

1 Document Date _____

2 **CENTURY 21 Ability Realty**

3
4 **EMPLOYMENT AGREEMENT FOR PROPERTY LEASING AND MANAGEMENT SERVICES**
5 **One (1) to Four (4) Residential Units**
6 **(May Be Modified By Addendum)**

7
8 Property Address: _____ ("Premises").
9

10 **IN CONSIDERATION OF** the covenants herein contained, _____,
11 hereinafter called "Owner"), and **CENTURY 21 Ability Realty and Its Broker** (hereinafter called "Agent"),
12 herein jointly called the ("Parties"), agree as follows:

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14 I. **Owner Hereby Employs Agent Exclusively:** to rent, lease, operate and manage the
15 Premises referenced above upon the terms and conditions hereinafter set forth for the period of
16 _____, beginning on the _____ day of _____,
17 20 _____, and ending on the _____ day of _____, 20 _____. Either
18 Party may terminate this Agreement upon a seven (7) day prior written notice. Should Owner
19 terminate this Agreement before this Agreement expires, a dollar amount equal to three (3) month's
20 management fee shall be paid to Agent by Owner to defray setup and termination costs. After This
21 Agreement has been in force for at least one year, there shall be no termination cost. This Agreement
22 shall be automatically extended for a like period providing written notice of extension has been sent to
23 Owner at least 30 days prior to renewal date, in accordance with Arizona Real Estate Statutes and
24 Rules § 32-2173-A.2.(a).
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26 II. **Agent Accepts the Employment and Agrees:**

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28 A. To use diligence in the management of the Premises for the time period and
29 upon the terms and conditions herein provided and agrees to furnish the services of Its
30 organization for the renting, leasing, operating and managing of the herein described
31 Premises;

32 B. To render a monthly itemized statement of receipts, expenses and charges
33 and to remit to Owner receipts less disbursements in accordance with **Section IV. H.**, below.
34 In the event that disbursements are in excess of the rents collected by Agent, Owner hereby
35 agrees to pay such excess **within ten (10) days from the date of notification by phone, in**
36 **person or by any form of mail**, or Agent shall have the right to deduct such deficiencies from
37 subsequent rents and funds of Owner. Owner assumes full responsibility for any and all
38 expenses and obligations incurred in the exercise of normal and reasonable duties performed
39 by Agent as set forth in this Agreement. If requested by Owner, Agent shall verify and
40 confirm, to the reasonable satisfaction of Owner, and at Owner's expense, any item appearing
41 on said statement.
42

43 1. If Owner requests in writing, Agent will provide copies of invoices paid with the monthly
44 itemized statements at, Owner's expense of 25¢ per copy;
45

46 C. To deposit all funds collected for Owner in Agent's Management Trust
47 Account in a national or state banking institution, located in the state of Arizona, qualified to
48 engage in the banking or trust business, separate from Agent's personal account(s). If trust
49 account is interest bearing, the interest will accrue to Agent to offset banking and accounting
50 costs. Agent shall hold all security deposits in a Trust Account for the duration of the time the
51 tenant is in the Premises. However, Agent shall not be held liable in the event of bankruptcy
52 or failure of the banking institution;
53

54 D. That any funds of Owner which are mishandled or lost by Agent or Agent's
55 employees shall be the responsibility of Agent and shall be repaid or reimbursed to Owner by
56 Agent; and

57 E. It is Agent's customary method of operation to send to Owner copies of all
58 Rental/Lease Agreements and related Documents at the time they are created. **Agent**
59 **hereby advises Owner to retain all such copies for its permanent record** and at
60 termination of this Property Management Agreement Agent shall provide Owner with a final
61 accounting of the Property's financial status and copies of all current documents not
62 previously sent to Owner, in accordance with Arizona Real Estate Statutes and Rules § 32-
63 2173-B. and C.
64

65 III. **Owner Hereby Gives To Agent** the following authority and powers and agrees to
66 assume and pay all expenses in connection therewith:
67

