

A-LEVEL UP REALTY LLC **MANAGEMENT CONTRACT**

_____ the undersigned owner of the Property, (the "Owner") hereby employs A-Level Up Realty, LLC, an Arizona limited liability company (the "Manager"), to exclusively rent, lease, operate, and manage the real property located at _____ (the "Property") for one year commencing on _____.

Manager's Obligations

In consideration of the mutual promises set forth in this Agreement, Owner and Manager agree to the following terms and conditions and Owner confers upon the Manager the following duties, authority, and powers.

- 1. Leasing:** Owner gives Manager the authority and power to advertise the availability for rent of the Property or any part thereof and to display "For Rent" signs thereon; to execute leases, renewals or cancelations of leases relating to the Property; to terminate tenancies and to sign and serve for the Owner such notices as Manager deems appropriate; to institute legal actions in the name of the Owner and to settle, compromise, and release such actions, as Manager determines is appropriate under the conditions.

- 2. Rents:** Owner gives Manager the authority and power to collect rents and to collect and disburse security and other deposits; to deposit all receipts collected for Owner in Manager's trust account with qualified banking institution ("Trust Funds"). Manager shall not incur any liability for bankruptcy or failure of the depository. Accounts may be interest bearing, and any earned interest will be for the benefit of Manager.

- 3. Maintenance:** Owner gives Manager the authority and power to supervise and discharge all labor required for the operation and maintenance of the Property and to maintain the Property in case of vacancies. Services are usually performed by internal staff or preferred vendors that provide rebates, commissions, and discounts, to Management Company.

- 4. Service Contracts:** Owner gives the Manager the authority and power to execute contracts for utilities and services for the operation, maintenance and safety of the Property, as the Manager shall deem advisable and necessary. Owner acknowledges that Grecia Brenner is the Manager of Home Maintenance Solutions LLC, for which the Manager may employ to undertake maintenance duties for the Property. Manager warrants that the rates charged for any contracted work by Home Maintenance Solutions, will be competitive with other local businesses where the Property is located.

5. **Repairs:** Owner gives the Manager the authority and power to address all necessary repairs, decorating and alterations and to purchase supplies accordingly. Manager agrees to obtain Owner's prior authorization for any and each expense item in excess of \$500.00, except monthly or recurring operating charges. In the event of the need for emergency repairs and the Owner is not reasonably available for consultation, the Manager is hereby authorized to protect the Property from damage or to perform services to the tenants provided for in any lease.

6. **Disbursements:** Owner gives Manager the authority and power to accrue and make disbursements from Owner's Trust Funds for expenses including but not limited to: advertising, maintenance, repairs, materials, banking costs, collection fees, set up fees, city licensing fees, legal fees, late fees, refundable/non-refundable deposits, management fees, administrative fees, and to remit monies to Owner or into Owner's other accounts. Rents, Security Deposits and charges collected from tenants shall be disbursed in the following order of priority: a) management fees, b) reimbursement of expenses paid by Manager on the Owner's behalf, c) payment to vendors, d) reserve account when agreed upon, and e) remaining balance to Owner. Owner acknowledges that tenant security deposits are refundable and are property of tenants, subject to any offsets provided for by a lease and Arizona law.. Security Deposits will be held in Manager's trust account. Any forfeiture of Security Deposits by tenants will be to cover expenses incurred by Manager or for which any tenant failed to meet tenant's obligations.

7. **Periodic Statements:** Owner gives Manager the authority and power to render periodic itemized statements of receipts, expenses, charges and accruals and to remit to Owner receipts less disbursements and accruals for future expenses. All statements shall be mailed/faxed or emailed to the owner on approximately the tenth day of each month, for the previous month's activity excluding holidays and weekends or within a reasonable time thereafter. In the event disbursements shall exceed receipts, Owner assumes full responsibility for the payment of any expenses and obligations incurred in the connection with the exercise of Manager's duties set forth in this Agreement.

Accounting Report: Broker shall issue Owner a Monthly report with an accounting of all funds collected and/or disbursed on the Owner's behalf, including the balance of the tenant security deposits.

Owner's Obligations

8. **Management fees and Commission:** Owner agrees to pay Manager a fee or fees for services rendered at the rates set forth below. Owner recognizes Manager as agent in any negotiations relative to the Property or any part thereof, which may have been initiated during the term hereof, and shall compensate Manager in accordance with the rates set forth in this Agreement. Such compensation is due and payable on demand and may be deducted by the Manager from receipts. **Management fees:** 10% of gross rents for the term of the lease; Leasing fee **N/A** of annual lease; 100% of late fees paid by tenant; and 3 % of the gross sales price if the tenant purchases the Property. Management Fees will be immediately due and payable upon execution and approval of lease but as a courtesy to Owner taken monthly as rent is collected from tenant. Owner agrees to pay Broker a commission regardless of whether or not this Agreement has expired, if Broker produces a ready, willing and able tenant, or if a rental of the Property

is made by Owner or through any other broker for services rendered. Initial Set- Up Fee: **\$500** (FIVE HUNDRED FIFTY AND NO/100 DOLLARS (one time only). Management company fees charges to tenants include NSF check charges, serving fees, non-refundable deposits, lease renewal fees and collection fees. A \$50 charge will be assessed for each returned check submitted by the Owner to Manager. **Operating Reserve Account:** Owner shall maintain a reserve account operating balance of \$250.00 the PMTA to meet obligations in the event of a shortage of current rental income or emergencies. Broker, in Broker's sole discretion, may, but shall not be obligated to, advance Broker funds on behalf of Owner to keep Owner's account open or to avoid charges for an insufficient minimum balance. Owner shall reimburse Broker for all advanced funds, interest or fees upon demand and remit any funds to Broker necessary to maintain reserve account at the agreed upon amount.

