

**Proposal For Professional Property Management Services**  
**Presented By:**

**apartment**  
**FINDERS**

Property Management & Rental Services

**3664 Fourth Avenue**  
**San Diego, CA 92103**

**Business 619-296-2787**  
**Toll Free 800-700-3463**  
**Fax 858-768-0342**  
**info@ApartmentFindersInc.com**  
**www.ApartmentFindersInc.com**



**Always a FREE Service For Renters and We Provide Owners Peace of Mind**

**Property Manager: Roger Ramirez**  
**Please Don't Hesitate to call with Any Questions or Concerns**  
**Cell 619-246-2787**

This section explains the Policies and Procedures of our company that protect your property investment and provides you with the highest-quality professional services.

- **Rent Collection** All rent is due on the 1st of each month and is considered late if received after 12:00 PM on the 3rd of the month. Late notices are sent on the 5th and removal proceedings are initiated if the tenant does not make immediate arrangements for rent payment. We feel that the timely collection of rent is one of our most important functions of managing your property effectively.

- **Mortgage & Insurance Payments**

If you wish, we will make the mortgage payments (as well as homeowner association payments and other relevant property service payments) for you. Simply supply us with the necessary mortgage payment cards or coupons provided by your mortgage company or homeowners association. Payments can be deducted from your account balance automatically on a monthly basis. We will make the payments for insurance submitted to us, however, it is solely up to the homeowner to choose the type of insurance coverage they desire for their property. If your property has a large, consistently negative cash-flow each month, arrangements are needed to keep an additional minimum balance amount in the account.

- **Accounting Services** Every transaction affecting your account balance is recorded and explained in detail. Our computerized accounting system enables you to see exactly what has transpired with your property on a monthly basis. Copies of all work orders and receipts are kept on file throughout the year. We can also provide you with copies of paid receipts or invoices with your monthly statement (nominal copying fee applies). In addition to the monthly statements we also provide a complete account summary at the end of the year. This shows you each accounting transaction posted on your property during the year such as total rent received, total mortgage payments made, total maintenance expenses, etc. These statements are specially designed to simplify the year-end tax preparation job for you or your accountant.

- **Management Fees**

Our monthly management fee is payable when the rent payment is received. We do not have a monthly minimum fee. It is automatically deducted from your account at the time the rent payment is posted. However, since one of our jobs is to keep your property occupied we will not deduct the monthly management fee if your property is vacant.

- **Leasing**

We want good tenants just as much as you do! We pride ourselves in the quality of tenants we are able to attract. Our extensive tenant screening and credit investigations help ensure this. Vacancies are expensive for both of us. We make every effort to keep our vacancies to a minimum. Our aggressive marketing techniques allow your property to be presented to the largest possible market in the shortest possible time.

Applicants are required to complete a rental application and to provide credit information and references. Our standard qualification guidelines require applicants to pass a credit report. Evictions, open bankruptcy, history of slow pay, history of non paid charge off accounts are generally automatic grounds for rejecting an application. We also verify past rental history and require a verified, combined gross income of three times the rental amount per month to qualify.

Once a tenant's application has been approved, appointments are made to approve the actual lease agreement. We review the lease thoroughly with the tenant. This gives us a chance to answer any questions and to carefully explain the tenants responsibilities as well as our company's policies and procedures. This attention to the tenant's needs greatly reduces misunderstandings and eliminates many potential problems.

**W**e undertake a move-in inspection with the new tenant prior to them taking possession of the property. We use this walk through to emphasize what we expect from the tenants. We find this helps develop a good working relationship with the new tenant and gives us one more opportunity to encourage our tenants to take pride in their home. Once again, we want good tenants just as much as you do!

## • Security Deposits

**F**or additional protection, appropriate security deposits are always collected upon completion of a rental application from a prospective tenant. Amount of deposits are based on the monthly rental rate and the credit worthiness of the tenant. Applicants with pets may be required to pay an additional pet deposit if a pet is approved for the property. All deposits are maintained in a trust checking account as required by state Real Estate regulations until they are either refunded to the tenant upon the successful move out inspection or are forfeited to cover damages caused by lease violations.

## • Property Inspections

**O**ur main job is to protect your investment property. We do this in two different ways. First we make frequent drive-by inspection tours of your property. In addition, we make regular preventive maintenance inspections of the interior of the property. It is stated in the tenants lease agreement that we have the right to make routine announced inspections. Tenants are always notified in writing of pending property inspections. Inspections are conducted with the tenant present if possible. We look for discrepancies between their move-in inspection and the current condition of the property. At the same time we also check for preventive maintenance items. After we conduct a routine inspection tenants who are not maintaining the property properly are notified, and then we follow up with a second inspection ten (10) days after the tenant has received the failure report. If the tenant has not shown good faith by providing proper maintenance or making requested repairs we will begin proceedings to correct the problem at the tenant's expense.

