

1 DAVILA Real Estate Solutions, LLC
2 8218 E. Madera Dr., Sierra Vista, AZ 85650
3 (520) 234-7009

4 Property # _____
5

6 **PROPERTY MANAGEMENT AGREEMENT**
7

8 The Undersigned Owner hereby employs the undersigned Broker exclusively to rent, lease, operate and
9 manage the real property located in Cochise County, State of Arizona, described as follows:

10
11 Address: _____
12

13 Tax Parcel number and Legal Description: _____
14
15 _____
16

17 Described as: _____
18
19 _____

Hereinafter described as the Premises.
20

21 **BROKER'S OBLIGATION**
22

23 Owner hereby confers upon the Broker the following duties, authorities and powers, any or all of which
24 may be exercised in the name of the Owner and Owner agrees to assume all expenses in connection
25 therewith. Both parties agree that the Owner shall be considered an active participant in the
26 management of the Premises, including but not limited to: approving tenants, establishing rental terms
27 and approving expenditures as provided below.
28

29 **LEASING:** To advertise the availability for rent of the Premises or any part thereof and to display
30 "FOR RENT" or "FOR LEASE" signs thereon, to execute leases for terms not to exceed one year, to
31 cause referenced of prospective tenants to be investigated, to execute renewals or cancellations of leases
32 relating to the Premises and to prepare and execute new leases without additional charge to the Owner
33 (except for tenant placement fee), provided however, that the Broker may collect from Tenants all or any
34 of the following: **late rent administrative charges, a non-negotiable check charge, credit report fee,**
35 **sublease administrative fee, re-leasing fee, redecorating/inspection fee.** To terminate tenancies and
36 to sign and serve for the Owner such notices as Broker deems appropriate, to institute legal actions in
37 the name of the Owner, to evict tenants and recover possession of the premises, to sue for and recover
38 rents and other sums due; to settle, compromise and release such actions or suits, or to reinstate
39 tenancies. Owner is aware, that Broker makes no guarantee of locating (a) tenant(s).
40

41 **RENTS:** To collect rents and to collect and disburse security and other deposits; to deposit all receipts
42 collected for Owner in the Broker's trust account with a qualified banking institution located in the State
43 of Arizona. Broker shall not incur any liability for bankruptcy or failure of the depository. To hold a
44 trust account and to refund tenant's security deposits at the expiration of leases in compliance with the
45 law and provision under the lease agreement. Tenant's security deposits may be placed in interest
46 bearing accounts, whereas the interest shall be retained by the Broker.

MAINTENANCE, SERVICE CONTRACTS, REPAIRS: To employ, supervise and discharge all labor requirements for the operation and maintenance of the Premises, it being agreed that all employees shall be deemed the Owners employees. To execute contracts for utilities and service for the operation, maintenance and safety of the Premise, as the Broker shall deem advisable and/or necessary. To take charge of repairs, decorating and alterations necessary to preserve the Premise in its present condition. To purchase supplies and pay all bills. Broker agrees to obtain Owner's prior written authorization for any and each expense item in excess of \$300.00 with the exception of monthly or recurring operation charges or emergency repairs. Broker reserves the right to approve expenditures in excess of this amount for the protection of the Premises from damage or to perform services for the tenants as provided for in their lease, or as may be required under the provisions of the Arizona Residential Landlord Tenant Act.

DISBUREMENTS: To accrue and make disbursements from Owner's funds as directed by Owner from time to time. Monthly Owner proceeds to be disbursed directly to Owner or to Owner's bank account, as directed by Owner. Owner's monthly proceeds to be disbursed between the 5th and 10th of each month.

OWNER'S BANK INFORMATION: Deposit Owner's proceeds directly into Owner's Bank account.

BANK NAME: _____ **ACCOUNT#:** _____

Preprinted deposit slips are required. If they are not provided the Owner's proceeds check will be mailed to Owner.

PERIODIC STATEMENTS: To Render periodic itemizing statements of receipts, expenses, charges and accruals and to remit to Owner receipts, less disbursements and accruals for future expenses. In the event disbursements shall exceed receipts, Owner shall promptly remit such shortage to the Broker. Owner assumes full responsibility for the payment of any expenses and obligations incurred in connection with the exercise of Broker's duties as set forth herein. Nothing herein shall obligate Broker to advance Broker's own funds on behalf of the Owner. Statements shall be rendered monthly. Annual summary statements for any given year will be mailed not later than 31 January of the following year, together with the payee's copy of I.R.S. for 1099 Misc.

