; to recover rents and other sums due; and when expedient, to settle, compromise, and release such actions or suits or reinstate such tenancies. In as much as Agent is not authorized to practice law, when legal assistance is needed for such matters as enforcing the collection of rent or the eviction of a tenant, such action shall be through a counsel retained by the Agent and with the consent of the Owner. The Agent may appear in Small Claims Court on matters which in its sole discretion it deems appropriate to litigate. The Owner will be notified of such action and agrees to hold the Agent harmless from any finding rendered in such court;
- j. The Owner agrees that expenses incurred for advertising, maintenance and repairs, collection costs and legal fees are expenses of the Owner. Such expenses shall be paid from currently available funds in the Owner's trust account or may be paid directly by the Owner if funds are not available in the Owner's trust account. The Agent is not obligated to begin any action which will incur a fee when the Owner's account lacks the available funds to pay the fee or would result in the Owner's account having a negative balance.

## 2. DISBURSEMENTS.

- a. The Agent agrees to pay from gross receipts all operating expenses and such other expenses as may be authorized from time to time by the Owner including:

<input type="checkbox"/> Mortgage Payments	<input type="checkbox"/> Property Taxes
<input type="checkbox"/> Payroll Taxes	<input type="checkbox"/> Workers Compensation Premiums
<input type="checkbox"/> Water, Sewer, and Garbage Bills	<input type="checkbox"/> Property & Liability Insurance Premiums
<input type="checkbox"/> Utility Bills	<input type="checkbox"/> Other:

The Owner agrees to notify all bill holders of any necessary change of address and to forward all bills to be paid by the Agent to the Agent;

- b. The Owner shall deposit with Agent [\$200.00] or [\$400.00] or [\$600.00] or [ \$\_\_\_\_\_ ] as an initial operating reserve to pay for advertising, repairs and any other agreed upon purpose;

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**5. REPAIRS, MAINTENANCE & SERVICE CONTRACTS.**

- a. Agent shall do everything reasonably necessary for the proper maintenance of the property, including periodic surveys, the supervision of cleaning and maintenance and arranging for such improvements, alterations and repairs as may be required by the Owner;
- b. Owner understands that rental property must be habitable and safe at all times. No repairs, decorations, alterations or supplies costing more than [\$200.00] shall be made by Agent, without prior approval from the Owner. Except for monthly or recurring operating charges and emergency repairs, or if the Owner is not reasonably available for consultation, the Agent may at it's discretion authorize expenditures in excess of the contract amount for the protection of the property from damage or persons from injury or to perform services to the tenants provided for in the tenant's rental agreements or when required by law. Owner understands that the exercise of Agent's discretion under this section obligates the Owner to pay all expenses incurred;
- c. Agent agrees to execute contracts for utilities and services for the operation, maintenance and safety of the property, as the Agent and Owner deem necessary or advisable during the normal course of business. Owner gives Agent authority to execute contracts without written permission of the Owner. Owner agrees to assume the obligation of any contract so entered into at the termination of this agreement.

**6. HOLD HARMLESS & INSURANCE**

- a. The Agent requires the Owner to maintain General Liability insurance in the amount of \$300,000 per occurrence and \$500,000 aggregates (\$1,000,000 recommended). The Owner agrees to designate the Agent as additional named insured on the Property insurance policy. The Agent recommends the Owner carry Workers Compensation Insurance. The Agent recommends the Owner also maintain an employer's non-owned auto policy with a minimum limit of \$500,000 combined single limit for bodily injury and property damage (\$1,000,000 is recommended);
- b. The Owner's insurance will be the primary insurance over any insurance the Agent may have. The Agent's policy is deemed to be excess insurance. If there are on-site employees, the Agent requires the Owner carry employee dishonesty coverage in an amount equal to two months gross potential;
- c. Concurrent with execution of this management agreement, the Owner shall furnish the Agent with a certificate of insurance evidencing that the above coverage is in force with a carrier acceptable to Agent. In the event the Agent receives notice that said insurance coverage is or will be canceled, the Agent may at its option immediately cancel this Agreement;
- d. The Owner shall indemnify and hold the Agent harmless from any and all costs, expenses, attorney's fees, suits, liabilities, or damages from or connected with the management of the property by the Agent or the proper performance or exercise of any of the duties, obligations, powers or authorities herein or hereafter granted to the Agent. The Owner agrees the Agent shall not be liable for any error of judgment or for any mistake of fact or law, or for anything which it may do or refrain from doing hereinafter, except in cases of Agent's willful misconduct or gross negligence; The Agent shall carry

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a fidelity bond on its own employees who handle or are responsible for Owner funds.

- e. The Owner [ ] has [ ] does not have any knowledge of lead based paint or asbestos use on the property. (Describe any details in Section 11.)

