

Residential Property Management Agreement

In consideration of the covenants herein contained, this RESIDENTIAL PROPERTY MANAGEMENT AGREEMENT (hereinafter called Agreement), is made and entered into this _____ between Superior Property Management Services, LLC (hereinafter called Agent) and _____ (herein after called Owner) for the property (hereinafter called Property) which is described as follows:

Address

City

State

Zip

Assessor's Book No.

Assessor's Map No.

Assessor's Parcel No.

I. Appointment by Agent: Be it known that the Owner hereby employs the Agent as Exclusive Agent to rent, lease, operate, control and manage the Property under the terms and conditions as expressly set forth in this Agreement, for the primary term beginning on the _____, 200 , and ending on the _____ day of __, 200__.

II. Termination: This Agreement may be terminated at any time by either the Owner or Agent upon thirty (30) days written notice. Further, the Agent on termination of a property management agreement shall provide the Owner with a final accounting as required under Arizona Revised Statutes 32-2173. If owner elects to terminate this Agreement and at time of termination notice property is un-occupied owner shall pay agent a termination fee of \$0. If owner elects to terminate this agreement and at time of termination notice the property is occupied owner shall pay agent a termination fee equal to the management fee agent would have earned under the Agreement for the remainder of the then current lease agreement.

III. Residential Rental Agreement Term: The Owner hereby authorizes the Agent to enter into a Residential Rental Agreement for a tenant occupancy of the above described Property for a term not in excess of one (3) year period for each separate Residential Rental Agreement. During the duration of any Residential Lease Agreement with a tenant, the Owner agrees that he will not demand that either this Agreement or the Residential Rental Agreement be broken or modified unless satisfactory arrangement, in writing, have been completed with the Agent herein.

IV. Agent's Duties: The Owner hereby makes, constitutes, and appoints the Broker his true and lawful agent and Attorney in Fact, with the power of appointment, and with the authority to do and perform any and all lawful actions necessary for the accomplishment of the purposes of this Agreement and hereby gives the Broker the following express authority and powers, and agrees to assume all expenses incurred by the Broker in connection therewith:

- (a) Agent shall appoint a real estate manager(s) to manage the Property, and said Manager shall be Agent's primary representative in managing the Property.
- (b) Agent shall advertise the Property or any part thereof for rent and shall display signs thereon, rent/lease, sign, renew, extend and/or cancel leases for the Property

of any part thereof. Agent shall investigate all references of prospective tenants and will sign Residential Rental Agreement for terms not in excess of 36 months.

- (c) Agent shall take all reasonable steps to collect rents due or to become due and give receipts therefore, and to raise or lower rents as conditions may warrant and to require security and damage deposit, and enforce the collection of all rents and any other charges due Owner from tenants of the Property in accordance with the terms of the Residential Rental Agreement.
- (d) Agent shall collect from prospective tenant or tenants found in non-compliance with the terms of the Residential Rental Agreement a late rent administration fee, non-negotiable check fee, or credit report fee. These fees will be credited to Agent's general expense account and excluded from Owner's financial statement.
- (e) Agent is authorized to pay from Owner's rental income, all operating expenses and all other expenses of Property including all of Agent's expenses directly related to Property.
- (f) Agent shall take all steps reasonably appropriate to make or cause to be made and supervise all maintenance, repairs and alterations and to do cleaning and decoration of the Property as necessary to protect the Property from damage or to maintain service to the tenants as called for by their Residential Rental Agreement and the Arizona Residential Landlord Tenant Act, including the monitoring of independent contractors responsible for the repair and maintenance of Property. Agent shall purchase supplies and equipment necessary for such maintenance, repairs and alterations at the Owner's expense. No single improvement or repair costing more than Three Hundred Dollars (\$300) shall be made by Agent without the Owner's prior authorization; however, in case of an emergency, which in the opinion of Agent requires immediate repairs or alterations costing in excess of the above amount, Agent shall use its discretion regarding same.
- (g) Agent shall have authority to hire, supervise and terminate, on behalf of Owner, any independent contractors and Property employees, if any, reasonably required in operation of Property. It is agreed that all Property employees are employees of Owner, and are not employees of Agent.
- (h) Agent shall make, set up and pay any and all contracts for services as Agent shall deem necessary; the Owner shall assume the obligations of any contract so entered into at the termination of this Agreement.
- (i) Agent's Real Estate Manager shall receive tenant communication on behalf of Owner and shall use reasonable efforts to ensure tenant compliance with Residential Rental Agreement.
- (j) Agent is not authorized to practice law. If Agent deems legal assistance necessary for any reason, including but not limited to rent collection or tenant eviction,

Agent shall obtain such assistance from counsel. Any legal action undertaken shall be in the Property Manager's name as Agent of the Owner. All legal fees, costs and expenses shall be the responsibility of Owner and paid from Owner's funds.