OWNER'S OBLIGATION: Owner agrees to pay Broker a fee or fees for services rendered at the rates hereinafter set forth. Owner recognizes Broker as Agent in any negotiations relative to the premises or any part thereof, and upon close of any lease, sale, exchange or transfer, in any manner whatsoever, shall compensate Broker in accordance with rates hereinafter set forth. Such compensation is due and payable on demand and may be deducted by the Broker from receipts.

MANAGEMENT/LEASING FEE: Ten percent of gross monthly rental amount. There will be no management fee when the premises are vacant.

TENANT PLACEMENT FEE: Owner agrees to pay a \$50.00 placement fee for a minimum 6 months lease payable from the first month's rent received.

SALE OR EXCHANGE: Six percent of the gross sales price. If a lease agreement or contract for sale, exchange or transfer, in any matter whatsoever, of the premises is made within 45 days after termination of this authorization, with persons with whom Broker shall have negotiated during the hereof and whose

names Broker shall have submitted in writing to Owner within ten days after termination of this authorization, the same fee shall prevail. If Owner should list property with any other company other than DAVILA Real Estate Solutions LLC this Management Agreement will terminate immediately. Owner agrees to pay to Broker a leasing fee, a sum equal to nine percent of balance of rent due to Owner under said lease. Said payment shall be due and payable to Broker by Owner upon termination of the Management Agreement.

ALTERATION, REMODELING, REDECORATION: Charged on a case by case basis at the current rate of consultation charged by Broker.

HOLD HARMLESS: Owner agrees to hold the Broker harmless from all damage suits in connection with the management of the herein described premises and from liability from injury suffered by any employee or other person whosoever and to carry, at own expense adequate public liability insurance fire and extended coverage and property damage insurance and to furnish Broker certificates evidencing the existence of such insurance. The Broker also shall not be liable for any error of judgment or for any mistake of fact or law or for anything which he may do or refrain from doing hereunder, except in cases of willful misconduct or gross negligence. If a suit is brought to collect the Broker's compensation and the Broker is the prevailing party, or if Broker successfully defends any action brought against Broker by Owner relating to the Premises or Broker's management thereof, or any lease or transfer the of Owner agrees to pay all cost incurred by Broker in connection with such action, including, but not limited to reasonable attorney's fees. Attorney fees and court cost incurred by broker to enforce the provisions of any lease are the sole responsibility of the Owner. Owner further agrees to pay, without limitation as to amounts, attorney's fees and associated court cost for counsel employed to represent the Owner or Broker or both, in any proceeding or suit involving an alleged violation by the Broker or Owner, or both of any constitutional provision, statute, ordinance, law or regulation of any governmental body pirating to Fair Employment, Federal Credit Reporting Act, Fair Housing Act, Environmental Protection Act, Non-Discrimination Laws, or Arizona Residential Landlord Tenant Act. Owner further agrees to indemnify, defend and save Broker harmless from all claims, investigations, and suits with respect to any alleged or actual violations of State or Federal labor laws, it being expressly agreed and understood that as between Owner and Broker, all persons employed in connection with the operation for the Premises are Employees of the Owner and not the Broker.

DATA AND RECORDS: Owner agrees to make available to Broker all data, records and documents pertaining to the rental premises which the Broker may require to properly exercise his/her duties hereunder, including, but not limited to: property tax parcel number and information. Owner's taxpayer I.D. number and owner/landlords insurance policy information. Broker shall not be liable for any loss that the Owner may incur by reason of the Broker not having correct and current information on hand.

LATE CHARGES: Broker may charge a late fee if rent is paid after the due date. Late fees are paid to the Broker by the Tenant and are not paid to the Owner or by the Owner.

RE-LEASING FEE: Broker may charge tenant a re-leasing fee if tenant vacated the premises at any time during the term of the lease. Leasing fees are paid to the Broker by the tenant and are not paid to the Owner or by the Owner. Leasing fees and late fee will be deducted from tenant funds held by Broker, after deduction of funds due to Owner such as delinquent rent or reimbursement for repairs or cleaning.

