



**AZARI**

**PROPERTY MANAGEMENT**

**Licensed Real Estate Broker/Property Manager  
California Broker License # 01461947  
Property Management Agreement**

**THIS PROPERTY MANAGEMENT AGREEMENT** (hereinafter referred to as the “Agreement”) entered into this \_\_\_\_day of \_\_\_\_\_2010 by and between Azari Property Management, (hereinafter referred to as “Agent”) and \_\_\_\_\_, (hereinafter referred to as “Owner”) of the property located at: \_\_\_\_\_, in the City of \_\_\_\_\_, State of California, Zip Code \_\_\_\_\_ (Hereinafter referred to “Property”).

**1. AGENCY:** The Owner hereby employs the Agent as the sole and exclusive leasing and managing Agent for the Property, and Agent hereby accepts such appointment under the following terms and conditions.

**2. TERM OF AGREEMENT:** This contract shall continue for a period of One (1) year from the date hereof, and shall be guaranteed renewable automatically by the property manager as long as the tenant occupying property was introduced or originally contracted through AZARI PROPERTY MANAGEMENT. Property management contract shall be active per renewal of lease agreements with current tenant. Should there not be a lease renewal or a non-property management introduced tenant occupying leased space, or agent is deemed incompetent, the owner can terminate the contract after a period of one (1) year without any financial obligation to agent upon delivery of written notice to Azari Property Management. With respects to Tenant Acquisition only, if cancellation by Owner is without cause and Agent has done all due diligence to find a suitable tenant, Owner shall pay Agent the cancellation fee of 35% of the market monthly lease. A competent agent is regarded as an agent that performs his or her duties on behalf of the owner in a timely and expected manner such as, providing clear and concise written communication with all involved contracted parties. Performing such duties in a timely and expected manner also include but are not limited to: finding a qualified tenant, collecting rent and any specified monetary amounts due to the owner, providing accounting statements and balances, scheduling and/or following through with any maintenance/repairs to property, proceeding with legal action, conducting semi-annual property inspections and posting advertisements (www.craigslist.org, Azari Property Management website, professional property managers association).

**3. MANAGEMENT SERVICES:** Agent will provide the following services in the name of and on behalf of the Owner, and the Owner hereby grants Agent the authority and powers required to perform these services:

**A. Diligent Efforts:** The Agent shall use diligent efforts to obtain a suitable tenant, as soon as possible, at a monthly rate of \$ \_\_\_\_\_, but not less than \$ \_\_\_\_\_. Owner will have final approval on the negotiated lease amount.

**B. Lease Negotiations:** The Agent shall handle all negotiations with tenants with respect to leases. Agent shall handle all negotiations with tenants and prospective tenants. Upon execution of a lease, Agent shall collect from the tenant all prorated rents plus a refundable Security Deposit. The tenant’s Security Deposit will be maintained in the Agent’s trust account and shall not be used to pay Owner’s Obligations. Owner waives any right to interest which may accrue on tenant’s Security

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Deposit. Owner shall notify Agent in writing at least sixty (60) days prior to the expiration of any lease of his intent to return to or sell said property so that Agent may restrict re-rental to a month to month contract. Unless specifically advised in writing by Owner, Agent is to re-lease property upon expiration of any lease or extension thereto.

**C. Advertising:** Agent shall advertise such Property as is available for rent and arrange for such ads, signs, photographs, MLS Listings and other forms of advertising as many appear advisable. Owner agrees to pay for all advertising costs above and beyond the Agent sites or any other internet sites that Agent uses with prior approval from the owner.

**D. Collection of Rents:** The Agent shall collect the rents and other income from the property promptly when such amounts come due, taking all necessary steps to collect same and performing all reasonable acts on behalf of the Owner for the protection of the Owner in collection of such amounts.

**E. Accounting Statements and Balance:** Agent shall provide Owner with a monthly statement of receipts and disbursements incurred in the management of the Property. Owner agrees to maintain sufficient funds in Owner's account with Agent necessary to pay all normal expenses prior to the collection of any monthly rent. It is agreed that an amount equal to **\$250.00** will be maintained at all times as operating reserve on behalf of the Owner, and said funds may be used by Agent as required to maintain the Property.

**F. Accounting Statements and Disbursement of Funds:** Agent may withdraw from Owner's account all disbursements, which Agent may make pursuant to the Agreement and which are to be made at the expense of the Owner, including any compensation which becomes due and owing to Agent as set forth in this agreement. Azari Property Management will accept to make any payment on behalf of the Owner, from Owner's account towards any vendor with an hourly rate of \$60.00. If the particular property has a home warranty in place, Azari Property Management will attempt to correct reported issues through the home warranty prior to exercising any other options.

**G. No Advancement of Funds:** Agent shall not be required to advance any monies for the care, repair, upkeep, or management of the Property and Owner agrees to advance all monies necessary for those purposes. Agent reserves the right to attach a lien against the real property and rents collected or to be collected under the lease for any advances and expenditures made by Agent for the benefit of said Owner and the real property with improvements thereon for which Owner does not thereafter reimburse.

