



EXCLUSIVE PROPERTY MANAGEMENT AGREEMENT

PARTIES;

The parties to this agreement are:

Owner: _____

Address _____

Hm. Phone _____ cell _____ work phone _____

Fax _____ e-mail _____

Social Security # _____ If owner is not an individual, Owner is a _____ estate _____ corporation
_____ LLC _____ trust _____ partnership, the tax ID for that entity is _____.

Additional info. _____

Broker: _____

Property Manager: _____ phone _____

Fax: _____ e-mail: _____

1. **Exclusive Appointment; Property.** The Owner appoints the Broker as Owner’s sole and exclusive leasing and managing agent of the real property described in Paragraph 2.

2. **PROPERTY:**
Address: _____
Legally describe as: _____

3. **Term; Renewals; Termination.**
This Agreement shall be in effect beginning on _____ and ending on _____

This Agreement shall automatically renew for additional one year periods immediately following upon each Anniversary Date, unless the Owner terminates this Agreement in writing at least 60 days prior to that Anniversary Date. The Owner may terminate this Agreement other than on an Anniversary Date by (a) giving the Broker at least 60 days prior written notice, (b) paying the amount due to the Broker pursuant to subparagraph 3(b) below which would be due for the Property leased by the notice date for the greater of (i) six full months or (ii) the full remaining terms of the Property leases (including executed renewals) then in effect, and (c) reimbursing the Broker the amount of all disbursements made by the Broker on account the Property (including, but not limited to, the amounts pursuant to subparagraphs 4[f] through [k], inclusive, below). The Broker shall have the right to terminate this Agreement upon at least 60 days prior written notice to the Owner, and no commission shall be due to the Broker after the termination date, although all out-of-pocket reimbursements shall be due. A cancellation fee of **\$250.00** per residential unit shall be charged to the Owner if the Owner terminates this Agreement prior to the Broker’s procuring tenants for the Property within a reasonable time.

4. **Owner’s grant of authority and powers.**
The Owner grants to the Agent the following authority and powers during the term of this Agreement, and fully assumes the expenses in connection with such grant of authority and powers:
a. to advertise the availability for rental of the Property, including by the display of “For Rent” signs; to sign, renew, and/or cancel leases for the Property;
b. to prepare, negotiate, and execute on behalf of the Owner leases and renewals of existing leases in accordance with the then applicable rent and fees schedule;
c. to collect rents and other amounts due or to become due (either directly or indirectly through a commissioned collection agency) , and to give receipts accordingly;



- d. to terminate tenancies, and to sign and serve on behalf of the Owner notices as may be necessary or appropriate; to institute and prosecute actions through legal counsel to evict tenants and to recover rents and other amounts due; and, when expedient, to settle, compromise, or dismiss those actions or suits or reinstate the tenancies.
- e. to make, or cause to be made and supervise, repairs and alterations on the Property; in the sole opinion of the Broker if such repairs are necessary to protect the Property from damage or to maintain services to the tenants as called for in their leases, if Owner can not be reached, Broker shall pay for any repairs necessary and may be reimbursed from the next months rent.
- f. to execute or otherwise enter contracts for electricity, gas, fuel, water, telephone, window cleaning, trash or rubbish hauling, and other services as the Agent may from time-to-time deem advisable; the Owner shall assume the obligation of those contracts at the termination of this Agreement; and
- g. to hire, discharge, and supervise all employees and independent contractors required for the operation and maintenance of the Property; those employees shall be deemed to be employees of the Owner and not of the Broker; the Agent may perform all of its duties under this Agreement through such employees, or other attorneys or agents, and the Agent shall not be or be liable for their negligence, errors, or omissions if reasonable care was exercised in their appointment and retention.

5. Broker's duties; Exceptions. The Broker agrees during the term of this Agreement: **BROKER'S authorities and obligations.** The following authorities and obligations, if initialed by both parties, are conferred upon and accepted by BROKER:

- (1) To advertise the availability of the property "For Rent" or "For Lease", and to display "For Rent" or "For Lease" signs; to screen and use diligence in the selection of prospective tenants
- (2) To negotiate leases on terms established by OWNER. If OWNER has not established written terms, BROKER is authorized to use competitively reasonable terms of initial terms of 12 months. Lease periods will not be less than 12 months nor exceed 12 months without OWNER authorization. Minimum rent will be determined by BROKER if OWNER has not established this.
- (3) To execute leases and rental agreements on behalf of OWNER and any amendments, extensions, or renewals to any leases. To verify information and references on rental applications and run complete credit and background checks, which will be provided to the OWNER for his review. Final decision on prospective tenants will be the OWNERS.
- (4) To collect rents, security deposits, rental sales tax, if applicable, and all other receipts connected with the property, and to deposit all receipts collected for OWNER in a BROKER'S Trust Bank Account in an Arizona State Banking Institution qualified to engage in the banking business, separate from BROKER'S personal account.
- (5) To serve notice of termination of tenancies, notices to pay rent or quit, and other notices as are appropriate in BROKER'S discretion.
- (6) To employ attorneys for the purpose of enforcing OWNER'S rights under leases and rental agreements, and instituting legal action on behalf of OWNER.
- (7) To provide all services reasonably necessary for the proper management and of the property including written premise inspection reports at the beginning, during and end of each tenancy, and supervise maintenance, alterations, and repairs as may be reasonably required.
- (8) To hire, supervise, and discharge all independent contractors, vendors and sub-contractors required in the operation and maintenance of the property. It is agreed that all of the above are working for the OWNER and not the BROKER.
- (9) To contract for repairs or alterations at a cost to OWNER. OWNER shall be contacted before any expense is incurred. BROKER shall make every effort to contact OWNER prior to any and all repairs or alterations. OWNER shall pay the vendor(s) directly. OWNER has the option of providing BROKER with a homeowner's warranty plan, which is highly recommended.
- (10) In the event of an emergency that would adversely affect habitability, BROKER shall proceed with repairs to be made at any reasonable cost after first making an attempt to contact OWNER.
 _____ Will pay all repairs directly _____ Will provide a home warranty



- (10) To execute service contracts for utilities and services for the operation, maintenance, and safety of the property as BROKER deems reasonably necessary. With the exception of utility service contracts, the price and terms of any other service contract require prior written approval of OWNER. The terms of such contract will not exceed 12 months.
- (11) To disburse funds from rents and charges collected from tenants in the following order of priority: a) BROKER fees; b) Reimburse BROKER for out-of-pocket operating expenses; c) Payments to vendors; d) Maintain balance in maintenance reserve account when agreed upon; e) Balance to OWNER. OWNER'S funds will be deposited in an account specified by OWNER or mailed to OWNER no later than the 15th day of the month. OWNER will pay insurance, mortgage, HOA fees, and property taxes.
- (12) To maintain accurate records of all monies received and disbursed in connection with the management of the property. The records will be open for inspection by OWNER during regular business hours and upon reasonable notice.
- (13) To submit Monthly statements of all receipts and disbursements not later than the 15th day of the month and issue a year-end statement.
- (14) Upon termination, cancellation or expiration of this agreement, BROKER shall deliver to OWNER a final accounting statement within 35 days of the termination date. Should there remain additional outstanding payables; BROKER may withhold an estimated amount to cover them and account to OWNER as soon as the payment is made but not to exceed 45 days. Should OWNER have a shortage in OWNER account to cover all final payables, OWNER agrees to deliver funds to BROKER upon demand within 5 calendar days. If the property shall ever be foreclosed upon or condemned, this agreement shall immediately be terminated without further action or notification required by either party.
- (15) After this agreement ends, BROKER will deliver to OWNER the Security Deposit held by BROKER less deductions authorized by this agreement, and will send written notice to the tenant that states:
1. that this agreement has ended
 2. the exact dollar amount of the deposits
 3. Owner contact information
 4. that Owner is now responsible for returning the tenant's deposits
- (16) OWNER will indemnify Broker from any claim or loss from a tenant for the return of any and all deposits once they are turned over to the OWNER.

6, BROKER'S FEES:

- A. **Initial Service Fees: For Marketing and Administrative Duties:** A one-time fee of _____ for marketing expense and for Administrative Services will be paid upon acceptance and signing of this contract.
\$ _____ check # _____
- B. **Leasing fees for NEW Tenancies:** Each time the Property is leased to a new tenant, Owner will pay Broker a leasing fee equal to: _____% of the gross rents to be paid under this lease.
- C. **Management Fees:** Each month Owner will pay Broker the greater of _____ (minimum management fee) or: _____% of gross monthly rents collected that month whichever is higher. Management fees begin after lease agreement is signed and begins on the 1st month of full occupancy.
- D. **Renewal or Extension Fees:** Each time a current tenant in the Property renews or extends a lease, Owner will pay Broker a renewal or extension fee equal to _____% of one months rent.
- E. **Administrative Fees:** If Broker collects administrative charges from the tenant or prospective tenants, including but not limited to, application fees, returned check fees, or late charges, Broker will retain such fees as compensation under this agreement.