## • Repairs and Maintenance Services

**T**imely and competent maintenance is the key to protecting your investment. Our goal is to provide you with this important service at a reasonable price using only qualified professionals. All repair and maintenance services are preformed by independent, outside vendors and contractors, not by company employees. Each has been selected because of their proven ability to provide the best possible service at the best price. You reserve the right to schedule and control any or all repair and maintenance responsibilities if you desire. However, repairs must be completed in a timely manner. Routine repair and maintenance will be preformed as needed and will be based on urgency and importance. For any major job, we usually obtain written estimates from three different companies, notify you, and obtain your approval before we proceed. We ensure the quality of the work preformed by making spot checks and follow up inspections. You are further protected because each job is fully documented in writing and supported with receipts.

## • Property Condition

**O**ne of the concerns that most owners have is the protection of their home. It is imperative that we not only put in a very qualified tenant we must place one that will take care of the property as well. Our policy is to only take properties that are in good to excellent condition. We do this for several reasons. We have found you can not put good tenants in bad properties. Anyone willing to rent a distressed property is an indication that they are going to make it more distressed.

**P**rior to a new tenant moving in we take photographs of the property. This provides a visual record of the condition of the property when they took possession. When they move, we can review the pictures and move in inspection check list (which they signed) to compare the condition the property was in then and now. If we do need to charge them for anything we have the pictures to substantiate any claims we may have. This also serves to put the tenant on notice that we are very serious as to the upkeep of the property.

**W**hen we photograph the property we are literally making a visual inventory of that property. The pictures will show the blinds, drapes, condition of the carpet, condition of the paint, the appliances, whether the sinks have any cracks or nicks, etc.. This is most beneficial when we do the final walk through with the tenant two or three years later. It is almost impossible to remember all the things that are in the home a couple of years later, but with the pictures we can review it in five to ten minutes. We can immediately evaluate normal wear and tear versus actual property damage.

**M**ost of our owners live far away from the San Diego area. There are times we want to let them know about a condition that may need attention. We have the ability to e-mail pictures of the problem over the internet. So even if you are in Japan, Europe, New York or San Diego you will only be a few clicks away from your property.

# Tenant Screening

**T**enant screening is the cornerstone of our success. There are many areas that must be checked and verified to ensure that you get the best tenants possible for your property.

**W**e must verify that they are in fact who they say they are. This is accomplished through proof of identity by a photo drivers license or military ID. It is not that unusual for a bad tenant to assume the identity of someone they know or a total stranger. Once we have established that they are the correct individuals as indicated by the identification, we proceed with an extensive credit check. We are online or have access to all the major credit bureaus which include C.B.I. Equifax, Trans Union, and Experian. If any one of the bureaus are down we can go to the next one. We are looking for tenants with a very good credit history.

**O**nce we are satisfied with the credit worthiness of the applicant we proceed to check their financial stability. It is very important to have a rock solid work history with some longevity to ensure that the prospective tenant will remain in the employment of that company. If a person is self-employed we will require copies of tax returns or other legitimate proof of income. We will not take their figures at face value without substantiation.

**O**nce we have established that the tenants are credit worthy and have adequate income to rent the property, we then verify their past rental history with their previous landlords. We go beyond just checking the addresses they listed on their application. We check the references that they have given us. Once we have verified all the items on the application and feel confident that we have good potential tenants, we notify them that they have found their new home.

# Lease Agreement

## Sample

THIS LEASE: is executed on **February 13, 2008** by and between:

**Mr. SmartOwner** and **Mr. & Mrs. Goodtenant** referred to below as Lessor and Lessees, respectively, who agree as follows:

1. DESCRIPTION OF PREMISES: Lessor leases to Lessee on the provisions hereinafter set forth that certain property in the City of **San Diego** County of **San Diego**, State of California described as **3962 Goldfinch Street 92103**, together with the inventory of furniture and appliances attached hereto.

2. TERM: This lease shall be for a **12 (Twelve)** month term commencing **February 13, 2008** and ending **February 12, 2009**. At the termination of this period, this agreement shall become a month to month tenancy.

3. RENT: Lessee agrees to pay rent to Lessor by check or money order only, at the office of the Lessor's manager or at as designated hereto:

**Mr. & Mrs. SmartOwner**  
**3664 Fourth Avenue**  
**San Diego, CA 92103**  
**619-296-2787 or 619-246-2789**

Rent shall be paid in installments as follows:

a. **\$1500** Per Month For the period **February 13, 2008** to **February 12, 2009**.

b. **\$900** for the period **March 14, 2008** to **March 31, 2008**. (Second month prorated) payable on or before **March 1, 2008**.

c. **\$1500** per Month due and payable on the first day of each succeeding calendar month. Lessee hereby acknowledges that late payments will cause lessor to incur costs not contemplated by this rental agreement. **Rent is due and payable on the 1st day of each and every month.** If rent is not received by the due date, a 3-day notice to pay or quit will be served by lessor or his/her agent. Lessee is responsible for a \$25.00 charge for processing and serving of said notice. In addition if the rent is not received by **noon on the THIRD day** of any calendar month, Lessee shall be required to pay lessor a late charge of **\$75.00**. All fees and late charges will be deducted from any monies received and any balance will then be applied towards the rent. **Returned Checks are subject the the above late fees as well as a \$25.00** charge for each check returned. If two checks are returned in any 24 month period, then only cashier checks or money orders will be accepted for any future payments to lessor.

