



Impero Property Management LLC Exclusive Right Property Management Agreement

P.O. Box 83524, Phoenix, AZ 85071 – Phone: (602) 814-3888 Fax: (602) 535-3176

Section 1 – Parties to the Agreement

1.1 In consideration of the covenants herein, _____ (hereinafter OWNER) agrees to employ and grant Impero Property Management LLC (hereinafter BROKER), which is duly licensed to manage property in the State of Arizona, the exclusive right to rent, lease, operate and manage OWNER property (ies) (collectively referred hereinafter as the PROPERTY), as described in Addendum A, commencing on ____/____/____. This exclusive right property management agreement (hereinafter AGREEMENT) will remain in effect through ____/____/____, and will renew annually thereafter with at least thirty days written notice by BROKER.

1.2 OWNER represents to BROKER that OWNER has the legal authority to lease the PROPERTY, that no other real estate broker represents OWNER in connection with the management of PROPERTY, and that there is no pending or anticipated foreclosure, bankruptcy or other proceeding that could affect the ability to lease the PROPERTY. OWNER warrants that he/she is the owner of the PROPERTY and is authorized to enter into this AGREEMENT.

1.3 All notices required to be given hereunder shall be in writing and delivered to the parties via email, fax, and / or U.S. Postal service.

Section 2 – Services and Responsibilities of Broker

2.1 BROKER shall use its reasonable efforts in the management, operation and marketing of the PROPERTY. BROKER shall operate the PROPERTY and provide management services, including but not limited to those set forth below which are customarily provided by managers of comparable quality and type of real estate in Arizona. Owner hereby grants to BROKER specific authority and powers to perform the following actions and provide the following services:

2.2 MANAGEMENT AND LEASING: BROKER shall use its best effort to manage, maintain and operate the PROPERTY. BROKER shall also use its best effort to perform and evaluate credit and background checks for prospective tenants, to approve or decline such tenant applications based on BROKER'S standard guidelines, and to lease or rent the PROPERTY, including negotiating for and entering into leases on behalf of OWNER, including lease extensions, lease renewals and rent increases, for periods up to and including twelve months duration, unless otherwise authorized by OWNER. Leases shall be written on BROKER'S standard forms.

2.3 MARKETING: BROKER may advertise PROPERTY for the purpose of soliciting rental applications. Advertising may include, but is not limited to, usage of PROPERTY signage as permitted by applicable rules and regulations, lockbox, internet advertising sites such as Craigslist, Postlets, print publications, and MLS listings. OWNER agrees that the PROPERTY may be advertised through the MLS. OWNER also agrees that costs of all property-specific advertising and lockboxes shall be borne by OWNER, and authorizes BROKER to expend no more than \$100.00 on a monthly basis for these advertising costs. Expenditures above the \$100.00 monthly advertising limit require OWNER'S written consent. OWNER further authorizes BROKER to install and use a lockbox on the PROPERTY containing a key to the PROPERTY. OWNER acknowledges that a lockbox will permit access to the PROPERTY by other MLS Brokers, with or without potential tenants. OWNER further acknowledges that from time to time unauthorized persons may gain access to PROPERTY using lockboxes and BROKER is not insuring OWNER or any occupant against theft, loss, or vandalism resulting from any access.

2.4 TENANT SCREENING: Prospective tenants complete BROKER rental application and undergo qualifying process, which includes but is not limited to third-party credit, criminal, and eviction checks, plus employment and current residence verifications. The prospective tenant pays all costs of investigation. BROKER and its representatives will make reasonable efforts to obtain accurate information regarding prospective tenants. However, information accuracy is limited by the 3rd party information provider(s). BROKER IS NOT RESPONSIBLE FOR INACCURATE OR INCOMPLETE INFORMATION. OWNER agrees to allow BROKER to use discretion and judgment in securing a lease and enforcing the terms or conditions of said lease, and does not hold BROKER responsible for making any rental payments or other costs and/or fees not paid by tenants. BROKER will use reasonable effort to secure the most appropriate tenant candidate possible and execute a lease with a monthly rental amount within the agreed upon pricing range as described in Addendum A. All tenant candidates who exhibit a FICO score of 525 or higher, have a twelve (12) month history of rental or mortgage payments with no late payments during that period, are employed full time, can evidence proof of income equal to or greater than three (3) times the monthly lease amount, and otherwise conform with any special OWNER directives may, at BROKER discretion, be approved to lease PROPERTY and OWNER hereby specifically authorizes BROKER to take such action. All tenant candidates who do not meet these screening requirements shall be referred to OWNER for review and final decision. OWNER agrees to hold BROKER harmless for any actions of the tenant. BROKER is to retain application and credit check fees paid by all prospective tenants.

