

**RESIDENTIAL MANAGEMENT AGREEMENT**

**PARTIES** In consideration of the covenants herein contained «OwnerName» ("Owner"), and **Tucson Realty & Trust Co. Management Services, L.L.C. dba TRT Property Management Services** ("Agent"), agree as follows:

1. **EXCLUSIVE AGENCY & TERMS** The Owner hereby employs the Agent exclusively to rent, lease, operate and manage «PropertyAddress», Tucson, Arizona «ZipCode» ("Property") upon the terms hereinafter set forth for the period of «NoYears» beginning on the «BegDate» day of «BegMonth», «EndYear» and ending on the «EndDate» day of «EndMonth», «EndYear» and shall continue on a month-to-month term. Either party may terminate this agreement upon thirty (30) days written notice after the expiration of three (3) months of the original term. **If Owner cancels agreement within the original three (3) month term Owner will be charged a \$150.00 cancellation fee to offset administrative and accounting setup for the property.**

2. **RENTING OF PREMISES** The Agent accepts the employment and agrees:

a) **AGENT TO NEGOTIATE LEASE:** To use due diligence in the management of the Property for the period and upon the terms herein provided, and agrees to furnish the services of its organization for the renting, leasing, operating and managing of the herein described premises. Agent shall have the discretion to negotiate and establish the terms and conditions of all rental agreements as it deems appropriate.

b) **MONTHLY STATEMENTS:** To render monthly statements of receipts, expenses and charges and to remit to Owner receipts less disbursements. 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 the Agent. Monies will be disbursed to the Owner in the accounting period immediately following the month during which these monies are collected. Agent may, with Owner's approval, accrue funds to pay for major expenses.

c) **SEPARATE OWNER'S FUNDS:** To deposit all receipts collected for Owner (less any sums properly deducted or otherwise provided herein) in a trust account in a national or state institution qualified to engage in the banking or trust business, separate from Agent's personal account. However, Agent will not be held liable in event of bankruptcy or failure of a depository. Tenant security deposits are to be held in a separate trust account separated from Owners' funds. These accounts may bear interest, which will be used to defer manager's banking and accounting costs, and will accrue to Agent's benefit.

d) **BONDED EMPLOYEES:** Agent's employees who handle or are responsible for Owner's monies shall be bonded by a fidelity bond in adequate amount.

3. **AGENT'S AUTHORITY** The owner hereby gives to the Agent the following authority and powers and agrees to assume the expenses in connection herewith:

a) **SETUP:** Owner shall remit to Agent **One Hundred Fifty Dollars (\$150.00)** as a one-time non-refundable set-up fee and grants the Agent the authority to **advertise** the availability of Property and to **display "for rent" signs** thereon; to **sign, renew and/or cancel leases** for the Property or any part thereof; to **collect rents** due or to become due and give receipts therefore; to **terminate tenancies** and to sign and serve in the name of the Owner such notices as are appropriate; to **institute and prosecute actions**; to **evict tenants** and to **recover possession of Property**; to **sue for in the name of the Owner** and recover rents and other sums due; and when expedient, to settle, compromise, and release such actions or suits or reinstate such tenancies. Any lease executed for the Owner by the Agent shall not exceed **thirteen months**. In the event Owner demands paid advertising Owner shall remit to Agent One Hundred Fifty Dollars **(\$150.00)**, which shall be used as an advertising reserve. Any unused amount shall be refunded to Owner.

b) **MAINTENANCE FUND:** Owner shall remit to Agent **Three Hundred Dollars (\$300.00)** as a one-time refundable maintenance fund to be used for any necessary expenditures while the ("Property") is vacant. **Any unused amount shall be refunded to Owner within forty-five (45) days of lease execution.**

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c) **REPAIRS:** Agent shall make or cause to be made and supervise repairs and alterations, and to do decorating on Property; to purchase supplies and pay all bills therefore. The Agent agrees to secure the prior approval of the Owner on all expenditures in excess of \$300.00 for any one item, except monthly or recurring operating charges and/or emergency repairs in excess of the maximum, if in the opinion of the Agent such repairs are necessary to protect the Property from damage or to maintain services to the tenants as called for in their leases.

d) **MAJOR IMPROVEMENTS:** Ten percent (10%) of gross cost of improvements/repairs – Should the Owner decide to have major improvements, remodeling and/or repairs performed (excluding roof replacements, floor coverings and HVAC replacements) the cost of which exceed \$3,000.00, Tucson Realty & Trust Co. Management Services, L.L.C. will receive ten percent 10% of the total cost involved. It is agreed that the agent will perform the task of coordinating and overseeing the project for this fee. It is the Owner's duty to approve any estimates. Owner acknowledges that Tucson Realty & Trust Co. Management Services, L.L.C. and its agents make no representations whatsoever concerning competency of any companies involved in any work undertaken on behalf of the Owner. Tucson Realty & Trust Co. Management Services, L.L.C. will obtain warranties from contractors, when available, to be placed in the Owner's file. **If major improvements are to be made, Owner and Tucson Realty & Trust Co. Management Services, L.L.C. will sign a "Major Improvements Addendum." Any construction contract for major improvements will be signed by the Owner and Contractor(s).**

e) **EMPLOYEES:** To hire, discharge and supervise all labor and employees required for the operation and maintenance of the Property. The Agent may perform any of its duties through Owner's 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.

f) **SERVICE CONTRACTS:** To make contracts for electricity, gas, fuel, water, telephone, window cleaning, ash or rubbish hauling and other services or such of them as the Agent shall deem advisable; the Owner to assume the obligation of any contract so entered into at the termination of this agreement.

