

PROPERTY MANAGEMENT AGREEMENT

- Parties:
- (1) RE/MAX of Casa Grande
(hereinafter referred to as "Broker")
317 E. Cottonwood Lane, Suite C
Casa Grande, AZ 85222

 - (2) Owners Name _____
SS# _____
(hereinafter referred to as "Owner")

Covenants:

(1) Exclusive Agency: The Owner hereby employs and appoints Broker, and Broker accepts such employment on the terms and conditions hereinafter provided, as exclusive managing broker of the certain property hereinafter referred to as "Residence", located at:

Property Address: _____
Casa Grande, AZ 85222

Terms:

This agreement shall become effective on _____ and expire on December 31, 2008. If a new agreement is not signed and in place at the expiration date, this agreement will continue on a month-to-month status. Either party may cancel this agreement with a 30-day written notice. Any accrued management fees and/ or lease commission shall be payable to Broker. ***In the event Owner cancels this agreement within 90 days of the execution of a lease, lease extension or lease renewal, Owner agrees to pay Broker in the amount equal to one month's rent in addition to any accrued management fees and/ or lease commission.***

BROKER'S AUTHORITIES AND OBLIGATIONS

Owner(s) authorize Broker to act for and on behalf of Owner either in the name of Broker or Owner in connection with the following:

1. To advertise the availability "for rent" or "for lease" of the premises and to display "For Rent" or "For Lease" signs. To screen and use diligence in the selection of prospective tenants and to abide by all fair housing laws.
2. To negotiate leases not to exceed one year, at a minimum monthly rent of \$_____
3. Contracts: To execute leases and rental agreements on behalf of Owner. To terminate tenancies, and in that regard to sign and deliver appropriate notices; to institute and prosecute actions to evict tenants and recover possession of the designated property.
4. To turn over accrued and unpaid rent and damage to collection agencies for recovery.
5. To hire an attorney to initiate and prosecute other actions as may be appropriate; to collect on judgments, including but not limited to execution, garnishment and attachments; and when expedient, to settle, compromise and release such actions or suits or reinstate such tenancies.

_____/_____

- 6. To collect rents, security deposits, and all other receipts, and to deposit such monies in a real estate trust account with a qualified bank institution.
- 7. To provide all services reasonably necessary for the proper management of the property including periodic inspections, supervision of maintenance, and arranging for such improvements, alterations and repairs as may be required of Owner.
- 8. To hire, supervise and discharge all employees and independent contractors required in the operation and maintenance of the property.
- 9. To contract for repairs or alterations at a cost to Owner not to exceed \$300 per occurrence, per property.
- 10. To contract for emergency repairs or alterations at a cost to Owner not to exceed \$750 per occurrence, per property. Note: Broker recommends Owner purchase a Home Warranty Plan to reduce their exposure for major repairs.
- 11. In the event Owner is not available for consultation, to contract for such repairs and expenditures as are necessary for the protection of the property from damage, or to perform services to the tenants provided for in their leases.
- 12. To pay from gross receipts (deposited in a real estate trust account) all operating expenses and such other expenses as may be authorized by Owner, including:

Mortgage Pymt []	Sales Tax [X]	Sewer & Trash Fees [X]	HOA Fees []
Management Fee [X]	Repairs [X]	Pool Maintenance []	Legal Fees [X]
Yard Maintenance []	Home Warranty []	Replenish Operating Reserve [X]	
MLS Cooperating Broker Fee []			

Other: _____

Note: If Broker is paying mortgage payment from gross monthly receipts, owner agrees to pay one month's mortgage payment ahead, prior to Broker accepting payment coupons or books.

- 13. To maintain accurate records of all monies received and disbursed in connection with the management of the property. Said records shall be open for inspection by Owner during regular business hours and upon reasonable notice.
- 14. To mail or email monthly statements of all receipts and disbursements not later than the **3rd** day of the **following** month.
- 15. Upon termination of this agreement, broker shall provide owner with copies of all rental agreements and related documents and provide final accounting as follows:
 - a. Within five days: the tenant's security deposit
 - b. Within thirty-five days: reimbursed for all funds remaining in the property accounts, except for monies needed for unpaid obligations incurred during the term of the management agreement.
 - c. Within seventy-five days: a final accounts receivable and payable list and final owners' statement.