2.5 TENANT PERFORMANCE: BROKER shall make reasonable efforts to screen potential tenants(s) and to collect rents, but does not guarantee future performance of tenant(s) and is not obligated to refund to OWNER any compensation or commission in the event of tenant breach.

2.6 COLLECTION AND ENFORCEMENT: OWNER authorizes BROKER, in the exercise of BROKER'S sole discretion, to perform all reasonably necessary services and/or enforcement actions required to enforce rent collection and recovery of damages when the tenant is delinquent with rents and other charges due under the lease, or otherwise breaches any other material terms or condition of the lease, including but not limited to: termination of lease(s),





contracting eviction procedures through an attorney, initiating a special detainer action, signing papers for legal process, recovering possession of OWNER'S PROPERTY, reinstating tenancies and/or releasing such actions of lawsuits as BROKER feels necessary to protect the OWNER and/or BROKER'S interest. As BROKER is not licensed to practice law, BROKER shall at times obtain the services of an attorney and process server, the expense for whom shall be the responsibility of OWNER. All charges related to such enforcement actions shall be billed by BROKER to tenant as additional rent; however, OWNER is ultimately responsible to pay such expenses upon demand in the event tenant does not pay. Enforcement actions charges, in addition to attorney and process server fees, may include but are not limited to certified mailing fees, late fees, legal notification fees, non sufficient funds fees, special mail fees, security check fees, and bookkeeping fees to provide attorney with documents to file court cases. BROKER shall retain any and all enforcement action charges and fees as compensation for these additional services. In the event legal action is required, OWNER shall pay BROKER \$50 per hour as compensation for BROKER'S costs incurred in connection with any legal proceeding. This fee will cover the cost of all court appearances and coordination with collection agency. OWNER acknowledges that BROKER may contract with third parties to collect past due balances and that said third parties may retain a portion of any monies collected as compensation for their efforts. BROKER is under no obligation to attempt to collect past due balances and shall pursue such collections at its sole discretion.

2.7 RENT COLLECTION AND DEPOSITS: BROKER shall collect rents, security deposits, assessments, and other receipts and deposit such funds into the BROKER'S Trust Account with a financial institution of the BROKER'S choice. Security deposits will be held by BROKER, and may be held in a separate security deposit trust account, and BROKER retains any interest earned thereon. OWNER acknowledges that BROKER reserves the right to comingle operating account funds with security deposit funds.

2.8 PRIORITY OF PAYMENTS: Rents and charges collected from tenants shall be disbursed in the following order of priority: a) BROKER fees and commissions, b) reimbursement of BROKER for out-of-pocket expenses, c) vendor payments, d) reserve account, and e) OWNER disbursement.

2.9 ACCOUNTING & REPORTING: BROKER will maintain accounting for all receipts and disbursements regarding the operation, maintenance and management of the property. OWNER authorizes BROKER to pay from gross receipts all operating expenses for the PROPERTY. BROKER agrees to submit monthly reports of all activity on the PROPERTY, concurrently with OWNER draw, if any. BROKER may collect leasing fees and/or BROKER commissions from OWNER and will account for them monthly. All statements shall be e-mailed, faxed or mailed to the OWNER no later than the 5th day of each month for the previous month's activity, excluding holidays and weekends or within a reasonable time thereafter. Requests for duplicate reports/statements and/or questions regarding statements must be submitted in writing with a copy of the actual statement attached. BROKER agrees to process these requests and questions at no charge if submitted within 30 days of the date the statement was sent. If a request or question is submitted 60 days after the end of the month in which the statement was sent, OWNER agrees to pay BROKER a research fee of \$50 per hour.

2.10 RENTAL TAXES & LICENSING: OWNER is responsible for rental taxes, and pursuant to A.R.S. 33-1901 and A.R.S. 33-1902, OWNER is to maintain compliance and remain current with state laws. BROKER is hereby authorized to secure individual tax licenses for OWNER (as required), and OWNER is to pay individual license fees. OWNER authorizes and directs BROKER to pay City Sales Tax assessed by the taxing authority wherein the PROPERTY is located and to process monthly tax returns for the OWNER. OWNER acknowledges there is a non-prorated, once annual \$50 fee per PROPERTY for this service.

