

**PRO★STAR REALTY, INC.**  
**PROPERTY MANAGEMENT AGREEMENT**

Parties to the Agreement:

Property Management Division of Pro★Star Realty , Inc. (Hereinafter called "Agent") and

\_\_\_\_\_ (Hereinafter called "Owner")

1. AGENCY: The Owner employs and appoints the Agent as the sole and exclusive representative to rent, manage, operate and direct the daily activities of the following property(ies) (*attach additional sheets for additional properties*):

(1.) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

according to the following terms and conditions.

2. TERM: The term of this agreement will be for twenty-four months, beginning \_\_\_\_\_ 2009, and ending \_\_\_\_\_ 2011. Either party may terminate this Agreement, by a 30 day, written notice to the other party. Nothing will prevent the Owner and Agent from extending this Agreement prior to the expiration date.

3. AUTHORITY: The Agent is authorized by the Owner for the following:

3a. AGREEMENTS: To enter into, sign and cancel Rental Agreements for the property. To collect rents and all other charges and issue receipts therefore. To serve or cause to be served, all notices for the collection of rent and other charges. To initiate actions for evictions and when necessary, to settle, compromise or release such actions or suits and reinstate the Tenancy. The Agent shall not execute Rental Agreements to exceed 12 months, unless the Agreement has a Rental Rate increase provision for the term that exceeds 12 months. To make contracts under the Owner's name for electricity, gas, water and any other services the Agent deems necessary to manage the property. All contracts except utilities are subject to the approval of the Owner.

3b. REPAIRS: To make or cause to be made and supervise all necessary repairs, alterations, maintenance, replacement and improvements to the property, to purchase supplies and equipment and pay all expenses incurred therewith. Agent agrees to secure the prior approval of the Owner for all expenditures in excess of **\$100.00** for any one item, except monthly or recurring operating charges and/or for emergency repairs in excess of the maximum amount, if, in the opinion of the Agent, such repairs are necessary to protect the property from damage or to maintain services to the Tenant as required by the Rental Agreement and/or the Arizona Residential Landlord And Tenant Act. See exceptions to paragraph #14.

3c. RECORDS: To keep full and detailed records of the management of the property and the Owner shall have access to the records at any time during normal business hours.

3d. HOA: To make payments and keep current any and all HOA dues/fees associated with the property(ies).

33. ADVERTISING: To advertise the availability of the property for rent, to display rental signs, install a lockbox on property and conduct prospective Tenants in and around the property.

3f. EMPLOYMENT: To contract for, supervise and terminate all individuals required for the cleaning, maintenance and repair of property. All of these costs are to be charged to and paid from the Owners Account. It is agreed the individuals will be sub-contractors to the Agent. The Agent agrees to use reasonable care in the selection, supervision and retention of the individuals, but the Agent is not responsible for their acts, defaults or negligence. Contract exception being Home Warranty Service and entities directly hired by the owner.

3g. PAYMENTS: To make payments, if requested by the Owner, for all monthly loan payments, insurance premiums, taxes, impoundments, assessments or other charges against the property.

3h. LEGAL NOTICES: To promptly notify the Owner, with confirmation in writing, of any service upon the Agent of any summons, subpoena, notices or letters of an actual or alleged liability to the Owner. If the Agent files a petition for Bankruptcy or any Assignment of the Benefit of Creditors or uses any insolvency act, the Owner will be notified immediately.

5. FEES & CHARGES: The Owner agrees to pay the Agent the following fees and charges:  
*(All fees and charges shown below are for each individual single unit/property.)*

5a. Monthly Management Fee of  \$50  dollars.

5b. Rental Fee of \$  650.00  dollars from the first month's rent as a one-time charge for obtaining the new tenants.

5c. Renewal Fee of \$  250.00  of the first month rent for a new rental agreement negotiated with any existing tenant, including a month-to-month tenancy. The renewal fee and the rental fee will not be charged simultaneously.

5d. Administrative Preparation Fee of \$  100.00  as a one-time charge to include the initial inspection and all functions necessary to have the property in a rentable condition and to perform the computer entries.

5e. If the Owner requests the Agent to monitor the rehabilitation or restoration of damages caused by fire, wind, lightning, water or preparing the property for sale, a fee of  10 % will be charged for expenditures to \$500.00 and an fee of 5% of expenditures in excess of that amount.

5f. RESERVE FUNDS: The Owner agrees to maintain a minimum balance of an amount of \$  200.00  for utilities when vacant and for anticipated repairs in each property account, excluding the Tenants' Security Deposit.

6. THE AGENT at all times will conduct the daily operations to conform with the rules and regulations of the Department of Real Estate and the Code of Ethics of the National Association of Realtors. Agent agrees to conduct rental and criminal background and credit checks on all prospective tenants and will not approve a tenant for occupancy without sharing the information with the Owner and obtaining approval for the rental/lease agreement.

