



# PROPERTY MANAGEMENT AGREEMENT

Document updated:  
February 2016


 Any pre-printed portion of this form has been approved by the Arizona Association of REALTORS®. No change in the pre-printed language of this form must be made in a prominent manner. No representation is made as to the legal validity, adequacy and/or effect of any provision, including tax consequences thereof. If you desire a tax or other professional opinion, please consult your tax advisor or professional consultant.



# SAMPLE

## 1. PARTIES

- Owner: Client of AZ Performance Realty
- Broker: AZ Performance Realty acting through Todd Smith  
FIRM NAME SALESPERSON

## 2. EMPLOYMENT

- Owner employs and appoints Broker as Owner's sole and exclusive agent to lease, operate and manage the Property located at:
- Property Address: 123 Main St
- City: \_\_\_\_\_ County: \_\_\_\_\_ AZ Zip: \_\_\_\_\_
- Legal description: \_\_\_\_\_ ("Property"), and any personal property
- thereon as set forth on the attached addendum or  \_\_\_\_\_, upon the following terms.
- Addenda Incorporated:** The following addenda are attached hereto and incorporated herein by reference:
- AGENCY, Addendum1**
- \_\_\_\_\_
- Term:** This Agreement shall commence on the 01 day of January, 2024 ("Commencement Date") and shall end on the 31 day of December, 2026 ("Termination Date"). This
- Agreement shall renew automatically for a period of 3  months  years unless otherwise cancelled or terminated
- as provided for herein. Broker shall send Owner a reminder notice at least thirty (30) days prior to each renewal date.
- This Agreement shall be immediately and automatically terminated by: (i) the sale, transfer or other disposition of legal and beneficial title to the Property, except for a transfer of the Property to a trust or other legal entity controlled solely by Owner; (ii) condemnation of the Property or (iii) complete destruction of the Property.
- 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 an early cancellation fee of \$1,000 or 10% of remainder, whichever is greater.
- 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.

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Initials>

OWNER	OWNER

# SAMPLE



3. BROKER RESPONSIBILITIES

- 35. Management and Leasing: Broker shall use its best efforts to:
36. (i) Manage, supervise the maintenance of, and operate the Property.
37. (ii) Lease or rent the Property, including negotiating for and entering into leases on behalf of Owner, for terms not in excess of:
38. 12 days month(s) year(s) and rent in the amount of \$ or as otherwise agreed
39. upon or accepted by Owner;
40. (iii) Collect rents, deposits, and other fees.

- 41. Marketing: Broker may advertise the Property for lease and place signs on the Property if permitted by the applicable rules and regulations or governing homeowners' association. Owner does does not authorize Broker to install and use a lockbox on the Property containing the key to the Property. Owner acknowledges that a lockbox will permit access to the Property by other brokers, with or without potential tenants. Owner further acknowledges that, from time to time, unauthorized persons may have gained access to properties using lockboxes, and Broker is not insuring Owner or any occupant against theft, loss or vandalism resulting from any access. Owner agrees that the Property will not be advertised through MLS unless Owner executes and delivers to Broker a separate written agreement for listing the Property in the MLS.

(OWNER'S INITIALS REQUIRED) OWNER OWNER

- 49. Tenant Performance: Broker shall make reasonable efforts to screen potential tenant(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 commissions in the event of tenant breach.

- 51. Repair and Maintenance: Broker shall assist Owner in the employment and supervision of all labor and contractors required for the repair and maintenance of the Property at Owner's expense. All labor and contractors shall be deemed sub-contractors of the Owner and not the Broker unless otherwise agreed in writing, and Broker shall not be liable or responsible for their acts, defaults or negligence. Owner shall approve all expenditures in excess of \$ 300.00 for any one item, including repairs to be paid by deductions from tenant's deposits, except that no Owner approval shall be required for recurring operating expenses or emergency repairs if in the sole discretion of the Broker such repairs are necessary to protect the Property from damage or to maintain services to the tenant as required by the lease(s).