2.11 NO OBLIGATION TO PROVIDE CREDIT: BROKER is not under any obligation to incur any debt or pay for any expense related to the PROPERTY if funds are not available in the OWNER'S account. OWNER hereby waives any claim for damages against BROKER for non-payment of any charge, fee or expense associated with the PROPERTY if the funds necessary are not available in OWNER'S account. Further, BROKER does not provide debt services of any kind.

2.12 PROPERTY REPAIRS & MAINTENANCE: OWNER'S funds shall be utilized by BROKER to advance repairs for OWNER'S PROPERTY. OWNER authorizes BROKER to use its judgment to effect repairs to the OWNER'S PROPERTY as circumstances may demand. BROKER may make or cause to be made through contracted services, employees or otherwise, all repairs and replacements reasonably necessary to preserve the property in habitable condition and for the operating efficiency of the property, and all repairs, replacements and/or alterations required to comply with government regulations, insurance requirements, and/or the existing lease agreement between the OWNER and the tenant.

2.12.1 The BROKER will pay any bills and charges from the BROKER'S operating trust account. OWNER authorizes BROKER to expend no more than \$400.00 per month to bring the property to a habitable condition. This limitation will not apply to monthly or recurring operating expenses or when in the event BROKER deems it necessary to expend funds to perform emergency repairs. Any cost exceeding aforementioned dollar limit must be approved by the OWNER in advance except in an emergency where repairs are immediately necessary for the preservation and safety of the PROPERTY, to protect the PROPERTY from damage, to avoid the suspension of any essential service to the PROPERTY, to prevent damage to life or to the property of others, to avoid penalties, to maintain services to the tenants as called for in their lease, or to comply with federal, state or local law; such emergency repairs will be made by BROKER at OWNER'S expense without prior approval. Forfeited security deposits may be retained by BROKER to cover vacancy and maintenance costs until re-rented.

2.12.2 BROKER may, and is authorized by OWNER, to hire, discharge and supervise all independent contractors as may be required for the operation, maintenance and/or management of the PROPERTY. Independent contractors are not required to be licensed contractors. BROKER is authorized by OWNER to use a "handyman" and not necessarily a "licensed contractor" for work performed on the PROPERTY. Extensive repairs such as electrical, plumbing and roof will be done by a licensed contractor when necessary. OWNER understands BROKER is not a licensed contractor, and that there may be overlap between coordinating repairs on one hand, and supervising construction projects on the other. Generally, BROKER'S duty to estimate the cost of repairs and to





hire and supervise appropriate personnel shall be limited to those projects valued at less than \$2000, and/or not requiring permits, and/or not falling within the province of licensed tradesmen. In consideration of these additional management services provided, BROKER shall be entitled to receive in addition to the monthly management or rental fee as additional compensation for its services, credits for volume discounts allowed or provided by independent contractors. Such credits shall be retained as additional compensation by BROKER. OWNER shall be charged and shall pay the independent contractors retail charges as invoiced by the independent contractor at cost, plus 10% payable to BROKER. BROKER may conduct periodic inspections of the PROPERTY and/or supervise cleaning, maintenance, improvements, alterations and repairs at BROKER'S discretion and at the OWNER'S expense.

2.12.3 OWNER agrees that BROKER is not obligated to perform any maintenance or activities without the necessary funds available in the OWNER'S operating trust account. However, OWNER shall be liable for any funds advanced by BROKER for the operation or maintenance of the property. OWNER agrees to hold BROKER harmless except for gross negligence as defined by Arizona Revised Statutes. OWNER agrees BROKER does not to bear any portion of losses arising out of or connected with the ownership or operations of the PROPERTY.

2.13 OWNER SELF-PERFORMED REPAIRS AND MAINTENANCE: OWNER may from time-to-time determine to self perform repairs or maintenance. BROKER will forward the work order and time line to OWNER detailing the required repairs needed. Upon completion of repairs, OWNER will notify BROKER of completion of work order and provide any necessary backup documentation and/or photographs for BROKER'S files. OWNER will hold BROKER harmless for any defects or cost associated with those repairs or maintenance done by OWNER or OWNER's own vendors.

2.14 PROPERTY INSPECTIONS: BROKER recommends semiannual inspections of each rental unit. Upon OWNER'S direction BROKER shall conduct inspection of the PROPERTY at OWNER'S expense.

2.15 RIGHT TO CONTRACT ON BEHALF OF OWNER: BROKER is authorized to execute contracts for services and utilities, and may order and pay for advertising, waste management, trash hauling, landscaping, fuel, pool service, and utilities such as electricity, gas, and water, and any other services BROKER may deem advisable for the proper operation of the PROPERTY in the OWNER'S name and at the OWNER'S expense; the OWNER is to assume the obligation of any contract so entered into.

