

## CONTRACT FOR PROPERTY MANAGEMENT

In consideration of the covenants herein contained, \_\_\_\_\_ (OWNER) and JOHN HALL & ASSOCIATES (BROKER) agree as follows:

- A. The OWNER hereby employs the BROKER exclusively to rent, lease and manage the property known as: \_\_\_\_\_ (PREMISES) upon the terms hereinafter set forth for the period of time beginning on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ and ending the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (TERM). At the expiration of the TERM hereof, this Contract shall automatically renew on a month-to-month basis, under the same terms and conditions, provided that BROKER sends OWNER a reminder notice at least 30 days before the renewal date.
- B. BROKER accepts employment hereunder and agrees:
1. To use diligence in the management of the PREMISES for the TERM and upon the terms and conditions herein provided, and agrees to furnish the services of BROKER for the renting, leasing and managing of the PREMISES.
  2. To investigate carefully all references of prospective tenants.
  3. To deposit all monies collected for the OWNER, per A, B or C below including all security, pet, cleaning or damage deposits less any sums properly deducted. BROKER will retain all deposits in BROKER's Trust Account until the termination of the tenancy. The deposits will then be disbursed in accordance with A.R.S. 33-1321 following inspections by BROKER's Agent. It is understood and agreed that BROKER will be depositing OWNER's funds from time to time into a trust savings account, unless otherwise specified. The interest therefore will be the property of the BROKER and will be used by BROKER as additional compensation for its services. BROKER will not be responsible to account for such interest to OWNER. With regard to monies collected for the OWNER, BROKER will:  
\_\_\_\_ (A) Deposit such funds in BROKER's Trust Account in an institution qualified to engage in the banking business, separate from BROKER's general business account. However, BROKER will not be held liable in the event of bankruptcy or failure of such depository.  
\_\_\_\_ (B) Deposit such funds in OWNER's account at \_\_\_\_\_ # \_\_\_\_\_.  
\_\_\_\_ (C) Send such funds to OWNER at \_\_\_\_\_.  
If option B or C is selected, the OWNER agrees that (if applicable) BROKER may establish a sales tax impound account for the full term of the lease, under section D below. This sales tax impound account will be funded from the tenant's initial deposit(s).
- **NOTICE REGARDING CHECKS: IN-STATE PERSONAL CHECKS REQUIRE UP TO 8 DAYS TO CLEAR; OUT OF STATE PERSONAL CHECKS REQUIRE 14 DAYS TO CLEAR.**
4. To send quarterly status reports to the OWNER. BROKER will transmit to OWNER any excess funds in the OWNER'S account upon request, or in the event the disbursements shall be in excess of the monies collected by BROKER, OWNER hereby agrees to pay such excess promptly upon demand by BROKER.
  5. Upon termination of this Contract, pursuant to A.R.S. 32-2173 BROKER will provide OWNER with a final accounting of the PREMISES financial status that includes: (1) a list of all tenant's security obligations within five days; (2) reimbursement for all monies remaining in the payable accounts except for monies needed for unpaid obligations, within 35 days; (3) a final list of accounts receivable and payable within 75 days; and (4) a final bank account reconciliation within 75 days.
- C. The OWNER hereby agrees to give to the BROKER the following authority and power and agrees to assume any expense in connection herewith:
1. To advertise the availability for rental of the PREMISES and to display "For Rent" signs thereon; to sign, renew and/or cancel leases for the PREMISES; to terminate tenancies and to sign and serve in the name of the OWNER such notices as are appropriate; to act as statutory agent for the OWNER for service of notices under A.R.S 33-1902(B) if necessary; to employ legal counsel to evict tenants and to recover rents and other sums due as allowed by law; to reinstate such tenancies when expedient.
  2. To make or cause to be made and supervise all repairs and alterations, and to do decorating on said PREMISES; to purchase supplies and pay all bills thereof. BROKER agrees to secure prior approval of OWNER on all expenditures in excess of \$250.00 for any one item, except monthly or recurring operating charges and/or emergency repairs in excess of the maximum, if in the opinion of BROKER such repairs are necessary to protect the PREMISES from damage or to maintain services to the tenants as called for in the lease. BROKER shall not be required to advance any monies for commissions or other expenses related to managing the PREMISES. OWNER agrees to establish and maintain a permanent Operating Reserve Account with BROKER in the minimum amount of \$ 250.00.
  3. To hire, discharge and supervise all labor and employees required for the operation and maintenance of the PREMISES; it being agreed that all employees shall be deemed employees of OWNER and not BROKER, and the OWNER and not BROKER is responsible for all obligations relative to the Fair Labor Standards Act and the BROKER may perform any of its duties through OWNER's attorney and BROKER shall not be responsible for their acts, defaults or negligence if reasonable care has been exercised in their appointment and retention.
  4. To authorize BROKER to contract (i.e. OWNER accepts liability for and agrees to pay) for utilities for the PREMISES including APS; SRP; SW Gas; Water; Trash; Other \_\_\_\_\_.  
(Utilities are established during vacancy or as needed in accordance with AZ Landlord & Tenant Act.)
  5. To complete and file with the County Assessor such forms and notifications as may be required by law on OWNER's behalf.
  6. To disburse OWNER capital checks in cases of multiple-ownership per attached addendum.  Multiple-Ownership
  7. To NOT make monthly mortgage or HOA payments unless an addendum is attached.  Monthly Payment Addendum.