- 58. Property Management Trust Account: Broker shall deposit all Property rents, miscellaneous income, tenant security deposits and Owner's reserve funds into Broker Property Management Trust Account(s) ("PMTA"), which shall be maintained as required by law. The PMTA may earn interest, which shall be paid to Broker as additional compensation for Broker's services.

- 61. Disbursements: Broker shall disburse to Owner by the 25th day of the month or the first business day thereafter, rent and other funds due and collected, after deducting all fees, bills or other amounts due, Broker compensation, commissions, and other operating expenses and funds required to maintain the reserve account. Broker shall not disburse tenant's refundable security deposits, prepaid rent or other prepaid funds to Owner until earned, unless instructed otherwise by Owner.

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

- 67. monthly quarterly annually other or as otherwise required by law.

- 68. 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.

- 72. 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.

4. OWNER REPRESENTATIONS AND RESPONSIBILITIES

- 74. Owner Representation: Owner represents that (i) Owner has the legal authority to lease the Property, (ii) no other real estate broker represents Owner in connection with the Property; (iii) there is no pending or anticipated sale, exchange, transfer, foreclosure, bankruptcy or other proceeding that could affect the ability to lease the Property. Owner shall immediately notify Broker of any changes in these representations.

- 78. Disclosure: Owner shall disclose in writing all material (important) facts regarding the Property to Broker, including all physical, environmental, and other conditions that affect the Property and any violations of applicable building, zoning, fire, health, and safety codes. Owner shall immediately notify Broker of any changes in the disclosures made herein or otherwise. Owner acknowledges that the failure to make legally required disclosures may result in civil liability.