- (k) Agent shall maintain accurate records of all funds received and disbursed in connection with Agent's management of Property and said records shall be available for Owner's inspection at reasonable times upon receipt of written notice. Agent's accounting records and reports will be provided in Agent's current standard report format. Agent shall render to Owner a statement showing all amounts received and disbursed for the period reported.
- (l) Agent shall deposit all Owner's funds, including security deposit funds into a Rental Trust Account. Any interest earned will be retained by Agent to provide administrative services.
- (m) Agent shall manage any residential Property under this Agreement in full compliance with the Fair Housing Act of 1968 and all subsequent Federal Housing laws or statutes, and shall take action considered appropriate to carry out the purposes of these laws.

V. Owner's Responsibilities: In consideration of the real estate management services to be rendered by Agent under this Agreement, Owner agrees as follows:

- a. Owner shall promptly furnish Agent with all documents and records required for the management of Property, including but not limited to all leases, amendments and correspondence related thereto; the status of rental payments; copies of service contracts and/or warranties in effect; and all applicable insurance policies. Agent must receive accurate records when initially taking over the management of Property and will charge additional fees to procure records not provided or that are inadequate.
- b. Owner shall, when necessary, maintain sufficient funds in the Property trust account to enable Agent to pay all obligations of the Property in a timely manner. If collections are projected to be insufficient or will not be received in time to satisfy this requirement, Owner shall provide Agent with the necessary funds in advance. If Owner has not provided said funds within seven days after Agent's request for them, Agent may at Agent's sole option, terminate this Agreement.
- c. Agent shall not be required to advance funds for Owner's account; however, should Agent make a payment for Owner's account and should a deficit occur therein, upon notification of Agent, Owner shall immediately remit to Agent sufficient funds to remove the deficit. Any balance of the Owner's account due and owing to the Agent and not paid within thirty (30) days of the due date will accrue interest at the rate of eighteen per cent (18%) per annum until paid in full.

- d. Superior Property Management Services, L.L.C. **does not** pay Owner's Mortgage Payments, Home Owners Association Dues, Property Taxes or Home Warranty Premiums for the premises. Owner is solely responsible for the payment of these items.
- e. Owner is responsible for reclassifying/registering their property with Maricopa County Assessor's office or Pinal County Assessor's Office as a non-owner occupied property.
- f. Owner is responsible for direct contracting with utility providers for turn on , turn off and payment during any and all vacancy periods.

VI. Managing, Leasing and Supervision Fees: Owner shall pay Agent as the fee for its management services \$___ **per unit per month** or ___% **of gross monthly rental receipts** when occupied by a tenant with a **minimum management fee of no less than \$80 per month**. Owner shall pay Agent as the fee for its leasing services \$___ or ___% **of gross monthly rental receipt** for each new Residential Rental Agreement; however, Agent will only charge Owner for a maximum of two leasing fees for any one unit during any twelve month period. In addition, Owner will be charged for the costs of advertising the Property in an amount not to exceed One Hundred Fifty Dollars (\$150) without prior authorization from Owner. The Owner shall pay to the Agent at the rate of Fifty and 00/100 Dollars (\$50) per hour for the supervision of any modernization of capital improvements to the Property.

VII. Insurance and Indemnification:

- a. Owner shall defend Agent and, except for Agent's reckless or willful misconduct, Owner shall indemnify Agent and hold Agent harmless, from any and all claims, costs, expenses, demands, attorney's fees, suits, judgments and damages arising from or connected with the management of Property by Agent or the performance or exercise of any duties, obligations, powers or authorities granted to Agent; Owner shall reimburse Agent on demand for any monies Agent is required to pay out whatsoever for items covered by this paragraph VII(a). The foregoing provisions of this paragraph shall survive the termination of this Agreement.
- b. Owner shall carry public liability insurance, including bodily injury, property Damage and personal injury, in amounts of those carried in the form and coverage amounts commonly carried by reasonable owners of properties of similar typical, location and value.
- c. Owner shall carry Workers' compensation and employer's liability insurance at limits no less than statutory requirements where required to do so by law. Owner shall comply with all local, State and Federal laws and regulations, including minimum wage laws, applicable to any employees. Owner further agrees to hold harmless and defend Agent from any and all claims except for that involving

reckless or willful misconduct, including all cost of defense, arising by reason of employment of any Property employee.

