



Property Management Agreement

XILA Property Management ("Agent"), and _____ ("Owner") agree to the following:

A. EMPLOYMENT OF AGENT

The Owner hereby employs and appoints the Agent as the sole and exclusive leasing and management agent of the property located at

_____ hereinafter referred to as the "property", and any personal property thereon belonging to the Owner upon the terms hereinafter set forth commencing as of the ____ day of _____, 20____, subject to termination of this agreement as outlined hereinafter.

B. JOB DESCRIPTION

The Agent shall act as Owner's exclusive Agent, and may perform either in the Agent's or Owner's name to manage, maintain, operate, lease/rent the property including negotiating for, entering into, signing, renewing, transferring and canceling leases/rental agreements for the property or any part thereof, except that the Agent shall have the authority to execute and sign leases and renewals for terms not in excess of one year.

C. MANAGEMENT STANDARDS

The Agent shall use his best efforts and perform all measures necessary for the orderly management of the property in furtherance thereof, Agent shall use diligence to lease/rent the premises, to enforce collection of rentals, and to comply with all other covenants contained in this Agreement.

D. ADVERTISEMENTS

The Agent shall have the option to advertise in The San Diego Reader or the Union-Tribune, with the approval of the Owner and at Owner's expense, when the Agent deems it advisable. Agent shall have the further right, at Agent's expense, to hang a sign or banner on the subject property for advertising XILA Property Management with the owner's consent.

E. EMPLOYMENT AND SUPERVISION OF LABOR

The Agent shall hire, discharge and supervise all labor required for the operation and maintenance of the said property. All employees, except employees of independent contractors, shall be considered as employees of the Agent and the Agent shall deduct from the employees salaries or wages all taxes which may come from time to time be proper in connection with unemployment insurance, social security and withholding taxes, as well as any other taxes which may be applicable. All salaries and tax obligation created under the provisions of this paragraph shall be charged to the Owner and the Owner hereby assumes and agrees to pay the same, or in lieu thereof, authorizes said Agent to make such payments out of funds in Agent's possession. All such records shall at all reasonable times be made available to the Owner for examination. At the time of termination, these employees are XILA employees and the owner agrees that XILA will continue to collect their management fee as long as the owner keeps the employee working actively. Whenever the services of independent contractors are used in connection with the maintenance of the property, Agent shall use his best efforts to secure such services at the best price available, taking into consideration the quality of work done by, and the reliability of such independent contractors. If an affiliate or division of Agent is employed to render such services, the cost of such to Owner shall not exceed the cost of like services had they been procured in the open market nor the cost of like services charged by such affiliate or division to any other owner to whom Agent was then rendering management services.

F. GENERAL AUTHORITY

The Agent shall be authorized to ask for, demand, collect and receive all rents due or to become due from tenants or occupants of said property, and give receipts therefore to execute and serve notices to quit or pay rent notices terminating tenancy and other notices affecting said property to institute such actions or other proceedings, either in Agent's or Owner's name, as may be deemed advisable by Agent to oust tenants, recover rent charges, or other sums payable to Owner. Agent may, at his discretion, settle, compromise, or discontinue any such action.

The Agent is clothed with such general authority and power as may be necessary or advisable to carry out the spirit and intent of the Agreement, including setting up accounts in the owners name, accessing information from vendors on behalf of the owner and making payment arrangements.

G. MAINTENANCE, REPAIRS AND OPERATION

The Agent shall make or cause to be made and supervise repairs and alterations, and do decorating on the premises, purchase supplies and pay all bills. XILA is not set up to handle the coordination of home warranty contracts as a standard repair. These services would not be included as part of this agreement. It is further understood that the Agent is authorized in the name of/or for the account of the Owner, to make contracts for electricity, gas, telephone, pest control and other regular services or such of them as Agent shall deem advisable.

H. EXPENDITURES

The Agent agrees to pay, from monies he holds for the Owner, any monies for interest or amortization of encumbrances, assessments, taxes, assignments or premiums on insurance which the Owner directs Agent in writing to pay.

In addition, the Agent shall not be required to advance any monies for the care or management of said property, and the owner agrees to advance all monies necessary therefore.

I. STATEMENTS

The Agent shall render to Owner monthly statements (via mail/e-mail), showing all receipts and disbursements for the current month, and shall deposit the net amount owing in Owner's account or make such distributions thereof as the Owner shall direct in writing. All books of accounts maintained with respect to the management of the property shall at all reasonable times be open to Owner's inspection. Each statement shall stand approved in its entirety unless exceptions in writing are made thereto within 30 days.

J. RESERVES

Owner agrees to establish a permanent Operating Reserve Account with the Agent in the amount of \$500.00 or equal to the amount of the highest monthly rent on each single unit property (single family residence/condo) to protect against non-sufficient checks and other emergency situations. Agent will determine which reserve level is appropriate. This reserve deposit is due at the time of signing a one-year management contract and will be retained until the contract is terminated.

K. DEPOSIT OF COLLECTIONS

All monies collected under the Agreement shall be deposited in a trust bank account separate from the funds of Arista Management Corporation, and at no time are any of the funds of said bank account to be intermingled with the funds of the Agent.

Although monies belonging to owner may be commingled in such trust bank account with monies of other owners for whom Agent is rendering managerial services, Agent shall not permit monies standing to the credit of the Owner to be used to satisfy the obligation of any other owner so that there shall never be any overdraft of monies standing to the account of the Owner.

The Agent shall have the authority to draw on this account for any payment which he must make to discharge any liabilities or obligations incurred pursuant to this Agreement, and for the payment of Agents fee, all of which payments shall be subject to the limitations of this Agreement.