4. **GENERAL PROVISIONS** The Owner further agrees:

a) Owner hereby agrees to make available to Tucson Realty & Trust Co. Management Services, L.L.C. any/all date, records and documents pertaining to the property, which the Agent may require to exercise his duties there under. Owner agrees that the Agent has the right to access information if necessary. This includes the release of the following information:

**Mortgage Co. Name/Address:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
**Telephone Number:** \_\_\_\_\_  
**Insurance Co. Name/Address:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
**Policy Number** \_\_\_\_\_  
**Telephone Number:** \_\_\_\_\_  
**Home Warranty Policy:** \_\_\_\_\_  
**Homeowner's Association:** \_\_\_\_\_

b) To indemnify, defend and hold Agent harmless from all claims and actions arising in connection with the Property and the management thereof arising from injury or property damage of any kind whatever, including legal expenses associated with such claims. The owner shall carry at his own expense, standard property insurance for fire and general liability adequate to protect the interests of the parties hereto. Owner agrees to include Tucson Realty & Trust Co. Management Services, L.L.C. as an additionally named insured party on the property insurance policy, shall furnish Agent with a current copy of the certificate and indemnify, defend (security against loss or damage) Agent against liability for incidents that occur on the property. Owner agrees to notify the Agent immediately in the event said policy is canceled. Upon termination of this agreement and the delivery by Agent to Owner of the security deposits, Owner shall indemnify and hold harmless Agent, its officers, directors, agents, representatives, successors and assigns from any and all claims, demands, actions, and from any and all liability whatsoever on account of, or in any manner arising, or resulting from the delivery and transfer of tenant's funds constituting the tenant's security deposit to Owner.

c) The Agent shall be liable for willful misconduct or gross negligence.

118 d) The Agent is hereby instructed and authorized to pay any necessary maintenance or utility bills as  
119 needed and, if all parties agree, Agent may pay property insurance, real estate taxes, HOA dues, HOA assessments,  
120 etc., **provided funds are available.**

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122 e) **When the property is leased**, Owner to pay the Agent for management **ten percent (10%)** of the gross  
123 rents collected.

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125 f) Upon receipt of the first month's rent paid by a **new resident** on a minimum eleven (11) month contract,  
126 a fee of **\$100.00 (leasing fee)** will be deducted from rental proceeds and paid to Tucson Realty & Trust Co. Management  
127 Services, L.L.C. Upon receipt of the first month's rent paid by the resident(s) for a **lease renewal term**, a fee of **\$50.00**  
128 **(leasing fee)** will be deducted from rental proceeds and paid to Tucson Realty & Trust Co. Management Services, L.L.C.

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130 g) In the event this management agreement is canceled, upon the required thirty (30) day written notice, a  
131 commission of **7-1/2%** will be paid by Owner for the balance of the existing lease or any pending lease that is  
132 consummated wherein Agent has procured the tenant.

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134 h) Owner agrees to accept financial responsibility to have the locks on the home re-keyed each time a new  
135 resident is placed should the Agent deem necessary.

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137 i) Agent shall not be required to advance any monies for the care or management of the Property, and the  
138 Owner agrees to advance all monies necessary therefore. Upon receipt of thirty-day notice that Tenant is vacating the  
139 Property, Agent may establish a budget reserve of up to one month's rent to use for expenses to prepare property for re-  
140 leasing.

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142 j) Late fees, application fees, early termination fees and administrative/preparation fees will be collected by  
143 the management company and utilized for administrative expenses involved in dealing with these functions.

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145 k) On termination of the property management agreement the property management firm shall provide the  
146 Owner with a final accounting of the property's financial status that includes at a minimum: Within five days, a list of all  
147 tenant security obligations. Within thirty-five days, reimbursement for all monies remaining in the property accounts  
148 maintained by the property management firm, except for monies needed for unpaid obligations incurred during the term  
149 of the property management agreement. Within seventy-five days, a final accounts receivable and payable list. Within  
150 seventy-five days, a final bank account reconciliation.

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152 l) If the Agent is responsible for bringing an interested party to the property that purchases the Owner's  
153 property, Owner agrees to pay Agent a commission equal to twenty-five percent (25%) of three percent (3%) of the gross  
154 selling price. The referral fee may be paid by the owner's licensed real estate professional from their commission. If  
155 Agent acts as Buyer's Agent, a three percent (3%) co-op fee of the total sales price shall be paid by Owner. The listing  
156 and sale of the property is limited to the last thirty (30) days of the resident's tenancy. Owner agrees to not place a  
157 lockbox on the property until after the resident has vacated.

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159 m) For a period of **one (1)** year from the date of the termination of this Management Agreement, the Owner  
160 shall not induce any person who was an employee or agent of the Company during the term of the Agreement to leave  
161 the Company or to accept any other employment or position; or induce or assist any other entity in hiring any such  
162 employee or agent; or accept, if offered, the employment of any employee or agent of the Company directly or on behalf  
163 of others.

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165 ***This Agreement shall be binding upon the successors and assigns of the Agent, and the heirs, administrators,***  
166 ***executors, successors and assigns of the Owner. This agreement may not be assigned to another licensee or***  
167 ***licensed entity, without the express written consent of the Owner.***

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171 \_\_\_\_\_ Date \_\_\_\_\_ Date  
Owner

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176 \_\_\_\_\_ Date  
Property Manager, As Agent for Tucson Realty & Trust Co. Management Services, L.L.C.