(OWNER'S INITIALS REQUIRED) OWNER OWNER

SAMPLE

Initials> [redacted] OWNER



- 83. **Lead-Based Paint:** Owner shall comply with all lead-based paint laws. If the Property was built prior to 1978, Owner shall notify Broker of any
- 84. known lead-based paint ("LBP") or LBP hazards in the Property and provide Broker with any LBP risk assessments or inspections of the Property.
- 85. Further, Owner shall use EPA Lead-Safe certified contractors to perform renovation, repair or painting projects that disturb lead-based paint.
- 86. **Swimming Pool Barrier Regulations:** Owner, at Owner's expense, shall comply with all applicable state, county, and municipal
- 87. swimming pool barrier laws or regulations prior to the Property being occupied.
- 88. **Documentation:** Owner shall provide to Broker copies of all relevant documents pertaining to the Property, including but not limited
- 89. to, covenants, conditions, and restrictions (CC&Rs), homeowners association governing documents, service contracts, leases/rental
- 90. agreements, notices of pending special assessments, association fees, claims or litigation, personal property lists and any other
- 91. agreements, documents, studies, or reports relating to the Property.
- 92. **Responsibility to Tenant:** Owner shall fulfill all Owners' obligations to tenant pursuant to the lease/rental agreement and as
- 93. required by law.
- 94. **Authorized Access:** Owner shall not visit Property or contact tenant without five (5) business days or  15 business days prior
- 95. notice to Broker to allow Broker sufficient time to provide tenant with any legally required notice. Owner shall not enter the property
- 96. unless accompanied by the Broker.
- 97. **Inquiries/Negotiations:** Owner shall refer all inquiries regarding the Property, including inquires regarding lease or lease renewals,
- 98. to Broker and all negotiations regarding the Property shall be conducted solely by or under the direction of Broker.
- 99. **Sale or Transfer of Property:** In the event Owner decides to sell, exchange or transfer the Property, Owner shall notify Broker immediately.
- 100. **Foreclosure:** Owner shall pay all loan obligations, property taxes, association fees and any other obligations which could lead to a
- 101. foreclosure action. Owner shall notify Broker and tenant within ten (10) days after receipt of notice of any trustee's sale or judicial
- 102. foreclosure related to the Property, or as otherwise prescribed by law.
- 103. **Broker's Employees:** Owner shall not hire or contract with any employee of Broker to do any work or perform any service related to
- 104. the Property without Broker's written consent.
- 105. **Registration, Licensure and Tax:** Owner, at Owner's expense, shall register the Property with the County Assessor and, if residing
- 106. out-of-state, designate a statutory agent who lives in Arizona to accept legal service on behalf of Owner. Owner agrees to purchase
- 107. any business license or other license required by the applicable governmental authority and pay any fees or taxes when due.
- 108. **Operating Reserve Account:** Owner shall maintain a reserve account operating balance of \$ 400.00 in the PMTA to meet
- 109. obligations in the event of a shortage of current rental income or emergencies. Broker, in Broker's sole discretion, may, but shall not
- 110. be obligated to, advance Broker funds on behalf of Owner to keep Owner's account open or to avoid charges for an insufficient
- 111. minimum balance. Owner shall reimburse Broker for all advanced funds, interest or fees upon demand and remit any funds to Broker
- 112. necessary to maintain reserve account at the agreed upon amount.
- 113. **Insurance:** Owner, at Owner's sole expense, shall maintain adequate Property insurance, public liability insurance and any other
- 114. necessary insurance on the Property, in an adequate amount to protect the interests of Owner and Broker. Owner shall name Broker
- 115. as co-insured on all insurance policies covering the Property and provide Broker with Certificates of Insurance or copies of the
- 116. policies. Such insurance shall remain in full force and effect during the term of this Agreement and any renewals thereof.
- 117. **Legal and Tax Advice:** Owner recognizes, acknowledges, and agrees that Broker is not qualified or licensed to provide legal or tax
- 118. advice. Only an attorney is qualified to represent the Owner in court. Owner shall consult with an attorney, professional tax
- 119. consultant, or other qualified licensed professional to advise Owner with respect to legal or tax issues.
- 120. **Release of Claims:** Owner hereby expressly releases, holds harmless and indemnifies Broker from any and all claims liability,
- 121. damages or legal actions arising from the management of the Property, including liability from any injury suffered by an employee or
- 122. other person on the Property, liability in connection with any trustee's sale or judicial foreclosure of the Property or in connection with
- 123. prior management of the property and/or any deposits not released to the Broker. Owner agrees to promptly and diligently defend, at
- 124. Owner's sole expense, any claim, legal action or other proceeding brought against the Broker arising from the management of the
- 125. Property, except in the case of Broker's willful misconduct and/or gross negligence. Owner agrees to reimburse Broker for any
- 126. monies which the Broker expends in connection with, or in defense of, any claim, civil or criminal action proceeding, charge or
- 127. prosecution made, instituted, or maintained against Broker, or Owner and Broker jointly or severally.
- 128.