4. SECURITY DEPOSIT: Receipt is hereby acknowledged by Lessor of the additional sum of **\$ 1500.00** to be held by Lessor for the faithful performance by Lessee of this Lease, and for the cleaning and repairing of said premises after surrender by Lessee. The deposit shall be returned to the Lessee within 21 days after Lessee vacates said premises, less the following:

a. all reasonable charges for cleaning said premises, including shampooing of carpeting, cleaning of draperies, furniture and windows.

b. all reasonable charges for painting and repairing said premises, including repairs to carpeting, draperies, furniture, windows and wall.

c. any other amounts, including delinquent rent, due under this Lease or necessary to compensate Lessor for Lessee's breach of this Lease. In the event any of the deposit is so utilized by Lessor, Lessee shall immediately pay to Lessor a sum sufficient to bring the total sum to the original sum deposited. Lessee may not deduct the amount of rent from the deposit or any other payments that may become due under this Lease and Lessor's right to regain possession of said premises for nonpayment of rent shall not be affected by the fact Lessor holds this deposit. **THE SECURITY DEPOSIT CANNOT BE USED BY THE LESSEE AS PAYMENT OF LAST MONTHS RENT.**

d. Upon move-out the lessee must return all keys, parking permits and remote control sending units. **the following charges apply only if this key, remote or permit was provided at move in:** If the mailbox key is not returned, there will be an \$60.00 charge. If the common grounds key is not returned, there will be a \$100.00 charge or the cost charged by the Home Owners Association, which ever is greater. If the parking permit tags are not returned at the termination of the lease there will be a charge of \$50.00 deducted from the security deposit or the cost charged by the Home Owners Association, which ever is greater. Keys Received by Tenant:

Front Door   2   Common Grounds   2   Garage Remotes   2   Mailbox Number   22    
Mailbox Keys   1   Parking Space Number   34  .

5. REMEDY OF DEFICIENCIES ON TERMINATION: Renter is obligated to do any reappear of damage work or cleaning only through licensed, insured professionals approved in advance by Owner/Agent in writing and to provide Owner/Agent with releases from such individuals evidencing full payment for any such repair or cleaning work.

Lessee Initials \_\_\_\_\_/\_\_\_\_\_ Page 1 of 6

6. **NOTICE OF REMOVAL:** If this lease is for a month-to -month tenancy, Lessee shall give written notice to Lessor of his intention to vacate the premises at least thirty (30) days prior to said vacating. If this Lease is for a term certain, Lessee shall give Lessor written notice of his intention to vacate the premises at the end of the stated term at least thirty (30) days prior thereto.
7. **USE OF PREMISES:** Said premises shall be used solely by Lessee for residential purposes and shall be occupied only by 2 adults and 1 children.
8. **WASTE, QUIET CONDUCT:** Lessee shall not commit or suffer to be committed any waste upon said premises or any nuisance, or other act or thing which may disturb the quiet enjoyment of any other Lessees in the buildings in or near which said premises are located.
9. **ALTERATIONS:** Lessee shall not paint, wallpaper or make any alterations in said premises without the prior written consent of Lessor. Lessee shall not re-key the premises without the permission of the landlord. If property is re-keyed a set of keys must be delivered to lessor within 48 hours.
10. **REPAIRS:** Lessee shall keep and maintain said premises and every part thereof, in good and sanitary condition. Lessee will immediately notify Lessor should any plumbing, electrical, mechanical, or other equipment or part of the premises become damaged, faulty or in disrepair, especially the smoke detector(s). Lessee agrees to pay for any repairs of the premises due to Lessee's negligence, Lessee is responsible for all broken glass and torn screens. Lessee is responsible for all clogged drains after 30 (thirty) days from the date of possession. Lessee is responsible for any minor pest control service (e.g. ants, fleas, bees, etc.) after 30 (thirty) days from the date of possession. Lessee is responsible for the replacement of light bulbs. A full working set will be provided upon move in. Lessor and Lessee agree that the property shall be available for inspection at least once every six months.
11. **ACCEPTANCE AND SURRENDER OF PREMISES:** Lessee accepts said premises, furniture and appliances listed here, **Range Oven, Refrigerator, Clothes Washer and Dryer and all Built in Appliances** as is, and as being in good and sanitary condition and repair and agrees, at the termination of this Lease to peaceably surrender all in the same condition less ordinary wear and tear.
12. **UTILITIES:** Lessee shall pay for all gas and electricity consumed on said premises. **Lessor** agrees to pay for reasonable water which Lessee shall not use in a wasteful, unreasonable or hazardous manner or extent.
13. **RULES AND REGULATIONS:** Lessee agrees that he/she and those occupying said premises with him shall abide by all reasonable rules and regulations that Lessor may make from time to time for the protection, good order, safety or cleanliness of the premises or for the general welfare or all of the Lessees thereof.
14. **ASSIGNMENT OF SUBLETTING:** Lessee shall not assign this Lease or any interest therein, nor sublet said premises or any part thereof without the prior written consent of Lessor and any attempted assignment, without written consent of the Lessor, shall be null and void.
15. **EARLY TERMINATION:** If early termination of this lease occurs by default of lessee, lessee is responsible for the duration of the lease term or until a new lessee leases the property. any differential in monthly rental amount for the balance of the lease, any advertising expense incurred by lessor and any charges the lessor may incur for management and rental fees. Rental fee shall not exceed one half of one month's rent.
16. **PETS:** Lessee shall not keep pets or animals of any kind on said premises unless written consent of Lessor is obtained in advance. Lessor is allowing lessee to maintain **One Declawed and Neutered Cat** on the premises. See attached pet agreement if applicable.
17. Lessor and Lessee agree that the lessor is not responsible for unlocking lessee's rental unit should the lessee accidentally lock him/herself out. Lessor will at Lessor's discretion unlock the subject property. Lessee shall be responsible for a **lockout fee of \$65.00** payable to lessor within seven days. It is understood that this service shall be supplied as a courtesy by the lessor and is in no way required by this lease or California Law.
18. **ENTRY BY LESSOR:** Lessor or its Agents shall be given the right to enter the premises for the following:  
In case of emergency.  
To make necessary or agreed repairs, decorations, alterations or improvements, supply necessary or agreed services, or exhibit the premises to prospective or actual purchasers, mortgagees, tenants, workmen or contractors.  
After Lessee has abandoned or surrendered the demised premises.  
Pursuant to court order.