9. Home Owners Associations: Owner agrees and acknowledges that Owner has the obligation to comply with all association requirements should the Property be located within a homeowner's association. Owner further acknowledges that compliance with the recorded Codes, Covenants and Restrictions of any such homeowner's association. Manager assumes no liability for violations by the Owner for Owner's failure to comply with such association restrictions.

10. Hold Harmless: Owner agrees to hold the Manager harmless from the damage suits in connection with the management of the herein described Property and from liability from injury suffered by any employee or other person whomsoever, and to carry, at Owner's own expense, adequate insurance. The Manager also shall not be liable for any error of judgment or for any mistake of fact or law, or for anything which it may do or refrain from doing hereunder, except in cases of willful misconduct or gross negligence. If suit is brought to collect the Manager's compensation or if Manager successfully defends any action brought against Manager by Owner, relating to the Property, Owner agrees to pay all costs incurred by Manager in connection with such action, including reasonable attorney's fees. **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 professional to advise Owner with respect to legal or tax issues.

11. Data and Records: Owner agrees to make available all data, records, Security Deposits, and documents pertaining to the Property, which the Manager requires to properly exercise Manager's duties under this Agreement. **Tax Reporting:** Broker shall report Owner income as required by law and issue Owner an IRS 1099 Miscellaneous Income form for all funds received for tax purposes. Owner agrees to complete a W-9 or other applicable income reporting form with an accurate Social Security Number or Tax Identification Number and address, in addition to any other requested information or required tax reporting form, and to notify Broker if changes require the information to be updated. **Personal Information:** Broker shall comply with all applicable laws concerning the retention and disclosure of personal and financial information obtained from both Owner and tenant.

Other Terms

12. Assignability: Manager shall not assign this Agreement without the prior written consent of Owner, which Owner may withhold in its sole discretion. If any such consent is given, it must be in writing signed by Owner.

Assign such existing contracts relating to the operation and maintenance of the Property(s) as Owner shall require, which by their terms are assignable, provided that the Owner herein shall agree to assume all liability thereunder.

13. Severability: If any provision of terms 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 the law.

14. Terms: This Agreement supersedes all previous management agreements, both verbal and written. This Agreement will be for a period of one year starting from the execution date and will be automatically renewed, annually, from the original execution date, unless written notice is received by Manager thirty days prior to cancellation.

Cancellation: Either party may cancel this Agreement upon thirty (30) days notice or if Owner cancels this Agreement prior to the Termination Date or any extension thereof, Owner shall pay Broker a cancellation fee of **\$0.00**. Broker may cancel this Agreement immediately by notice to Owner in the event that: (i) a notice of trustee's sale or judicial foreclosure is recorded against the Property; (ii) Owner fails or refuses to comply with any rule, order, determination, code, ordinance or law of any governmental authority; (iii) Owner refuses to correct a hazardous condition on the Property. Either party may cancel this Agreement immediately by notice to the other party in the event a petition in bankruptcy is filed by or against either Owner or Broker, or in the event that either makes an assignment for the benefit of creditors or takes advantage of any insolvency act. Upon cancellation of this Agreement, Owner shall assume all contractual obligations and payment of all outstanding amounts due pertaining to the Property or arising from this Agreement. Broker may withhold funds as permitted by law to pay any amounts due expenses previously incurred but not yet invoiced, and to close accounts. Broker shall deliver to Owner the balance of any monies due Owner, held by Broker, as well as a final accounting reflecting the balance of income and expenses as required by law.

Tenant Deposits Upon Termination/Cancellation: If this Agreement is terminated or cancelled for any reason other than trustee's sale, judicial foreclosure or other forfeiture by Owner, any refundable tenant deposits will be forwarded to the Owner after notice has been given to the tenant as required by law. If this Agreement is terminated due to trustee's sale, judicial foreclosure or other forfeiture by Owner, any refundable tenant deposits due tenant shall be released to the tenant. **Responsibility to Tenant:** Owner shall fulfill all Owners' obligations to tenant pursuant to the lease/rental agreement and as required by law. **Authorized Access:** Owner shall not visit Property or contact tenant without five (5) business days prior notice to Broker to allow Broker sufficient time to provide tenant with any legally required notice. Owner shall not enter the property unless accompanied by the Broker.

15. Governing Law: This Agreement shall be interpreted and construed according to, and governed by the laws of Arizona excluding any such laws that might direct the