(OWNER'S INITIALS REQUIRED) \_\_\_\_\_ OWNER \_\_\_\_\_ OWNER

SAMPLE



5. COMPENSATION

- 129. Owner agrees to compensate Broker for services rendered as set forth below.
- 130. **Management Fees:** Management fee(s) will be charged each month during the term of this Agreement regardless of whether or not
- 131. the Property is occupied by a tenant, as follows:
- 132.  Owner agrees to pay Broker a management fee of \$99.00 when the
- 133. Property is leased to a tenant.
- 134.  Owner agrees to pay Broker a management fee of n/a when the
- 135. Property is vacant.
- 136.  Owner agrees to pay Broker n/a
- 137. \_\_\_\_\_
- 138. \_\_\_\_\_
- 139. \_\_\_\_\_
- 140. \_\_\_\_\_
- 141. Management fees shall not be charged on sales tax.
- 142. **Leasing Commission:** Owner agrees to pay Broker a commission of 50% of 1st full month's rent if Broker produces a
- 143. ready, willing and able tenant, or if a rental of the Property is made by Owner or through any other broker, or otherwise, during the
- 144. term of this Agreement for services rendered. Owner agrees to pay a commission of \$250.00 for
- 145. any holdovers or rental renewal, regardless of whether or not this Agreement has expired.
- 146. **Sales Commission:** Owner agrees to pay Broker a commission of 6% if during the term of
- 147. any lease of the Property, including any renewals or holdovers, or within 60 days after lease termination, any tenant or
- 148. tenant's heirs, executors or assigns enter into an agreement with Owner to purchase the Property.
- 149. **Miscellaneous Owner Fees:** Owner agrees to pay Broker the following fees for additional services:
- 150.  Initial clean up /Property preparation fee: \$ \_\_\_\_\_
- 151.  Set up fee: \$ \_\_\_\_\_
- 152.  Marketing and Advertising fee: \$ \_\_\_\_\_
- 153.  Insurance coordination fee: \$ 25.00
- 154.  Document duplication fee: \$ \_\_\_\_\_
- 155.  Re-key fee: \$ 150.00
- 156.  Statutory agent fee: \$ \_\_\_\_\_
- 157.  Other: Insurance Coordination fee is \$25.00 per hour. And is the cost to coordinate
- 158. repairs from insurance claims.
- 159. \_\_\_\_\_
- 160. Other professional service fees shall be established by separate written agreement.
- 161. Broker  does  does not charge for in-house services. (Explain) \_\_\_\_\_
- 162. \_\_\_\_\_
- 163. **Miscellaneous Tenant/Third Party Fees:** Owner agrees that Broker may charge the tenant the following fees, which Broker shall
- 164. retain as additional compensation for services:
- 165.  Application fee: \$ Per Adult
- 166.  Not Sufficient Funds (returned check) fee: \$ Per Lease
- 167.  Service of notice fee: \$ Per Lease
- 168.  Late fee: \$ Per Lease
- 169.  Other: Admin Fee Per Lease
- 170. COMMISSIONS PAYABLE FOR THE SALE, LEASING, OR MANAGEMENT OF PROPERTY ARE NOT SET BY ANY BOARD OR
- 171. ASSOCIATION OF REALTORS®, OR MULTIPLE LISTING SERVICE, OR IN ANY MANNER OTHER THAN BETWEEN THE
- 172. BROKER AND OWNER.

SAMPLE

Initials>

_____	_____
_____	OWNER



6. REMEDIES

173. Alternative Dispute Resolution: Owner and Broker agree to mediate any dispute or claim arising out of or relating to this
174. Agreement. All mediation costs shall be paid equally by the parties. In the event that mediation does not resolve all disputes or
175. claims, the unresolved disputes or claims shall be submitted for binding arbitration. In such event, the parties shall agree upon an
176. arbitrator and cooperate in the scheduling of an arbitration hearing. If the parties are unable to agree on an arbitrator, the dispute
177. shall be submitted to the American Arbitration Association ("AAA") in accordance with the AAA Arbitration Rules for the Real Estate
178. Industry. The decision of the arbitrator shall be final and nonappealable. Judgment on the award rendered by the arbitrator may be
179. entered in any court of competent jurisdiction. Notwithstanding the foregoing, either party may opt out of binding arbitration within
180. thirty (30) days after the conclusion of the mediation conference by notice to the other and in such event either party shall have the
181. right to resort to court action.

182. Attorney Fees and Costs: The prevailing party in any dispute or claim arising out of or relating to this Agreement shall be awarded
183. their reasonable attorney fees and costs. Costs shall include, without limitation: attorney fees, expert witness fees, fees paid to
184. investigators, and arbitration costs.

7. ADDITIONAL TERMS AND CONDITIONS

185. Owner shall turn on electricity and water in their name when property is vacant. Owner to
186. authorize AZ Performance Realty to have HOA violation letters sent to 498 S. Villa Nueva
187. Drive, Litchfield Park, AZ 85340. Tenant shall not be held liable for fines if owner is
188. notified and does not notify Broker within two days of receipt.

