

For Office Use Only:

PM # _ _____



PROPERTY MANAGEMENT AGREEMENT
K&R REALTY Gilbert, ARIZONA

THIS AGREEMENT ENTERED INTO BY _____.

As "Owner" and K&R REALTY LLC, an Arizona LLC as "Agent" shall pertain to the property located at: _____

City: _____, County _____ AZ Zip _____.

Legal Description:

1. Owner hereby employs and grants Agent the exclusive right to lease, operate and manage the property described above for the period beginning: _____ and terminating on _____ at 12:00 midnight. However, either party hereto may terminate this Agreement by giving the other party not less than thirty days written notice of intention to so terminate.
2. Owner grants Agent the following authority and powers: To collect rents, deposits and maintain an accounting of all receipts and disbursements. A statement of this account will be rendered monthly to Owner. In the event the disbursements shall be in excess of the rents collected by the Agent, the Owner hereby agrees to pay such excess promptly upon demand of and to Agent.

Trust Account: To establish and maintain in a bank, deposits which are insured by the Federal Deposit Insurance Corporation and in a manner to indicate the custodial nature thereof, a separate account for the deposit of all moneys collected for Owner, with authority to draw thereon for any payments to be made by Agent discharging its duties/liabilities for obligations arising under the provisions of this Agreement, and for the payment of Agent's fee, all of which shall be subject to the limitations of this Agreement. Said account may be an interest bearing account, and Owner agrees that Agent may retain any interest earned as additional compensation for duties performed and expenses incurred in the establishing and operation of said account. Agent to hold all deposits. Agent will hold an amount in Owner's account equal to Tenant's deposit for refund to Tenant upon notice from Tenant to vacate property. Agent will advertise, at Agent's expense, availability for rental of the herein described premises or any part thereof. Agent may place (at his expense) "**For Rent**" signs on the property if necessary, and allowed, to secure a desirable Tenant. Owner realizes situations may arise in which Agent must utilize his discretion in determining to what extent, if at all, to enforce the various provisions of the lease made with Tenant. Owner agrees to allow the Agent to use his discretion and judgment in securing a lease and enforcing the terms and conditions of the lease and does not hold Agent responsible to enforce or mandate compliance by Tenant of any or all items/terms of the Lease.

3. Owner grants Agent following authority and powers, and Owner shall pay the expenses in connection herewith: Agent to terminate tenancies and to sign and serve in the name of Owner such notices as are appropriate, to institute and execute actions to evict Tenants and to recover possession of said premises in the name of Owner and recover rents and release such actions or suits or reinstate such tenancies. Agent to make contracts for utilities and other services as Agent shall deem advisable: Owner to assume the obligation of any contract so entered into at the termination of this Agreement. Agent will not enter into any long-term agreements without Owner's permission.

Agent to make or cause to be made and supervise repairs and alterations and to do decoration on said premises, to purchase supplies and pay all bills thereof. Agent agrees to secure the prior approval of Owner on all expenditures in excess of **\$250.00** for any one item, except monthly or recurring operation charges and emergency repairs of the maximum, if in the opinion of Agent such repairs are necessary to protect the property from damage to life or to the property of others or to avoid suspension of necessary services or to avoid penalties or fines or to maintain services to the Tenants as called for in their Lease.

Agent to hire, discharge and supervise all labor and independent Contractors required for the operation and maintenance of the premises: Agent may perform any of its duties through attorneys, agents, or independent contractors and shall not be responsible for their acts, defaults or negligence if reasonable care has been exercised in their appointment and retention.

In the event Owner shall request Agent to undertake work exceeding the usual to normal management, then a fee shall be agreed upon in writing for such services before the work begins. Normal management does not include modernization, refinancing, fire restoration, storm/water damage restoration, major rehabilitation, obtaining income tax advice, presenting petitions to planning or zoning committees, advising on proposed new construction or other counseling.

4. Owner shall indemnify and save Agent completely harmless from any and all costs, expenses, attorneys' fees, suits, liabilities, damages or claim for damages, including but not limited to, those arising out of any injury or death to any person or persons or damage to any property of any kind whatsoever and to whomsoever belonging, including Owner, in any way relating to the management of the premises by the authorities herein or hereafter granted to Agent. Agent 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. At Owner's sole cost and expense, to carry such public liability and property damage insurance shall be adequate to protect the interest of Agent and Owner.
5. **Final Accounting:** Upon Termination of this Agreement, the parties shall, within thirty (30) days thereafter, account to each other with respect to all matters outstanding as of the date of termination, and Owner shall furnish Agent funds satisfactory to Agent, against any outstanding obligations or liabilities which Agent may have incurred hereunder, prior to termination.

