



# PROPERTY MANAGEMENT AGREEMENT

## 1. AGREEMENT

THIS AGREEMENT is made and entered this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_  
\_\_\_\_\_  
(hereinafter called "OWNER") and \_\_\_\_\_  
\_\_\_\_\_  
(hereinafter called "AGENT").

## 2. APPOINTMENT OF AGENT

- 2.1 OWNER hereby appoints AGENT as sole and exclusive agent of OWNER to manage the PREMISES described in paragraph 2.2 upon the terms and conditions provided herein. AGENT accepts the appointment and agrees to furnish the services of its organization for the management of the PREMISES.
- 2.2 The property to be managed by AGENT under this AGREEMENT, (the "PREMISES") is located at the city of \_\_\_\_\_ in the state of Idaho.
- 2.3 This AGREEMENT is on a month-to-month basis, commencing on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and either party may terminate this AGREEMENT upon 30 days written notice delivered to the other party, subject to the provisions of paragraph 19.1 herein.  
If OWNER is not an individual, OWNER is a:  estate  corporation  limited liability company (LLC)  trust  partnership  limited partnership (LLP), which entity was chartered or created in \_\_\_\_\_. The individual signing this agreement for the owner represents and warrants to AGENT that he or she has unconditional authority to bind OWNER to this AGREEMENT, to act for OWNER, and is acting under his capacity as \_\_\_\_\_ for the OWNER and that the PREMISES are not subject to current legal action or foreclosure. Any individual OWNER shall have the authority to hereafter take action and enter into further agreements with AGENT on behalf of all OWNERS.
- 2.4 OWNER represents and warrants that they are not bound by another agreement for the sale, exchange, lease or management of the PREMISES that is or will be in effect during the term of this AGREEMENT or an agreement or covenant that would prohibit AGENT to lease the PREMISES.
- 2.5 OWNER authorizes AGENT to contract for services to include but not limited to: utilities, yard care, maintenance agreements, and coin operated washer and dryers. OWNER to assume the obligation of any contracts entered.
- 2.6 OWNER agrees not to deal or negotiate with any tenant at the PREMISES concerning any matter related to the management or leasing of the PREMISES and refer all such dealings to AGENT.

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### **3. OPERATING ACCOUNT**

AGENT shall utilize its Operating Account for the deposit of receipts and collections as described herein. Funds in the account shall remain the property of the OWNER subject to disbursement of expenses by AGENT as described in this AGREEMENT. AGENTS' Operating Account is a common account used for OWNERS represented by AGENT.

- 3.1** AGENT shall collect all rents, charges and other amounts receivable on OWNER's account in connection with the management of the PREMISES. Such receipts shall be deposited in the account maintained by the AGENT for the PREMISES. OWNER authorizes AGENT to endorse any and all checks drawn to the order of OWNER for deposit to such operating account.
- 3.2** OWNER agrees to provide AGENT with account information to be used by AGENT to transfer cash distributions directly to OWNER'S account and that cash distributions will be via check until that information is received.
- 3.3** OWNER acknowledges that all interest amounts received by AGENT on any lease income, operating funds, security and other deposits, or any other amounts held in the Operating Account shall be retained by AGENT or as directed by the State of Idaho.
- 3.4** OWNER shall be responsible for the payment of all mortgage/notes, property taxes, special assessments, Homeowner Association fees, special assessments, all utilities, and premiums for casualty and liability insurance relating to the PREMISES unless otherwise modified in writing with AGENT.
  - 3.4.1** AGENT will assist OWNER in contacting and setting up accounts for each utility, such as electric, gas, water, sewer, trash, and irrigation companies. If AGENT is to pay utilities on behalf of OWNER, billing will be set up in the name of the owner, in care of AGENT at AGENT'S mailing address.
  - 3.4.2** OWNER agrees to set up Landlord Service Agreements in the OWNER'S name but in care of AGENT using AGENTS mailing address.
- 3.5** Owner shall maintain a minimum balance of \$100 (one hundred dollars) per unit at all times or \$200 (two hundred dollars) per single family home. If OWNER requests that Homeowner Association dues or mortgage payments be made by AGENT on behalf of the OWNER, this amount will be added to the reserve.
- 3.6** Upon acceptance of the request to make payments for those items listed in Section 3.4 and 3.5 of this AGREEMENT, AGENT will disperse funds accordingly, provided that OWNER'S account has sufficient funds. OWNER agrees to provide all necessary information and funds to AGENT to ensure proper and timely payments and hold AGENT harmless for any costs or responsibilities due to late payments. If AGENT is to make payments to any of the aforementioned entities, OWNER agrees to notify each entity and to authorize AGENT to call and access account information. OWNER bears sole responsibility for payments, late fees, lost payments, monitoring usage, and/or any damages.
- 3.7** From the Operating Account, AGENT is hereby authorized to pay or reimburse itself for all expenses and costs of operating the PREMISES, including AGENT's compensation and expense reimbursements. OWNER'S funds shall be kept separate from AGENT's funds and operating expenses.
- 3.8** At the discretion of AGENT, any balance of the OWNERS account due and owing AGENT and not paid within ten days of constructive notice will accrue interest at Eighteen percent (18%) per annum however not less than Twenty-Five Dollars (\$25) per month, until paid in full. Mailing of monthly statement of income and expenses indicating a deficient OWNER balance shall be sufficient notice to OWNER of balance due.

