



Arizona Rentals & Concierge Services, LLC

ADRE License Number SE515963000

14245 W. Grand Ave. Suite #2

Surprise AZ. 85374

623-209-1656

WWW.arizonarentalservice.com

mgt@arizonarentalservice.com

Property Management Agreement

Owner:

1. _____

2. _____

Broker

Mark Digan

Arizona Rentals & Concierge Services, LLC

Mark Digan is the Managing Member of the LLC

Mark Digan is the Designated Broker for the LLC

Property Address:

#

Street

Unit #

City

St.

Zip code

Term:

Start

To _____

End

Termination:

Any time by either party, with ten calendar days written notice.

Termination Fee:

Management fee (as calculated herein) through and including the Termination Date of the lease agreement in existence for the property at

Owner's Initials _____

Initials _____

Brokers



time of termination by Owner. Broker may terminate and forfeit remaining management fees.

Renewal: **AUTOMATIC.** After the termination Date, this agreement continues on a month to month basis until terminated in writing.

Fees: In addition to other fees which may apply (see table below), Owner wants the following services and agrees to pay the following fees:

Initial **Set up Fee:** \$150 will be due upon signing of this agreement. This is a onetime non-refundable fee.

Initial **Maintenance Reserve:** \$300 will be due by owner upon signing of this agreement. This reserve will be held in the broker's trust account for maintenance and repair of the property. Owner shall replenish this fund within five days after written request by broker or broker may replenish this fund by deducting funds from the next monthly rent. Within ten business days of the termination of this agreement the balance of these funds minus any outstanding invoices is refundable to the owner.

Initial **Long Term Management Fee:** Greater of \$100 per month or 10% of monthly rent (While occupied)

Initial **Seasonal Management Fee:** 12% of Monthly rent (While occupied)

Initial **Leasing Commission:** 4% of Gross lease amount. This commission is paid to the procuring agents after a successful lease signing and the tenant taking possession of the property.

Initial **Paper Check Fee:** \$10 per check written, processed and mailed to owner.

Initial **Direct Deposit:** Free for all owners whom have funds directly deposited into their checking accounts. Owner must supply broker with a voided check from the account they would prefer funds are deposited into.

Initial **Statutory Agent Services:** Free (For owners whom reside outside of Arizona)

1. Agreement: Owner agrees to employ the Broker to lease and manage the property for the term specified above in exchange for the fees specified herein.

2. Broker authority, responsibilities, duties and obligations.

Broker shall as appropriate:

Advertise the property for lease in various forms of media including but not limited to, the MLS, ARCS company website, other related websites, print media, The North West Valley Chamber of Commerce, referrals and any other marketing forms the broker feels necessary.

Owner's Initials _____
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- a. Collect rents, rental taxes, HOA fines, late fees, notice fees and any other charges due by tenant. After deducting brokers fees and other amounts due hereunder, forward the balance to the owner.

- b. Serve tenants with notices regarding late rent and failure to abide by the terms of the rental agreement and or the Arizona Residential Landlord and Tenant Act.

- c. Notify owner when the property needs repairs and or maintenance. If appropriate and if agreed to by broker, broker may hire, employ, supervise and discharge persons to maintain and or repair the property.

- d. After termination of this agreement. Owner and broker agree that in the event broker has not already provided owner with copies, that broker shall provide owner with copies of past rental agreements, tenant applications. And other related documents, and originals of current rental agreements and tenant applications.

- e. Provide owner with a monthly statement detailing the financial history of the property during the previous month and calendar year ending.

- f. Provide to the owner a form 1099 misc. income form for the previous year no later than January 31, of the following year.

Broker may:

- g. Advance funds on owner’s behalf to satisfy obligations of owner and / or broker incurred in connection with maintaining and / or protecting the owner’s property. Broker shall contact owner or expenditures for maintenance, repair or any other expense that expense that exceeds \$300 but broker shall have discretion to pay for maintenance and/ or repair to the property when the cost there of is \$300 or less and for emergency expenses less than \$800

- h. Open or maintain one or more property management trust accounts to hold owners and tenant’s funds. Broker shall maintain records of expenses for the property and provide owner with copies there of expenses for the property via mail, fax or e-mail.

- i. Hold any tenant deposits; all tenant deposits shall be held by the broker’s trust account or the property management trust account. Broker may prepare or assist owner with preparation of a Disposition of Deposits, accounting for the tenant’s deposits after the tenant vacates the property. If owner prepares the Disposition of Deposits, then timely completion and mailing of the Disposition of Deposits form and refund of tenant’s deposits (if any) is solely the owner’s responsibility.