"Lessor shall at all times give Lessee reasonable notice (24 hour minimum) of Lessor's intent to enter the premises and shall enter the premises only during normal business hours, unless Lessee consents to entry at some other time. The foregoing shall not apply to entries on the premises by Lessor in case of an emergency, after Lessee has abandoned or surrendered the premises, or in cases where it is impractical to comply therewith."

19. **WAIVER:** Any waiver by Lessor of any provision of this Lease shall not be deemed a waiver of such provision or any subsequent breach of any provision, and the acceptance of rent thereunder shall not be deemed a waiver of any preceding breach by the Lessee of any provision of this Lease.

20. **NON-LIABILITY OF OWNER FOR DAMAGE:** Lessee shall indemnify and hold Lessor and the property of Lessor, including said premises and the building, free and harmless from any and all liability, claims, loss, damages, or expenses, including counsel fees and costs, arising from the fault or the alleged fault of Lessee. Lessee agrees that this indemnification and hold harmless clause shall apply to, without limitation, (a) the death or injury of any person, including Lessee or any person who is an employee or agent of Lessee, or (b) damage to or destruction of any property, including property owned by Lessee or any person who is an employee or agent of Lessee, where such death, injury or damage is allegedly caused by some act or omission of Lessee whether negligent or intentional, on said premises or due to an act by a person on or about said premises as a guest, licensee, or invitee of Lessee.

21. **ATTORNEYS FEES AND CHARGES:** Should any litigation be commenced between the parties hereto concerning the premises, this lease or the right and duties of either in relation thereto, the prevailing party in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as for his attorney's fees in such litigation, such amount to be included as part of the judgment.

22. **TERMINATION:** Lessor or Lessee may terminate this Lease at the end of any monthly period, after lease has expired, by giving thirty day (30) written notice.

23. **JOINT AND SEVERAL LIABILITY:** Each person executing this Lease as "Lessee" is jointly and severally liable hereunder, and is required to perform in full all obligations imposed on Lessee in this Lease.

24. By this reference, Lessee's Rental Application, Furniture Inventory, Inspection Check List, House Rules (Guidelines) and Special Supplements are incorporated herein and made part of this lease agreement.

25. **Renter's Insurance:** Lessor strongly recommends that lessee maintain (at lessee's sole expense) a standard type of Renters insurance policy, or its equivalent, which provides limits of liability adequate to protect lessor's and other resident's property as well as lessee's personal property from loss by fire, burglary, water and other perils. It is understood that in the absence of such insurance, a substantial financial burden could be incurred by lessee in event of fire or other perils outside of lessor's control.

Lessee hereby releases lessor from any and all claims for damages or loss to lessee's personal property in, on, or about the premises that are caused by or result from risks which are or would be insured under the insurance described above, and hereby waives any and all rights of recovery and rights of subrogation against lessor in connection with any damage or claim which is or would be covered by such insurance, except for damage resulting from negligent acts of lessor.

26. **Data Base Disclosure:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Website maintained by the Department of Justice at [www.meganslaw.ca.gov](http://www.meganslaw.ca.gov) . Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides.

Neither Owner nor property manager are required to check this website. If Lessee wants further information, Lessor recommends that Lessee obtain information from this website prior to rental of the property. Lessor does not have expertise in this area

27. Unless specified here, the lessee agree that this is non smoking condominium, apartment or house and agrees not to smoke cigarettes, pipes, cigars or other tobacco products in the property or allow others to do. Lessee understands that smoking in the unit can cause damage and agrees to be financially responsible for any such damage. It is agreed that smoking outside of the premises is allowed provided lessee does not disturb other occupants in surrounding properties. Lessor **Does Not Allow Smoking** within the premises.