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- 3.9** OWNER represents and warrants Owner is not delinquent in the payment of any property taxes, homeowner association fees, property insurance, mortgage or any other encumbrance on or affecting the PREMISES. OWNER agrees to keep all mortgages, property taxes, association fees, or any other obligations which could lead to a foreclosure action against the property current and paid in full. Should AGENT be notified that a foreclosure action has been initiated against the PREMISES, OWNER authorizes AGENT to freeze all OWNER related funds to that property and AGENT will not make any further disbursements to OWNER. OWNER will have 30 days to correct and make all obligations current. Should OWNER fail to stop the foreclosure process, OWNER authorizes AGENT to release the TENANT from their rental agreement and all future rental payments, refund the security deposit to the TENANT, and deduct from OWNER'S funds on hand all amounts due to AGENT or TENANT including, but not limited to, any refund to TENANT of prorated rents or expenses and all management fees and other fees as described within this AGREEMENT. Furthermore, AGENT shall charge a monthly breach of contract fee of fifty dollars (\$50) to OWNER in addition to regular management fees, while property is in default. Upon transfer of ownership and/or the bringing of foreclosure proceedings, the AGREEMENT shall be declared null and void at AGENT's election, with all fees under this AGREEMENT becoming immediately due and payable to AGENT. OWNER agreeing that all fees under this AGREEMENT are earned at the time immediately prior to foreclosure and/or transfer of ownership.
- 3.10** OWNER authorizes AGENT to collect and retain all charges and/or fees within the lease agreement to include but not limited to: application fees, returned check fees, administration fees, and late fees from future, current, or past tenants.

#### **4. FINANCIAL AND OTHER REPORTS**

AGENT shall issue to OWNER itemized statements by the 25th day of each month which will include an accounting of all income and expenses related to the property.

#### **5. SECURITY DEPOSITS**

- 5.1** AGENT shall comply with all applicable state or local laws concerning the responsibility for security deposits. Security deposits will be deposited in the account maintained by the AGENT for the PREMISES. AGENT shall collect and maintain all tenant deposits, such as security deposits, cleaning and damage deposits, pet deposits, cable/satellite deposits, and any other deposits in which AGENT deems necessary to collect from tenant. OWNERS of new accounts agree to provide an accounting of all security deposits and to supply AGENT with matching funds prior to the execution of this AGREEMENT. Should the PREMISES sell or upon termination of this AGREEMENT, OWNER authorizes AGENT to deduct any outstanding fees owed by tenant to AGENT from the security deposits prior to releasing these funds.
- 5.2** Except as otherwise stated in this AGREEMENT, after this Agreement ends, AGENT will deliver to OWNER or the OWNER'S designee the security deposit held by AGENT under an effective lease of the PREMISES, less deduction authorized by this Agreement, and will send written notice to the tenant that states: (a) this agreement has ended, (b) the exact dollar amount of the security deposit, (c) contact information for the OWNER or OWNER'S designee, and (d) who is responsible for accounting for and returning the tenant's security deposit.