- j. Sign leases and rental agreements on behalf of owner. This agreement hereby grants broker special power of attorney to act on behalf of owner, for the limited purpose of entering into lease agreements on behalf of owner and owner agrees that owner shall be bound by any such agreements signed by broker on owner’s behalf

3. Owner obligations

- a. **Pay amounts due under this agreement** and reimburse broker for all amounts expended to preserve, protect, repair or maintain the property and / or expended on

Owner’s Initials _____
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behalf of or for the benefit of owner. If not paid by owner within ten days of demand, amounts due and unpaid by owner shall accrue interest of eighteen percent per annum

b. Notify broker of:

1. Change of address or phone numbers for owner.
2. Changes related to the property.
3. Complaints or violations received by the owner from any source regarding the property or tenant occupying the property and / or request for repairs received by owner from any source.
4. Any other information relevant to broker’s obligations, owner’s obligations, the property, or a tenant of the property (including past tenants, current tenants and all tenant applicants)

c. Make material decisions regarding the property, including, but not limited to:

1. Whether to accept or reject a “borderline” or “questionable” prospective tenant’s application.
2. Whether to renew, not renew or terminate a tenant’s tenancy
3. Whether to initiate litigation against a tenant, including lawsuits to evict a tenant and / or collect past due rent and / or property damage.
4. Whether to appoint a statutory agent other than the broker for the property and if so notify the broker of the name and contact information of this agent.
5. Whether or not to withhold all or any of the tenant’s deposits

d. Hold and account for tenants’ deposits. Owner shall decide whether or not to withhold all or any part of the tenants deposits and if so when to complete and send the Disposition of Deposits form (or other form itemizing any deductions from the tenants deposits) Broker assist owner with preparation of a Disposition of Deposits from (accounting for the tenants’ deposits after the tenant vacates the property). Provided tenants have submitted full or partial payment of deposits, owner shall be deemed to have received the same and shall bear full responsibility for tenant’s deposits even if broker’s fees have been deducted from tenants’ initial payment (which may have included rent and or deposits). See paragraph 4 below

e. Owner will carry at owner’s expense, insurance on the property, including coverage for personal injury, property damage and public liability damage and to **name the broker as an additional insured** and to indemnify broker for any damages and expenses (see F below) incurred by broker as a result of owners failure to comply herewith.

F. Owner will Indemnify and hold broker harmless from any and all costs, expenses attorney’s fees, and damages from or arising out of the management of the property by broker, or the performance. Non-performance or exercise of any of the duties, obligations, powers or authorities granted in the agreement, except where the damages legally due to the gross negligence or intentional misconduct of broker.

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g. **Owner will not have direct contact with tenants** and if contacted by tenants to direct their communications to broker.

h. **Owner will notify broker of any material defects** in the property, including but not limited to: potential flooding; dangerous conditions in on or near the property: lead based paint or lead based paint hazards; known radon gas, mold and other environmental hazards and provide broker with any reports relating thereto

i. **If the property has a pool and or spa.** Owner shall be financially responsible for the maintenance and repair of the pool and or spa and the expense thereof shall be included in the amount of the rent charged to the tenant. Owner will install a six foot high barrier with self locking gate surrounding the pool and spa and segregating the pool from the remainder of the property.

k. **Owner will supply** broker with a complete written inventory of all personal property that remains on the premises. This inventory will include make, model, color and serial number if applicable. The owner will also have all locks on the property keyed the same and supply broker with four keys to the doors any mail box keys they have in their possession and any remotes for the garage door, ceiling fans, TV's and electronics.

4. Trust Account, property management operating account and real estate company operation account, late fees and NSF fees.

a. Broker maintains a trust account and / or property management operating account at Comerica Bank located at 14211 W. Bell Rd. Surprise AZ. 85374

b. Interest on all funds held by broker shall be paid to and retained by broker.

c. In order to receive payment of broker's fees broker may deposit tenants' initial payment (which may include rent and / or deposits) and / or subsequent payments into broker's trust account, issue a check to broker's operating account for the fees due to broker and issue a check to the owner for the balance.

c. All returned check fees, late fees and notice fees, owed by tenant and /or collected by broker shall be payable to broker as additional compensation hereunder and to defray the administrative expense associated with collection thereof.

5. Fair Housing. Owner understands that state and federal law prohibits discrimination and that broker cannot unlawfully discriminate against any tenant.

6. Mediation / arbitration of disputes.

a. If a dispute arises out of this agreement and / or between broker and owner, the parties hereby agree to mediate any and all disputes.

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b. If mediation is unsuccessful, the parties hereby agree to submit to binding arbitration with the Phoenix Association of Realtors.

c. The expense of mediating and arbitrating shall be divided equally between the parties.

d. The parties hereto waive entitlement (if any) to a jury trial.

7. Attorney's Fees and court cost.

a. Neither party hereto, whether or not they are declared a "prevailing party." Shall be entitled to an award of attorney's fees, court cost, witness fees, expert witness fees, litigation expenses, travel expenses and / or expenses of any kind for any dispute arising out of this agreement, whether for tort or for breach of contract, including expenses for mediation, arbitration, litigation, appeal and / or collection.

8. Notices

a. Informal notices. Owner and broker will typically communicate informally regarding day to day events, to update information and for reports. Informal notices from owner to broker and from broker to owner may be sent via regular mail, fax and e-mail. Any notice provided telephonically must be confirmed via one of the foregoing or by certified mail.

b. Formal Notices. All legal notices (i.e., notice of legal action, notice of complaint. Etc) from owner to broker and from broker to owner shall be sent to the addresses stated herein and shall be deemed received five calendar days after being sent via certified mail. Return receipt requested. Notwithstanding, notice shall be effective upon actual receipt, without regard to method of delivery.