**H. Maintenance of the Property:** The Agent shall contract for or undertake the making of all necessary repairs and the performance of all other necessary work for the benefit of the property including all required alterations to properly carry out this contract. Agent shall make no improvements, alterations, or repair work costing more than **\$250.00** without the prior authorization of Owner. Agent is authorized to make emergency repairs in order to keep the property habitable according to Department of Real Estate regulations. Agent shall take reasonable precautions to safeguard the Property and its contents; however, it is agreed that Agent shall not be held liable for the cost of replacement of Owner's personal property in case of theft or vandalism. Owner shall not hold Agent responsible for the maintenance or upkeep of the yard or lawn. Agent shall not make, or cause to be made, any emergency or normal expenditure for the repair, maintenance or upkeep of the Property which will be in excess of the Security Deposit on hand plus the balance in Owner's account unless and until the additional funds needed to complete the work are received by Agent from Owner.

**I. Legal Proceeding:** With prior approval from the owner, the agent shall have the authority to sign and serve notices and terminate tenancies as deemed reasonable by Agent and to initiate and prosecute eviction actions to remove tenants and recover possession of the Property. Agent is further authorized to sue for and recover rent and when expedient, to compromise, settle, and release such actions

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or suits or reinstate such tenancies. Owner agrees to reimburse Agent for all expenses of litigation including attorney's fees, filing fees, and court costs which Agent does not recover from tenants. Owner agrees that such legal actions may be filed in Owner's name, and all above will be communicated to Owner as soon as any situation is started.

**J. Semi- Annual Property Maintenance Inspections/Evaluations:** Agent shall make routine interior and exterior evaluations of the Property at no additional charge every six (6) months (semi-yearly). This routine physical maintenance inspection will be done by either the Broker/Owner of the company or one of their Property Managers. The Semi-Yearly visit usually takes less than an hour to interview the tenant (s) regarding their last six months tenancy and any property maintenance problem (s); review the functioning of fire/smoke alarms, fire sprinklers, etc, and discuss other topics which the tenant (s) would like to address. The details of the inspection will be forwarded to Owner (s) for their information. The Semi-Yearly evaluation is designed to make routine maintenance inspection and make the Owner aware of obvious physical defects of the Property, which are generally cosmetic in nature. Agent will not observe inaccessible areas of the Property. Should Agent become aware of what could be a structural or systems problem, the Owner will be notified in writing, and a licensed professional will be contacted at Owner's request.

**K. Special Services:** Owner agrees to pay Agent twenty (20%) percent project management fee for any modernization, redecoration, improvement, major repair, alteration, or work Agent performs at Owner's request. If Owner requests that Agent perform services such as filing police reports, which are in addition to the services set forth herein, Owner agrees to pay Agent a fee of sixty (\$60.00) dollars per hour to perform such services.

**4. OWNER'S OBLIGATIONS:** Owner agrees to provide all necessary documents and records and fully cooperate with Agent in all matters with respect to this Agreement as set forth herein, including but not limited to the following:

**A. Indemnification:** Owner shall indemnify and hold Agent and its employees, Agents, officers and directors harmless from liability for any and all claims, costs, suits and damages, including attorney's fees, arising directly or indirectly out of or in connection with the management and operation of the Property, and from liability or injuries suffered by any person relating to the Property. However, Owner's duty to indemnify shall not extend to the acts of Agent constituting gross negligence or willful misconduct. The duty to indemnify Agent extends to any acts or omissions, statements, or representations made by Agent in the performance or non-performance of Agent's duties and relating to all contractual liabilities that may be alleged or imposed against Agent. Owner's duty to indemnify shall survive not more than 30 days after the termination of this agreement. Agent shall have no responsibility for personal property, furniture and furnishings contained in the Property.

**B. Insurance:** Owner shall carry, at his own expense, public liability and extended coverage insurance and other such insurance as may be necessary or appropriate. Such insurance policy shall name Owner and Agent as insured, and their coverage shall be adequate to protect the interests of both parties in form, substance and amounts reasonably satisfactory to Agent. Owner agrees to provide Agent with copy of the declaration page or duplicate copies of such documents within 30 days from the date of this Agreement. Said policies shall provide that the Notice of Default or Cancellation will be sent to Agent as well as Owner. If the Property is covered by a blanket policy with a condominium homeowners association, Owner shall provide Agent with information regarding this policy, including, but not limited to, all information necessary to file a claim.

**C. Warranties:** Owner shall provide Agent with a copy of all current warranties on installed equipment and any service agreements and the names of those authorized to perform warranty repairs. If Owner fails to provide Agent with a copy of such warranties and the identity of those authorized to make

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warranty repairs, Owner agrees to pay for work performed by an independent contractor hired to make such repairs. Additionally, Owner shall be solely responsible for conducting the initial inspection and walk-thru of newly constructed properties and providing the builder with a list of needed repairs. Owner shall also be responsible for ensuring that the builder makes all repairs listed on the initial walk-thru list.