28. **Condominium and Home Owners Association (HOA):** This clause shall only apply in the event that a Condominium HOA has jurisdiction over this property. Lessee agrees to abide by the Condominium Homeowner's association rules and regulations. Any fines imposed by the association due to the Lessee's actions, shall be the financial responsibility of the lessee. A copy of the homeowner's Rules and Regulations shall be provided by the lessor.

\_\_\_\_/\_\_\_\_ Lessee hereby acknowledges that he/she has read and understands the statements 26, 27 and 28 above.

## **This Space used for any Special Addendum that the Owner Wants input**

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Owner/Authorized Agent: Lessee

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Lessee

### **SMOKE DETECTOR AGREEMENT**

THIS AGREEMENT IS entered Into on Februrary 12, 2001 by and between John Property Owner "Owner" and Mr. and Mrs. Good Tenant "Resident". IN CONSIDERATION OF THEIR MUTUAL PROMISES, OWNER AND RESIDENT AGREE AS FOLLOWS:

2. This agreement is an Addendum and part of the Rental Agreement and /or Lease between Owner and Resident.
3. The premises were delivered to Tenant(s) with installed and functional smoke and carbon monoxide detector devices (carbon monoxide sensors only provided if required).
4. Tenant(s) acknowledges the smoke and carbon monoxide detectors were tested; their operation explained by Owner/Landlord at the time of initial occupancy and that the detectors in the unit/home were working properly at that time. Tenant shall perform the manufacturers recommended tests to determine if the smoke and carbon monoxide detectors are operating properly at least once a month.
5. Each Tenant understands that the smoke and carbon monoxide detectors may be battery operated and it shall be the Tenant's responsibility to: (a) ensure that the battery is in operating condition at all times; (b) replace the battery as needed; and (c) if after replacing the battery, the smoke and carbon monoxide detector do not work, inform the Owner/Landlord immediately in writing.
6. Tenant must inform the Owner/Landlord immediately in writing of any defect or malfunction or failure of any detectors.
7. In accordance with the law, Tenant shall allow Owner/Landlord access to the premises for the purpose of verifying that all required smoke and carbon monoxide detectors are in place and operating properly or to conduct maintenance service, repair or replacement as needed.
8. Tenant will be charged for any missing or broken smoke or carbon monoxide detectors at time of vacancy.

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Owner/Authorized Agent: Lessee

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Lessee

**LEAD-BASED PAINT AND LEAD—BASED PAINT HAZARDS DISCLOSURE, ACKNOWLEDGMENT AND ADDENDUM For Pre-1978 Housing Leases or Rentals**

The following terms and conditions are hereby incorporated in and made a part of the Residential Lease or Month-to-Month Rental Agreement, dated **February 12, 2001** on property known as: **4313 Fourth Avenue San Diego, CA 92103** in which: **James Goodtenat** is/are referred to as Lessee/Tenant and **Mr. & Mrs. Smartowner** is referred to as Lessor.

**LEAD WARNING STATEMENT**

Every tenant of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint, paint chips and dust that may place young children at risk of developing lead poisoning. Lead can pose health hazards, if not taken care of properly. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Lessor/Agent of any interest in pre-1978 residential real property, prior to the rental, is required to: (a) provide the tenant with any information on lead-based paint hazards from risk assessments or inspections in the Lessor/Agent’s possession; (b) notify the tenant of any known lead-based paint hazards; and (c) give the tenant a Federally approved pamphlet on lead poisoning prevention.

**LESSOR/AUTHORIZED AGENT’S DISCLOSURE (Initial)**

- A.  Presence of lead-based paint and lead-based paint hazards (check one below): Known lead-based paint and/or lead-based paint hazards are present in the housing.  
Explanation: X Lessor/Agent has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- B.  Records and reports available to the Lessor/Agent (check one below): Lessor/Agent has provided the tenant with all available records and reports pertaining to lead-based-paint and/or lead-based paint hazards in the housing. (List of documents:)
- X Lessor/Agent has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

**TENANT’S ACKNOWLEDGMENT (Initial)**

- C. Tenant has received copies of all information listed in B above.
- D. Tentant has received the pamphlet Protect Your Family from Lead in Your Home or an equivalent pamphlet that has been approved for use in the State by the Enviromental Protection Agency.

\_\_\_\_\_  
Owner/Authorized Agent: Lessee

\_\_\_\_\_  
Lessee

# MOLD DISCLOSURE STATEMENT

The following terms and conditions are hereby incorporated in and made a part of the Residential Lease or Month-to-Month Rental Agreement, dated **February 12, 2001** on property known as: **4313 Fourth Avenue San Diego, CA 92103** in which: **James Goodtenat** is/are referred to as Lessee/Tenant and **Mr. & Mrs. Smartowner** is referred to as Lessor.