REDECORATING AND INSPECTION FEES: Broker may charge a redecorating/inspection fee to the tenant. Said fee is paid to the Broker by the Tenant and is not paid to the Owner or by the Owner.

OWNER OCCUPANCY: Owners are aware that their future occupancy of the premises is always subject to the terms of the current lease agreement. Leases are normally negotiated for periods of approximately one year with each new tenant. It is the Owner's responsibility to be aware of the expiration dates of current leases and to provide Broker with adequate notice when Owner desires that a lease not be renewed, or extended, or that no new leases be written.

OWNER'S DEPOSIT: A deposit of three hundred dollars will be maintained in the Owner's account at all times, with deficits to be paid from monthly proceeds or deposit from the Owner as determined by the Broker. If Broker is paying mortgage payment(s) on behalf of the Owner, Owner is aware that Owner's funds sufficient to pay said payments, excluding rents due, should always be made available no later than the due date of the payment. If Owner's funds sufficient to pay mortgage payment(s) are not available on the due date, Broker will not be liable for any late payment charges or any other penalty which may accrue. Owner is aware that, except in the case of cash or cash equivalents, receipts of funds from tenants may not be used until after the expiration of a time period in accordance to trust account regulations. Therefore rents due on the first of any month may not be used to pay the mortgage payment(s) due on the first of any month, but should be allocated to funds to be used for the mortgage payment(s) due on the first of the following month.

BANKRUPTCY: If bankruptcy proceedings, whether voluntary or involuntary are commenced against either Owner or Broker, or if either party enters into a compensation agreement with its creditors, either party may terminate this agreement by giving 30 days written notice to the other party.

MISCELLANEOUS: Prior to occupancy by initial tenants the carpets will be professionally cleaned at Owner's expense and will be professionally cleaned at tenant's expense subsequently. In addition, the following costs will be deducted from Owner's account as required; treatments for insect infestation; carpet cleaning; house cleaning, removal of trash and debris from the premises.

AVAILABILITY OF PREMISES: Start date of availability _____

RENT AMOUNT: \$ _____ **MINIMUM RENT AMOUNT:** _____

MAILBOX #: _____

TERMS: This Management Agreement shall commence on _____ and shall expire at noon on _____. This Management Agreement may be canceled by either party prior to the expiration date specified above with not less than a 30 day written notice delivered by certified mail to the other party. Should a lease executed by Broker as management agent extend beyond the termination date of this Management Agreement and Owner does not elect to renew this agreement, or if this Management Agreement is canceled by the Owner, Owner agrees to pay Broker a leasing fee, a sum equal to nine percent of the balance of rents due Owner under said lease. Said payment shall be due and payable at the time the cancellation notice is received by Broker. Tenant's funds held in trust, including but not limited to: security deposit, shall upon termination or expiration of this management agreement be paid directly to tenant and it shall be Owner's

responsibility to re-collect deposits from tenant. This agreement has been made and entered into in the State of Arizona and the laws of this State shall govern the validity and interpretation of this agreement and the performance due hereunder. In the event of a dispute between Owner and Broker, the prevailing party will be entitled to recover their attorney's fee. Owner and Broker agree that any and all disputes will be resolved by arbitration as opposed to litigation.

ACCEPTANCE: The Broker accepts this exclusive employment and agrees to use due diligence in the exercise of the duties, authorities and powers conferred Broker under the terms thereof. This agreement shall be binding upon the successors and assigns of the Broker and the heirs, administrators, executors, successors, and assigns of the Owner. Broker cannot assign this Management Agreement without prior written consent of the Owner. Time is of the essence. Receipt of a copy hereof is hereby acknowledged.

DAVILA Real Estate Solutions, LLC

Date: _____

Property Management

8218 E. Madera Dr.

Sierra Vista, AZ 85650

(520) 234-7009

E-mail: davila@theriver.com

Germaine Davila

Property Manager/Broker

Owner's Name (Print)

Owner's Name (Print)

Owner's Signature

Owner's Signature

Street Address

City

State

Zip

Home Phone

Work Phone

Cell Phone

Owner's e-mail address:

Owner's SS# or Fed. Tax I.D. #

Pets Allowed with pet deposit: _____ Cats only: _____ Dogs only: _____
_____ No Pets allowed (assistive only)