7. ASSIGNMENT OF RENTS: Owner assigns to Agent, all rents and other funds collected for the property, for the purpose of paying all expenses incurred by the Agent in managing and maintaining the property and any other expenses authorized by the terms of this Agreement. Agent agrees to pay Owner monthly rental amount less management fees and expenses authorized by the terms of this Agreement. Funds are sent to the Owner no later than the Friday following the receipt of the rental payment.

8. TRANSFER OF FUNDS: If an Owner owns more than one property under this Agreement, the Agent is authorized to transfer funds between properties, if necessary, to pay all past due and current expenses.

9. AGENT'S AGREEMENTS: The Agent agrees to devote the service of his organization, his skill and experience to the renting and management of the property and act with all fidelity to the Owner. The Agent makes no warranty or guarantee of the Tenants performing the obligations of the Rental Agreement.

10. REPORTS: The Agent will provide reports with each check received by owner and at mid-year and year end a progressive report of the income and expenses of the property. The Agent will inform the Owner, as often as necessary, of any condition greatly affecting the property.

11. MONEY COLLECTED: The Agent will promptly deposit all funds collected for the benefit of the Owner into Trust Accounts, separate from the Agent's Account in a national or state institution licensed to engage in the banking or trust operations. The Security deposit collected from the Tenant will be maintained in a separate Security Deposit Trust Account, as required by the Department of Real Estate and may not be used to pay operation expenses of the property. The Agent is not liable or responsible for the failure or bankruptcy of the trust institution.

12. RENTAL RATES: The agent will attempt to rent the property at the highest monthly rental rate. Due to fluctuations and changes in the rental market, the Agent will advise the owner as to the changes in the market rental rates, to minimize the vacant periods.

13. REBATES AND DISCOUNTS: All expenses incurred by the Agent will be charged at the net cost and the Owner shall receive credit for all rebates, discounts and allowances.

14. IN THE EVENT this Agreement is terminated prior to the expiration date, a full month Management Fee will be charged for the month of termination, rather than a pro-rated amount. A \$100.00 fee will be charged for the early termination and preparation of the closing reports and statement on all occupied properties. As Additional Compensation to the Agent and in an effort to maintain management fees and charges at the minimum level, all late rent charges and check charges collected from the Tenants, if any, will be retained by the Agent. The Owner has no objection to the Agent accepting from the Tenants any fees to investigate the character or reliability of the prospective Tenants' occupancy, or a fee for the substitution of Tenants in an existing Rental Agreement. All of the income mentioned in this paragraph will accrue to the Agent, not the Owner, without any accounting or reporting to the Owner.

15. THIS AGREEMENT shall be binding upon the parties hereto, their successors, heirs, administrators and assigns. However, it cannot be assigned by the Agent without the prior written consent of the Owner.

16. PRO★STAR REALTY, INC. AND THE OWNERS understand and agree to all conditions and provisions contained in this Agreement. The signing of this Agreement constitutes the acceptance of all of the provisions and conditions.

OWNER SIGNATURE: \_\_\_\_\_ Date: \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_

Social Security Number: \_\_\_\_\_

OWNER SIGNATURE: \_\_\_\_\_ Date: \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_

Social Security Number: \_\_\_\_\_

AGENT: PRO★STAR REALTY, INC.

by: \_\_\_\_\_ Date: \_\_\_\_\_

BROKER: \_\_\_\_\_ Date: \_\_\_\_\_

**Pro\*Star Realty Management Company  
Property Management Agreement  
Attachment "A"**

I \_\_\_\_\_ have chosen and authorize **Pro\*Star Management Company, Inc.** to be my sole property management company for the following properties:

Name of Property: \_\_\_\_\_  
Address: \_\_\_\_\_  
Unit Numbers: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,

Name of Property: \_\_\_\_\_  
Address: \_\_\_\_\_  
Unit Numbers: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,

Name of Property: \_\_\_\_\_  
Address: \_\_\_\_\_  
Unit Numbers: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,

Name of Property: \_\_\_\_\_  
Address: \_\_\_\_\_  
Unit Numbers: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,

**Owner:** \_\_\_\_\_ (Please Print)  
**Sign:** \_\_\_\_\_ **Date:** \_\_\_\_/\_\_\_\_/\_\_\_\_

**Owner:** \_\_\_\_\_ (Please Print)  
**Sign:** \_\_\_\_\_ **Date:** \_\_\_\_/\_\_\_\_/\_\_\_\_

Contact Phone Number: \_\_\_\_\_

\*Please be sure to initial and sign all designated areas.  
\*Please send all correspondence and make checks payable to:

Pro★Star Realty, Inc.  
1121 E. Missouri Ave #108  
Phoenix, AZ 85014