**7. COMPENSATION. Owner agrees to pay to Agent:**

a. For Management Services:

- 1) \$ \_\_\_\_\_ flat fee per month per (single family unit) (duplex) (triplex) (fourplex) (Other \_\_\_\_\_);
- 2) Unless otherwise indicated in this agreement in the case of a vacant single-family unit, no Management Fee will be charged under a new Management Agreement until the month after the month Agent procures a tenant for the unit.

b. For Leasing and Rental Agreement Placement Fees:

- 1) New Leases or Rental Agreements: **50% of One Month's Rent.** Only one Rental Agreement Placement fee will be charged in any twelve-month period. Agent will charge this fee in the month the placement is completed;

c. The "Door Fee" for the Agent's membership in the Rental Housing Association of Sacramento Valley, a rental property research, advice and lobbying organization representing home owners and property managers in a heavily regulated industry (currently \$2.00 Annually).

d. Compensation is due and payable on demand and may be deducted by the Agent from receipts.

**8. NOTICES.**

All notices required to be given hereunder shall be in writing and mailed to the parties at the addresses set forth below.

**9. HEIRS, SUCCESSORS, ASSIGNS.**

This Agreement shall be binding upon the successors and assigns of Agent and the heirs, administrators, executors, successors and assigns of the Owner.

**10. ATTORNEY'S FEES.**

In the event of any legal action by the parties arising out of this Agreement, the losing party shall pay the prevailing party reasonable attorney's fees and costs in addition to all other ordered relief.

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11. **ADDITIONAL TERMS:**

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Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, California.

**COOK PROPERTY MANAGEMENT FOR THE OWNER(S)**

Signature _____	Signature _____
Position _____	Signature _____
Date _____	Address _____
_____	Phone (____) _____
	E-mail _____

**TAX INFORMATION**

Whose Name should appear on the 1099? \_\_\_\_\_

What is that person's Social Security Number? \_\_\_\_\_

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*Property Management*

We're there for you . . .

*If you choose to use Cook Property Management...*

These are things that will be required to begin our services:

1. Signed contract
2. Proof of ownership
3. Keys to Property
4. Check for \$\_\_\_\_\_ for reserves
5. Copy of Insurance
6. Any Home Warranty Info
7. If property is occupied: Tenant's info. (Lease, name & phone)

RE: Your Property at: \_\_\_\_\_

To assist us in renting the above property, please indicate your preferences and return.

1. Would you like to advertise in the "Sacramento Bee"? Yes\_\_\_\_\_ No\_\_\_\_\_ (Weekends only costs up to \$120.00 a month for a 3-4-line ad)
2. Would you like a "FOR RENT" lawn sign? Yes\_\_\_\_\_ No\_\_\_\_\_ (Installation and removal during period of vacancy- cost \$30.00)
3. What type of lease period would you prefer?  
Month-to-Month \_\_\_\_\_  
6- Month \_\_\_\_\_  
9- Month \_\_\_\_\_  
1- Year \_\_\_\_\_
4. Would you like a gardener to maintain the yard during the vacancy? Yes\_\_\_\_\_ No\_\_\_\_\_
5. Do you provide a gardener? Yes\_\_\_\_\_ No\_\_\_\_\_ If yes, what day is service? \_\_\_\_\_
6. Are pets acceptable with an additional deposit? Yes\_\_\_\_\_ No\_\_\_\_\_ If yes, what kind of pet? \_\_\_\_\_
7. What is your expected rent? \$\_\_\_\_\_

*Please note:*

*\*All advertising and gardening costs are your financial responsibility. We cannot advertise or hire a gardener without the necessary funds in your account.*

*\*Cook Property Management strongly suggests that the owner is responsible for garbage, water, and sewer bills.*

4536 FREEPORT BOULEVARD • SACRAMENTO, CALIFORNIA 95822

(916) 457-4907 • Fax (916) 457-6437 • rentals@cookrealty.net

**Cook Property Management**  
**4536 Freeport Blvd.**  
**Sacramento, CA 95822**  
**916-457-4907 Fax 916-457-6437**

The owner(s) of the property located at \_\_\_\_\_  
\_\_\_\_\_, *has/has not* any knowledge of Lead  
Based Paint and/or Lead Based Hazards on the property. The  
owner(s) *has/has not* any knowledge of Asbestos on the  
property.

Any applicable documents reflecting any knowledge of these items  
on the property will be attached to this document within 5 business  
days.

We have a legal obligation to divulge any findings to our tenants.  
As do you, the owner.

Owner \_\_\_\_\_ Date \_\_\_\_\_

Owner \_\_\_\_\_ Date \_\_\_\_\_

Agent \_\_\_\_\_ Date \_\_\_\_\_