190. Contrary to lines 63-64, Broker shall not disburse tenant's refundable security deposits to
191. Owner upon termination of cancellation without tenant's written authorization unless tenant
192. has materially breached the lease or has been evicted from the property.

194. Owner understands and acknowledges that an application for a TPT (Transaction Privilege Tax
195. Application) License will be submitted to the Arizona Department of Revenue on behalf of
196. owner. Once the license from the Arizona Department of Revenue is received we will file and
197. make payments on taxpayer's behalf.

199. AZ Performance Realty will not manage homes with registered sex offenders or that allow
200. medical or recreational marijuana cultivation, dispensing or growing.

204. Equal Housing Opportunity: Broker and Owner shall comply with all federal, state and local fair housing laws and regulations.
205. Assignment: Neither Broker nor Owner may assign any rights or obligations pursuant to this Agreement without the prior
206. consent of the other, and any attempted assignment without consent shall be void and of no effect.
207. Other Owners: Owner acknowledges and agrees that Broker may now or in the future represent other owners and tenants of
208. other similar properties.
209. Arizona Law: This Agreement shall be governed by Arizona law and jurisdiction is exclusively conferred on the State of Arizona.
210. Notices/Statements/Reports: Unless otherwise provided, delivery of all notices, statements, reports, and disbursements ("Notice")
211. required or permitted hereunder shall be in writing addressed to Owner or Broker as indicated in Sections 8 and 9 and deemed
212. delivered and received when: (i) hand-delivered; (ii) sent via facsimile transmission; (iii) sent via electronic mail, if email addresses
213. are provided herein; (iv) sent by recognized overnight courier service, or (v) sent by U.S. mail, in which case the Notice shall be
214. deemed received when actually received or five (5) days after the notice is mailed, whichever occurs first.

SAMPLE

Initials> OWNER OWNER





# ADDENDUM 1

Document updated:  
June 1993



The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax advisor or professional consultant.



1. This is an addendum originated by the:  Seller  Buyer  Landlord  Tenant.  
2. This is an addendum to the Contract dated 01/01/2024 between the following Parties:

3. Seller/Landlord: Client of AZ Performance Realty  
4. Buyer/Tenant: \_\_\_\_\_  
5. Premises: 123 Main St, ,

6. The following additional terms and conditions are hereby included as a part of the Contract between Seller and Buyer for the above referenced Premises:  
7. Taxpayer hereby grants appointee a limited power of attorney with the authority to sign and file transaction  
8. privilege tax license applications, license renewals, and returns and make payments to the Arizona Department of  
9. Revenue. Appointee is also hereby authorized to discuss taxpayer's otherwise confidential transaction privilege  
10. tax information with authorized department employees.

11. \_\_\_\_\_  
12. This authorization includes all department transaction privilege tax applications, including renewals, and  
13. returns and shall begin with completion of this agreement and shall remain in effect until revoked by taxpayer or  
14. terminated by appointee, whichever occurs first. Unless taxpayer is required to file or pay electronically,  
15. appointee will, in its discretion, file and make payments on taxpayer's behalf in one of the filing methods:  
16. electronic or paper.

17. \_\_\_\_\_  
18. I hereby certify that the Director of the Arizona Department of Revenue is authorized to release any and all  
19. Arizona transaction privilege tax information in Department files concerning the undersigned Taxpayer and relieve  
20. said Director, or Department representative, of any liability whatsoever for releasing such transaction privilege  
21. tax information to the Appointee specified by this authorization. By signing this form, I certify that I have the  
22. authority, within the meaning of A.R.S. 42-2003(A), to execute this authorization on behalf of the above-  
23. mentioned corporation(s), Limited Liability Company, trust(s), estate(s), partnership(s), and/or individual(s). I  
24. understand that to knowingly prepare or present a document which is fraudulent or false is a Class 5 felony  
25. pursuant to A.R.S. 42-1127(B)(2).