2.16 COMPLIANCE WITH LAWS: BROKER'S designated broker shall have full authority to take those steps necessary to comply with any city, state and federal laws and regulations, as he/she may deem necessary at their sole discretion. OWNER will hold the BROKER and the BROKER'S designated broker harmless for actions taken in the exercise of the BROKER'S discretion.

Section 3 – Owner Responsibilities

3.1 DISCLOSURE: OWNER shall disclose in writing all material (important) facts regarding the PROPERTY to BROKER including all physical, environmental and other types of facts that affect the condition of the PROPERTY and any violations of applicable building, zoning, fire, health and safety. OWNER shall immediately notify BROKER of any changes in the disclosure made herein or otherwise. OWNER acknowledges that the failure to make legally required disclosures may result in civil liability.

3.2 LEAD BASED PAINT: If the PROPERTY was built prior to 1978, OWNER shall notify BROKER of any known lead base paint or lead base paint hazards in the PROPERTY and provide BROKER with and lead base paint risk assessment or inspection of the PROPERTY. OWNER shall comply with all lead base paint laws.

3.3 SWIMMING POOL BARRIER REGULATIONS: OWNER, at OWNER'S expense, shall comply with all applicable state county and municipal swimming pool barrier laws or regulations prior to the PROPERTY being occupied.

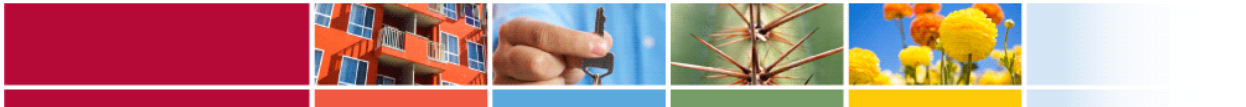
3.4 DOCUMENTATION: OWNER shall provide to BROKER copies of all relevant documents pertaining to the PROPERTY, including but not limited to covenants, conditions, and restrictions (CC&Rs), homeowners association governing documents, service contracts, lease agreements, notices of pending special assessments, association fees, claims or litigation, any personal property lists and any other agreements, documents, studies or reports relating to the PROPERTY.

3.5 RESPONSIBLY TO TENANT: OWNER shall fulfill all OWNER'S obligations to tenant pursuant to the lease/rental agreement as is required by law.

3.6 PROPERTY VISITS: OWNER shall notify BROKER before visiting PROPERTY or contacting tenant.

3.7 BROKER'S EMPLOYEES: OWNER shall not hire or contract with any employee of BROKER to do any work or perform any service related to the PROPERTY without BROKER'S written consent.

3.8 REGISTRATION AND LICENSURE: OWNER at OWNER'S expense shall register the PROPERTY with the County Assessor, and, if residing out-of-state, designate BROKER as Statutory Broker who will accept legal service on behalf of OWNER. OWNER agrees to purchase any business license or other licenses required by the applicable government authority.





3.9 OPERATING RESERVE ACCOUNT: OWNER agrees to maintain with BROKER an operating reserve for each property in the amount of \$500.00, and to remit immediately upon request additional amounts if and when required in excess of available funds. BROKER is not required or obligated to incur any expenses, including but not limited to, advertisement or repairs, unless and until OWNER'S account includes the required minimum reserve. OWNER hereby expressly waives any and all claims against BROKER for any damages arising out of the failure to pay any expense or cost related to the PROPERTY, when such failure is due to insufficient funds in OWNER'S Account. OWNER understands and agrees that BROKER'S own funds will NOT be used for payment of OWNER'S operating, maintenance or other costs. OWNER agrees that BROKER will hold back 50% of rent paid in the month whenever notification of a tenant's intent to vacate is received due to increased expenses during a typical period of vacancy. OWNER may be required to provide additional operating reserves for this purpose.

3.10 ACCOUNT DEFICITS: In the event the disbursements shall be in excess of rents collected by BROKER or OWNER'S reserve account does not equal or exceed the required reserve specified in the preceding section, then OWNER hereby agrees to pay such deficit immediately upon receipt of notice from BROKER. Both parties agree that BROKER shall have professional services lien rights for nonpayment and will be entitled to an additional collection fee of \$250 plus any and all legal or recording fees related to such action. All collection costs and expenses will be added to the amount due.

3.11 LEGAL AND TAX ADVICE: OWNER recognizes, acknowledges and agrees that BROKER is not qualified or licensed to provide legal or tax advice. Only an attorney is qualified to represent the OWNER in court. OWNER shall consult with an attorney, professional tax consultant or other qualified licensed profession to advise OWNER with respect to legal or tax issues.