68 A. To advertise, for lease/rent, the herein described Premises or any part
69 thereof, and to display "for rent/for lease" signs thereon; to sign, renew and/or cancel leases
70 or rental agreements for the Premises or any part thereof; to collect rents due or to become
71 due and give receipts therefore; to terminate tenancies and to sign and serve in the name of
72 and at the expense of Owner, such notices as are appropriate; to institute and prosecute
73 actions as allowable by law; to evict tenants and to recover rents and other sums due as
74 allowable by law; and, when expedient: to settle, compromise, and release such actions or
75 suits or reinstate such tenancies. Any lease executed in behalf of Owner by Agent shall not
76 exceed _____ (___), year(s);
77

B. That each time Agent or Its representative acts in behalf of Owner

78 concerning evictions, garnishment of wages, tax matters, etc., with the court system, Owner
79 shall be responsible for a Twenty-five and No/100 Dollars (\$25.00), per trip fee to be paid to
80 Agent from Owner's account;

81
82 C. That Agent shall retain fees collected from tenant for checks returned for
83 Non-Sufficient Funds, or any other reason, to help defray Agent's costs related thereto;

84
85 D. To charge the minimum amount of rent, for the aforementioned Premises,
86 which is _____, and
87 No/100 Dollars (\$ _____). Any reduction in this amount must be approved in writing
88 by Owner;

89 E. To make or cause to be made and to supervise repairs, alterations, cleaning
90 and painting on said Premises; to hire people to perform yard maintenance work during the
91 time the Premises is vacant; to purchase supplies and pay all bills therefore from Owner's
92 account; Agent agrees to secure the prior approval of Owner on all expenditures in excess of
93 _____, and No/100 Dollars (\$ _____), for any one
94 item, except monthly or recurring operating charges and/or emergency repairs in excess of
95 the maximum, if in the opinion of Agent such repairs are necessary to protect the Premises
96 from damage, for the health, safety or welfare of, or to maintain services to, the tenant(s) as
97 called for in their lease(s);

98
99 F. To change or re-key all exterior locks, for each tenant change, as a security
100 matter. And, to hire yard maintenance personnel and services and charge same to Owner's
101 account during vacancies, unless instructed differently in writing;

102
103 G. To act in Owner's behalf to provide, hire, discharge and supervise all labor
104 and employees required for the operation and maintenance of the Premises; it being agreed
105 that all employees shall be deemed employees of Owner and not employees of Agent, and
106 that Agent may perform any of its duties through Owner's attorneys, agents or employees and
107 shall not be responsible for their acts, defaults or negligence if reasonable care has been
108 exercised in their appointment and retention by Agent; and

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110 H. To enter into contracts in Owner's behalf for electricity, gas, or any other fuel
111 or energy source connected with Premises, water, pool services, maintenance, trash or
112 rubbish removal, pest extermination and any other such services as Agent shall deem a
113 requirement in the performance of its duties herein. At the termination of this Agreement
114 Owner shall assume the obligation of any contract so entered into by Agent in Owner's behalf.
115 The Owner hereby agrees to indemnify, hold harmless and defend Agent from and against
116 any and all liabilities with respect to any such contract, whether the Owner has technically
117 assumed them by signing a document of assumption with the supplier of such services or not.
118 Upon initiation of this Management Agreement, all utility bills shall be paid in full and any
119 outstanding utility bills chargeable to Owner during vacancy and at termination of this
120 Management Agreement shall be paid by Owner. (Agent will not place any utilities in Agent's
121 name).

122 IV. Owner Further Agrees; and, Authorizes and Directs Agent:

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124 A. To keep a minimum amount of _____
125 and No/100 Dollars (\$ _____), reserve, of Owner's funds, in Agent's Property
126 Management Trust Account, so that Agent can pay all of Owner's bills including, but not
127 limited to, all of the bills referenced in this Agreement, and in addition, to pay any and all other
128 obligations of the Owner to the Agent or to anyone else to which the Owner has an obligation
129 as referenced in this contract in a timely manner.