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5.3 If AGENT complies with this Paragraph 5, OWNER will indemnify AGENT from any claim or loss from a tenant for the return of a security deposit. This survives the termination of this AGREEMENT.

## **6. LEASING AND RENTING**

OWNER grants to AGENT the following authority which AGENT may exercise when and to the extent AGENT determines to be in OWNER'S best interest.

- 6.1 AGENT shall use all reasonable effort to keep the PREMISES rented by procuring tenants for the PREMISES. AGENT is authorized to negotiate, prepare and execute all leases, including renewals, extensions and amendments of leases and to cancel and modify existing leases, utilizing AGENT forms and agreements exclusively.
- 6.2 During the term of this AGREEMENT, OWNER shall not authorize any other person, to negotiate or act as rental agent with respect to any leases for the PREMISES.
- 6.3 OWNER acknowledges and agrees that if the PREMISES managed under this AGREEMENT is subject to HOAs, CC&Rs and/or other bylaws or governing covenants and restrictions, such restrictions and covenants will govern. AGENT is authorized to work with the HOA, but bears no liability or responsibility to dispute any provision of the covenants or decisions of the HOA, and OWNER specifically agrees to indemnify and hold harmless AGENT for any and all claims, actions, demands, damages, injuries or the like arising from the HOA determinations, CC&R restrictions/covenants and/or all other bylaws governing said property.
- 6.4 AGENT will make all decisions as to the rental amount. OWNER understands that the AGENT determines rental amounts in a competitive manner and consistent with other similar properties managed by AGENT or in the vicinity of the OWNER'S property.
- 6.5 For each renewal lease or extension of minimum term tenancy OWNER agrees to pay AGENT a \$50 renewal fee.
- 6.6 OWNER and AGENT agree to follow all Federal and Local Fair Housing Laws. If OWNER should at any time request AGENT to disregard Fair Housing Laws and/or Landlord/Tenant Laws, this contract may be terminated immediately and the management fees for the balance of this contract or \$500, whichever is greater, will be due immediately.
- 6.7 AGENT shall have authority on behalf of the OWNER to terminate any lease or rental agreements covering the PREMISES that are in default, to execute and serve such legal or other notices as AGENT deems appropriate, to institute legal actions for the benefit of, and the expense of, OWNER, for the purpose of evicting tenants in default and to recover possession of the PREMISES, to recover unpaid rents and other sums due from any tenant to settle, compromise and release claims by or against any tenant, and to employ attorneys for payment of rent more than five days in arrears. OWNER agrees that AGENT is not responsible for the collection of delinquent accounts. AGENT assumes no liability for monies that are uncollectible or for any damages or costs related to the tenancy and the property.
- 6.8 OWNER has read the AGENT's Eviction Protection Plan and chooses to:
- \_\_\_\_\_ Opt in the Eviction Protection Plan; or
- \_\_\_\_\_ Opt out of the Eviction Protection Plan
- 6.9 AGENT assumes no responsibility or management of personal property left by OWNER at PREMISES.

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- 6.10** In the event the OWNER wishes to move back into the PREMISES within the rental term, and tenant mutually agree to terminate the RENTAL AGREEMENT early, the OWNER agrees to pay the termination fee on the tenant's behalf and reimburse the outgoing tenant any prepaid rents and any reasonable expenses to have tenant vacate the PREMISES within the specified time frame. All other contractual agreements are still in force, and AGENT is entitled to all compensation as set forth in this AGREEMENT, including but not limited to all fees that would have been earned had the tenant remained in the PREMISES.

## **7. ADVERTISING**

AGENT is authorized to advertise the PREMISES or portions thereof for rent, using print ads, periodicals, signs, brochures, internet/web sites, displays, or such other means as AGENT may deem proper and advisable at OWNER'S expense by means and methods that AGENT determines are reasonably competitive. AGENT is authorized to place signs on the PREMISES advertising the PREMISES for rent, including but not limited to interior and exterior photographic and audio-visual images of the PREMISES. Ads that share space with other properties managed by AGENT shall be prorated. Advertising expenses may include direct costs for advertising the OWNER'S PREMISES as well as a reasonable pro-rata share of general advertising by the AGENT which is designed to collectively benefit the OWNER'S PREMISES and other properties managed by AGENT.

