

Twinstar Management – a subsidiary of Twinstar Productions LLC

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Number _____ **MANAGEMENT AGREEMENT** **Date** _____

IN CONSIDERATION of the covenants herein contained, _____, hereinafter designated as Owner, agrees to employ TWINSTAR MANAGEMENT as exclusive Agent, hereinafter designated as Agent, to rent, lease, operate, and manage the real property situated in the City of _____, County of _____, State of Arizona, known as _____ described as _____ for a period commencing on this date and terminating at midnight on _____, upon the following terms and conditions. This agreement will automatically renew for additional 1 year period provided that Agent notifies Owner at least 30 days prior to each termination date. Either party with 60 days written notice to the other party or parties can terminate this agreement.

AGENT’S AUTHORITIES AND OBLIGATIONS

Owner hereby confers upon Agent the following authorities and obligations, and Owner agrees to pay:

1. To advertise availability of the premises “For Rent”, to display “For Rent” signs, and to expend and disburse Owner funds for direct advertising costs. To screen and use diligence in the selection of prospective tenants. To discharge all duties and obligations within the parameters of the Fair Housing Act. Agent shall not discriminate based upon race, color, religion, handicap, sex, familial status, or national origin.
2. To negotiate and execute leases and rental agreements on behalf of Owner. Lease terms not to exceed one year. Agent has the responsibility to establish the terms and conditions for tenancies of the subject property, including but not limited to rents, deposits, fees, lease terms and conditions.
3. To collect rents, security deposits, and all other receipts, and to deposit such moneys in a Trust Account with a qualified banking institution in Arizona. Agent is not responsible for loss of funds due to failure or bankruptcy of said depository. Any Owner funds deposited to Agent’s operating account from credit card transactions will be deposited in Agent’s Trust Account within 3 banking days.
4. To serve notice of termination of tenancies, notices to quit or pay rent, and such other notices as Agent may deem appropriate.
5. To employ attorneys for the purpose of enforcing Owner’s rights under leases and rental agreements and instituting legal action on behalf of Owner.
6. To provide all services reasonably necessary for the proper management of the property including periodic inspections, supervision of maintenance, and arranging for such improvements, alterations and repairs as may be required by Owner.
7. To hire, supervise and discharge all independent contractors required in the operation and maintenance of the property. Compensation shall be in such amounts as approved by Owner. When employees must be hired to operate and/or maintain the property, the hiring and compensation of those employees will be subject to a separate addendum attached to this agreement.
8. To contract for repairs or alterations at cost to Owner not to exceed _____per repair. (Air conditioning or water heater repairs/replacement up to \$350.00.) This amount to be held in Agent’s Trust Account for disbursement as required.
9. To contract for emergency repairs and expenditures as are necessary for the protection of the property from damage, or to provide services to the tenants provided for in their leases.
10. To contract as Agent deems necessary for utilities, services and supplies for the operation, maintenance and safety of the property.
11. To pay from gross receipts all operating expenses including (but not limited to): advertising, utilities, repairs, sales/privilege taxes, legal and court costs, and management fees. Owner assumes full responsibility for the payment of any expenses and obligations incurred in connection with the exercise of Agent’s duties set forth in this agreement.
12. To maintain accurate records of all moneys received and disbursed in connection with the management of the property. Said records shall be open for inspection by Owner during regular business hours and upon reasonable notice.
13. To submit monthly statements of all receipts and disbursements.
14. Other authorized expenses are () homeowner’s association () none () other _____ .

All loan payments, property taxes, insurance, and homeowner’s association payments are the direct responsibility of Owner. Owner may direct Agent to make those payments on his behalf, using coupons, vouchers, or billing statements, which must be provided by Owner. Owner is solely liable for any changes. If Agent does not receive payment instructions in a timely fashion, Owner is solely liable and no payment will be made. Agent is not responsible for any late fees and/or credit issues due to late payments. Agent cannot under any circumstance advance money for payment of Owner’s obligation.