- d. Owner agrees that at all times during the continuation of this Agreement all bodily injury, property damage and personal injury insurance carried by Owner on Property shall without cost to Agent, extend to insure and indemnify Agent, as well as Owner, by endorsement of such insurance coverage to specifically name Superior Property Management Services, LLC as an additional insured.
- e. Copies of all insurance coverage and endorsements required under this Agreement shall be promptly delivered to Agent.

VIII. General Provisions:

- (a) Owner shall pay Agent Fifty (\$50.00) per hour for each hour of Agent's cumulative time in excess of five hours, expended as a result of any casualty, injury, suit, claim or hearing pertaining to the Property.
- (b) Agent retains the option to change the fee schedule, with a written ninety (90) day notice to Owner
- (c) This Agreement represents the entire agreement between the parties and supersedes all prior oral and written proposals and communications. This Agreement shall be for the benefit of and binding upon the heirs, successors and assigns of the parties hereto.
- (d) Owner represents, that to the best of its knowledge, there are no current or pending lawsuits or undisclosed liens on the Property.
- (e) This Agreement shall be governed by the laws of the State of Arizona. In the event of legal action to enforce or defend the terms of this agreement, the prevailing party shall be awarded its reasonable attorney fees by the court.
- (f) This Agreement shall be governed by the laws of the State of Arizona. In the Event of legal action to enforce or defend the terms of this Agreement, the prevailing party shall be awarded its reasonable attorney fees by the court.
- (g) Should any provision of this Agreement be declared or determined by any court to be illegal or invalid, the validity of the remaining parts, terms or provision shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be a part of this agreement.
- (h) This agreement may be assigned by Superior Property Management Services, LLC to a third party where permitted by law and with separate written consent by owner.

IX. Additional Terms: Property Manager is authorized to withhold and maintain \$200 as a repair/maintenance reserve to facilitate miscellaneous repairs on the property. Broker will use his/her best efforts to lease or rent the property at a rental of \$_____per month. Broker is given the right to rent as low as \$_____per month. OWNER UNDERSTANDS AND AUTHORIZES AGENT TO PLACE A CONTRACTORS LOCKBOX ON PROPERTY FOR THE PURPOSE(S) OF FACILATING ACCESS TO PROPERTY BY CONTRACTORS, SUB-CONTRACTORS PROSPETIVE TENANTS/BUYERS, AND PROSPECTIVE TENANT/BUYER AGENTS. In the event the property is sold or exchanged during the term of this agreement by any persons including the Owners to any person, firm or corporation, who has rented or leased the property, Broker (Superior Property Management Services, LLC) shall be entitled to a commission of 3% of the gross sales price. All sums due Broker by any provision of this agreement may be deducted from funds held by Broker for benefit of Owner.

In the event of complete destruction of the property, so that continued occupancy is impossible Owner agrees the Agent shall be entitled to all commissions and leasing fees due at the time of the destruction, and that this agreement shall be terminated, except that Agent shall still be entitled to commission if any person or entity who leased the property through Agent shall buy the property either before or after reconstruction, prior to the normal expiration of this agreement.

X. Notice: For the purpose of this Agreement, unless changed by written notice, the mailing addresses of the parties shall be:

AGENT'S NOTICE ADDRESS: Superior Property Management Services, LLC 2431 W Temple St. Chandler, AZ 85224

OWNER'S NOTICE ADDRESS:

Both parties herein expressly agree to waive any right to a jury trial in the event of any disputes between them.

Owner understands and agrees that Agent may sometimes employ unlicensed but otherwise qualified contractors for some minor work on the property, but that only licensed contractors shall be used when required by Arizona Law.

BY SIGNING BELOW, I (OWNER) ACKNOWLEDGE AND AFFIRM THAT I HAVE THE PERMISSION AND AUTHORITY OF ANY AND ALL PARTNERS, OR PERCENTAGE PARTNERS, TO BIND ALL OWNERS OR PARTIES TO THIS AGREEMENT. I FURTHER ACKNOWLEDGE THAT I HAVE BEEN OFFERED THE OPPORTUNITY TO SEEK ADVICE AND COUNSEL, LEGAL OR OTHERWISE, TO BETTER UNDERSTAND THE TERMS AND CONDITIONS OF THIS AGREEMENT.

OWNER(S) _____ **Date** _____
SS# OR TAX ID# _____
Phone No. _____ 1 _____
Fax No. _____
E-Mail _____

AGENT:
Superior Property Management Services, LLC

By _____ Date _____

For Broker Use Only: File No _____ Manager's Initials _____ Broker's Initials _____
Date _____

Revised 5/28/08