

LAKE HAVASU CITY PROPERTIES PROPERTY MANAGEMENT AGREEMENT



1690 McCulloch Blvd Suite 102 (Safeway Plaza)
Lake Havasu City, AZ. 86403
928-854-7210 Fax: 928-854-7211

In consideration of the covenants herein, contained _____ (hereinafter called "OWNER" and Lake Havasu City Properties hereinafter called "Management Company") agrees as follows:

The OWNER hereby employs the BROKER as owner's sole and exclusive agent to rent and manage the property knows as: _____

Owner further grants to the management company the right of possession in and to this property for the purposes of this agreement.

TERM AND TERMINATION

This agreement and the rights and obligations of the parties hereto shall commence on _____ 2011 and shall terminate _____ 2013. At the expiration of initial term, this agreement shall **automatically convert to a month-to month** contract unless either party has given a 30 day prior written notice to terminate the agreement.

The rights and obligations of the parties hereto with respect to the management of the subject property may be terminated as follows:

- 1) During initial period by written notice of either party given not less than 30 days before termination date;
- 2) By sale, transfer or other disposition of legal or beneficial title to the subject property by the owner;
- 3) By condemnation;
- 4) By mutual agreement and consent of both parties.

For cancellation of this contract during which time AGENT has placed a tenant in said property, OWNER shall give AGENT 30 days written notice and pay AGENT a release fee of 1/2 of one month's rent.

Upon the termination of the Management Company's rights and obligations with respect to the Property Management Agreement of subject property, the Management Company shall prepare a closing cash flow statement along with financial proceeds pursuant to A.R.S. Section 32-2173B and C.

The closing cash flow statement shall be prepared and made available to the owner on or about the thirtieth (30th) day after said termination, provided however, the obligation of the Management Company to deliver said cash flow statements and financial proceeds shall be expressly contingent upon OWNER paying to the Management Company all sums payable under this agreement for the Management Company's management services and all outstanding invoices. After the termination of this agreement and receipt of the final statement, the OWNER has thirty (30) days in which to review and inquire about the statement without charge.

DUTIES OF THE MANAGEMENT COMPANY

- A. To the management of said premises for the period and upon the terms herein provided, the Management Co. agrees to furnish the services of its organization for the renting, operating and managing of said premises.

- B. To investigate references of prospective tenants.
- C. To render monthly statements of receipts, expenses and charges and to remit copies of receipts and disbursed monies subject to company policy and as dictated by bank policy. In the event disbursements are in excess of the rents collected by the management co., the OWNER agrees to pay such excess promptly on demand. These statements along with and financial proceeds shall be **sent to the OWNER by the (20th) day** of each month that this agreement is in effect.
- D. To make reasonable efforts to locate a qualified tenant, make and execute lease/rental agreements, make pre and post occupancy inspection reports and personal property inventories.
- E. To employ, supervise, and discharge all labor required for the operation and maintenance of property.

The OWNER gives the Management Co. the following authority and powers, and agrees to assume full responsibility for the payment of any expenses and obligations incurred in connection with the exercise of the Management Co. duties set forth herein.

- A. **To advertise** the premises or any part thereof for rent, to display signs thereon, and to rent same, to sign, renew and/or cancel lease/rental agreements for terms not to exceed twelve (24) months, to the extent allowable by law and local judicial policy, actions to remove tenants and recover possession and to pursue the collection and recovery of rent and other sums due: and, when expedient, to settle, compromise and release such actions.
- B. **To collect rents** due or to become due and prepaid rents and security deposits and give receipts thereof. All deposits to be held in the interest bearing trust account for the benefit of the company. All funds will be deposited in the broker's trust account – JPMorgan Chase, 1895 McCulloch Blvd. Lake Havasu City, AZ.
- C. **Repairs**-Enter into contracts and disburse owner funds for repairs; alteration, decoration, utilities and other items and services necessary to maintain the property in a fit and habitable condition. The Agent agrees to secure the approval of the OWNER on all expenditures **in excess of \$300.00** for any one item, excepts monthly or recurring operating charges and /or emergency repairs in excess of the maximum, if in the opinion of the Management Co. such repairs are necessary to protect the property from damage or to maintain service to the tenants as called by their tenancy. Agent will establish a repair account in the amount of \$100. Repairs in excess of \$100 will be discussed with Owner. The money will remain in the trust account for minor repairs on the property. Any repair in excess of \$300, the Management Company will obtain vendor bids on behalf of the OWNER; the OWNER will negotiate directly with vendor for payment and satisfy any outstanding vendor invoices within 30 days of completion of work. In that instance the Management Co. shall not be responsible for overseeing any repairs done to the property by any contractor or workman.
- D. **The Management Co.** may perform any of its duties through its attorneys, agents, or employees and shall not be responsible for their acts, defaults, or negligence if reasonable care has been exercised in their appointment and retention. The Management Co. shall not be liable for any error of judgment or for any mistake of fact of law, or for anything which Management Co. may do or refrain from doing hereunder, except in cases of willful misconduct or gross negligence.
- E. **(Furnished Properties) Make arrangements** for electricity, gas, water, telephone, window cleaning, pest control, vermin extermination, and other services, as Management Co. shall deem advisable, the OWNER to assume the obligations of any contract so entered into. OWNER acknowledges that Management Co. needs OWNER'S Social Security Number and Driver's License Number in order to turn on certain utilities, if needed.
- F. **To maintain premises** fit for occupancy and conforming to all applicable building codes for health and safety. Owner agrees to hold the Management Co. harmless for injury or other loss including acts of vandalism by the non-occupancy of the subject property.