## **8. PROPERTY SURVEYS**

AGENT agrees to perform exterior surveys. Such surveys will be performed from time to time at AGENT's discretion. OWNER can request an interior survey at any time. AGENT shall perform interior surveys at its discretion or when deemed prudent by AGENT.

## **9. MAINTENANCE AND REPAIRS**

- 9.1** If the PREMISES are vacant upon execution of this AGREEMENT, Owner authorizes Agent to: 1) change all exterior door locks and garage remotes, 2) professionally clean the carpets, 3) service the HVAC, and 4) install CO detectors, unless Owner otherwise provides documentation and assets that these have been done. Additionally, Owner authorizes Agent to perform a property survey, similar to a tenant move-out inspection and recommend cleaning and maintenance items. If Owner elects against such recommendations, Owner agrees to indemnify and hold Agent harmless as described in Paragraph 16.3. If the PREMISES were not cleaned per Agent's standards, Owner authorizes Agent to determine a fair allocation of cleaning costs between Owner and the very next outgoing Tenant.
- 9.2** AGENT is authorized to make or cause to be made, through contracted services or otherwise, all ordinary repairs and replacements reasonably necessary to preserve and maintain the PREMISES in an attractive condition and in good state of repair for the operating efficiency of the PREMISES, and all alterations required complying with lease requirements, governmental regulations, or insurance requirements provided that AGENT does not expend more than \$\_\_\_, per unit for any single repair and/or maintenance item. Items of repair, replacement or maintenance in excess of the dollar limitation referenced will be authorized by the OWNER prior to commencement of the work. AGENT is also authorized to purchase or rent, on OWNER's behalf, all equipment, tools, appliances, materials, supplies, and other items necessary for the management, maintenance, or operation of the PREMISES. Such maintenance expenses will be paid by the OWNER through the OPERATING ACCOUNT or billed to OWNER if there are insufficient funds in the OPERATION ACCOUNT. AGENT shall not be liable to OWNER for

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any act, omission, or breach of duty of such independent contractors or suppliers, and agrees to hold AGENT harmless from any such acts or omissions. OWNER explicitly understands and agrees that all maintenance and repairs completed by such independent contractors and/or suppliers are done at OWNERS direction and supervision. Additionally, OWNER agrees that the spending limitation under this provision is not applicable to monthly or recurring operating charges and emergency repairs. OWNER also acknowledges and agrees that a turnover of tenants and the cost to clean and perform repairs to make the property “rent ready” can easily exceed the above stated dollar cap. AGENT shall supply OWNER with a move-out condition report to include photos via email, which includes recommendations for repairs and cleaning and OWNER authorizes AGENT to proceed with those repairs and cleaning unless otherwise directed by OWNER in writing.

- 9.3** At AGENTS discretion, a 10% fee of gross invoices for all labor and material arranged for and contracted by AGENT for remodeling, redecoration or repair of the PREMISES may be charged.
- 9.4** Due to the volume of business and AGENT’S business relationships with vendors, certain benefits in the form of rebates, gratuities and discounts are sometimes made available to AGENT and its employees. AGENT does not markup invoices and charges to OWNERS and therefore, AGENT retains all available discounts, gratuities, and rebates. AGENT shall always award vendor contracts and otherwise deal with vendors based upon price, availability, workmanship and industry reputation.
- 9.5** OWNER authorizes AGENT to hire contractor for Preventative Maintenance at the expense of the OWNER. The contractor will check all plumbing fixtures, caulking, door stops, dryer vents, smoke and/or CO detectors, and furnace filters and make necessary repairs. AGENT agrees to back-charge tenant for tenant related expenses.
- 9.6** OWNER acknowledges and agrees that OWNER is receiving a reasonable and competitive rate for the services AGENT is providing. Accordingly, OWNER hereby agrees to release, indemnify, hold harmless and defend AGENT from any and all claims by OWNER or anyone claiming by or through OWNER that AGENT caused any damage, injury or harm arising out of or from (1) other agents, inspectors, appraisers, HOAs, contractors or others authorized to enter the PREMISES (2) freezing or leaking water pipes; (3) dangerous conditions or environmental conditions of the PREMISES; (4) the PREMISES non-compliance with any lawful ordinance, restriction and/or covenant; (5) from any and all claims, actions, judgments for damages on account of injuries to any person or property suffered or claimed to have been suffered by any person on or about the PREMISES. OWNER further agrees to protect, defend, indemnify and hold AGENT harmless from any damages, costs, attorney fees, expenses that: (a) are caused by OWNER negligently or otherwise; (b) arise from OWNER’s failure to disclose any material or relevant information about the PREMISES; (c) arise from OWNER’s failure to follow any recommendation of AGENT; (d) are caused by OWNER giving incorrect information to any person; (d) are related to the management of the PREMISES.