3.12 PRIOR MANAGEMENT CLAIMS: OWNER hereby expressly releases, holds harmless and indemnifies BROKER for any and all claims, liability, damages or legal action in connection with prior management of the PROPERTY and/or any deposits not released to BROKER.

3.13 HOLD HARMLESS: OWNER shall indemnify, defend, save and hold harmless BROKER, its directors, officers, employees, brokers, representatives, successors and assigns except in cases of fraud, willful misconduct or gross negligence of the BROKER, from: (1) all claims arising out of the course of BROKER'S duties in connection with the management and where applicable, the leasing of the PROPERTY and from liability for injury suffered by tenant or third parties while on the PROPERTY and for any damage to the PROPERTY; (2) all claims arising from BROKER'S failure to make any payments to the extent OWNER fails to make funds available as required herein; (3) all claims made or brought by OWNER'S employees or their representatives arising from, or in connection with such employee's employment with OWNER, including by way of description, but not by way of limitation, any claims arising out of or related to any violation of applicable laws or regulations in employment; (4) all claims concerning any disputes with employees and/or independent contractors regarding work performed on the PROPERTY; (5) all claims and/or lawsuits concerning any disputes with tenants, including but not limited to disputes regarding security deposits; and (6) all claims concerning any injuries to or death of any person whomsoever at the subject PROPERTY. OWNER further agrees to reimburse BROKER for court costs and other reasonable expenses, including reasonable attorney's fees, incurred by BROKER in defending any action brought against BROKER for injury or damage claimed to have been suffered at the PROPERTY, except such claims arising from the fraud, willful misconduct or gross negligence of BROKER, its employees and brokers. BROKER shall not be liable for any good faith error of judgment or for any mistake of fact or law or for acts of others including tenants, or anything which it may do or refrain from doing in good faith and in pursuance of its duties and activities hereunder or for any other matter unless and until OWNER delivers to BROKER a written Notice of Default and said default remains uncured for 15 days thereafter unless such matter cannot be reasonably cured within 15 days and in such case, within a reasonable time thereafter but in no event later than 30 days. All duties performed by BROKER under this AGREEMENT shall be on behalf of OWNER, in OWNER'S name and for OWNER'S account. In taking any action under the AGREEMENT, BROKER shall be acting only as Agent for OWNER, and OWNER hereby agrees that nothing in this AGREEMENT shall be construed as creating a partnership, joint venture or any other relationship between the parties or as requiring BROKER to bear any portion of losses arising out of or connected with the ownership, operations or management of the PROPERTY. This indemnity shall survive the expiration or termination of this AGREEMENT for any reason.

3.14 EQUAL HOUSING OPPORTUNITY: OWNER acknowledges that they are aware of Federal and Local Fair Housing Laws and understands that BROKER will act according to their provisions. If OWNER should at any time request BROKER to disregard Fair Housing Laws and/or State or Local Landlord/Tenant Laws, this contract shall be terminated immediately and the management fees for the balance of this contract or \$500.00 whichever is greater will be due upon termination.

3.15 FORECLOSURE: OWNER shall keep all loan obligations, property taxes, association fees and any other obligations which could lead to a foreclosure action current and paid in full as required. OWNER shall notify BROKER within ten (10) days, or as prescribed by law, after receipt of notice of any Trustee Sale or judicial foreclosure related to the PROPERTY. OWNER authorize BROKER to immediately raise OWNER PROPERTY reserves to hold all funds in trust pending a determination of liability to OWNER tenant or any third parties. BROKER understands that OWNER may have other options OWNER is pursuing to avoid any involuntary sale such as loan refinance, loan modifications, short sale, etc. BROKER will work with OWNER during this process to provide information about the PROPERTY and work with OWNER'S tenant on inspections. OWNER will hold BROKER harmless and indemnify BROKER for any liability in relation to OWNER'S PROPERTY.

3.16 INQUIRES/NEGOTIATIONS: OWNER shall refer all inquiries regarding the PROPERTY, including inquires regarding lease or lease renewals to BROKER and all negotiations regarding the PROPERTY shall be conducted solely by or under the direction of the BROKER.

3.17 SALE OR TRANSFER OF PROPERTY: In the event OWNER determines to affect the sale, exchange or transfer of the PROPERTY, OWNER shall notify BROKER immediately.





3.18 MORTGAGE, PROPERTY TAX AND INSURANCE PAYMENTS: OWNER is responsible for making all mortgage payments, property tax payments and insurance payments as applicable.