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131 1. That in accordance with Arizona Real Estate Statutes and Rules § 32-2173-A.2.(c), Agent
132 has the right to have a licensed signatory on the Trust Account;

133
134 B. To represent the Premises as set forth in the attached **Pertinent Property**
135 **Information Addendum**, which is a part of this Agreement;

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137 C. Owner agrees to supply Agent with **WRITTEN** instructions on items or
138 amenities such as irrigation system, pool, solar equipment or any other item(s) on Premises
139 that requires special care or attention, and a **WRITTEN** inventory of all personal items left on
140 Premises. In the event Owner fails to supply written instructions on items or amenities such
141 as the irrigation system, pool, solar equipment or any other items on the Premises that require
142 special care or attention, then Agent shall make its own decisions based upon the best
143 information it has available at the time and the Owner agrees that all of those decisions shall
144 be acceptable to the Owner. If a swimming pool or spa exists on Premises, **Owner is hereby**
145 **made aware that the State of Arizona and the City of Tucson have enacted specific laws**
146 **governing ownership and operation of such amenity with respect to security and**
147 **liability**, and if Owner is not in compliance with such laws or does not allow Agent to bring
148 such amenity to compliance with such laws, then, in such event, by Owner's signature below,
149 Owner assumes all, and Agent is relieved of all, responsibility and liability resulting from any
150 claim against Owner and/or Agent in connection therewith and Agent is hereby fully
151 indemnified by Owner. Owner hereby agrees to indemnify, hold harmless and defend Agent
152 from and against any and all liabilities associated with the Owner's failure to comply with any
153 law applicable to the ownership and operation of a swimming pool and/or a spa;

154 D. Owner hereby agrees to indemnify, hold harmless and defend Agent from

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and against any and all liability, causes of action, debts, demands, expenses, suits, or charges, including, but not limited to, attorneys' fees arising from, alleged to have arisen from, or in any way connected with the management of the Premises, the operations or acts or failure to act of the Agent and/or the Agent's employees, independent contractors, or connected in any way with any injury suffered on or about the Premises by any employee or other person whomsoever. To the extent allowed by law and not provided for in the preceding sentence, Owner shall also hold harmless, indemnify, protect and defend Agent from and against any and all liability, claims, causes of action losses, damages, expenses (including, but not limited to, attorneys' fees), injuries and costs whatsoever arising, alleged to have arisen from, or in any way connected with the failure or neglect of Agent to perform any of Agent's obligations unless such failure is intentional. Such costs, expenses, and damages shall include, but shall not be limited to, all costs incurred by Agent to defend against any claims or lawsuits based thereon in which Agent is made a party. Owner will also carry, at Owner's expense, Public Liability and Workmen's Compensation Insurance adequate to protect Agent in the same manner and to the same extent they protect Owner **and will name Agent as co-insured in such policy of insurance. Failure of Owner to notify its insurance carrier of this provision requesting a copy of such rider or inclusion to be sent to CENTURY 21 Ability Realty, does not relieve Owner of its responsibility.** In the event that it is not feasible for Owner to have or obtain Workman's Compensation Insurance, Agent may include such activities as are normally covered by Workman's Compensation Insurance under Agent's Workman's Compensation Insurance policy and charge the cost of same to the account of Owner;

E. That Owner must stipulate in **WRITING**, if or when and in what amounts of coverage, Owner desires that Agent obtain, at Owner's expense, fire, casualty and liability insurance on subject Premises or service contracts on equipment that is a part thereof;

F. That Owner shall maintain an active participation in the management of the Premises including, but not necessarily limited to, responding to written and verbal requests by Agent for decisions with respect to the Premises and verification of all executed leases, to comply with the IRS requirements of active participation with the management of the Premises. Owner shall consult with Tax Counsel, if necessary, to determine the results of Owner's decision herewith;

G. To pay for all advertising deemed by Agent to be necessary and/or appropriate, in accordance with Agent's customary method of doing business.