7. OWNER Further Agrees:

- (a) To indemnify and hold BROKER harmless from any and all costs, expenses, attorney fees, and damages from, or arising out of, the management of the property by BROKER, or the performance or exercise of any of the duties, obligations, powers, or authorities granted in this Agreement, except where legally due to the negligent or intentional misconduct of the BROKER.
- (b) To carry, at OWNER’S expense, bodily injury, property damage, and public liability insurance with customary limits for like property. The policy will be written on a comprehensive general liability form and OWNER’S policy will name the BROKER as an additional insured; a certificate of insurance will be furnished to BROKER on demand. To assume 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.
- (c) OWNER understands they are responsible for all vendors of services and products whose services were ordered by the BROKER on their behalf.
- (d) To authorize the placement of a lock box on the property at BROKER’S option, to facilitate leasing the property.
- (e) OWNER understands that when BROKER is not able to locate OWNER or get a reasonably timely response after a due-diligence effort by BROKER to reach OWNER for input on a subject, OWNER is granting BROKER consent to make decisions regarding the property or tenant based on BROKER’S experience.
- (f) OWNER understands that upon written notice to cancel this agreement by either party, all invoices pending must be paid by OWNER before any funds are released to the OWNER.
- (g) OWNER understands that upon notice to cancel this agreement by either party, all invoices pending must be paid by OWNER before any funds are released to the OWNER
- (h) BROKER to deposit all receipts collected for OWNER in a BROKER’S Trust Bank Account in an Arizona State Banking Institution qualified to engage in the banking business, separate from BROKER’S personal account.

8. Mediation of Disputes

If a dispute arises out of or related to this Agreement or its breach, by initialing in the “Agree” spaces below the parties agree to first try in good faith to settle the dispute by voluntary mediation before resorting to court action or arbitration, unless the dispute is a matter excluded under Item 5, Arbitration of Disputes.

_____ **OWNER AGREES**

_____ **BROKER AGREES**

9. Arbitration of Disputes

Any dispute or claim in law or equity arising out of this Agreement will be decided by neutral binding arbitration in accordance with applicable state law, and not by court action except as provided by law for judicial review of arbitration proceedings. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The parties will have the right to discovery as provided by law.

The parties agree that the following procedure will govern the making of the award by the arbitrator: (a) a Tentative Award will be made by the arbitrator within 30 days following submission of the matter to the arbitrator; (b) the Tentative Award will explain the factual and legal basis for the arbitrator’s decision as to each of the principal controverted issues; (c) the Tentative Award will be in writing unless the parties agree otherwise; provided, however, that if the hearing is concluded within one (1) day, the Tentative Award may be made orally at the hearing in the presence of the parties.

Within ten (10) days after the Tentative Award has been served or announced, any party may serve objections to the Tentative Award. Upon objections being timely served, the arbitrator may call for additional evidence, oral or written argument, or both. If no objections are filed, the Tentative Award will become final without further action by the parties or arbitrator. Within thirty (30) days after the filing of objections, the arbitrator will either make the Tentative Award final or modify or correct the Tentative Award, which will then become final as modified or corrected.

The following matters are excluded from arbitration: (a) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust or mortgage, (b) unlawful detainer action; (c) the filling or enforcement of a mechanic’s lien; (d) any matter which is within the jurisdiction of a probate court or small claims court; or (e) an action for bodily injury or wrongful death. The filling of a judicial action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, will not constitute a waiver of the right to arbitrate under this provision.

Desert Gateway Realty 15411 W Waddell Rd #102 PMB 207 Surprise, AZ. 85379



10. Miscellaneous:

This Agreement shall be binding upon the successors and assigns of the Broker, and the heirs, administrators, successors, and assigns of the Owner. This Agreement contains and sets forth the complete understanding and agreement of the Owner and the Broker, and supersedes all prior written or oral discussions, agreements, communications, or representations. The captions contained in this Agreement are for convenience only and shall not be construed to limit or define the substance of any paragraph hereunder. The Owner and the Broker have mutually negotiated this Agreement.

Owner's Signature

Date_____

Owner's Signature

Date_____

Property Manager Signature

Name of Property Manager

Date_____

Phone: _____

Email_____

Broker

Name

Date_____