(2) Whenever a lessor has knowledge that a building has mold present, the lessor, prior to or upon entry into a lease, disclose to lessee the presence of the mold. Whenever a lessor knows that a building has been tested for mold, the lessor, prior to or upon entry into a contract for lease of that building, shall advise the lessee that testing has occurred and shall provide to the lessee a copy of the results of that test, if available to the lessor, and evidence of any subsequent mitigation or treatment.

Except as may be noted at the time of Tenant's move in inspection, Tenant agrees that the Premises is being delivered free of known damp or wet building materials "mold" or mildew contamination.

Tenant acknowledges and agrees that (i) mold can grow if the Premises is not properly maintained; (ii) moisture may accumulate inside the Premises if it is not regularly aired out, especially in coastal communities; (iii) if moisture is allowed to accumulate, it can lead to the growth of mold, and (iv) mold may grow even in a small amount of moisture. Tenant further acknowledges and agrees that Tenant has a responsibility to maintain the Premises in order to inhibit mold growth and that Tenant's agreement to do so is part of Tenant's material consideration in landlord's agreement to rent the Premises to Tenant. Accordingly, Tenant agrees to:

1. Maintain the Premises free of dirt, debris and moisture that can harbor mold;
2. Clean any mildew or mold that appears with an appropriate cleaner designed to kill mold;
3. Clean and dry any visible moisture on windows, walls and other surfaces, including personal property as quickly as possible.
4. Use reasonable care to close all windows and other openings in the Premises to prevent water from entering the Premises.
5. Use exhaust fans, if any, in the bathroom(s) and kitchen while using those facilities and notify landlord of any inoperative exhaust fans;
6. Immediately notify landlord of any water intrusion, including but not limited to, roof or plumbing leaks, drips or "sweating pipes".
7. Immediately notify landlord of overflows from bathroom, kitchen or laundry facilities.
8. Immediately notify landlord of any significant mold growth on surfaces in the Premises.
9. Release, indemnify, hold harmless and forever discharge landlord and landlord's employees, agents, successors and assigns from any and all claims, liabilities or causes of action of any kind that Tenant, members of Tenant's household or Tenant's guests or invitees may have at any time against landlord or landlord's agents resulting from the presence of mold due to Tenant's failure to comply with this lease/Rental Mold and Ventilation Addendum.

## LESSOR/AUTHORIZED AGENT'S DISCLOSURE (Initial)

A. Presence of mold (check one below): Known mold or mold hazard are present in the housing.

Explanation:)

A. Lessor/Agent has no knowledge of mold or hazardous mold in the housing.

B. Records and reports available to the Lessor/Agent (check one below): Lessor/Agent has provided the tenant with all available records and reports pertaining to mold or mold hazard in the housing.

(List of documents:) .  Lessor/Agent has no reports or records pertaining to mold or mold hazards in the housing.

## TENANT'S ACKNOWLEDGMENT (Initial)

C. Tenant has received copies of all information listed in B above.

## CERTIFICATION OF ACCURACY

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

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Owner/Authorized Agent: Lessee

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Lessee

# Sample Property Management Agreement

Mr. & Mrs. Smartowner ("Owner"), and Roger Ramirez ("Broker") agree as follows:

1. **APPOINTMENT OF BROKER:** The Owner hereby appoints and grants Broker exclusive right to rent, lease, operate, and manage the property(ies) known as: 4313 Fourth Avenue and any additional property which may later be added to this agreement (collectively "Property"), upon the terms below, for the period beginning **March 13, 2000** and ending **March 12, 2002** at 11:59 PM However, **either Owner or Broker may terminate this Agreement on at least 30 days written notice** after the expiration of **1 (one)** months of the original term. After the original term this agreement shall become a Month to Month Agreement.
2. **BROKER ACCEPTANCE:** Broker accepts the appointment and grant and agrees to :
  - Use due diligence in the performance of this Agreement.
  - Furnish the services of its organization for the rental, leasing, operating, and management of the property.
3. **AUTHORITY AND POWERS:** Owner grants to Broker the authority and power, at Owner's expense, to:
  - (a) Advertising: Display "for rent", "for lease," and similar signs on the Property; advertise the availability; for rental or lease of the Property or any part of it.
  - (b) Rental/Leasing: Initiate, sign, renew, or cancel rental agreements and leases for the Property or any part of it: collect and give receipts for rents, other charges, and security deposits. Any lessee executed by Broker for Owner shall not exceed **1 (one)** Year(s). Rent shall be at least \$ **1000.00** per month.
  - (c) Tenancy Termination: Sign and serve in Owner's name notices which are required or appropriate: commence and prosecute actions to evict tenants: recover possession of the Property in Owner's name; recover rents and other sums due; and when expedient, settle, compromise, and release claims, actions and suits and/ or reinstate tenancies.
  - (d) Repair/Maintenance: Make cause to be made, and/or supervise repairs, improvements, alterations, and decorations to the Property: purchase and pay bills for services and supplies. Broker shall obtain prior approval of Owner on all expenditures over \$ **100.00** for any one item. Prior approval shall not be required for monthly or recurring operating charges, or if in Broker's opinion emergency expenditures over the maximum are needed to protect the Property, or other property(ies) from damage, prevent injury to persons, avoid suspension of necessary services to tenants called for in a lease or rental agreement or by law. Broker shall not be required to advance Broker's own funds in connection with the Property or this Agreement. However, if Broker elects to advance any funds, Owner shall promptly repay to Broker, on request, the amount advanced.
  - (e) Contracts/Services: Contract, hire supervise, an/or discharge firms and persons, including utilities, required for the operation and maintenance of the Property. Broker may perform any of the Broker's duties through attorneys, agents, employees, and independent contractors, and shall not be responsible for the their acts, omissions, defaults, negligence, and/or costs of same, except for persons working in Broker's firm.
  - (f) Expense Payments: Pay expenses and cost for the Property from Owner's funds held by Broker, unless directed otherwise by Owner, including but not limited to property management fees and charges, expenses for goods and services, property and other taxes, Association dues, assessments, loan payments, and insurance premiums.
  - (g) Trust Funds: Deposit all receipts collected for Owner, less any sums properly deducted or disbursed, in a financial institution whose deposits are insured by an agency for the United States government. The funds shall be held in a trust account separate from Broker's personal accounts. Broker shall not be liable in event of bankruptcy or failure of a financial institution.
  - (h) Tenant deposits: Handle tenant security deposits as follows:  Hold such deposits in Broker's trust account: account for and return them to tenants, as required by law: OR  
Forward such Deposits to Owner. Owner shall be responsible to Broker and tenants for the refund of all security deposits held by Owner, unless forwarded to Broker.
  - (i) Reserves: Maintain as a reserve in Broker's trust account: **\$100.00**
  - (j) Owner Statements: Render **Monthly**.
  - (k) Owner Distribution: Remit funds  monthly, , to Owner, in accordance with Paragraph 3(l)
  - (l) Disbursements: Disburse Owner's funds in the following order:
    - (1) Fees, charges, and reimbursements due under this agreement.
    - (2) All other operating expenses, cost, and disbursements payable from Owner's funds held by Broker
    - (3) Reserves.
    - (4) Balance to Owner.