## **10. ACCESS TO PREMISES**

AGENT is authorized to access the PREMISES for purposes contemplated by this AGREEMENT and to check-out keys, install key boxes, and disclose security codes to inspectors, appraisers, contractors, real estate Brokers and their associates, and tenants to enter the PREMISES. AGENT may duplicate keys and access devices, at OWNER’S expense, to facilitate convenient and efficient showings of the PREMISES and to lease the PREMISES.

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**11. NORMAL WEAR AND TEAR DEFINED**

Normal wear and tear means the deterioration that occurs based upon the use for which the rental unit is intended and without negligence, carelessness, accident, misuse, or abuse of the premises or contents by the tenant, their family, or their guests. Normal wear and tear will include, but is not limited to the following items: nail holes used to hang pictures, minor spot painting between tenants, traffic wear in carpet, carpet replacement after 5-7 years, scuffed hardwood floors, sometimes minor cleaning between tenants, worn toilet seats, re-keying or replacement of worn locks, blind replacement due to sun damage or paint flaking, caulking or any other preventative maintenance. Maintenance requiring ladders will be considered an OWNER expense.

**12. YARD CARE**

Yard care is considered to include but is not limited to weeding of planters, trimming of grass, edging of grass and planters, pruning and trimming of all shrubs and trees, application of bug and weed control, application of fertilizers, setting of any automatic timers for irrigation/sprinkler system, adjusting sprinklers, or the removal of garbage, debris, and animal feces. AGENT does not provide yard care services. OWNER must indicate in writing who is to care for the yard, such as tenant or contractor. AGENT agrees to inspect the exterior yard during its property surveys and notify either the tenant or the independent contractor of deficiencies, however, at no time is AGENT responsible for the care of the yard.

**13. LEAD PAINT DISCLOSURE**

Housing built before 1978 may contain lead based paint. Lead from paint, paint chips, and dust can pose health hazards if not taken care of properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, landlords and OWNERS must disclose the presence of known lead based paint.

OWNER’S Acknowledgement relating to the Property (**Initial if Applicable**)

- 13.1 Known lead based paint/hazards are present \_\_\_\_\_
- 13.2 Has no knowledge of lead based paint/hazards \_\_\_\_\_
- 13.3 Has provided lead based/hazard records \_\_\_\_\_
- 13.4 Has no records pertaining to lead based paint/hazards \_\_\_\_\_

**14. MANAGEMENT SERVICES DO NOT INCLUDE**

Normal property management does not include but is not limited to monthly inspections, representation at court hearings, depositions, homeowner meetings, providing on-site management, property sales, refinancing, preparing PREMISES for sale or refinancing; supervising and coordinating modernization, rehabilitation, fire or major damage restoration projects, obtaining: income tax, accounting or legal advice, advising on proposed new construction, debt collection, and counseling. If OWNER desires AGENT to perform services not included in normal property management or specified above, a fee shall be agreed upon for these services before work begins.

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**15. LEGAL FEES**

- 15.1 OWNER agrees to pay all expenses incurred by AGENT including, without limitation, attorney's fees for counsel employed to represent AGENT or OWNER in any proceeding or suit involving an alleged violation by the AGENT or OWNER, or both, of any constitutional provision, statute, ordinance, law or regulation of any governmental body pertaining to fair employment, environmental hazards, Federal Fair Housing, including, without limitation, those prohibiting or making illegal discrimination in the sale, rental or other disposition or housing or any services rendered in connection therewith, but nothing herein contained shall require the AGENT to employ counsel to represent the OWNER or himself in any such proceeding or suit.
- 15.2 OWNER shall not hold AGENT liable for any error of judgment or mistake of law except in cases of willful misconduct or gross negligence.
- 15.3 If any legal action or proceeding be brought by either party to enforce any part of this AGREEMENT, the prevailing party shall recover in addition to all other relief, reasonable attorney's fees and costs, but not to exceed \$750 (seven hundred fifty dollars).