Owner understands and recognizes that Agent will, from time to time, collect certain pet, key, security, cleaning and other fees and deposits from the tenants at the property and that such monies shall be deposited with other monies belonging to Owner. Owner agrees to indemnify Agent and hold Agent harmless from any claims made by the tenants for such fees and deposits, together with any of Agent's costs and expenses incurred in connection with any such claims. Owner further agrees to hold XILA Property Management harmless for any loss of money as a result of theft during the course of normal operation unless negligence from Agent applies.

L. INSURANCE

Maintenance and the cost of all insurance in connection with the property (e.g. fire, earthquake, public liability, burglary, etc.) shall be the responsibility of Owner. The Owner agrees to obtain and furnish to the Agent all insurance policies pertaining to the herein-described property, and to have the Agent named, immediately after the effective date of this Agreement by endorsement, as an additional insured under the above described insurance policies.

The Owner shall furnish to Agent a Certificate evidencing that Owner carries insurance for his liability for property damage and public liability, with liability of not less than \$1,000,000.00 per occurrence, and \$2,000,000.00 aggregate. Also, XILA Property Management, Arista Management Corporation, and Donald and Jan Maxted must be named as additionally insured on the aforementioned policy. Owner recognizes Agent may be brought into litigation due to property management activity on behalf of Owner.

M. INDEMNITY AND LIABILITY

The Owner shall indemnify the Agent against liability or loss arising out of breach of this Agreement by the Owner, and the Agent shall indemnify the Owner against liability or loss arising out of breach of this Agreement by the Agent.

The Owner shall indemnify and hold harmless Agent and all persons in Agent's 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 operation of the Property by Agent or any person in Agent's firm, or the performance or exercise of any of the duties, powers, or authorities herein or hereafter granted to Agent, except to the extent due to the negligence of Agent or any person in Agent's firm.

The Agent shall not be liable to the Owner for failure to pay any charges against the property if Owner has not made necessary funds for such purpose available to Agent.

N. COMPENSATION

For services rendered pursuant to this Agreement, the Owner shall pay Agent monthly 8% (eight) percent of the gross revenues from the property actually collected but in no case shall the fee be less than \$100 per unit for a single unit or \$60 per unit for properties with 2 or more units on the same property. For purposes of this paragraph, "gross revenues" shall mean the total amount of revenue received for rent, security and other services rendered to them, less any returned checks and/or refunds. Owner agrees that Agent may, at times, charge tenants a service fee for returned checks and late rent payments. Owner further agrees that these fees shall be for the Agent's account to compensate for extra handling and accounting expense. Standard maintenance will be charged back at the rate of \$30.00 per hour; anything deemed to be non-standard maintenance such as supervising and coordinating remodels, facilitating refinances/sales of property, etc., will be billed at \$45.00 per hour or 10% of the total cost of the project, whichever is greater. Agent agrees not to perform any such extraordinary services without securing the prior approval of the Owner. Should Local, State or Federal governmental agencies require submission of various reports or information (i.e. 1099 forms), Agent is authorized to complete such work.

O. ARBITRATION OF DISPUTES

Any dispute or claim in law or equity arising out of this contract or any resulting transaction shall be decided by neutral binding arbitration in accordance with the rules of the American Arbitration Association, and not by court action except as provided by California law for judicial review of arbitration proceedings. 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 real property sales contract as defined in Civil Code 2985, (b) an unlawful detainer action, (c) the filing or enforcement of a mechanic's lien, (d) any matter which is within the jurisdiction of a probate or small claims court, or (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 the 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 YOU ARE 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 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 THIS 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."

P. TERMINATION

This Agreement shall continue in full force and effect for the duration of one year. This Agreement shall only terminate thirty (30) days after the first day of the month subsequent to the serving of such notice after the effective period as stated above. In no event shall this Contract be canceled before the

thirty (30) day written notice is given by either Owner or Agent. If the managed property is sold within the first year or the contract terminated by the owner without just cause, XILA will charge a \$500 fee. XILA can cancel this agreement at any time with a 30 day written notice.

Q. NOTICES

Any written notice 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 into the United States mail or via email as requested.

R. MISCELLANEOUS

This Agreement shall be binding on the parties hereto, their heirs, executors, administrators, successors and assigns.

S. ADDITIONAL INSTRUCTIONS

XILA's office hours are from 8-4pm Monday through Friday, or by appointment. A staff person is always available by pager and cell phone for emergencies including fires, floods, property damage or resident harm. Financial requests including check printing or non-scheduled reports will be honored within three working days (please put the request in writing).

T. ADDITIONAL DUTIES

XILA Property Management as Agent agrees to the following additional duties if the Owner initials the line:

- Pay owner property tax on behalf of owner
- Pay owner mortgage on behalf of owner
- Pay owner HOA fees on behalf of owner
- Pay utilities and set up services on behalf of owner
- Pay independent contractors (gardeners, etc.)
- Other _____

We have read the foregoing before execution and agree thereto on the date first above written.

XILA Property Management, 3579 Fifth Avenue, Suite 200, San Diego, CA 92103

XILA Property Management (Owner/Agent Signature) 3579 Fifth Avenue, Suite 200, San Diego, CA 92103 619-683-2728	Date
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Owner 1

Owner 1 Signature _____ Date: _____

Address _____

City, State, Zip _____

Phone _____ Fax: _____

Email _____ SS#: _____

Owner 2

Owner 2 Signature _____ Date: _____

Address _____

City, State, Zip _____

Phone _____ Fax: _____

Email _____ SS#: _____