3.19 PROPERTY INSURANCE: OWNER, at OWNER'S sole expense, shall maintain adequate homeowner's insurance, public liability insurance and any other necessary insurance on the PROPERTY in an adequate amount to protect the interest of the OWNER. OWNER shall name BROKER as co-insured on all insurance policies covering the PROPERTY and provide the BROKER with Certificate of Insurance or copies of the policies. Such insurance shall remain in full force and effect during the term of this AGREEMENT and any renewals thereafter. BROKER recommends that OWNER consult a qualified insurance professional to determine appropriate coverage, particularly a policy that covers rental and/or periodically vacant properties.

3.20 UTILITIES: OWNER is responsible for all utilities during times of vacancy.

3.21 HOMEOWNERS ASSOCIATION: BROKER may, at OWNER'S direction, make homeowners association payments for owner. BROKER will use due diligence to make payments by the 5th day of each month, as long as OWNER has the necessary funds to cover the payment. BROKER will not be responsible for payments not received in a timely manner by homeowners associations, nor will BROKER be held responsible for any late fees, due to the great degree of difficulty in working with some Home Owners Associations (HOA) and their affiliated management companies. BROKER will assume no liability for an enforcement of HOA rules, regulations or CC&R's. BROKER will work in good faith with the HOA, Management Company, OWNER and tenant. OWNER understands that he may be charged for additional time needed to deal with the HOA and/or their Management Company. In the event the BROKER is asked by the OWNER, or is required to undertake work exceeding the duties outlined in this contract that are unusual to normal management, the hourly fee for additional services will be \$50.00, plus any additional costs. OWNER also agrees to deliver to BROKER, via email and/or fax, copies of all HOA violation notices.

3.22 HOME WARRANTY: If OWNER uses a Home Warranty company, BROKER reserves the right to charge a \$50 per hour administrative fee to process home warranty claims. If OWNER has a Homeowner Warranty contract for repair services in place at the signing of this AGREEMENT or put into place subsequent to signing this AGREEMENT, then BROKER shall not be held liable or financially responsible for any repairs authorized by BROKER and paid from OWNER'S account when, in fact, those costs could have been reimbursed under the Home Warranty program, unless OWNER makes BROKER aware and provides BROKER with a copy of the Homeowner Warranty contract prior to maintenance being performed. If OWNER desires to renew Homeowner Warranty, BROKER shall have no responsibility for coordination of such. OWNER takes complete liability for such renewal and coordination of OWNER'S Homeowner Warranty.

Section 4 – Compensation

4.1 OWNER agrees to pay BROKER:

- 4.1.1 Property management fee per property of 7% of gross monthly collected rents or \$30.00 per door, whichever is greater.
- 4.1.2 Leasing fee of \$300.00 per new tenant lease, and \$100.00 for any holdovers or lease renewals.
- 4.1.3 A one-time account set-up fee of \$200.00 per property at inception of a new management agreement, and/or addition of new properties to existing management agreement.

Section 5 – Power of Attorney/Attorney in Fact

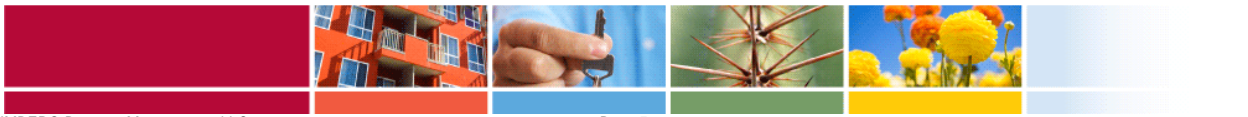
5.1 OWNER grants Power of Attorney to BROKER and authorizes BROKER to act as its Attorney in Fact in relation to the PROPERTY to make contracts for any and all utilities including electricity, gas, water, waste management, etc.

5.2 Notice to utility and HOA companies: OWNER grants BROKER Power of Attorney to put these services in place in the OWNER'S name with billing delivered to address designated by BROKER. BROKER may obtain account information for the PROPERTY for all periods. BROKER is further authorized to communicate and act on OWNER'S behalf with all HOA matters and further authorizes any tenant living in the property to interact with the HOA pertaining to matters arising from their tenancy.

Section 6 – Fees In The Event of Sale

6.1 In the event the PROPERTY is sold to tenant during the term or within (180) days of the expiration of this AGREEMENT to a party residing in the PROPERTY as a tenant or as a result of the BROKER'S efforts in securing said tenant, or any other party introduced to OWNER by BROKER, then BROKER shall be paid a Real Estate Brokerage fee in the amount equal to five (5) % percent of the gross sale price of the PROPERTY.