**16. INSURANCE: HOLD HARMLESS AND LIABILITY**

Nothing in this AGREEMENT contained shall be construed as rendering AGENT liable for any act, omission, or occurrence resulting from or in any manner arising out of the performance of AGENT'S duties and obligations hereunder, or the exercise by AGENT of any of the powers or authority herein or hereafter granted to AGENT by OWNER, or the use of any lease or rental agreement required by OWNER. At all times this AGREEMENT is in effect, OWNER, at OWNER'S expense, must maintain in full force and effect:

- 16.1 Fire and extended coverage for all casualties and hazards customarily covered by casualty insurance in the State of Idaho for the full insurable value of the PREMISES, containing endorsements that contemplate the leasing of the property by OWNER and vacancies between lease terms; and Public liability insurance naming AGENT, \_\_\_\_\_ as co-insured or additional insured.
- 16.2 Within fifteen (15) days from the effective date, OWNER must provide to AGENT a copy of a certificate of insurance evidencing the required coverage. If the insurance coverage changes in the manner or degree at any time this agreement is in effect, OWNER must provide AGENT a copy of the insurance certificate evidencing any change within ten (10) days of the change.
- 16.3 OWNER agrees to indemnify, defend and hold AGENT harmless from any and all claims, investigation, lawsuits, actions, causes of action, demands, rights, damages, costs, loss, expense and compensation whatsoever, presently existing or which may hereinafter accrue on account of or in any way grow out of any and all known and unknown, foreseen and unforeseen injury or damage, loss, cost and expense, and the consequences thereof, resulting or to result from the condition of the PREMISES, conduct or inaction which arose or might arise on PREMSIES, repairs and maintenance conducted on the PREMISES, and the management and leasing, whether occurring during the term of this AGREEMENT or after its termination. It being expressly understood that AGENT is fully indemnified and held harmless from any claim or liability for damage to property, or injuries or death of any person caused by any condition on the PREMISIES, conduct or inaction of third persons that arose on the PREMISES, including repairs and maintenance completed during this AGREEMENT, prior to this AGREEMENT or arising thereafter.
- 16.4 AGENT shall not be liable for any willful neglect, abuse or damage to the PREMISES by tenants, vandals, or others nor loss or damage to any personal property of OWNER.

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16.5 If at any time during or after the term of this AGREEMENT, the PREMISES are found to be contaminated with hazardous waste, OWNER agrees to indemnify and hold AGENT harmless from all claims, demands, actions, liabilities, costs expenses, damages and obligation of any nature arising from or as a result of said hazardous waste. The foregoing indemnification shall survive the termination or expiration of the AGREEMENT.

## **17. AGENT'S COMPENSATION AND EXPENSES**

- 17.1 AGENT's fee shall be \$\_\_\_\_ monthly or \_\_\_\_% of the total monthly gross receipts from PREMISES, whichever is the greater amount.
- 17.2 AGENT shall charge a one-time set up fee of \$150 per property.
- 17.3 AGENT will prepare 1099 forms and year-end statements for each PREMISES managed for OWNER for a fee of \$10 per form per property.
- 17.4 OWNER agrees to reimburse AGENT each month during the term hereof for expenses directly attributable to OWNER's property. These expenses include, but are not limited to, advertising and legal fees.
- 17.5 Any time of AGENT or AGENT's employee(s) expended in preparation for and attendance to court on OWNER'S behalf will be billed at the rate of \$75 for each eviction or \$50 per hour for other litigation. OWNER and AGENT agree such charges will be paid by the OWNER but charged to the tenant if tenant caused.
- 17.6 If AGENT manages multiple properties for OWNER, OWNER authorizes AGENT to transfer funds from one ledger to another, to cover any deficiencies.
- 17.7 In the event that your account becomes delinquent and payment is not made on amounts owing under the terms of this AGREEMENT, and the balance is placed with a licensed collection agency, you agree to pay the fees of the collection agency, which amount is theretofore agreed to be 50% of the outstanding balance at the time the account is placed for collections. The 50% collection agency fee will be calculated and added at the time the account is placed into collections.