The OWNER further agrees:

To hold the BROKER harmless from all damage suits and costs incurred there from in connection with the management of the premises and from liability from injuries suffered by an employee, workman or other person whomsoever, and to carry at his own expense, necessary liability and compensation insurance adequate to protect the interest of the parties hereto, which policies shall be so written as to protect Management Co. in the same extent as the OWNER.

INSURANCE

OWNER agrees to procure and maintain public liability insurance insuring both OWNER and Management Company as well as Management Company's agents and employees against any and all damages resulting to persons or property on or about the subject property in the minimum amount of Three Hundred Thousand Dollars (\$300,000) per person or Five Hundred Thousand Dollars (\$500,000) if the subject property contains a pool, attractive nuisance or latent defects. Owner shall accept full responsibility for procuring and maintaining any landlord fire, casualty, liability or other insurance. **Owner's Initials _____ Co-Owner's Initials _____ Consult your Agent for insurance advice.**

HOLD HARMLESS

OWNER agrees to hold Management Company harmless for any and all liability arising by reason of the ownership, possession and control of the subject property. Owner further agrees to indemnify Management Company for any and all liability arising out of ownership, possession and control of the subject property. Owner assumes any and all responsibility for personal property left on the premises (this applies to boats, tools, electronics & furnishings of any sort). Owner agrees to maintain comprehensive insurance on any motorized vehicle left on rented premises.

COMPENSATION

Compensation for said services shall become due and payable upon demand, and the Management Company may collect said fee from any of OWNERS funds in the Management Company's possession on a monthly basis each month this agreement is in effect. OWNER agrees to compensate the Management Company for its services under this agreement as follows:

- 1) Compensation for MANAGEMENT if unfurnished is **10% (percent)** of the gross amount of rent money received from the rental of said premises during the period herein provided. **Furnished rental** compensation for MANAGEMENT is a one time **\$100.00** set up fee plus **15% (percent)** of the gross amount of money received from the rental of said premises during the period herein provided.
- 2) **Multiple Bid's-** The OWNER agrees to compensate the Management Co. \$45 per hour for replacement and or maintenance of item's **that owner requests multiple bids** from different vendors. The \$45 per hour fee applies if major repairs (or claims adjusting) that require multiple trips to the property and phone calls occur.

Affiliated business disclosure - This is to give you notice that Lake Havasu City Properties may have 100% ownership and or business relationships with repair, cleaning and maintenance vendors to insure quality and timely service. Because of this relationship, our vendor referral may provide Lake Havasu City Properties with a financial or other benefit.

Additional Owner Agreements

Sale of property -In the event the owner wishes to place the property on the market for sale and / or sells the property to any third party, including but not limited to the tenant, during the term of this agreement, and any extension or renewal of the same, OWNER will give Lake Havasu City Properties, LLC. the first chance at an exclusive and irrevocable right to sell the real property as described in this agreement. The sales commission to be negotiated under the standard exclusive listing agreement used by Lake Havasu City Properties, LLC. with a minimum listing period of six (6) months or the expiration of this agreement, whichever is later.

Tenant Deposits- All refundable security deposits from tenant are to be deposited in the Management Company's trust account. Any interest earned from deposits shall be assigned to the Management Company.

**All written notices and demands to be given
To the Management Company shall be mailed to:**
Lake Havasu City Properties
1690 McCulloch Suite 102
Lake Havasu City, AZ 86403

Home Phone _____
Work Phone _____
Cell Phone _____
email _____
SSN _____
(W-9) attached?

PROPERTY DESCRIPTION

Bedrooms _____ Furnished _____ Unfurnished _____ Mos Offered for _____
Bathrooms _____ Living area Sq. Ft. _____ Garage size (cars) _____ and depth _____
Year Built _____ Pool _____ Spa _____ Owner has a pool service contract with: _____

ANSWER **YES** or **NO**

Refrigerator? _____ Water Softener? _____ Reverse Osmosis System? _____
Microwave? _____ Dish Washer? _____ Washer? _____ Dryer? _____

Digital TV _____, with _____ Internet Svs _____ with _____

Fire Sprinklers? _____

Garage Door opener? _____ How many remote controls _____ should be in kitchen drawer nearest refig.

Natural or LPG gas? _____ If so, gas to what _____
If so, service with what company? _____

Will you allow pets? _____ If so, pet fee? \$200.00 With Owner Approval. _____

Owner's Initials

Home Warranty? _____ if so, Warranty Co./Policy# _____

Builders Warranty? _____ If so, Builder/contact info _____

Contact IRS to obtain Social Security

Canadians/Foreign Owners:

- 1) Number (FIN#).
- 2) Go to www.irs.gov – fill out a W-7.
- 3) Send in W-7 to IRS along with letter requesting Financial Identification #.
- 4) Once you have FIN# you will need to fill out a W-9.