**D. Compliance with Laws:** Owner agrees to comply with or abide by any law prohibiting, or making illegal, discrimination on the basis of race, sex, creed, color, religion, national origin, familial status, or mental or physical handicap. If Owner shall fail or refuse to comply with or abide by any rule, order, determination, ordinance or law of any federal, state or municipal authority, or fail to authorize expedient repair or replacement of equipment necessary for the health, safety or welfare of tenant, Agent, upon giving twenty-four (24) hours written notice may terminate this agreement.

**E. Signage/Presentation:** Owner agrees to allow Agent to post "For Rent" signs on the Property which comply with local zoning and /or county regulations and association CC&Rs. If Property is located in an area where signage is prohibited or restricted it is the Owners responsibility to notify Agent. Owner further agrees if the property fails to meet Agent's criteria for presentation; the property may be temporarily removed from the market, until the necessary work and/or cleaning is preformed.

**5. Compensation:** Owner agrees to pay Agent, as compensation for the services provided herein, the following:

**A.** A non-refundable setup fee of \$150.00.

**B. 5.5%** of the gross annual rent based on the actual term length of the lease, when we place tenant(s) in the property, or if the tenant(s) already in the property at time of signing of this agreement, the next time that the Agent try to find a new tenant, this fee will apply.

**C.** A 25% discount will be applied for any subsequent new lease w/new tenants.

**D.** \$500.00 for each lease renewal with existing tenant (s).

**E.** 6% for condominiums, 8% for houses; Minimum monthly fee of \$150.00, additional fee for furnished and short term contracts, 8% for furnished condominiums, 10% for furnished houses.

**F.** Preparation and negotiation of any Addendum requested by owner/landlord to the current/effective lease, or any subsequent lease, will be completed at a charge of \$100 per Addendum.

The agent's fees as described in Clause 5B, 5C and 5D will be netted from the first months gross rents collected on each lease payment applicable. The agents fees as described in Clause 5E will be netted out of each subsequent monthly gross rent collected.

The agent will wire the net monthly lease payment to the property owner's bank account on the third business day of each month and no later than the fifth business day during the term of the lease agreement with the tenant. By depositing the rental funds in the owners account on the third business day of the month, Azari Property Management is advancing said funds in good faith that the tenants will pay their rent. In the case that the tenants do not pay their rent and the eviction process begins, the advancement of rental funds will cease going forward until the problem is resolved.

**6. Independent Contractors/Vendors:** Agent is authorized to hire, discharge, supervise and pay all independent contractors and vendors on behalf of Owner as required for the operation and management of

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the Property. It is Agent's policy to only recommend and hire those that are licensed, bonded, certified and insured in the State of California. Agent shall not be held liable for the acts or omissions of any employee, independent contractor or any other person hired to do repair work on the Property. If Owner decides to hire a contractor/vendor who is not recommended or otherwise approved by Agent, Owner shall be required to contact, hire, supervise and pay said contractor / vendor directly. Agent shall not be responsible for any act or omission of Owner's contractor/ vendor. If the particular property has a home warranty in place, Azari Property Management will attempt to correct reported issues through the home warranty prior to exercising any other options.

**7. Selling of the Property:** If the Owner sells the Property prior to termination of this Agreement, Agent may, if requested by Owner, represent Owner in connection with the sale. Owner shall pay Agent all management fees which would have accrued through the end of the term of the lease, or in the event of a month-to-month tenancy, all management fees which would have accrued through the expiration of the thirty (30) days following notice of Owner's intention to sell the property. Agent reserves the right to withdraw from the Management of the Property if Owner lists the property with another real estate company.

**8. Transfer of Security Deposit:** If Owner sells the Property during the term of this Agreement, or otherwise terminates this Agreement, Agent shall execute the following to relieve Agent and Owner from liability: Notify the tenant in writing of the name, address and telephone number of his successor in interest, and that he has transferred to his successor in interest the portion of the security deposit remaining after making any deductions allowed under DRE regulations or return to the tenant the portion of the security deposit remaining after making any deductions allowed under DRE regulations.

**9. Entire Agreement:** This Agreement comprises the entire Agreement between the parties hereto and supersedes and replaces any and all previous Brokerage/Management Agreement entered into and/or negotiated between Owner and Agent relating to the Property and any prior discussions or negotiations, whether oral or in writing. Each party to this Agreement hereby acknowledges and agrees that the other party has made no warranties, representations, covenants or agreements, expressed or implied, to such party other than those expressly set forth herein. All terms and conditions of this Agreement shall be binding upon the parties hereto and their respective successors and assigns. This Agreement may not be notified or amended except by written agreement of the parties. **As evidenced by the signatures below, the Parties have read and agree to the terms and conditions set forth in this contract.**

\*Owner-Print: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Tax ID: \_\_\_\_\_ Phone # \_\_\_\_\_

Email Address: \_\_\_\_\_

\*Owner-Print: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Tax ID: \_\_\_\_\_ Phone # \_\_\_\_\_

Email Address: \_\_\_\_\_

\* \_\_\_\_\_  
Mailing / Forwarding Address                      City                      State                      Zip Code

Agent Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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