26. \_\_\_\_\_  
27. \_\_\_\_\_  
28. \_\_\_\_\_  
29. \_\_\_\_\_  
30. \_\_\_\_\_  
31. \_\_\_\_\_  
32. \_\_\_\_\_  
33. \_\_\_\_\_  
34. \_\_\_\_\_  
35. \_\_\_\_\_  
36. \_\_\_\_\_  
37. \_\_\_\_\_  
38. \_\_\_\_\_  
39. \_\_\_\_\_  
40. \_\_\_\_\_  
41. \_\_\_\_\_

42. The undersigned agrees to the additional terms and conditions and acknowledges receipt of a copy hereof.

43. \_\_\_\_\_  
44.  Seller  Buyer \_\_\_\_\_ MO/DA/YR  Seller  Buyer \_\_\_\_\_ MO/DA/YR  
45.  Landlord  Tenant \_\_\_\_\_  Landlord  Tenant \_\_\_\_\_

46. \_\_\_\_\_  
47.  Seller  Buyer \_\_\_\_\_ MO/DA/YR  Seller  Buyer \_\_\_\_\_ MO/DA/YR  
48.  Landlord  Tenant \_\_\_\_\_  Landlord  Tenant \_\_\_\_\_

49. **For Broker Use Only:**  
Brokerage File/Log No. \_\_\_\_\_ Manager's Initials \_\_\_\_\_ Broker's Initials \_\_\_\_\_ Date \_\_\_\_\_  
MO/DA/YR

# SAMPLE



# REAL ESTATE AGENCY DISCLOSURE AND ELECTION

Document updated:  
February  
2024

This document is not an employment agreement



The pre-printed portion of this form has been drafted by the Arizona Association of REALTORS®. Any change in the pre-printed language of this form must be made in a prominent manner. No representations are made as to the legal validity, adequacy and/or effects of any provision, including tax consequences thereof. If you desire legal, tax or other professional advice, please consult your attorney, tax advisor or professional consultant.



- 1. Firm Name ("Broker") AZ Performance Realty
- 2. acting through Todd Smith  
LICENSEE'S NAME LICENSEE'S NAME
- 3. hereby makes the following disclosure.

