

Southwest Realty & Property Management, LLC.
Management Agreement

Owner: _____

Contact: _____

Property Address: _____

This Agreement made and entered into this day of March 1, 2010 by and between _____ herein after referred to as "Owner" and Southwest Realty & Property Management, LLC. herein after referred to as "Broker" concerning the exclusive right to rent, lease, operate, and manage the property known as herein after referred to as "property."

- A. The term of this agreement shall commence on March 1, 2010 and terminate on November 30th, 2014 at 12:00 p.m. Owner or Broker is free to terminate the Agreement upon a thirty (30) day written notice to the other party.
- B. Broker agrees and Owner authorizes Broker to perform the following acts in the name of Broker or Owner and Owner agrees to assume all expenses and obligations in connection therewith (except as otherwise provided herein):
1. To use diligence in the management of the property and agrees to furnish the service of his/its organization for the renting, leasing, operating and managing of the herein described property.
 2. To advertise the availability for rental of the herein described property or any part thereof; to display "For Rent" and similar signs therein; to establish the terms of, sign, renew and/or cancel leases for the property or any part thereof; to determine, set and negotiate rents, deposits, discounts and refurbishing fee; to collect rents due or to become due or monthly assessments and give receipts therefore; to terminate tenancies and to sign and serve in the name of Owner such notices as are appropriate; to reinstate and prosecute actions to hire, retain, consult, pay reimburse attorneys to evict tenants and to recover possession of said property; to sue for in the name of Owner and recover rents and other sums due, and when expedient reinstate such tenancies and to take any action which may be deemed appropriate for the purpose of asserting of preserving any rights against the tenant. Owner agrees to reimburse Broker's advertising costs, not to exceed \$200 per property/unit. Broker must obtain Owner's prior approval if costs shall exceed the \$200 limit.
 3. To make or cause to be made and supervise repairs, alterations, replacements, and improvements to said property; to purchase supplies and pay bills therefore, all such that the property shall be in and remain in good, sound clean condition. Broker agrees to secure the prior approval of Owner on all expenditures in excess of \$ 500.00 for any one item except monthly or recurring operating charges and/or are necessary repairs in excess of the maximum, if in the opinion of the broker such repairs are necessary to protect the property from damage or to maintain services to the tenants as required in their leases or by local, state or federal laws.
 4. To hire contract for, discharge, and supervise all labor and employees required for the operation and maintenance of the property; it being agreed that Broker may perform any of its duties through Owner's attorneys, agents or employees and shall not be responsible for their acts, defaults, or negligence if reasonable care has been exercised in the appointment and retention.

5. To make reasonable contracts for electricity, fuel, water, telephone, window cleaning, gas, waste or rubbish hauling, rental or replacement of furniture, appliances or equipment, vermin extermination, security or other services as broker shall deem necessary to assure the property shall be caused to be and remain in good sound, clean condition and property operation. Owner is to assume the obligation of any contract so entered at the termination of the Agreement.
6. To care for, place and supervise all property insurance coverage if instructed by Owner.
7. To render monthly statements of funds in excess of the minimum reserve requirement to Owner or his appointed agent, not later than the fifteenth day of each month. Broker may withhold a sum not to exceed \$ 400.00 . In the event the disbursements shall be in excess of the rents collected by Broker, Owner hereby agrees to pay such expenses promptly upon demand of Broker. Broker shall not be responsible to make any payment for which there are not sufficient funds in Owner's account. Unless otherwise specified, Owner disbursements will be sent to the mailing address of Owner listed on page 3.
8. To deposit all receipts collected for Owner (less and sums properly deducted, dispersed, or otherwise provided herein) in a financial institution qualified to engage in the banking business, separate from Broker's personal account. However Broker will not be held liable in the event of bankruptcy or failure of the depository.
9. To account to Owner for all rebates and/or discounts that Broker may receive on account of expenditure or contracts for the account of said property and all such rebates and/or discount shall accrue to the benefit of Owner.