- D. SALES TAX: The PREMISES are located in \_\_\_\_\_ (City) for sales tax purposes. All applicable sales tax reporting will be the responsibility of a)  BROKER or b)  OWNER, who will pay such tax at OWNER's expense when due, and will file the appropriate forms. c)  The PREMISES are not subject to tax because: \_\_\_\_\_.  
(NOTE: option a, b or c above must be selected) OWNER agrees the BROKER is not responsible for paying any other taxes or obligations except as set forth herein.
- E. OWNER further agrees:
- To indemnify, defend and hold BROKER harmless from all claims, investigations, and lawsuits in connection with any past due or unpaid sales, business, use, personal property or other taxes, in connection with the filing or failure to file any form or notification required by law, or in connection with any claim of damage or injury suffered by any person in regard to the PREMISES, except as may be occasioned by the sole negligence of the BROKER. OWNER agrees to carry at its own expense, adequate Public Liability Insurance and (if necessary) Workman's Compensation insurance to protect the BROKER and OWNER, and shall name BROKER as the co-insured. BROKER also shall not be liable for any error of judgment or for any mistake of fact or law, or for anything which it may do or refrain from doing hereinafter, except in the case of BROKER's willful misconduct or gross negligence.
  - This Contract can be cancelled by either party with a 30 day notice to the other. In the event the OWNER cancels this Contract prior to the termination date above, OWNER agrees to pay BROKER a cancellation fee of \$ 0.00, in consideration of BROKER's costs of administration of this Contract and its early cancellation.
  - After expiration of this Contract, OWNER shall pay BROKER a commission at the rate set forth in Paragraph F below if a sale or lease of the PREMISES, is made to any person to whom BROKER has shown the PREMISES or has negotiated with concerning the PREMISES during the TERM.
- F. For these services the OWNER agrees to pay the BROKER:
- For Leasing: \$500.00 or 0% (percent) of the total in consideration of the lease, renewal or holdover thereof, to be paid to the BROKER upon signing of the lease. ***Agent retains all late fees.***
  - For Managing: 11% (percent) of the gross amount of money received from the operation of the PREMISES during the TERM herein provided. The management fee shall be payable when the rent and other monies are received, or as provided by a separate written agreement between OWNER and BROKER.
  - For Sale: 6% (percent) of the sales price if the PREMISES are sold and BROKER is procuring cause for the sale.
  - A registration fee of \$0.00 and an account set up fee of \$0.00.
- G. An addendum is attached:  Multiple Ownership.  Monthly Payments  Other: \_\_\_\_\_.
- H. This Contract is entered into by and between the OWNER and BROKER and shall be binding upon the successors and assigns of BROKER and the heirs, executors, administrators, successors and assigns of OWNER. This Contract is not assignable to another Licensee or licensed entity without the express written consent of OWNER, as provided in A.R.S. 32-2173(j).
- I. In any legal action, arising out of this Contract, the prevailing party shall be entitled to an award of its reasonable attorneys' fee and costs.

OWNER acknowledges that he has read, understands and accepts all terms and conditions contained herein and that he has received a copy of this Contract.

OWNER Name(s):		BROKER: John Hall & Associates, Inc.	
		Terry Fleck & Susan Austin-Fleck	
(Print)		(Print)	
(OWNER Signature)	(Date)	(AGENT Signature)	(Date)
(SSN)		(AGENT Signature)	(Date)
		<b>Address: 690 E. Warner Rd. Ste. 153 – Gilbert, AZ 85296</b> <b>Phone: 480-361-6105 Fax: 480-361-4440</b> <b>E-Mail: <a href="mailto:saustin@johnhall.com">saustin@johnhall.com</a> or <a href="mailto:tfleck@johnhall.com">tfleck@johnhall.com</a></b> <b>Web Site: <a href="http://www.austinfleck.com">www.austinfleck.com</a></b>	
OWNER Signature)		(Date)	
(SSN)			

OWNER Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-Mail: \_\_\_\_\_