H. That all funds in excess of deposit and working cash fund (**IV-A, above**), are Owner's funds and shall be disbursed as follows:

→ **Owner MUST initial** and complete either Option "1" or Option "2" **BELOW** ←

SPECIAL NOTE: Should Owner(s) fail to initial either Option "1" or Option "2", in such event, Agent's choice shall be Option "2", at the last known address.

OPTION A1:

Agent is hereby instructed to deposit Owner's funds into Owner's personal
(Initial) bank account:

Bank: _____

Address: _____

Account No: _____

Owner shall provide Agent with deposit slips.

OPTION A2:

Agent is hereby instructed to send a check to Owner made payable
(Initial) as follows:

Payee: _____

Address: _____

I. To pay to Agent fees for services rendered under this Agreement at the rates hereinafter set forth. Such compensation may be deducted by Agent from Owner's receipts or account, in accordance with the following:

1. **For Management Services,** _____ percent (_____)% of all rental income from the Premises; Plus, _____ and No/100 Dollars (\$ _____), as a one-time set-up charge,

2. **For Other Services,** When total aggregate **amounts exceeding \$750.00** in materials and labor are used for repairs, modification, replacement, modernization, fire or water

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restoration or other such services, that are not customarily performed by Managing Agent, a supervision fee of Ten Percent (10.0%) of all such amounts shall be charged by CENTURY 21 Ability Realty, as compensation for such services and Owner shall be responsible for payment of same,

3. **Sales Services**, if requested, shall be negotiated between the parties at the time that such services are requested. Sales services are NOT a part of the management of the Premises and if requested, shall be addressed outside of this Agreement; and

J. That upon and after the termination of this Agreement pursuant to the formula set out in Paragraph I., on Page 1 hereof, in the event that Owner wishes to conclude any pending transaction initiated and/or negotiated by Agent, Owner shall recognize Agent as the Broker in any such pending negotiations with respect to said Premises or any part thereof, and in the event of the consummation of any such transaction, Owner shall pay the Broker/Agent in accordance with the above fee(s) structure for such services rendered by Agent.

V. **"Owner" Designation:** Agent may rely, for all purposes, upon the undersigned as being Owner or Owner's Designated Representative with authority to bind Owner as to this Agreement. Agent shall have the right to rely upon, and shall be under no obligation or duty to make any inquiry into, the authority and or representations provided herein.

VI. **CENTURY 21 Ability Realty, Management Department**, accepts this Exclusive Employment Agreement under the terms and conditions herein and agrees to use diligence in the exercise of the duties, authorities and powers conferred upon It under the terms hereof. All Parties to this Agreement, by signing hereunder, recognize that this is a legally binding contract and that all material terms of the understanding have been incorporated into this Agreement. If any dispute shall arise between the Parties, it shall be resolved in the jurisdiction of Pima County, according to the laws of the State of Arizona. The prevailing party in any action arising under this Agreement shall be entitled to collect from the other all reasonable attorneys' fees and costs as a part of its award.

VII. **Additional Terms and Provisions:**

VIII. **Assignment.** This Agreement shall not be assigned by Agent without the express written consent of Owner, in accordance with Arizona Real Estate Statutes and Rules § 32-2173-A.1.(j). Except as may be restricted by law, this Agreement shall inure to the benefit of and is binding upon the Parties and their Beneficiaries, Successors in interest, Assigns, Administrators, Executors and Personal Representatives.

IX. **Acceptance:** As witnessed by the signatures hereunder, the Parties have accepted this Agreement and acknowledge a copy of same.

| | | |
|---------|-------|----------------------|
| _____ | _____ | S. S. # _____ |
| Owner | Date | (Head of Household) |
| _____ | _____ | Or, Tax I.D. # _____ |
| Owner | Date | |
| _____ | _____ | (_____) _____ |
| Address | | Phone Number |

CENTURY 21 Ability Realty
Property Management Department
7360 E. 22nd Street
Tucson, AZ 85710
(520) 296-7143; FAX: (520) 721-6365

By: David Fotheringham, CRS, GRI Date
Property Manager, Assoc. Broker

By: Barry Fotheringham, CRS, GRI Date
Designated Broker

Broker Information: File Number

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