C. The Owner Agrees:

1. To save Broker harmless from all damage suits in connection with the management of the described property and from liability from injury suffered by any employee or other person whomsoever, and to carry, at his own expense Public Liability Insurance adequate to protect the interest of the parties hereto, which policies shall be so written as to protect Broker in the same manner and to all the same extent they protect Owner and will name Broker as the co-insured.
2. It is understood and agreed that Broker will be depositing Owner's funds and Tenants deposits from time into a trust savings account, unless otherwise specified. The interest there from will be the property of Broker and will be used by Broker as additional compensation for his services. Broker will not be responsible to account for such interest to Owner.
3. Owner shall receive balance of tenant's rent minus management and all other related fees approximately the 15th day of the month.
4. To place, supervise, and maintain all property insurance coverage.
5. To refrain from directly and/or indirectly contacting the tenant(s). Owner agrees that all communication shall go through Broker.
6. Intentionally omitted.

7. To compensate the Broker:

- a) For Property Management: The greater of 8% of collected rents or \$ 80 per month
No charge if unit is vacant.
- b) Lease fee: (New tenants only): ½ the first month’s rent. If co-broke is associated with lease, additional fees may apply to a maximum of 3% of a 1 year gross lease and Owner agrees to the terms contained in the Arizona Regional Multiple Listing Service “Exclusive Right to Sell/Rent” form. Lease Renewal: \$100
- c) One-time administration/set up fee of \$100.00
- d) Yearly administration fee of \$295 to provide services such as sales tax account registration & compliance, monthly/quarterly/annual sales tax reports, payments of collected sales taxes, statutory agent service, year-end accounting statements, issuing of 1099’s, registering the rental with the County, and the account set-up fee. Regardless of the time of year the agreement is entered into, this amount will *not* be pro-rated.
- e) Late charges, if any, collected by Broker from tenants shall be split 50%-50% between Broker and Owner.
- f) Maintenance: Unless Owner coordinates or does the maintenance themselves, performance of these duties may give rise to maintenance charges, either performed by the Management Company or third party vendors, which will be billed to Owners account, as long as there are sufficient reserves to cover the charges. Owner may be asked to either fund the account or pay third parties directly in the event maintenance charges exceed the amount available in Owners account.
- g) This agreement is entered into by and between Owner and Broker, and shall be binding upon the successors and assigns of Broker, and the heirs, executors, administrators, successors and assigns of the owner.
- h) Broker shall be deemed to be acting as an independent contractor.
- i) Other terms and conditions of this shall be as follows:

8. Termination:

Either party may terminate this Agreement at any time by giving 30 days advanced written Notice. Notices for termination must be delivered by hand delivery, certified mail, or overnight delivery. If by hand delivery, then a written acknowledgment of receipt is necessary. If by certified or overnight delivery, then proof of delivery by the delivery service is required. Once Notice of Termination is received, the effective date of termination is 30 days later. If Owner terminates this Agreement within twelve months of the inception date or prior to current tenant’s lease expiration date, Owner agrees to pay a one-time charge equivalent to three months’ of management at the scheduled rent.

While termination is pending, Broker will continue to manage Owners property(ies) pending the effective date of the termination including collection of rents, enforcement of the lease, marketing and leasing. Broker is not requires to incur any further costs in order to manage property(ies). If Owner does not wish for these activities to continue pending the effective date of termination, Owner may submit written request to Broker and sign a “Release of Liability” form. Therefore, all management activity will cease as soon as practical, but no sooner than three (3) business days.

9. Power of Attorney/Attorney in Fact:

Owner grants Power of Attorney & authorizes Agent to act as its Attorney in Fact in relation to the Property(ies) to make contracts for any & all utilities including electricity, gas, water, waste management, etc. Notice to utility companies, Owner grants Agent Power of Attorney to put these services in place in the Owners' name with billing delivered to address designated by Agent. Agent may obtain account information for the Property(ies) for all periods. Agent is further authorized to communicate on Owner's behalf with HOA's, and further authorizes any tenant living in the Property to interact with the HOA pertaining to matters arising from their tenancy.

In witness whereof, the parties hereto have affixed or caused to be affixed, their respective signature(s) this day of _____.

OWNER/ENTITY:

Signature _____ Date: _____

Print Name _____ Social Security/EIN # _____

Mailing Address:

_____ Telephone (Daytime): _____

_____ Telephone (Evening): _____

_____ Email: _____

Signature _____ Date: _____

Print Name _____ Social Security/EIN # _____

Mailing Address:

_____ Telephone (Daytime): _____

_____ Telephone (Evening): _____

_____ Email: _____

BROKER:

Signature _____ Date: _____

Print Name _____

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