9. Entire Agreement.

a. This document constitutes the entire agreement between the parties' regarding the management of owner's property by broker (not including other written agreements, which may have been executed by the parties for other purposes or for purposes stated herein). This agreement may be modified only in writing, which may be accomplished via formal notice or informal notice. Provided the same is signed by both parties.

Fee Table

<p>Set up fee; \$150 will be due upon signing of this agreement. This is a onetime non-refundable fee</p>	<p>The set up fee shall cover the cost to set up the owners account in the property management system, market the property, cover cost of lock boxes, signs, post and mailings throughout this agreement.</p>
<p>Maintenance Reserve</p>	<p>Owner shall replenish this fund within five</p>

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<p>\$300 will be due by owner upon signing of this agreement. This reserve will be held in the broker's trust account for maintenance and repair of the property.</p>	<p>days after written request by broker or broker may replenish this fund by deducting funds from the next monthly rent. Within ten business days of the termination of this agreement the balance of these funds minus any outstanding invoices is refundable to the owner.</p>
<p>Management fee Long Term = 10% of monthly rental income or \$100 per month (while occupied) whichever is greater. Seasonal = 12% monthly income (while occupied).</p>	<p>See section 2 (Broker authority, responsibilities, duties and obligations).</p>
<p>Hourly Fee \$50 Per hour</p>	<p>Any work performed for owner that is not included in this agreement (i.e. Supervising renovations or capital improvements, meeting contractors, etc.) or to appear in court on behalf of the owner.</p>
<p>Termination Fee: The remaining management fees due broker until current lease expires.</p>	<p>In the event that the owner terminates this agreement before the expiration date, then broker shall be entitled to receive a termination fee equal to the management fee (as calculated herein) from the date of the termination through and including the termination date of an lease in existence for the property at time of termination by owner. Broker may terminate and forfeit remaining management fees. But shall not forfeit past due and unpaid fees.</p>
<p>Leasing Commission 4% of gross lease. Calculated as 4% of the total of rent to be charged for the lease agreement. Leasing commission shall be due when the tenant(s) sign the lease agreement and take possession of the property. it may be billed separately or, at broker's option deducted from the initial funds received from tenant(s)</p>	<p>Owner will pay a 3% co-broke to the broker or an outside broker whom procures a successful applicant that signs a lease and takes possession of the property. 1% will be paid to ARCS for listing services.</p>

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 Initials _____

Brokers



Referral fee. Amount to be determined by broker and outside broker	Broker may refer a sale or rental of the property to an outside broker and may receive a referral fee from the outside broker
Free Services.	Direct Deposit of owner's distribution and other funds into their checking account.
Paper Check fee \$10 per check.	Covers the cost of processing, printing, handling and mailing owner distribution checks and other funds due owner.

11. Lease agreement. Broker may use either the Arizona Association of Realtors' lease form or may use a form drafted by an attorney.

12. Payment. Broker shall deduct all fees due hereunder from amounts collected from tenant and the balance (if any) sent to owner. If no funds are collected from tenant, broker may invoice owner and owner shall remit payment within ten days.

13 Property Management Services.

Initial a. **The property is currently vacant.** Listing and leasing services are necessary. Owner wishes to have broker list and lease the property.

Initial b. **The property is currently leased.** Listing and leasing services are no presently necessary. Owner will provide broker with a copy of the current tenant's lease agreement and all other lease agreements with this tenant, the tenant's rental application, a copy of the move-in inspection, copies of letters to /from the current tenant, and copies of other documents owner believes relevant.

14. Rent. Tenants shall send rent, taxes, fines, and all other charges to the broker and then have broker deposit all funds in broker's trust account.

15. Statutory Agent (out of State owners only)

Initial a. Owner wishes to have broker act as a statutory agent for the property.

Initial b. Owner has appointed or wishes to appoint someone other than the broker to act as statutory agent for the property. Owner will notify broker and provide contact information for their statutory agent

16. Special Power of Attorney. Owner grants broker special power of attorney to enter into lease agreements on owner's behalf.

17. Special Terms.

By signing this Property Management Agreement the under signed represents to broker that he/she/they have read and understand all provisions of this agreement and

Owner's Initials _____
Initials _____

Brokers



agree to be bound hereby. The undersigned represents to broker that he/she/they are the true owner(s) of the property and has have authority to enter into this agreement.

Owner 1.

Signature _____ **Date** _____

Print Name _____

Address _____ **City** _____ **State** _____ **Zip Code** _____

Home Phone _____ **Cell Phone** _____

E-mail address _____

Tax Id (EIN or SSN) _____

Owner 2.

Signature _____ **Date** _____

Print Name _____

Address _____ **City** _____ **State** _____ **Zip Code** _____

Home Phone _____ **Cell Phone** _____

E-mail address _____

Owner's Initials _____
Initials _____

Brokers



Broker

Signature	Date
By Mark Digan	
Managing member of Arizona Rentals & Concierge Services. LLC	

Sample

Owner's Initials _____
Initials _____

Brokers