## **18. BINDING EFFECT**

- 18.1 This AGREEMENT shall be binding upon the parties hereto and their respective Personal Representatives, heirs, administrators, executors, successors and assigns. OWNER acknowledges receipt of a legible copy of this fully executed AGREEMENT. Effective date is subject to receipt of all items listed on the FRPM Ownership Changeover Checklist.
- 18.2 Should any section or any part of any section of this AGREEMENT be rendered void, invalid, or unenforceable by any reason by any court of law exercising competent jurisdiction, such a determination shall not render void, invalid, or unenforceable any other section or any part of any section in this AGREEMENT.
- 18.3 AGENT may change the terms under which AGENT is willing to provide service in the future under the AGREEMENT, but only by giving at least 30-days advanced written notice to OWNER.
- 18.4 The drafting, execution and delivery of this AGREEMENT by the parties have been induced by no representations, statements, warranties or agreements other than those expressed in this AGREEMENT. The parties acknowledge that this AGREEMENT has been drafted jointly following negotiations between them, and that it shall be construed according to its terms and not for or against any party. This AGREEMENT embodies the entire understanding of the parties, and there are no further or other agreements or understandings, written or oral, in effect between

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the parties relating to the subject matter hereof unless expressly referred to in this AGREEMENT.

- 18.5 If the OWNER is a corporation, Limited Liability Company or the like, the person signing this agreement on behalf of OWNER has authority to bind the business entity upon which he/she represents, and expressly authorizes AGENT to represent OWNER, and personally guarantees payment of the costs, fees and expenses identified herein, jointly and severally.
- 18.6 Any modification of this AGREEMENT or additional obligation assumed by either party in connection with this AGREEMENT shall be binding only if in writing signed by each party or an authorized representative of each party.
- 18.7 This agreement constitutes the entire agreement between the parties, and any prior understanding or representation of any kind preceding the date of this agreement shall not be binding on either party except to the extent incorporated in this agreement.
- 18.8 This agreement was entered into and delivered to you in the State of Idaho. Therefore the parties hereto understand and agree that this AGREEMENT shall be construed and enforced in accordance with the laws of the State of IDAHO, and the parties hereby waive any objection to the jurisdiction and venue in the State of IDAHO with respect or any question or controversy arising out of, or in conjunction with this AGREEMENT or its subject matter

## **19. TERMINATION OF AGREEMENT**

- 19.1 The OWNER shall be obligated hereunder for an initial term of ONE YEAR from the commencement date set forth in paragraph 2.3. In the event the OWNER terminates this AGREEMENT within the initial term, the OWNER agrees to pay to the AGENT an administrative fee equal to the percentage set forth in paragraph 17.1 herein applied to the actual or projected rent for the PREMISES, or the monthly amount set forth in paragraph 17.1, whichever is applicable, for the remainder of the initial term, whether or not the PREMISES is leased or rented.
- 19.2 All provisions of this AGREEMENT that require the OWNER to have insured or to defend, reimburse, or indemnify the AGENT shall survive any termination and, if AGENT is or becomes involved in any proceeding or litigation by reason of having been the OWNER'S AGENT, such provision shall apply as if this AGREEMENT were still in effect.
- 19.3 Owner hereby agrees and authorizes AGENT to cease distributions for the following reasons: 1) upon notice of default as described in paragraph 3.9, 2) Upon written notice, from either party, to terminate this AGREEMENT, 3) upon receiving notice to vacate from the tenant, 4) for repairs with cost estimates exceeding the reserve balance, or 5) any other anticipated expenses that could cause owner's account balance to be negative.

## **20. SPECIAL POWER OF ATTORNEY**

KNOWN ALL MEN BY THESE PRESENTS; that the OWNER has made, constituted, and appointed and by these presents do make, constitute and appoint \_\_\_\_\_ and its agents, true and lawful attorney for and in their name, place and stead, and for their use and benefit as follows: (Idaho Code, Section 15-12-105)

- 20.1 To let, rent and lease on such terms and conditions as said attorney in fact may deem proper and to extend or renew any lease or minimum term tenancy now or hereafter in effect, for such term or terms and at such rents and subject to such covenants, provisions and constitutions as they may deem best for the above described PREMISES.

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