**4. OWNER RESPONSIBILITIES:** Owner shall:

- (a) Provide all documentation and records required by Broker to manage and operate the Property.
- (b) Indemnify and hold harmless Broker and all persons in Brokers firm, from all costs, expenses, suits, liabilities, damages, and claims of every type, including but not limited to those arising out of injury or death of any person(s), or damage to any real or personal property of any person(s), including Owner, in any way relating to the management, rental, or operating of the Property by Broker or any person in Broker's firm, or the performance or exercise of any of the duties, powers, or authorities herein or hereafter granted to Broker, except to the extent due to the negligence of Broker or any person in Broker's firm.
- (c) Carry and pay for public and premises liability, property damage, and worker's compensation insurance adequate to protect the interests of Owner and Broker, and shall name both as insured parties.
- (d) Pay any late charges, penalties, and/or interest imposed by lenders or other parties caused by a lack of Owner's funds held by B Broker and available for payment to same parties.

**5. COMPENSATION:**

(a) Owner agrees to pay Broker fees as indicated for:

- (1) Management: **10% of Collected Rent.**
- (2) Renting or Leasing: **50% of First Month's Rent (Not to exceed one fee per year)**
- (3) Evictions: **Included in 10%**
- (4) Preparing Property for rental, lease, or sale: **Included in 10%**
- (5) Managing Property during extended periods of vacancy: **Included in 10%**
- (6) Other: **N/A**

(b) Normal property management does not include providing on-site management services, property sales, refinancing, preparing Property for sale or refinancing, modernization, fire or major damage restoration, rehabilitation, obtaining income tax accounting, or legal advice, representation before public agencies, advising on proposed new construction, debt collection, counseling, attending Owner's Association meetings, or N/A If Owner requests Broker to perform services not included in normal property management or specified above, a fee shall be agreed upon for these services before the work begins.

(c) Owner further agrees that:

- (1) Broker may receive charges from tenant(s) for : (i) requesting an assignment of lease or sublease of the property, (ii) processing credit application, (iii) returned checks, (iv) other services that are not in conflict with this Agreement.
- (2) Broker may perform any of its duties, and obtain necessary product and services, through affiliated companies or organizations in which Broker may own an interest and may receive fees, commissions, and/ or profits from these affiliated companies or organizations. Broker shall disclose to Owner any such relationship. Broker shall not, however, receive fees, commissions, or profits from unaffiliated companies in the performance of this Agreement without prior disclosure to and agreement of owner.
- (3) Broker may divide compensation, fees and charges due under this Agreement, in any manner acceptable to Broker
- (4) Other:

6. **AGENCY RELATIONSHIPS:** Broker agrees to act as the agent of Owner in any resulting lease or rental transaction involving any Property covered by this agreement. It may be necessary or appropriate for Broker to act as agent for both Owner and tenants, or one or more additional parties, in any resulting lease transaction, in which case Broker will seek Owner's consent to Broker's representation of additional parties as soon as practicable. However, if Broker is the listing Broker and/or property manager for a different property in which a tenant is interested, Owner understands that Broker may act as agent of that tenant and/or other property owner with respect to a transaction involving that other property. For on-to-four unit residential property, Broker shall provide agency relationships disclosure as required by law.