OWNER'S OBLIGATIONS

1. Fees: Owner agrees to pay to Broker fees for services rendered at the rates hereinafter set forth. Such compensation is due and payable on demand and may be deducted by the Broker from receipts.

The management fee shall be 10% of the gross monthly rent, with a minimum fee of \$80.00 per month per unit for unfurnished units. The minimum fee shall be paid whether the unit is vacant or occupied.

If the property is furnished, or offered for a 4 month lease or less, the management fee shall be 25% of the gross monthly rent.

A one time, non-refundable set up fee of \$150.00 is due at signing of the Property Management Agreement.

Broker recommends listing the property in MLS and paying a cooperating broker leasing fee of \$150.00 for each new tenant lease on the Residence (not charged on renewed leases). This fee will be paid to the Broker who represents the tenant.

Owner & Broker shall split any late charges

Additional fees shall apply as scheduled in the attached Exhibit A.
2. Owner shall indemnify and save the Broker harmless from any and all costs, expenses, attorney's fees, suits, liabilities, damages from or connected with the management of the property by Broker, or the performance or exercise of any of the duties, obligations, powers, or authorities herein or hereafter granted to Broker.
3. Owner shall not hold Broker liable for any error of judgment, or for any mistake of fact or law, or for anything which Broker may do or refrain from doing hereinafter, except in cases of willful misconduct or gross negligence.
4. Owner also agrees to carry, at Owner's expense, bodily injury, property damage, and personal injury public liability insurance in the amount of not less than \$500,000 combined single limit for bodily injury and property damage. The policy shall be written on a comprehensive general liability form and shall name the Broker as additional insured.
5. Owner shall immediately furnish Broker with a certificate of insurance evidencing that the above coverage is in force with a carrier acceptable to Broker. In the event Broker received notice that said insurance coverage is to be cancelled, Broker shall have the option to immediately cancel this agreement.
6. Owner assumes full responsibility for the payment of any expenses and obligations incurred in connection with the exercise of Broker's duties set forth in this agreement.
7. Owner shall deposit with broker \$300 as a minimum initial operating reserve and will cover any excess of expenses over income within ten days of any request by Broker. The Broker may terminate this agreement immediately if the request for additional funds is not paid. Owner understands that it is not Broker's obligation to advance its own funds for payment of Owner's operating expenses. Broker recommends owner keep an initial operating reserve of one month's normal operating expenses.

_____/_____
Initial

8. If during the term of any rental of the Premises, including any renewals or holdovers, or within 90 days after its termination, any tenant, or his heirs, executors, or assigns shall buy the Premises from the Owner, a sales commission of six percent (6%) of the sales price shall be deemed earned by a payable to RE/MAX All Executives. Upon receipt of a copy of this contract, title company is hereby instructed to pay this from seller's proceeds.

OTHER TERMS

1. All notices required to be given hereunder shall be in writing and mailed to the parties hereto at the addresses set forth below.
2. In the event of any legal action by the parties arising out of this agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs, to be determined by the court in which such action is brought.
3. Owner's preference in repair people used for property:

4. Property's special quirks that Broker should be aware of:

5. Owner's Insurance Company and Policy Number: _____

6. Pet Restrictions _____
Other Restrictions _____

ACCEPTED BY:

_____, Owner

_____, SSN

_____, Owner

_____, SSN

Address: _____

Date signed: _____

Andrea Lane, Broker
317 E. Cottonwood Lane, Ste. C
Casa Grande, AZ 85222
Date
(520)836-1717 or (800) 305-9678
(520) 836-1177 FAX

CONTACT INFORMATION

Home Phone# _____

Name: _____

Name: _____

Work Phone # _____

Work Phone # _____

Cell Phone # _____

Cell Phone# _____

Email Address: _____

Email Address: _____

FAX # _____

FAX # _____

Preferred Method of Contact _____

Preferred Method of Contact _____

New Construction Addendum

Many new home builders have enforceable regulations against leasing a home for a specific period of time after close of escrow. You should review your purchase contract and addenda carefully to determine if your property is subject to these restrictions.

By signing below, homeowner agrees and accepts all legal and monetary liability and responsibility and releases and indemnifies RE/MAX of Casa Grande from all responsibility in the event RE/MAX of Casa Grande leases the property in violation of such restrictions.

Property Owner

Date

Property Owner

Date