6.2 If during this agreement, OWNER agrees to sell the PROPERTY to a person other than the tenant who occupied the PROPERTY and BROKER procures the buyer, directly or through another broker, OWNER will pay BROKER a fee equal to five (5%) of the sales price (this fee will cover both the seller & buyer brokers.)





6.3 If at any time during this agreement OWNER agrees to sell the PROPERTY and the BROKER is not paid a fee, OWNER will pay BROKER \$50.00 per hour for BROKER'S time and services to coordinate showings, inspections, appraisals, repairs, and other related matters. Fees under this paragraph are earned at the time such services are rendered, and are in addition to any other fees that may be due to BROKER and payable upon OWNER'S receipt of BROKER'S invoice.

Section 7 - Agreement Cancellation

7.1 Either BROKER or OWNER may cancel its obligations under this AGREEMENT by serving 30 days written notice to the other party. In certain cases this 30 day notice may be accelerated at the sole discretion of BROKER, and management fees shall accrue throughout any period under notice regardless of management efforts of BROKER. Broker is not required to incur any further cost, including but not limited to, advertisement, inspections or repairs unless OWNER has supplied funds and written instruction to proceed with PROPERTY marketing, inspections, or continuing maintenance in progress. Should OWNER cancel this AGREEMENT for any reason whatsoever after a lease has been contracted or during the term of an active lease agreement, regardless of AGREEMENT end date, BROKER will be entitled to and OWNER shall pay management fees through the term of the lease agreement already in effect or bound by lease contract. OWNER will not be eligible to cancel and expressly waives all cancellation rights contained in this AGREEMENT at any time while indebted to BROKER or other parties contracted by BROKER for services, advertising or repairs. If cancellation is requested by OWNER when there exists a negative account balance, OWNER agrees to bring the account current with certified funds. Alternatively, BROKER reserves the right to utilize tenant security deposits held to bring the account current. OWNER acknowledges that if tenant security deposits held are used to bring OWNER'S account current that OWNER will still be responsible to tenant for the entire security deposit amount. Tenant security deposits held in trust, if any, will be transferred to OWNER within the 30 day notice period. OWNER has the responsibility to pick up all records, documents, keys etc., at BROKER'S business office listed above within 5 days of completion of the 30 day notice. Upon cancellation or termination of this AGREEMENT any collection efforts for delinquent payments due from former tenants, including judgments, will become the responsibility of OWNER. This AGREEMENT shall be binding upon the successors and assigns of the BROKER and the heirs, administrators, executors, successors, and assigns of the OWNER.

Section 8 - Legal Action

8.1 MEDIATION: OWNER and BROKER agree to mediate any dispute, claim or controversy arising between them regarding the terms of this AGREEMENT, or any resulting transaction, before resorting to arbitration or court action. If, for any dispute or claim to which this paragraph applies, any party commences an action based on a dispute or claim to which this paragraph applies, without first attempting to resolve the matter through mediation or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorneys' fees, even if they would otherwise be available to that party in any such action.

8.2 ARBITRATION OF DISPUTES: OWNER and BROKER agree that any dispute, claim or controversy arising between them regarding the terms of this AGREEMENT which is not settled by mediation, shall be decided by neutral, binding arbitration. The arbitrator shall be a retired judge or justice, or an attorney with at least five (5) years of residential real estate law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive Arizona law. The parties covenant that they will participate in the proceedings in good faith and that they will share equally in its costs including, without limitation, the arbitrator's fees, provided that each party shall bear its own attorneys' fees in connection with any arbitration. The provisions of this paragraph may be enforced by any court of competent jurisdiction, and, in the event that the arbitration process continues through and including final determination of liability in accordance with this provision, the prevailing party shall be entitled to an award of all costs, fees and expenses, including reasonable attorneys' fees, to be paid by the party against whom enforcement is ordered. Judgment upon the reward of the arbitrator(s) may be entered in any court of competent jurisdiction. Interpretation of this agreement to arbitrate shall be governed by the Federal Arbitration Act.

8.3 EXCLUSION FROM MEDIATION AND ARBITRATION: The following matters are excluded from mediation and arbitration hereunder: (a) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract; (b) an unlawful detained action; (c) the filing or enforcement of a mechanic's lien; and (d) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action for order of attachment, receivership, injunction or other provisional remedies shall not constitute a waiver of the mediation and arbitration provisions hereof.