OWNER’S OBLIGATIONS

1. Owner shall not hold Agent liable for any error of judgment, or for any mistake of fact or law, or for anything which Agent may do or refrain from doing hereinafter, except in cases of willful misconduct or gross negligence.

2. Owner agrees to carry, at Owner's expense, bodily injury, property damage and personal injury public liability insurance in the amount of not less than \$500,000.00 per person or One Million Dollars (\$1,000,000) if the Premises contains a pool, attractive nuisance, or latent defects. In cases of a condominium/townhouse umbrella policy, Owner shall carry a minimum of \$300,000.00. The policy shall be written on a comprehensive general liability form and shall name the Agent as additional insured. Owner shall immediately furnish Agent with a certificate of insurance evidencing that the coverage is in force with a carrier acceptable to Agent. If Owner does not provide evidence of such insurance, Agent may purchase such coverage at Owner's expense. In the event Agent receives notice that said insurance coverage is to be canceled, Agent shall have the option to immediately cancel this agreement. Insurance agent name/company: _____ Phone Number: _____ .

3. Owner shall deposit with Agent \$ _____ as an initial operating reserve and will cover any excess of expenses over income within ten days of any request by Agent. Funds to be held in Agent's Trust Account and shall be returned or accounted for within thirty (30) days. The Agent may terminate this agreement immediately if the request for additional funds is not paid. Owner understands that it is not Agent's obligation to advance its own funds for payment of Owner's operating expenses.

COMPENSATION

Owner agrees to pay Agent fees for services rendered at the rates hereinafter set forth. Owner agrees to assign to the Company all rents and other income collected for the purposes specified in this Agreement, including the payment of obligations incurred. Such compensation is due and payable on demand and may be collected from any of the Owner's funds.

MANAGEMENT SERVICES: _____. Owner agrees that management fee represents payment for management and leasing services. In the event of cancellation Owner agrees to pay up to 6% of the balance due under those leases in effect on the cancellation date, representing leasing fees earned.

LEASING FEE: 6% (included in management fee). This commission is payable in full, regardless of whether the Agent is retained to manage the property during the entire term of the lease.

SALE OF PROPERTY: **By separate agreement.**

OTHER COMPENSATION: Late fees collected, NSF charges collected from tenants, year end tax document preparation fee, MLS Realtor referral fee, virtual tour and _____ .

OTHER SERVICES: Owner agrees to compensate the Agent at an hourly rate for services provided to the Owner other than management services, including but not limited to receiverships, garnishments, court appearances, audits, capital improvements, restorations, refurbishment's, renovations, and major re-landscaping for the Premises. In addition the Owner agrees to compensate the Agent up to five percent (5%) of the total claim for supervision and participation of any and all insurance claims involving the Premises.

OTHER TERMS

All notices required to be given hereunder shall be in writing and mailed to the parties hereto at the addresses set forth below.

Funds collected by Agent, including security deposits, will be held in Agent's Trust Account during the term of this Agreement. It is understood and agreed that Agent will be depositing funds held for owner from time to time into a trust savings account. The interest therefrom will be the property of the Agent and will be used by Agent to defray its operating expenses. Agent will not be responsible to account for such interest to owner.

In the event of any legal action by the parties arising out of this agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs, to be determined by the court in which such action is brought.

On termination of management agreement Agent shall provide Owner with a final accounting pursuant to ARS #32-2173.

Agent accepts the employment under the terms hereof and agrees to use diligence in the exercise of the obligations, duties, authorities and powers conferred herein upon Agent.

_____ **OWNER** **SOC. SEC. #** _____

_____ **OWNER** **SOC. SEC. #** _____

TWINSTAR MANAGEMENT **ADDRESS** _____

BY _____

TITLE **CITY/STATE**

E-MAIL _____ **PHONE** _____