## DISCLOSURE

- 4. Before a **Seller or Landlord (hereinafter referred to as "Seller")** or a **Buyer or Tenant (hereinafter referred to as "Buyer")** enters into a discussion with a real estate broker or licensee affiliated with a broker, the Seller and the Buyer
- 6. should understand what type of agency relationship or representation they will have with the broker in the transaction.
- 7. **I. Buyer's Broker:** A broker other than the Seller's broker can agree with the Buyer to act as the broker for the Buyer. In
- 8. these situations, the Buyer's broker is not representing the Seller, even if the Buyer's broker is receiving compensation
- 9. for services rendered, either in full or in part, from the Seller or through the Seller's broker:
- 10. a) A Buyer's broker has the fiduciary duties of loyalty, obedience, disclosure, confidentiality, and accounting in dealings
- 11. with the Buyer.
- 12. b) Other potential Buyers represented by broker may consider, make offers on, or acquire an interest in the same or
- 13. similar properties as Buyer is seeking.
- 14. **II. Seller's Broker:** A broker under a listing agreement with the Seller acts as the broker for the Seller only:
- 15. a) A Seller's broker has the fiduciary duties of loyalty, obedience, disclosure, confidentiality, and accounting in dealings
- 16. with the Seller.
- 17. b) Other potential Sellers represented by broker may list properties that are similar to the property that Seller is
- 18. selling.
- 19. **III. Broker Representing both Seller and Buyer (Limited Representation Broker):** A broker, either acting directly or
- 20. through one or more licensees within the same brokerage firm, can legally represent both the Seller and the Buyer in a
- 21. transaction, but only with the knowledge and informed consent of both the Seller and the Buyer. In these situations, the
- 22. Broker, acting through its licensee(s), represents both the Buyer and the Seller, with limitations of the duties owed to the
- 23. Buyer and the Seller:
- 24. a) The broker will not, without written authorization, disclose to the other party that the Seller will accept a price or terms
- 25. other than stated in the listing or that the Buyer will accept a price or terms other than offered.
- 26. b) There will be conflicts in the duties of loyalty, obedience, disclosure and confidentiality. Disclosure of confidential
- 27. information may be made only with written authorization.
- 28. Regardless of who the Broker represents in the transaction, the Broker shall exercise reasonable skill and care in the
- 29. performance of the Broker's duties and shall be truthful and honest to both the Buyer and Seller and shall disclose all known
- 30. facts which materially and adversely affect the consideration to be paid by any party. Pursuant to A.R.S. §32-2156, Sellers,
- 31. Lessors and Brokers are not obligated to disclose that a property is or has been: (1) the site of a natural death, suicide,
- 32. homicide, or any crime classified as a felony; (2) owned or occupied by a person exposed to HIV, or diagnosed as having
- 33. AIDS or any other disease not known to be transmitted through common occupancy of real estate; or (3) located in the vicinity
- 34. of a sex offender. Sellers or Sellers' representatives may not treat the existence, terms, or conditions of offers as confidential
- 35. unless there is a confidentiality agreement between the parties.
- 36. **THE DUTIES OF THE BROKER IN A REAL ESTATE TRANSACTION DO NOT RELIEVE THE SELLER OR THE BUYER**
- 37. **FROM THE RESPONSIBILITY TO PROTECT THEIR OWN INTERESTS. THE SELLER AND THE BUYER SHOULD**
- 38. **CAREFULLY READ ALL AGREEMENTS TO ENSURE THAT THE DOCUMENTS ADEQUATELY EXPRESS THEIR**
- 39. **UNDERSTANDING OF THE TRANSACTION.**

# SAMPLE

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Real Estate Agency Disclosure and Election >>

**ELECTION**

40. **AGENCY ELECTION DOES NOT ESTABLISH BROKER COMPENSATION.**

41. Compensation paid by a Buyer or Seller to their Broker is always negotiable and the amount chosen shall be  
42. documented in a separate written employment agreement after discussion with their Broker. Should a Seller enter into  
43. a listing agreement, the amount of Buyer Broker compensation to be offered is also negotiable and agreed upon after  
44. discussion with their Broker.

45. **(BUYER OR SELLER INITIALS REQUIRED)** \_\_\_\_\_ / \_\_\_\_\_

46. **Buyer or Tenant Election** (Complete this section only if you are the Buyer.) The undersigned elects to have the Broker

47. (check any that apply):

- 48.  represent the Buyer as Buyer's Broker.
- 49.  represent the Seller as Seller's Broker.
- 50.  show Buyer properties listed with Broker's firm and Buyer agrees that Broker shall act as agent for both Buyer and
- 51. Seller provided that the Seller consents to limited representation. In the event of a purchase, Buyer's and Seller's
- 52. informed consent should be acknowledged in a separate writing other than the purchase contract.

53. **Seller or Landlord Election** (Complete this section only if you are the Seller.) The undersigned elects to have the Broker

54. (check any that apply):

- 55.  represent the Buyer as Buyer's Broker.
- 56.  represent the Seller as Seller's Broker.
- 57.  show Seller's property to Buyers represented by Broker's firm and Seller agrees that Broker shall act as agent for both
- 58. Seller and Buyer provided that Buyer consents to the limited representation. In the event of a purchase, Buyer's and
- 59. Seller's informed consent should be acknowledged in a separate writing other than the purchase contract.

60. The undersigned  Buyer(s) or  Seller(s) acknowledge that this document is a disclosure of duties.

61. **I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE.**

**Client of AZ Performance Realty**

^ PRINT NAME

^ PRINT NAME

^ SIGNATURE

MO/DA/YR

^ SIGNATURE

MO/DA/YR

SAMPLE