7. **NOTICES:** Any written notices to Owner or Broker required under this Agreement shall be served by sending such notice by first class mail to that party at the address below, or at any different address which the parties may later designate for this purpose, and shall be deemed received three business days after deposit in the United States mail.

8. **BINDING AGREEMENT:** This Agreement shall be binding upon and shall insure to be benefit of Owner and Broker and their respective heirs, administrators, executors, successors, and assigns.

**9. ADDITIONAL TERMS:**

10. **EQUAL HOUSING OPPORTUNITY:** The property is offered in compliance with federal, state, and local antidiscrimination laws.

11. MEDIATION OF DISPUTES: BROKER AND OWNER AGREE TO MEDIATE ANY DISPUTE OR CLAIM BETWEEN THEM ARISING OUT OF THIS CONTRACT OR ANY RESULTING TRANSACTION BEFORE RESORTING TO ARBITRATION OR COURT ACTION. Mediation is a process in which parties attempt to resolve a dispute by submitting it to an impartial, neutral mediator who is authorized to facilitate the resolution of the dispute but who is not empowered to impose a settlement on the parties. Mediation fee, if any, shall be divided equally among the parties involved. Before the mediation begins, the parties agree to sign a document limiting the admissibility in arbitration or any civil action of anything said, any admission made, and any documents prepared, in the course of mediation, consistent with Evidence Cod 1152.5. IF ANY PARTY COMMENCES AN ARBITRATION OR COURT ACTION BASED ON A DISPUTE OR CLAIM TO WHICH THIS PARAGRAPH APPLIES WITHOUT FIRST ATTEMPTING TO RESOLVE THE MATTER THROUGH MEDIATION, THEN IN THE DISCRETION OF THE ARBITRATOR(S) OR JUDGE, THAT PARTY SHALL NOT BE ENTITLED TO RECOVER ATTORNEY'S FEES EVEN IF THEY WOULD OTHERWISE BE AVAILABLE TO THAT PARTY IN ANY SUCH ARBITRATION OR COURT ACTION. However, the filing of a judicial action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not in itself constitute a loss of the right to recover attorney's fees under this provision. The following matters are excluded from the requirement of mediation hereunder: (a) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or installment land sale contract as defined in Civil Code 2985, (b) an unlawful detainee action, (c) the filing of enforcement of a mechanic's lien, and (d) any matter which is within the jurisdiction of a probate court.

12. ARBITRATION OF DISPUTES: Any dispute or claim in law or equity between Owner and Broker arising out of this contract or any resulting transaction which is not settled through mediation shall be decided by neutral, binding arbitration and not by court action, except as provided by California law for judicial review of arbitration proceedings. The arbitration shall be conducted in accordance with the rules of either the American Arbitration Association (AAA) or Judicial Arbitration and Mediation Services, Inc. (JAMS). The selection between AAA and JAMS rules shall be made by the claimant first filing for arbitration. The parties to an arbitration may agree in writing to use different rules and or arbitrator(s). In all other respects, the arbitration shall be conducted in accordance with Part III, Title 9 of the California code of civil Procedure. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The parties shall have the right to discovery in accordance with Code of Civil procedure 1283.05 The following matters are excluded from arbitration hereunder: (a) a judicial or non judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or installment land sale contract as defined in Civil Code 2985, (b) an unlawful detainee action, (c) the filing of enforcement of a mechanic's lien, (d) any matter which is within the jurisdiction of a probate or small claims court, and (e) an action for bodily injury or wrongful death, or for latent or patent defects, to which Code of Civil Procedure 337.1 or 337.15 applies. The filing of a judicial action to enable recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the right to arbitrate under this provision. "NOTICE: BY INITIALING IN THE SPACE BELOW YOUR AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR R JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO ARBITRATION PROVISION IS VOLUNTARY"

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES; PROVISION TO NEUTRAL ARBITRATION."

13. Attorney's Fees: In any action, proceeding, or arbitration arising out of this agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs.

We have read the foregoing prior to execution and have received a copy this day of

## Sample of Monthly Statement

Apartment Finders Management  
 Prepared For Property: Reed Street Fourplex  
 Owner: J.Q. Smart Owner  
 Detailed Property Statement

Act Dat Ref # Description Amount	
BEGINNING CASH BALANCE	\$ 153.00
Operating Income:	
Pymt from Sundry, Lisa	\$550.00
Pymt from McPhee, Robert & hCr	\$500.00
Pymt From Drecchio, Jennifer L	\$700.00
Pymt from Livingston, Cheryl	<u>\$625.00</u>
Total Operating Income	\$2,375.00
Operatin Expenses :	
Apartment Finders	\$237.50
Better Greens/Gardening	<u>\$60.00</u>
Total Operating Expenses	\$297.50
Net Income	\$ 2077.50
Less (Plus) Disbursements to Owner	<u>\$ 2190.50</u>
ENDING CASH BALANCE	\$ 40.00