6. If it shall become necessary for Agent or Owner to give notice of any kind, the same shall be written and served, by sending such notice by **certified mail** to the address shown on this Agreement.
7. In the event of foreclosure or assignment of rent of the property, Owner is aware that the Tenant security deposit may be returned to Tenant by K&R REALTY upon notification of foreclosure or assignment of rent. Additionally, upon receipt of foreclosure or assignment of rent notice, K&R REALTY may cancel this Agreement *immediately*, thereby waiving the thirty-day notice clause contained in Paragraph #1 above.
8. **Other Item/s of Agreement:** The sum of \$250.00 to be held in K&R REALTY TRUST ACCOUNT for any necessary maintenance, repairs and court costs or other mandated services for the above referenced property.
9. **In consideration for the services rendered as provides herein, Owner agrees to pay Agent the following:**
 - a. Leasing Fee: 3% of 1st year gross rents . The leasing fee includes the following:

All advertising for your property, taking calls and showing property, screening the prospective Tenant(running application), signing the lease with the Tenant, doing a walkthrough with Tenant. If Tenant renews their lease, Agent does NOT CHARGE A RENEWAL FEE.
 - b. Monthly Management Fee: 10 % of total rent collected each month.
 - c. One-time set-up deposit: \$ 250.00 . Refer to item #8.
 - d. Sales Commission: Should tenant buy the property from the owner during the lease term or within six months after lease term, owner to pay K&R REALTY a 3% commission on the sale price of the home.
 - e. In order to minimize the fee Agent charges Owner, Agent may collect and retain for themselves from **Tenant/s** all or any of the following: credit report fees, late rent fees, check collection charge, fees for serving notices, and/or any administrative charges.
 - f. Agent splits the late fees collected from Tenant with Owner 50%/50%.
10. **Cancellation Fee:** If Owner terminates contract within the first 12 (twelve) months of the Tenant's lease, there will be a cancellation fee of either \$400.00 or the remainder of the first year's management fees, whichever is less. Should the Tenant renew for any year after the first year, there will be no cancellation fee.

11. **Utilities:** Owner is responsible for turning on power and water utilities in owner's name both before the property is rented and during any vacant periods. *Owner is responsible for paying all utilities while the property is vacant.* Owner will be notified by a representative of K&R Realty when property is to become vacant as a reminder to have the utilities transferred back to owner's name during the upcoming vacant period. This will insure that any work required between tenants can be performed in a timely manner to quickly prepare the property for new tenants. Owner will also be responsible for contacting utility companies after lease is signed to insure that tenants have transferred utilities into their name. *Neither K&R Realty nor the tenants will be held responsible for utility payments if owner fails to request a service shut-off.* For your convenience, a list of utility company contact information is attached to this agreement.

12. Please provide the following information:

- A. **Home Info:** # of Bedrooms/Baths _____ Sq Ft _____
_____ -Car Garage; Landscape Complete: Front _____ Back _____
Includes: Washer _____ Dryer _____ Fridge _____ Other _____
Amenities: _____

- B. **Home Warranty:** Co Name/Phone #: _____
Policy #: _____ Expires _____
Builder/Year: _____
- C. **Vendor Preference:** _____ Yes (please supply vendor names on back of this a page.)
_____ No (We will contact our vendors for repairs)
- D. **HOA: Management Company:** _____
Community: _____ Lot/ Unit/ Acct #: _____
Contact Name: _____ Phone #: _____
- E. **Mailbox #:** _____ Location: _____
If you do not supply a key, the box will have to be rekeyed and the cost (up to \$75) deducted from the rent.
- F. **Is there a community pool key?** _____ yes _____ no
If you do not supply a key, the cost for the tenant to obtain a key will be deducted from the rent.
- G. **Gate code (if applicable):** _____

Agent:

Owner:

Property Management Director Date

(Please print)

Rebecca Donaldson Date
Broker

Mailing Address

City State Zip

Referred By:

Primary Telephone: Cell Work Home (circle one)

Alternate Telephone: Cell Work Home (circle one)

Owner's Signature Date

Owner's Social Security Number*

Co-Owner's Signature Date

Co-Owner's Social Security Number

*Primary SSN or TIN must be supplied
for tax reporting purposes.

Primary Email Address

Primary Fax Number



**PO Box 1471
Higley AZ 85236
480.703.3532
Fax 480.686.8566**