8.4 COMPLIANCE WITH LAWS AND CONTRACTS: BROKER shall have full authority to take those actions necessary to comply with any city, state and federal laws and regulations, as deemed necessary at BROKER'S sole discretion. The OWNER in the exercise of the BROKER'S discretion will hold the BROKER, Impero Property Management LLC, its employee, independent contractors, and associates harmless, in the absence of those acts that constitute gross negligence as defined by Arizona Revised Statutes.

8.5 GENERAL PROVISIONS: Every term herein contained shall be deemed a condition hereof. Waiver by BROKER of any term of this agreement shall not constitute a waiver of subsequent terms. No oral agreements have been entered into between OWNER and BROKER.

8.6 NOTICES: Any notice, demand, delivery, request or other communication which any party hereto may be required or may desire to give shall be in writing and shall be deemed to have been properly given if addressed as set forth below and (a) if hand delivered, when delivered; or b) is mailed by United





States Registered or Certified Mail postage prepaid, return receipt requested upon receipt or refusal of receipt; or (c) if by Federal Express or other reliable express service from whom proof of delivery is available; or (d) if sent via facsimile, on the day of transmission (as confirmed by sender's facsimile equipment).

8.7 CHOICE OF LAW: This agreement is made pursuant to, shall be construed in accordance with and all issues relating to the compliance with state regulatory and licensing requirements shall be governed by the laws of the State of Arizona.

8.8 JURISDICTION AND VENUE: The parties agree that any legal action arising out of or in connection with this agreement, may be brought to the appropriate Arizona court.

8.9 SUCCESSORS AND ASSIGNS: Both parties consider this written consent and grant that this agreement shall be binding upon the successors, their heirs, administrators, executors and assigns of OWNER and BROKER.

8.10 SEVERABILITY: If any provision or term of this AGREEMENT shall be determined by any court of competent jurisdiction to be invalid or unenforceable for any reason whatsoever, the remainder of this AGREEMENT or the application of such provision to such person or circumstance, other than those as to which it is determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent of law.

8.11 COUNTERPARTS: This AGREEMENT may be executed in a number of identical counterparts, each of which for all purposes is deemed an original, and all of which constitute collectively an AGREEMENT: but in making proof of this AGREEMENT, it shall be necessary to produce or account for more than one such counterpart.

8.12 REPRESENTATIONS: BROKER and OWNER each represent and warrant that each has full power and authority to enter into this AGREEMENT and discharge their duties hereunder.

8.13 CHANGES TO CONTRACT: BROKER may change various terms, conditions and fees associated with this AGREEMENT. OWNER will be notified of any such changes via parties via email, fax and/or U.S. postal service in the form of a change in terms disclosure letter. The change in terms disclosure letter will inform OWNER of the change(s) made to the terms of this AGREEMENT and the date that the changes become effective. If OWNER wishes to reject the terms disclosed in the change of terms disclosure letter, OWNER may do so by terminating this AGREEMENT in accordance with the Agreement Cancellation clause under OWNER'S responsibility above, or OWNER may opt to finish out their current contract with the previously agreed upon terms. If OWNER does not notify BROKER of OWNER'S intent to cancel this AGREEMENT within 30-days of the date of the change in terms disclosure letter, then OWNER will be deemed to have accepted the terms disclosed in the change of terms disclosure letter.

By signing below, acknowledgment is made by OWNER and BROKER that they have read all the pages of this document, have received a list of services provided, fully understand the provisions of this AGREEMENT and have received a copy of this AGREEMENT.

OWNER

Owner/Entity: _____

Address: _____

City, State Zip: _____

Home Phone: _____

Cell Phone: _____

Fax: _____

Email: _____

SS/EIN #: _____

OWNER Signature: _____

BROKER

Impero Property Management LLC

P.O. Box 83524

Phoenix, AZ 85071

Phone: (602) 814-3888 Fax: (602) 535-3176

Douglas Bjotvedt, Designated Broker

Email: doug@imperopm.com

BROKER Signature: _____

Date: _____

Date: _____





Addendum A – Properties Under Management

	Address City State Zip	# Beds	# Baths	Sq Ft	Lease Rate Floor	Lease Rate Ceiling
1					\$	\$
2					\$	\$
3					\$	\$
4					\$	\$
5					\$	\$
6					\$	\$
7					\$	\$
8					\$	\$
9					\$	\$
10					\$	\$
11					\$	\$
12					\$	\$
13					\$	\$
14					\$	\$
15					\$	\$
16					\$	\$
17					\$	\$
18					\$	\$
19					\$	\$
20					\$	\$
21					\$	\$
22					\$	\$
23					\$	\$
24					\$	\$
25					\$	\$

